

Minimum Disclosure Document & General Investor Report

30 June 2023

Fund Details

Fund Manager	Joe Kainja
Investment Manager	Legacy Africa Fund Managers
Inception Date	12 April 2021
Publication Date	20 July 2023
ASISA Classification	South African - Interest Bearing – Money Market
Benchmark	STeFI Call Deposit Index
Fund Size	R116 944 635.96
Number of Units	116 944 635.96
NAV Price	100c
Initial Fees	0 %
Class	A1, A2, B2, B3
Management Fees	0.5%, 0.4%, 0%
Minimum Lump Sum	R50 000
Minimum Debit Order	R1 000
Income Declaration TIC	Monthly

Risk Profile

Conservative/ Low Risk: Generally low risk portfolios have minimal equity exposure or no equity exposure, resulting in far less volatility than a more aggressive mandated portfolio and in turn the probability of capital loss (permanent/ temporary) is less likely. However, expected potential long-term investment returns could be lower over the medium to long-term.

Default Risk: The risk that the issuers of fixed income instruments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.

Class Code	TA Code	Share Class Ticket	Pace ID	ISIN
LAPMMF	A2	LAMFA2	LAPMMFA2	ZAE000302634
LAPMMF	B3	LGAFB3	LAPMMFB3	ZAE000297842

Asset Allocation and Fund Characteristics

Maturity Profile (%)

Instruments	30/9 2021	31/12 2021	31/3 2022	30/6 2022	30/9 2022	31/12 2022	31/3 2023	30/6 2023
CASH	11.94	5.26	8.43	7.01	8.26	8.07	20.75	8,45
CALL	9.90	2.66	8.30	6.69	8.11	8.05	20.73	8,23
Traded Cash	2.04	2.60	0.13	0.31	0.16	0.02	0.02	0,22
Money Market	88.06	94.74	91.57	93.29	91.74	91.93	79.25	91,55
0 - 1 Months			27.81	14.18	30.13	13.31	16.61	25,04
1 - 3 Months		81.53	22.11	50.80	7.95	53.27	13.13	35,80
3 - 6 Months	88.06	13.21	34.7	13.90	52.99	14.64	31.90	17,78
6 - 12 months			6.95	14.41	0.68	10.71	17.61	12,93

Annualised Returns	Fund	Benchmark
Since inception (Ann.)	5,35%	5,02%
1 Year	6,99%	6,52%
2 Years (Annualised)	5,47%	5,15%
Minimum rolling 1 year	3,86%	3,66%
Maximum rolling 1 year	6,99%	6,52%

Valuations and Transaction cut-off times

The valuation point for the purposes of calculating daily transaction prices of participatory interests including selling, repurchase, creation and cancellation will be before 18h00 each business day. Provided that with the consent of the trustee, valuation may take place more frequently but not less frequently. Additionally, the forwarding pricing method of calculation will be applied to all prices.

Market Commentary

Economic and Market Review

The RMB/BER business confidence index in South Africa fell for the fifth successive quarter to a near three-year low of 27 points in the second quarter of 2023. Sentiment deteriorated further due to persistent load-shedding and challenging economic conditions amid rising interest rates and cost pressures. The South African economic growth slowed sharply to 0.2% year-on-year in the first quarter of 2023, down from a downwardly revised 0.8% in the previous three-month period. It was the weakest pace of expansion since a contraction was recorded in the first quarter of 2021.

The South African Reserve Bank raised its benchmark repo rate by another 50 bps to 8.25% during its May meeting, pushing borrowing costs to their highest level since May 2009 and surprising the market, which had anticipated a smaller rate hike of 25 bps. This marked the 10th consecutive increase in interest rates, totaling 475 basis points since the policy tightening began in November 2021. The interest rate tightening policy seems to finally be delivering desired effect from inflation. The latest print showed that the South Africa's annual inflation rate eased further to a 13-month low of 6.3% in May 2023, down from 6.8% in April and below market forecasts of 6.5%, moving closer to the upper limit of the SARB's target range of 3%-6%. With inflation coming down and interest rates going up it is an environment that is attractive for cash investments which are offering yield higher than the historically required real returns.

The FRAs are pricing in possible further hikes in the short-term but there is indication of reduction of interest rates within 12 months. Most other BRICS countries specifically Brazil, India and Russia, have maintained a neutral stance on interest rates; while the Peo-

Glossary Summary

Annualised performance: Annualised performance shows longer term performance rescaled to a 1- year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

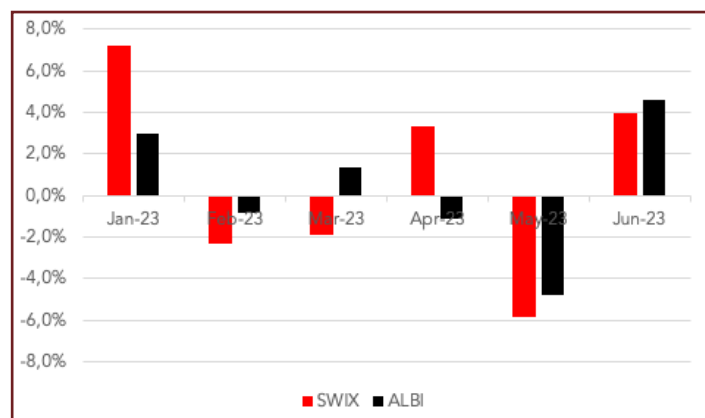
Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown.

NAV: The net asset value represents the assets of a Fund less its liabilities.

ple's Bank of China (PBoC) aggressively slashed two key lending rates for the first time since August 2022 at the June fixing. It appears that the era of interest rate tightening in Emerging Markets is coming to an end.

The result of our in-depth investment strategy favours equities and cash while bonds are also offering value specifically short-dated inflation-linked bonds and longer-dated nominal bonds. However, we continue to promote an overlay of managed derivatives on equity positions due to the high short-term volatility and continued economic uncertainty. We believe that the environment we are in is conducive for asset allocation funds which will take advantage of the return differentials between different asset classes as well as short-term volatility of individual asset classes as illustrated in Figure 1 below.

Figure 1. YTD Monthly Returns of SWIX (red) and ALBI (black)



Source: Iress, LAMS Research, 30 June 2023

DISCLAIMER

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER.

A Money Market portfolio is not a bank deposit account and the price are targeted at a constant value. The total return is made up of interest received and any gain or loss made on any particular instrument; and in most cases the return will have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield is calculated as a weighted average yield of each underlying instrument in the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest-bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change.

The Manager retains full legal responsibility for any third party-named portfolio. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Prescient by or before 11:00 (SA), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut off time Prescient shall not be obliged to transact at the net asset value price as agreed to. Funds are priced at either 3pm or 5pm depending on the nature of the Fund. Prices are published daily and are available on the Prescient website. Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.

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