

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

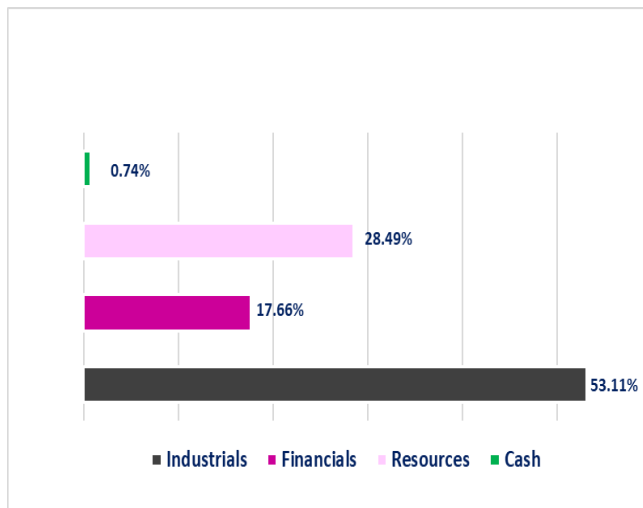
Long Term Objective

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 30/04/2024

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	4.53%	3.65%
1 Year	-1.54%	1.51%
3 Years	7.29%	9.46%
5 Year	10.57%	9.82%
7 Years	9.93%	8.83%
Since Inception	9.42%	8.86%

Risk Statistics as at 30/04/2024.

- 12 Months

Measure	Strategy (%)
Tracking Error	6.17%
Standard Deviation	17.52%
Beta	1.05

Principal Holdings as at 30/04/2024

Top 10 Holdings	% of Fund
Naspers Ltd	13.77%
Compagnie Financiere Richemont	13.46%
Anglo American Plc	13.01%
BHP Group Ltd	7.90%
Prosus Nv	7.69%
Standard Bank Group Ltd	4.11%
Firstrand Ltd	3.89%
Mtn Group Ltd	3.30%
Aspen Pharmacare Holdings	3.12%
British American Tobacco	2.74%

Market Performance

The All Share index was the top performing asset class in April with a total return of +3.0%. The All Bond index posted a gain of 1.4% while SA Listed Property shed 0.6% over the month.

Of the equity headline indices, Large Cap stocks outperformed with a total return of +3.7%. Small Caps returned +2.0% and Mid Caps returned +1.5% in April. SA Resources returned +6.4% in April. While SA Financials and SA Industrials returned +2.5% and +1.6% respectively over the month.

Within SA Resources, top equity sector performance came from Industrial Metals and Mining (+16.1%) with Anglo posting a solid total return of +32.6% following the proposed BHP Group share offer. The Oil, Gas & Coal equity sector returned +9.5% with Thungela and Exxaro returning +16.9% and +7.1% respectively. Precious Metals returned +2.6% and Industrial Materials managed to eke out a positive total return of 0.9%. Meanwhile, Chemicals lost 8.0% over the month and Alternative Energy lost a large 14.3% in April.

Of the SA Financials, Banks +4.0% (Capitec +11.1%, FirstRand +5.6%, Nedbank +4.5%) was the top performing equity sector followed by Life Insurance +2.0% (Momentum +4.4%, Sanlam +3.8%). The real Estate Industry group lost 0.8% in April with REITs shedding 1.7% (Shaftesbury -6.7%, Hammerson -6.5%, Sirius -1.5%).

Within SA Industrials, the technology group returned +7.1% in April with Naspers and Prosus gaining 7.4% and 6.7% respectively. The Industrials industry group was in second place (+6.8%) with General Industrials returning 7.8% and Industrial transport returning +6.2%. The Health Care group posted a marginal gain of 0.6% with Pharmaceuticals rising 2.2% and Health Care providers falling 3.6%. Telecommunications lost 1.5% and the Consumer Staples group lost 1.9% (Food Producers +1.1%, Beverages -1.5%, Drug, Grocery Stores -1.8%, Tobacco -4.0%). Consumer Discretionary (-3.6%) was the worst performing industry group with Personal Goods shedding 8.3% in April.

Year to date, Property has outperformed all asset classes with a total return of +3.2%. Cash (+2.8%) is the second-best performing asset class. Equities has posted a positive total return of just 0.6% while Bonds has lost 0.4%

Within Equities, SA Resources is the top performer year-to-date with a total return of +4.7%. SA Industrials has recorded a gain of 2.2%, while SA Financials has recorded a loss of 3.8%

The rand strengthened to 18.76 against the US dollar (0.94% month on month) from R 18.93. The currency strengthened against the euro at 20.02 (1.59% month on month) and strengthened against the pound at 23.45 (1.32% month on month). SA's five-year CDS spread narrowed by 8.32% during April 2024 by (0.83bps) from 254.23 to 233.09 points and widened by 14.39% & 29.33.bps from the beginning of the year at 203.76

On the news front, all eyes remain focused on the 29 May elections with the ANC unchanged on 40% in the latest IPSOS party preference poll (implying an approximate 45% election result, after adjusting for turnout assumptions).

On Corporates, the big corporate news was BHP's bid for Anglo American, revealed after the close on 24 April. Anglo jumped 32.5% on the month with Amplats and Kumba down , BHP plans to spin them out to shareholders. Anglo rejected the bid.

Sasol's FYQ3 production data was below estimates and the company lowered production guidance.

Capitec's FY24 Results was at the top end of its guided range and about 10% above the Bloomberg consensus before Capitec guided in early March.

Foreigners were net sellers of SA equities in April to the value of R7.4 bn, down from the March outflows of R12.6bn. Stripping out the dual-listed companies, there was foreign selling to the value of R2.5bn. Ex the dual listed's, SA Industrials had inflows to the value of R1.4 billion and SA Resources saw inflows of R0.4 billion, while SA Financials saw outflows of R4.8 billion

Multichoice, Implats & Bidcorp were the most bought stocks by foreigners whereas Harmony, Shoprite and Sanlam were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned 3.79 % during the month, outperforming the Capped All Share index which returned 2.83%. Positive contributors to performance for the month included the fund's overweight positions in Prosus, Naspers & Anglo American as well as underweight positions in Anglo American Platinum & Nepi Rockcastle. Negative contributors to performance included the funds overweight positions in Sibanye, Investec & BHP Group as well as underweight positions in Barloworld, Capitec & Harmony Gold

Cachalia Capital Investment team From our Corner in the Sky

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