

Portfolio Facts

INCEPTION DATE:	October 2014
BENCHMARK:	FTSE/JSE Capped All Share
NUMBER OF STOCKS:	On average 30
FUND SIZE:	R 1200,000,000.00

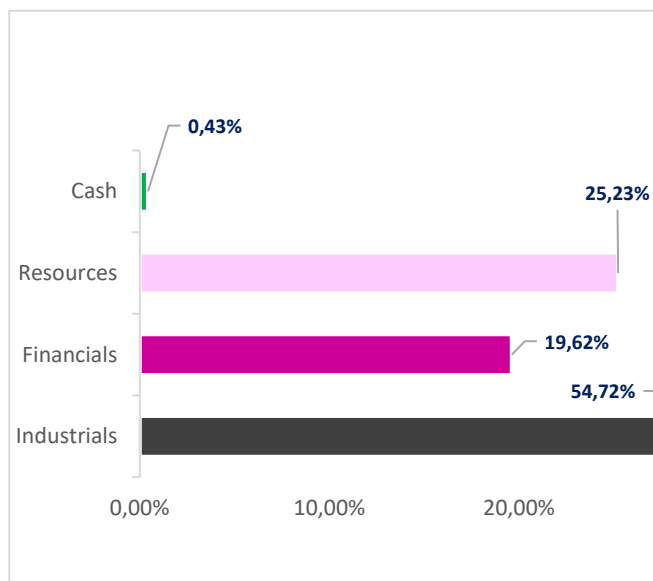
Long Term Objective

This portfolio is for institutional investors requiring management of an active South African equity portfolio which aims to achieve capital appreciation, coupled with a higher-than-average level of income

Investment Approach

Our investment philosophy captures both the macro (environment) and price (valuation) in a two-dimensional approach. This fundamental, valuation-based approach is enhanced with quantitative confirming scores for other themes driving the market, namely quality, growth and structural shifts. Extensive research, skillful risk management and disciplined portfolio construction improves our ability to achieve positive active returns through various market cycles.

Sector Allocation



Strategy Performance as at 29/02/2024

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
1 Month	-1.38%	-2.34%
3 Months	-1.60%	-3.08%
6 Months	-2.12%	-0.98%
1 Year	-5.58%	-2.85%
3 Years	19.79%	28.12%
Since Inception	109.05%	99.50%

Risk Statistics as at 29/02/2024.

- 12 Months

Measure	Strategy (%)
Tracking Error	5.96%
Standard Deviation	18.58%
Beta	1.07

Principal Holdings as at 29/02/2024

Top 10 Holdings	% of Fund
Compagnie Financiere Richemont	14.83%
Naspers Ltd	12.41%
Bhp Group Ltd	11.29%
Anglo American Plc	7.80%
Prosus Nv	7.00%
Standard Bank Group Ltd	4.80%
Firstrand Ltd	4.20%
Mtn Group Ltd	3.61%
Aspen Pharmacare Holdings	3.20%
British American Tobacco	2.86%

Market Performance

SA Listed Property outperformed all other asset classes for the fourth consecutive month in February with a positive total return of 0.8%. The All Bond index lost 0.6% and the All Share index lost 2.4% over the month.

Of the equity headline indices, Small Cap and Large Cap stocks lost 2.0% and 2.3% respectively, while Mid Caps posted a loss of 3.0% in February. SA Industrials and SA Financials posted similar losses of 0.7% and 0.9% respectively. SA Resources, however, recorded a loss of 6.9%.

Within SA Industrials, only the Technology (+0.4%) and Consumer Discretionary (+0.1%) industry groups provided positive total returns in February. Industrials shed 0.8%, Consumer Staples shed 1.0% and Health care shed 1.2%, while the Telecommunications group lost 4.8% over the month.

Of the larger equity sectors within SA Industrials, top performance came from Personal Goods (+8.9%), Tobacco (+3.0%) and Industrial Transport (+1.4%). The worst sector performance came from the Retailers (-6.1%), Health Care Providers (-4.9%), Telecom Services (-4.8%) and Grocery Stores (-3.1%).

Of the SA Financials, the Real Estate industry group gained 0.7% in February, while the Financials group lost 1.2%. With a total return of +17.8%, Finance & Credit Services was the top performing equity sector. This was followed by Real Estate Investment & Services (+6.5%) and Non Life Insurance (+0.7%). Life Insurance was flat over the month and the Banks were down 1.3%.

Within SA Resources, the Energy group lost 7.9% and Basic Materials lost 6.9% in February. Of the equity sectors, the worst underperformance came from Alternative Energy -17.3% (Montauk), Chemicals -10.4% (Sasol -11.9%) and Oil, Gas & Coal -7.1% (Thungela -12.4%, Exxaro -5.1%). Industrial Materials (Sappi +3.6%) was the only equity sector within SA Resources to provide a positive total return over the month.

Year to date, Property has outperformed all asset classes with a total return of +4.9%. Cash (+1.4%) is the second-best performing asset class. Bonds only managed to eke out a total return of +0.2%, while Equities has lost 5.3%.

Within Equities, SA Industrials fared the best with a total return loss of 1.9%. SA Financials has recorded a loss of 3.2%, while SA Resources recorded a loss of 12.8%

Of the industry groups, positive total return performance has come from Consumer Discretionary (+5.0%), Real Estate (+4.5%) and Technology (+0.8%). The worst performance has come from the Energy group (-20.1%), followed by Telecommunications (-19.1%) and Basic Materials (-12.5%).

The rand weakened to 19.20 against the US dollar (2.84% month on month) from R 18.67. The currency weakened against the euro at 20.74 (2.67% month on month) and weakened against the pound at 24.24 (2.32% month on month). SA's five-year CDS spread narrowed by 0.05% during February 2024 by (0.05bps) from 229.27 to 229.15 points

On the news front, President Ramaphosa on 20 February officially announced the election date of 29 May. On 21 February, Finance Minister Godongwana delivered a budget that was initially well received by the market as a combination of front loaded GFECRA funding, contained increases in grants and bracket creep eased fears of an election-like budget.

On Corporates, Pick n Pay's 47-week sales update saw the retailer announce a two step recapitalization plan, including a R4bn rights offer and an IPO of the Boxer business. In the mining space, PGM results were weak with Impala's nil dividend a miss. Northam's HEPS were also a miss relative to expectations

Foreigners were net sellers of SA equities in February to the value of R12.5bn. Stripping out the dual-listed companies, there was foreign selling to the value of R8.1bn. Ex the dual listed's, SA Financials saw outflows to the value of R4.4 billion and SA Resources saw outflows of R1.2 billion, while SA Industrials saw outflows of R2.5 billion

Sasol, Standard Bank & MTN were the most bought stocks by foreigners whereas Firstrand, Naspers and Capitec were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned -1.34 % during the month, outperforming the Capped All Share index which returned -2.34%. Positive contributors to performance for the month included the fund's overweight positions in Prosus, Naspers & Richemont as well as underweight positions in Shoprite & Glencore. Negative contributors to performance included the funds overweight positions in Sibanye, MTN & Impala as well as underweight positions in Sanlam, Capitec & AngloGold

Cachalia Capital Investment team

From our Corner in the Sky

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