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Fund Objective

The primary investment objective of the Prime General Equity Fund is capital appreciation through investment primarily in equity and listed and unlisted financial instruments. The Fund will strive to provide investors with a minimum return equal to the Mean of Funds in the South African Equity category of ASISA on a rolling three-year basis.

Investor Risk Profile

				High
			Medium - High	
		Medium		
	Low - Medium			
Low				

Fund Facts

Classification	South African - Equity - General		
Benchmark	Avg. South African Equity General Category over a rolling one year.		
Inception Date of Fund	18-Aug-2009		
Inception Date of Class	21-Aug-2009		
Total Portfolio Size	300.6 M		
NAV price	Launch	100.00 (cpu)	
	31-Jul-20	221.12 (cpu)	
JSE code	PGECB		
ISIN number	ZAE000138749		
Income Declaration	February, August		
Valuation	Valuation time	22h00 (daily)	
	Dealing cut-off	14h00 (daily)	
Payment	3rd working day of Mar/Sep		
Minimum Initial Investment	R5 000 lump sum		
	R500 debit order		
Reg. 28 Compliant	No		
Issue date	25-Aug-2020		

Portfolio Income in Cents Per Unit (cpu)

Distribution	Dividend	Interest	Other	Total
Feb-20	1.0720	0.1834	0.0686	1.3240
Aug-19	1.4743	0.1672	0.0846	1.7261

Mandate Compliance

The Fund remains within the reporting fund regime as at the date of this report.

Fund Universe

The Fund will invest in the equity market as well as listed and unlisted financial instruments.

Investment Strategy

The Fund is actively managed and is not restricted to a particular investment style. The focus is on individual stock selection where holdings are expected to meet the Fund objective. The portfolio will invest a minimum of 80% its market value in equities at all times.

Who should be investing

The Fund is suitable for investors who are able to invest for at least three years. The Fund may underperform for a period of up to 35 months.

Total Investment Charges

Period (annualised): Mar 19 to Feb 20

Total Expense Ratio (TER) 1.83%

Expenses related to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not be necessarily be an accurate indication of future TER's.

Transaction Costs (TC) 0.20%

Costs relating to the buying and selling of the assets underlying the Financial Product

Total Investment Charges 2.03%

Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product 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 Financial Product, the Investment decisions of the investment manager and the TER. Inclusive of the TER of 1.83%, a performance fee of 0.00% of the net asset value of the class of the Financial Product was recovered.

Portfolio Fees

Management Fee	0.55% (excl. VAT)
Performance Fee	N/A
Advisory Fee	N/A
Investment Management Fee	0.58% (excl. VAT)

NAV Values	May-20	Jun-20	Jul-20
Fund Units	137 403 052	137 079 080	135 949 179
Fund NAV	R 289 481 681	R 298 036 059	R 300 627 235
Class NAV	R 289 481 681	R 298 036 059	R 300 627 235

*All figures have been rounded to the nearest Unit and Rand



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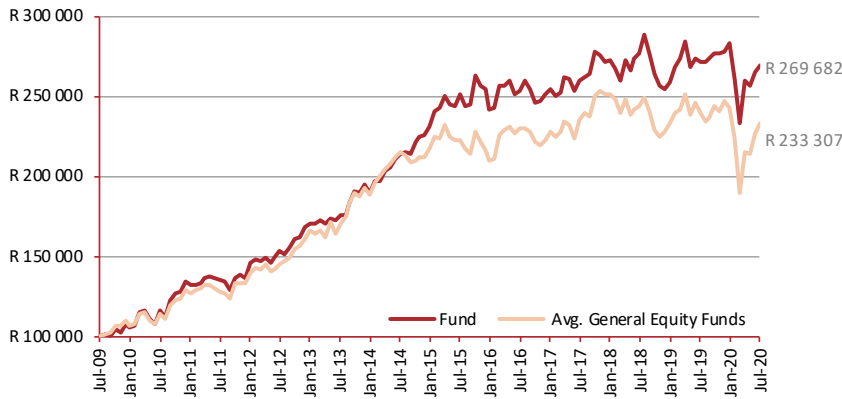
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Growth of a R 100 000 Investment



Performance History: Based on an initial investment of R100 000

Top 10 Holdings	Exposure
Naspers Ltd	6.93%
British American Tobacco PLC	6.06%
New Gold Issuer Limited	5.30%
Prosus NV	4.39%
Remgro Ltd	4.20%
Firststrand Ltd	3.41%
Standard Bank Group Ltd	3.13%
Reinet Investments SCA	3.12%
Multichoice Group LTD	2.12%
Alphabet Inc Class C	1.89%

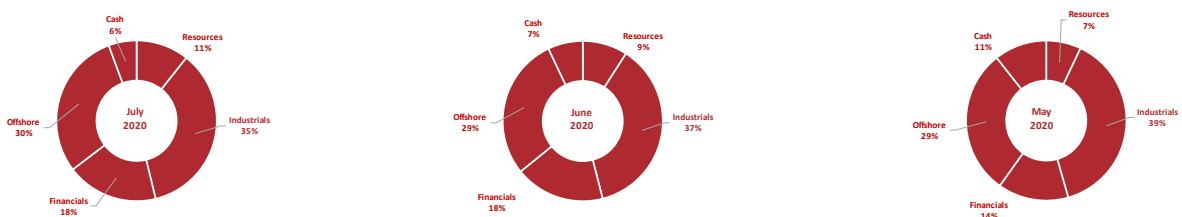
Period	July-2020		June-2020		May-2020	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
1 Month	1.71%	2.76%	3.19%	5.87%	-0.93%	-0.22%
3 Months	3.98%	8.55%	13.47%	19.51%	-1.47%	-3.89%
6 Months	-4.65%	-4.00%	-4.72%	-7.98%	-7.05%	-10.88%
YTD	-3.09%	-5.44%	-4.72%	-7.98%	-7.67%	-13.08%
1 Year	-0.79%	-2.73%	-3.08%	-7.48%	-4.35%	-10.08%
2 Years	-1.22%	-2.09%	-1.59%	-3.11%	-1.71%	-5.22%
3 Years	1.24%	-0.28%	1.50%	0.43%	-0.45%	-2.57%
5 Years	1.42%	0.92%	1.70%	0.38%	0.97%	-0.95%
Since Inception	9.44%	8.01%	9.34%	7.80%	9.10%	7.30%

Risk Statistics		
Risk Metrics	Fund (B)	Benchmark
Volatility	10.90%	11.58%
Tracking Error	4.94%	
Information Ratio	0.29	
Correlation (BMK)	0.91	
Beta	0.85	
Sharpe Ratio	0.31	0.18
Max (Rolling 12 Mths)	27.28%	28.53%
Min (Rolling 12 Mths)	-14.71%	-21.37%
Alpha	1.58%	

* Returns above one year are annualised; ** Fund Returns are net of fees

Monthly Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2020	1.64%	-7.80%	-10.39%	10.99%	-0.93%	3.19%	1.71%						-3.09%
Benchmark 2020	-1.49%	-8.19%	-14.86%	13.14%	-0.22%	5.87%	2.76%	0	0	0	0	0	-5.44%
Fund 2019	1.37%	4.06%	1.99%	3.86%	-5.60%	1.84%	-0.63%	-0.10%	0.56%	1.40%	-0.17%	0.67%	9.27%
Benchmark 2019	2.32%	2.55%	0.85%	3.99%	-5.08%	2.89%	-2.26%	-2.33%	0.85%	3.15%	-1.26%	2.53%	8.06%
Fund 2018	0.40%	-2.25%	-2.71%	4.99%	-2.38%	2.94%	0.95%	4.45%	-4.12%	-4.69%	-2.82%	-0.67%	-6.30%
Benchmark 2018	0.23%	-1.23%	-3.75%	3.65%	-3.72%	1.30%	0.63%	2.54%	-3.77%	-4.51%	-2.21%	1.81%	-9.06%
Fund 2017	1.29%	-1.63%	0.57%	3.81%	-0.36%	-2.66%	2.51%	0.70%	0.88%	5.09%	-0.65%	-1.40%	8.16%
Benchmark 2017	2.28%	-1.17%	1.41%	2.47%	-0.83%	-3.36%	4.99%	1.88%	-0.90%	5.20%	1.41%	-0.95%	12.78%

Asset Allocation





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If ever there was a numeric depiction of negative investor sentiment, it is starkly reflected in the contrasting price performances of JSE listed businesses internally focused on the SA economy versus their JSE listed counterparts facing foreign markets with external clients and earning foreign currency.

South Africa has been working its way to a fiscal cliff for some time, unfortunately COVID accelerated this path and SA government debt to GDP will exceed 100% within 2 years at the current rate of expenditure. Persistent deficits have been used to fund public sector wages and bankrupt state operated enterprises (SOE's) rather than deploying capital into productive assets such as infrastructure that yield long-term returns. This dysfunctional system reached a tipping-point under COVID where long duration locally listed assets (industrial and financial equities, real estate and longer dated bonds) have been completely shunned by foreign and local market participants.

Investors are simply refusing to take risk further-out than 7 years – SA fixed and inflation-linked bonds show this and equities being very long duration of nature are most at risk. At this point, the same theory is not being applied to commodity companies as super profits on super margins are being realized. This is a function of two main factors, high spot prices (in most instances well above the 90th percentile on the cost curve – in other words in an industry where conventionally at least 25% of participants do not make sustainable economic returns, in the current cycle, most players are making money) and a weak ZAR. The net effect is that this extreme level of profitability is more than compensating for duration risk!

In July, the commodity stocks on average returned 18 times that of financials, resources have delivered 4 consecutive months of high returns, the last time commodities outperformed the market to this extent was for only one month, back in October 2019, in that instance the outperformance was 10 fold. We certainly appreciate that resource stocks have this ability, they are highly levered businesses that do really well in the right conditions – it is not that obvious that the current global economic backdrop justifies quite the level of exuberance investors are applying to these businesses, but considering the risks to SA facing businesses like banks and retailers, the resource index is becoming a default option.

Our approach is to avoid sentiment and revert to facts, having recently completed yet another analysis of Amplats, our valuation model indicates that the share price is discounting sustained high commodity spot prices; considering the spot basket is trading higher than it ever has before, in dollars and rands and that large price corrections invariably follow such elevated price levels, albeit that these can take years, our conclusion is that Amplats is at best fairly priced, if not overpriced. This is equally applicable to various other companies in the resource universe.

The Prime General Equity Fund has a great mix of investments, underpriced local companies, which constitute 60% of the fund's capitalization, high quality offshore businesses, around 29% of the fund's value and a long-standing position in gold of over 5%. It is a fund well positioned for different market cycles.

Glossary of Terms

Volatility is a statistical measure of the dispersion of returns for a given security or market index.

Tracking error is a measure of the risk in an investment portfolio that is due to active management decisions made by the portfolio manager; it indicates how closely a portfolio follows the index to which it is benchmarked.

Information ratio, is a measure of the risk-adjusted return of a portfolio. In this case, it measures the active return of the manager's portfolio divided by the amount of risk that the manager takes relative to the benchmark.

Sharpe Ratio is a measure for calculating risk-adjusted return. It is the average return earned in excess of the risk-free rate per unit of total risk.

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Alpha is a measure of the active return on an investment. It represents the excess returns of a fund relative to the return of a suitable benchmark.



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