LEGACY AFRICA REGIONAL EQUITY PRESCIENT FUND

Minimum Disclosure Document & General Investor Report

31 March 2025

Fund Details

Fund Manager	Godwin Sepeng
Investment Manager	Legacy Africa Fund Managers
Inception Date	15 May 2023
Publication Date	25 April 2025
ASISA Classification	Global – Equity – Africa
Benchmark	MSCI EFM Africa ex-SA Index
Fund Size	R 38,733,834
Number of Units	38,733,834
NAV Price	100c
Initial Fees	0 %
Class	A1, A2, B
Management Fees	0.85%, 1.00%, 1.25%
Minimum Lump Sum	R50 000
Minimum Debit Order	R1 000
Income Declaration	Monthly

Risk Profile

High Risk: The Fund is classified as high risk and is subject to the following risk factors: Country Risk, Currency Risk, Equity Risk, Industry Risk, and Repatriation Risk.

Country Risk: refers to the potential economic, political, and financial risks that may arise from investing or doing business in a particular country.

Currency Risk: also known as exchange rate risk, refers to the potential financial risk that arises from changes in currency exchange rates.

Equity Risk: also known as stock market risk, refers to the potential financial risk that arises from investing in stocks or other equity securities.

Industry Risk: refers to the potential financial risk that arises from investing in a particular industry or sector.

Repatriation Risk: refers to the potential financial risk that arises when a company or investor invests in a foreign country and faces difficulties repatriating their profits or capital back to their home country.

Fund Investment Policy

The Fund invests in companies that generate most of their business in Africa outside of South Africa. These companies are large, liquid and listed in any major stock exchange anywhere in the world. The Fund invests primarily in equity securities, although it can invest up to 20% in liquid non-equity securities such as preference shares, debentures, bonds, collective investment schemes, and cash. The Fund is at all times diversified across sectors and industries, countries, and currencies as well as stock exchange listings.

Fund Objective

The Fund's primary objective is the growth of capital invested over the long term. The Fund is expected to have a higher risk than the non-equity Funds, but with a higher expected return. The Fund is expected to generate its returns from capital growth as well as dividend income from its investee companies. The Fund aims to outperform African equity markets over the long-term at lower-than-average risk. The Fund's benchmark is the MSCI EFM Africa ex-South Africa Index. The Fund has adhered to its policy object

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 for- warding pricing method of calculation will be applied to all prices.

Asset Allocation

Asset Class	Asset Allocation
Cash	11.53%
Equity	88.47%

Country Allocation

	Country Allocation	Benchmark
Cash	11.53%	0.00%
Egypt	31.66%	15.34%
Kenya	15.57%	12.01%
Morocco	19.94%	55.23%
Nigeria	3.04%	0.00%
Mauritius	0.00%	7.61%
Tunisia	0.00%	4.08%
Other	18.25%	5.73%

Sector Allocation

	Sector Allocation	Benchmark
Cash	11.53%	0.00%
Telecommunication	11.17%	15.12%
Financials	46.38%	49.19%
Health Care	0.00%	2.13%
Consumer Staples	12.76%	7.63%
Industrials	1.28%	8.18%
Materials	14.95%	8.58%
Real Estate	0.00%	5.89%
Other	1.93%	3.28%

Total Expense Ratio and Transaction Costs

Fee Component (per annum)	Class A1	Class A2
Management Fee (incl. VAT)	0.98%	1.16%
Other Fees	0.31%	0.34%
Total Expense Ratio (TER)	1.30%	1.50%
Transaction Costs (TC)	0.27%	0.27%
Total Investment Charge (TER +TC)	1.57%	1.77%

Notes

The TER is as of 31 December 2024.
All fees are annualised and include 15% Value Added Tax (VAT).
Class A1: Institutional class, not TFSA enabled.
Class A2: Institutional class, TFSA enabled.
Other Fees include banking, custody, audit and trustee fees.
Transaction costs include brokerage, and country specific transaction taxes and charges.

Fund Performance

Returns	Gross Fund	Net Fund	Benchmark
Cumulative			
Since Inception: 1 July 2023	9.47%	7.61%	11.92%
Annualised			
Since Inception: 1 July 2023	5.31%	4.28%	6.65%
1 Year	15.69%	14.55%	16.99%
6 Months	16.75%	16.18%	20.90%
3 Months	9.08%	8.82%	6.69%
YTD	9.08%	8.82%	6.69%

Notes

1. **Inception:** The Fund was under cashflow and trading embargo during the first 9 months preceding the inception date. Performance is therefore calculated from 1 July 2023.
2. **Benchmark:** The market value-weighted average of funds in the Global Equity Africa category. Source: FundsData.

Risk Metrics

	Gross	Net	
Risk Metrics	Fund	Fund	Benchmark
Minimum Rolling: 1 Year	-18.9%	-19.6%	-9.3%
Maximum Rolling: 1 Year	15.7%	14.6%	17.0%
Standard deviation	25.5%	25.5%	18.2%
Standard Downside Deviation	19.8%	19.9%	9.7%

Market Commentary

Economic and Market Review

The MSCI EFM Africa ex-SA (the Index) is a broad market index that tracks equity markets in one Emerging Market (Egypt) and 12 Frontier Markets. Notwithstanding its stock, sector and country concentration concerns, it is regarded as the normative performance benchmark for our Legacy Africa Regional Equity Prescient Fund, which invests in companies with substantial operations on the African continent regardless of listing. The Index, and by extension Africa frontier markets, had a stellar quarter (1Q'25), gaining an a spectacular 16.62% in USD terms. In comparison, the MSCI world index slumped 1.8%, with concentrated exposure to US markets proving particularly destructive. With the S&P 500 falling by 4.3% and the NASDAQ 100 imploding by a hefty 10.26%, the first quarter of 2025 may prove to be a watershed moment for US "exceptionalism". Stripping out the impact of the US implosion, the MSCI ACWI ex was up 5.4%. US markets have been battered by the twin developments of emerging AI challengers from China, and the US President's ham-fisted attempts at reengineering longstanding international trade relations. Based on initial reactions across asset markets, including a weakening dollar, mounting term premia, market destruction and historic volatility, the prognosis is not encouraging. However, frontier markets have reacted positively, shielded by undemanding starting multiples and dollar weakness – the dollar has fallen c.9% on a year to date basis. One consistent theme in our previous reports relates to the persistently low valuations at which African frontier markets have been trading, with the implication, relative to other markets, of greater upside risk than downside given the right catalyst. The first quarter rally has gone a long way to bearing out this narrative.

For the first quarter of 2025, our countries of primary focus (Egypt, Nigeria, Kenya, and Morocco) made creditable gains in both in local currency and USD terms. This is a welcome change from CY'24, when only Morocco and Kenya were able to translate local currency performance into USD performance. In CY'24, the Nigerian Naira experienced a 70 % debasement, the Egyptian Pound experienced a 65% debasement, the Moroccan Dirham weakened a negligible 2.5% and the Kenyan Shilling appreciated a remarkable 17% relative to the USD. Moroccan markets led gains in the first quarter of 2025, up a stellar c.27% in USD. This was followed by Nigeria up c.7%, Egypt up c.5% and Kenya up 4%. The standout USD performance of Moroccan markets as distinct from the positive but comparatively pedestrian performance in Nigeria, Egypt and Kenya, redoubled the 2-year trend of Moroccan market overconcentration in the index. From c.50% of the market capitalisation of the Index, Morocco now constitutes c.55% on a quarter on quarter sequential basis. Egypt, Kenya and Nigeria have continued to shrink in the Index. Remarkably, Morocco's Attijariwafa Bank has superseded Egypt's Commercial International Bank as the largest holding in the Index.

Despite receiving a flexible credit line agreement of USD 4.5bn to shore up its reserves in the face of a widening current account deficit, to support structural reforms and to aid recovery from earthquake and drought, Moroccan equity markets continued to power ahead. While international investors stand pat, domestic trading volumes have jumped by 2.8X in 1Q'25 on the back of frenetic domestic activity, driving up equity market valuations off already heady multiples. We have been tracking Nigeria's ongoing reform efforts. While these have been painful, including the latest increase in per litre petrol prices despite the ongoing Dangote ramp up – probably reflecting long standing under adjustment and persistently high inflation, encouraging green shoots have emerged, including a foreign reserve balance of USD 23bn (the highest in 3 years) and a Naira that has not only stabilised but also become substantially convertible. As a result, MTN Nigeria, battered as it has been by currency debasements over the past 2 years, has jumped by 40% in 1Q'25. Furthermore, Nigerian banks have successfully navigated a particularly arduous half decade, including currency debasements and enforced recapitalisation based on a strict definition of capital – paid in capital and retained earnings. Despite rallying by 50% on average in CY'24 Nigerian banks continue to trade at shockingly low multiples – all below book with Zenith, UBA and Access Bank trading at less than half book value. Egypt also appears to be lapping the impact of several rounds of currency debasements in the past 2 years. While headline inflation remains elevated in Egypt, reaching 13.8% in MAR'25, core inflation decline marginally to 9.8%. Headline inflation remains elevated due to food and petrol price inflation, primarily as a result of falling petroleum subsidies. Petroleum subsidies are slated to fall by half on a year on year to EGP 75bn in the latest fiscal year – substantially shoring up government finances. The first tender in the Ras El Hekma project has been issued. The Abu Dhabi Development company has budgeted USD 35bn for this project, a gigantic boon to the real estate and construction sectors. Egypt's currency has also stabilised somewhat, with foreign currency reserves reaching USD 47.7bn – excluding foreign currency deposits which amount to USD 11bn. A further USD4bn is expected from the EU. However, it is in Kenya where there are areas of concern. Ongoing weakness in credit extension continues to dog the economy. Nonetheless, with inflation at 3.6%, the central bank has cut interest rates by a cumulative 300bps since peaking in 2024 – this should support demand growth and credit extension, at the cost of reducing support for the currency – the best performer in 2024. With oil prices slated to be weak over the next 2 years, Kenya Morocco and Egypt should benefit.

While the Fund has benefited from the rising emerging market tide outlined above, returning 9.08% in gross terms on an absolute basis, relatively, the Fund has underperformed the MSCI EFM Africa Ex SA Index (up c.14% in ZAR). The Fund has outperformed the peer benchmark on a relative basis – up 6.62% in ZAR. On an absolute basis, the Fund's biggest contributors were Kenmare Resources (up c.30%), AngloGold Ashanti (up 24%) and Dangote Cement (up 22%). The biggest detractors were Oriental Weavers (down 7.7%), Zenith Bank (down 7.2%), and East African Breweries (down 5.8%). The Fund has benefitted from its gold exposure through AngloGold and Endeavour Mining. During the quarter, we reduced the Fund's cash levels from 18% to 11.5%. We increased our stake in Label Vie (Morocco), and added Guaranty Trust Plc and Ivanhoe Mines. We sold Palm Hills development in Egypt. The forecasts are based on reasonable assumptions, are not guaranteed to occur and are provided for illustrative purposes only.

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 is 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.

The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments South Africa.

This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

For any additional information such as fund prices, brochures and application forms please go to www.legacyafrica.co.za

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