

Minimum Disclosure Document & General Investor Report

31 March 2024

Fund Details

Fund Manager	Joe Kainja
Investment Manager	Legacy Africa Fund Managers
Inception Date	12 April 2021
Publication Date	19 April 2024
ASISA Classification	South African - Interest Bearing – Money Market
Benchmark	STeFI Call Deposit Index
Fund Size	R89 736 706.98
Number of Units	89 736 706.98
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	Shareclass ticket	Pace ID	ISIN
LAPMMF	A2	LAMFA2	LAPMMFA2	ZAE000302634
LAPMMF	B3	LGAFB3	LAPMMFB3	ZAE000297842

Asset Allocation and Fund Characteristics

Maturity Profile (%)

Instruments	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24
CASH	11,94	5,26	8,43	7,01	8,26	8,07	20,75	8,45	8,28	16,76	9,43
CALL	9,90	2,66	8,30	6,69	8,11	8,05	20,73	8,23	8,06	16,44	8,99
Traded Cash	2,04	2,60	0,13	0,31	0,16	0,02	0,02	0,22	0,22	0,32	0,44
Money Market	88,06	94,74	91,57	93,29	91,74	91,93	79,25	91,55	91,72	83,24	90,57
0 - 1 Months			27,81	14,18	30,13	13,31	16,61	25,04	35,08	13,80	33,48
1 - 3 Months		81,53	22,11	50,80	7,95	53,27	13,13	35,80	14,41	41,89	15,93
3 - 6 Months	88,06	13,21	34,7	13,90	52,99	14,64	31,90	17,78	33,62	27,55	30,23
6 - 12 months			6,95	14,41	0,68	10,71	17,61	12,93	8,60		10,92

Annualised Returns	Fund	Benchmark
Since inception (Ann.)	6,20%	5,59%
1 Year	8,59%	7,73%
2 Years (Annualised)	7,34%	6,29%
Minimum rolling 1 year	3,86%	3,66%
Maximum rolling 1 year	8,59%	7,73%

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

According to Euromonitor International, in 2024, the global economy is expected to register slowing growth for the second consecutive year. This is primarily due to the dampening effect of high interest rates in most major economies globally, in addition to weakening growth in China, the world's second largest economy. Yet, this comes after global growth consistently outperformed expectations in 2023, withstanding numerous headwinds, especially ongoing and widening geopolitical tensions. The Developed Economies have continued to keep rates unchanged at historically elevated levels as the policy makers keep an eye on the stubbornly high inflation.

Following a two-point decline in the fourth quarter of 2023, the South African RMB/BER Business Confidence Index (BCI) ticked down by another point to reach 30 in the first quarter of 2024. This means that seven out of ten survey respondents are unsatisfied with prevailing business conditions. The SA economy rose by a disappointing 0.1% in Q4 2023, compared to the previous quarter's 0.2% decline and below the expected 0.3% growth. And since then, we have seen the SA annual inflation rate rising to 5.6% in February 2024, up from January's 5.3%, slightly above market forecasts of 5.5%, the highest reading in four months. This is moving farther away from the central bank's preferred 4.5% midpoint of the 3–6%

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.

target range. However, the bond market is expecting inflation to average about 4.5% in the next 2 to 3 years. We will keep an eye on these prints.

The interest rates market, as illustrated by the forward rate agreements, is depicting an increasingly reduced probably of any rate hikes. As a matter of fact, the likely next event will be rate cuts but the timing of which remains unpredictable. With inflation expected to remain within the SARB (3%-6%) range with the mid-point highly likely, money market investments continue to look attractive in real terms in the short to medium term. With domestic bonds weakening in the first quarter, we believe they are providing a nice buying (increase holding) opportunity.

The equity earnings base seems to have eroded somewhat in recent times and despite the recent weakness in the equity level, there still remains a risk of further weakness in the short-term. We still believe it is prudent to continue using of managed derivatives overlays in equity investments. To that end we believe that we are in an environment when SA bonds and SA cash are looking attractive and offering above their required real returns, but the SA equities have a bumpier road.

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 13:00 (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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