

## Minimum Disclosure Document & General Investor Report

31 December 2024

### Fund Details

<b>Fund Manager</b>	Joe Kainja
<b>Investment Manager</b>	Legacy Africa Fund Managers
<b>Inception Date</b>	12 April 2021
<b>Publication Date</b>	21 January 2025
<b>ASISA Classification</b>	South African - Interest Bearing -Money Market
<b>Benchmark</b>	STeFI Call Deposit Index
<b>Fund Size</b>	R116 944 635.96
<b>Number of Units</b>	116 944 635.96
<b>NAV Price</b>	100c
<b>Initial Fees</b>	0 %
<b>Class</b>	A1, A2, B2, B3
<b>Management Fees</b>	0.5%, 0.4%, 0%
<b>Minimum Lump Sum</b>	R50 000
<b>Minimum Debit Order</b>	R1 000
<b>Income Declaration TIC</b>	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	30/9/21	31/12/21	31/3/22	30/6/22	30/9/22	31/12/22	31/3/23	30/6/23	30/9/23	31/12/23	31/3/24	30/6/24	30/9/24	31/12/24
<b>CASH</b>	11,94	5,26	8,43	7,01	8,26	8,07	20,75	8,45	8,28	16,76	9,43	19,33	11,68	16,89
CALL	9,90	2,66	8,30	6,69	8,11	8,05	20,73	8,23	8,06	16,44	8,99	7,23	11,55	17,25
Traded Cash	2,04	2,60	0,13	0,31	0,16	0,02	0,02	0,22	0,22	0,32	0,44	12,10	0,13	0,37
<b>Money Market</b>	88,06	94,74	91,57	93,29	91,74	91,93	79,25	91,55	91,72	83,24	90,57	80,67	88,32	83,11
0 - 1 Months			27,81	14,18	30,13	13,31	16,61	25,04	35,08	13,80	33,48	23,51	37,08	32,82
1 - 3 Months		81,53	22,11	50,80	7,95	53,27	13,13	35,80	14,41	41,89	15,93	27,09	29,76	18,79
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	24,04	5,71	13,74
6 - 12 months			6,95	14,41	0,68	10,71	17,61	12,93	8,60		10,92	6,03	15,77	17,76

	Fund account	LAPMMF	LAPMMF	LAPMMF
31/12/2024	Fee Component (per annum)	LAMFA2	LGAF A1	LGAFB3
A	Base Fee (incl VAT)	0.35	0.58	-
B	Performance fee (incl VAT)	-	-	-
	Underlying Fees	-	-	-
C	Other fees	0.11	0.11	0.12
D	Total Expense Ratio (TER)	0.46	0.69	0.12
E	Transaction costs (TC)	-	-	-
	Underlying Transaction costs	-	-	-
F	Total Investment Charges (TER + TC)	0.46	0.69	0.12

#### Issuer Type (%)

Instruments	30/9/21	31/12/21	31/3/22	30/6/22	30/9/22	31/12/22	31/3/23	30/6/23	30/9/23	31/12/23	31/3/24	30/6/24	30/9/24	31/12/24
<b>RSA Govt</b>	88,06	55,00	8,26	15,63	36,72	43,06	19,53	16,95	33,69	61,32	56,58	38,85	36,19	36,90
<b>Local Banks</b>	11,94	45,00	91,74	84,37	63,28	56,94	80,47	83,05	66,31	38,68	43,42	61,15	63,81	63,10

#### Credit Rating (%)

Instruments	30/9/21	31/12/21	31/3/22	30/6/22	30/9/22	31/12/22	31/3/23	30/6/23	30/9/23	31/12/23	31/3/24	30/6/24	30/9/24	31/12/24
<b>AAA</b>	88,06	55,00	8,26	15,63	36,72	43,06	19,53	16,95	33,69	61,32	56,58	38,85	36,19	36,90
<b>AA+</b>	-	26,76	48,74	46,65	30,19	43,32	36,22	33,74	31,39	7,27	22,37	37,01	31,66	21,40
<b>AA</b>	11,94	18,24	43,00	37,81	33,08	13,62	44,25	49,31	34,93	31,41	21,05	24,14	32,16	41,70

#### Instrument Type (%)

Instruments	30/9/21	31/12/21	31/3/22	30/6/22	30/9/22	31/12/22	31/3/23	30/6/23	30/9/23	31/12/23	31/3/24	30/6/24	30/9/24	31/12/24
<b>CASH</b>	11,94	5,26	8,43	7,01	8,26	8,07	20,75	8,45	8,28	16,76	9,43	19,33	11,68	
CALL	9,90	2,66	8,30	6,69	8,11	8,05	20,73	8,23	8,06	16,44	8,99	7,23	11,55	
Traded Cash	2,04	2,60	0,13	0,31	0,16	0,02	0,02	0,22	0,22	0,32	0,44	12,10	0,13	
<b>Money Market</b>	88,06	94,74	91,57	92,99	91,74	91,93	79,25	91,55	91,72	83,24	90,57	80,67	88,32	83,11
NCDs		39,74	69,42	70,25	44,92	48,87	59,72	74,60	58,03	21,93	33,99	41,82	52,13	46,22
Fixed Deposits			13,89	7,12	10,10	-	-	-	-				-	-
Treasury Bills	88,06	55,00	8,26	15,63	36,72	43,06	19,53	16,95	33,69	61,32	56,58	38,85	36,19	36,90

## Fund Objective

The objectives of the Fund are to maximize income while preserving capital; and to provide liquidity to investors by investing mainly in South African, high quality, short-term money market and fixed income instruments. The Fund will aim to outperform the STeFI Call Deposit Index, after fees. Capital losses are unlikely but will be borne by the Fund and its investors if they do occur. The Fund is permitted to invest in listed and unlisted financial instruments in line with the conditions as determined by legislation from time to time. The portfolio has adhered to its policy objective as stated in the supplemental deed.

## Fund Investment Policy

The primary performance objective of the portfolio is to obtain a high level of income while preserving capital preservation and maintaining high liquidity. Any capital gains will be of an incidental nature.

## Fund Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021					0,32%	0,32%	0,32%	0,29%	0,27%	0,29%	0,28%	0,34%	2,46%
2022	0,30%	0,31%	0,37%	0,39%	0,36%	0,39%	0,43%	0,46%	0,52%	0,50%	0,53%	0,61%	5,28%
2023	0,55%	0,54%	0,67%	0,62%	0,64%	0,71%	0,70%	0,62%	0,70%	0,69%	0,70%	0,75%	8,19%
2024	0,70%	0,68%	0,75%	0,70%	0,75%	0,64%	0,70%	0,73%	0,63%	0,69%	0,68%	0,66%	8,64%

Annualised Returns	Fund	Benchmark	Alpha
Since Inception (Annualised)	6,67%	6,29%	0,38%
1 Year	8,64%	8,20%	0,43%
2 Years (Annualised)	8,41%	7,97%	0,44%
3 years (Annualised)	11,24%	10,57%	0,67%
Minimum rolling 1 year	8,04%	7,65%	0,39%
Maximum rolling 1 year	8,84%	8,23%	0,61%

## 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 South African Chamber of Commerce and Industry (SACCI) business confidence index climbed to 118.1 in November 2024, the highest since October 2015, up from 114.2 in the prior month. The South African economy contracted by 0.3% in Q3 2024, following a revised 0.3% rise in Q2 with four of ten industries registering declines. We are a little bit more optimistic with SA growth prospects that we have been in a while as we believe that we have seen the worst of the loadshedding and Operation Vulindlela seems to be a credible reform programme to address the ailing infrastructure. In addition, we believe that the debt-GDP ratio will peak in the next year or so and start declining. Furthermore, with inflation at these low levels for longer, it is only natural to expect SA sovereign risk premium to decline substantially. This will reduce external debt repayments as well as support declining bond yields.

On the global scale, growth prospects are projected to vary significantly across regions. GDP growth in the United States is projected to be 2.8% in 2025, before slowing to 2.4% in 2026. In the Euro area, GDP growth is projected at 1.3% in 2025 and 1.5% in 2026 while in Japan the projection is 1.5% in 2025 and 0.6% in 2026. China is expected to continue to slow, with GDP growth of 4.7% in 2025 and 4.4% in 2026.

## 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.

The local equity market had a poor last quarter of the 2024 but generated a return of 13% which is higher than its long term (required) real return. That said, we believe that equities may have run ahead of their fundamentals to an extent that short term correction is a strong possibility. To that extent we continue to preach the use of manage equity derivatives overlay.

The best performing interest-bearing asset classes during the quarter were preference shares and cash, while the long end of the bond yield curve was worst performer. However, the each of the interest-bearing asset class outperformed its required real return for the CY 2024. Notwithstanding the domestic bonds having a terrific CY 2024, from a valuation perspective, we believe that they still have legs to continue the run.

The interest rates market, as illustrated by the forward rate agreements, is depicting further interest rate cuts to the tune of about 50 basis points in the short-term before possible rate hikes. At the projected levels (7.5% pa) and inflation averaging about 4.5% (as per bond market), one year cash would still be yield returns above the required real return of 2%. With the yield curve almost flat, we are making our investment decisions through instrument selection. We have started seeing value in the corporate issuances and when opportunity arises we will be participating. On the long end of the interest rate term structure, treasury bills are attractive relative to bank issued NCDs.

## 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](http://www.legacyafrica.co.za)

## CONTACT DETAILS:

### Investment Manager

**Legacy Africa Fund Managers (Pty) Ltd**  
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### Management Company:

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### Trustee

**Nedbank Group Limited**  
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