

## Mazi Capital Equity Fund A1

### Fund description

The fund invests in South African listed shares, and hence is suitable for investors with long investment horizons (i.e. greater than 5 years). Fund returns are generated from a combination of both capital appreciation and dividends.

### Investment objective

The fund aims to generate total risk-adjusted investment returns above the benchmark.

### Fund managers

Malungelo Zilimbola, Patrice Moyal

### Fund details

ACI classification: Domestic General Equity  
 Fund size: R106m  
 Inception date: 4 August 2010  
 Benchmark: FTSE/JSE Shareholder Weighted All Share  
 Minimum investment: R100,000

### Fees & charges

Initial fee: 0%  
 Management fee: 1.14% p.a. (Incl. VAT)  
 Total expense ratio: 1.26%  
 Income distribution: Annually (31 March)

### Administration

Fund auditors: KPMG  
 Fund Trustees & Custodians: Nedbank  
 Fund bankers: Nedbank  
 Collective investment scheme management & administration: Prescient Management Company (The fund is a white-label portfolio operating under the Prescient Collective Investment Scheme.)

### Contact details

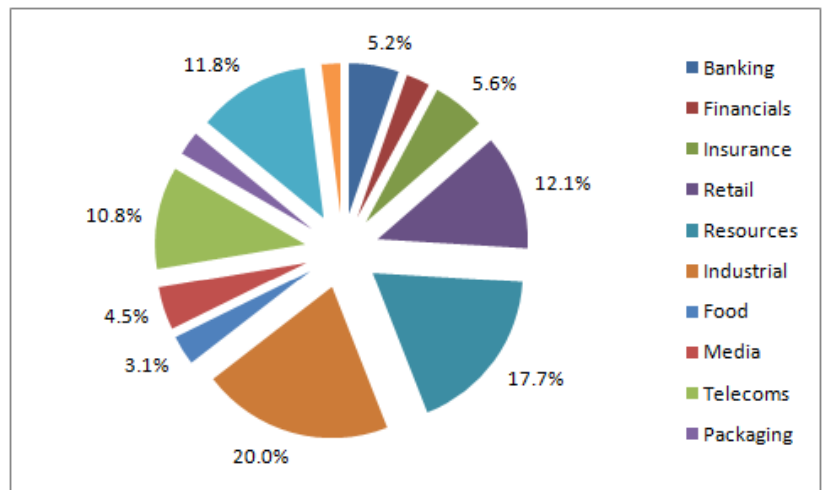
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### Economic update

This past quarter has been one of the toughest quarters since 2008, especially for equity markets. From a macro perspective, investors opted for low yielding government debt resulting in sharply lower yields. The US 10 year Treasury is now yielding less than 2% per annum, notwithstanding the downgrade of US debt to AA+. **The level of excess margin from corporate dividend yields over cash and government bond yields is at fifty year high.** Corporates, other than banks, are enjoying record levels of cash flow and pursuing consistent dividend payout policies. The inability of politicians both in the US and in Europe to agree to timeous meaningful deficit reduction initiatives has added uncertainty to already fragile growth prospects.

Our investment approach has been to position the funds in companies with defensive business models with generous dividend yields and/or with value extraction potential. The application of sound fundamentals in the selection of stocks and in the construction of portfolios is for us the most reliable investment strategy. Unfortunately even blue chip equities experienced large sell-offs in the past quarter, in the absence of cohesive political decisions and sustainable economic policies.

### Sector allocation



### Top 10 holdings

Company	Holding	Company	Holding
MTN	8.6%	Cashbuild	4.2%
Life Healthcare	6.6%	ELB Group	4.1%
Anglo American	6.2%	The Foschini Group	3.4%
BHP Billiton	5.4%	Pioneer Foods	3.1%
Old Mutual	4.5%	Sasol	3.0%

### Fund performance

	Fund	Benchmark	Over/(under)
1 year	14.5%	9.4%	5.1%
2 years	n/a	n/a	n/a
Since inception (Annualised)	25.8%	17.7%	8.1%

\* Graphs and performance figures are sourced from MoneyMate for lump sum investments including income distribution, at NAV to NAV basis.

Statutory information: Collective Investment Schemes (unit trusts) should be considered as medium to long-term investments. The value of units may go up as well as down and past performance is not necessarily a guide to future performance. Collective Investment Schemes (unit trusts) prices are calculated on a net asset value basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions from the portfolio divided by the number of units in issue. Permissible deductions may include management fees, brokerage, securities transfer tax (SST), VAT, auditor's fees, bank charges, trustee and custodian fees. The fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity it may also engage in scrip lending. Fluctuations or movements in exchange rates may cause the value of any underlying international investments to go up and down. The Manager reserves the right to open and close portfolios to new investors in order to manage it more efficiently in accordance with its mandate and deed. A schedule of fees, charges and maximum commissions is available on request from Prescient Management Company Ltd and/or Mazi Capital (Pty) Ltd. Commissions and incentives may be paid and if so, are included in the overall cost. Forward pricing is used. In order to receive the price of the day, all transactions must be received before 13h00. The fund is valued at the ruling price of the day. Prescient Management Company & Mazi Capital are members of the Association for Savings & Investments SA (ASISA). The fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value 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. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. The investor furthermore agrees that Mazi Capital will not be liable for the consequences of market influences and consequent changes in unit prices.