

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

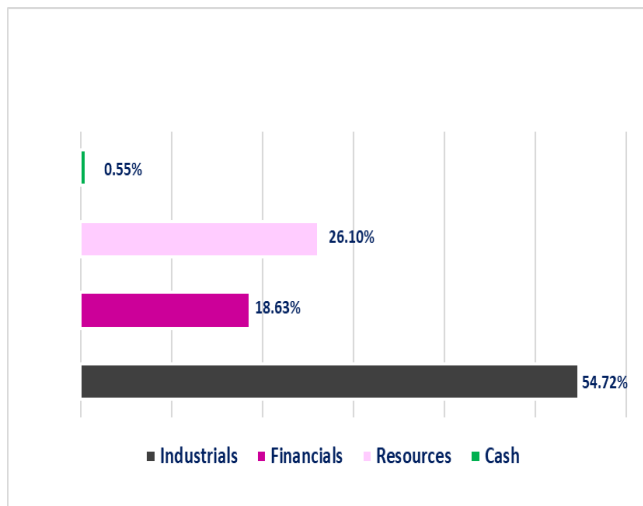
Long Term Objective

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 31/03/2024

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	-1.87%	-2.11%
1 Year	-1.42%	1.77%
3 Years	6.35%	9.03%
5 Year	10.61%	9.99%
6 Years	9.77%	8.90%
Since Inception	9.05%	8.60%

Risk Statistics as at 31/03/2024.

- 12 Months

Measure	Strategy (%)
Tracking Error	6.01%
Standard Deviation	16.99%
Beta	1.04

Principal Holdings as at 31/03/2024

Top 10 Holdings	% of Fund
Compagnie Financiere Richemont	15.22%
Naspers Ltd	13.29%
Anglo American Plc	10.17%
BHP Group Ltd	8.49%
Prosus Nv	7.47%
Standard Bank Group Ltd	4.45%
Firstrand Ltd	3.82%
Mtn Group Ltd	3.54%
Aspen Pharmacare Holdings	3.17%
British American Tobacco	2.96%

Market Performance

Following two months of negative performance, SA equities rebounded to be the top performing asset class in March with the All Share index posting a total return of +3.2%. SA Listed Property and the All Share index posting a total return of +3.2%. SA Listed Property and the All Bond posted losses of -1.0% and -2.0% respectively over the month.

Of the equity headline indices, Large Cap and Mid Cap stocks returned +4.1% and +2.3% respectively in March, while Small Caps posted a loss of 0.7%. SA Resources returned +12.8%, its best monthly performance since November 2022. SA Industrials gained 2.6% and SA Financials lost 3.0% over the month.

Within SA Resources, top equity sector performance came from Precious Metals (+19.7%) with solid total returns coming from Harmony (+40.4%), Gold Fields (+22.4%), Implats (+20.9%) and AngloGold (+18.1%). Industrial Metals returned +9.9% (Glencore +14.2%, Anglo +12.5%, Kumba -9.4%) and Industrial Materials +8.9% (Sappi). Chemicals posted a marginal gain of 1.2% with Sasol returning +2.5% in March. Within the Energy industry group performance was mixed within the Oil, Gas & Coal equity sector, Thungela gained 16.1% while Exxaro lost 4.9%. Alternative Energy (Montauk) was the worst performing equity sector, shedding 29.1% in March.

Within SA Industrials, the Telecommunications group returned +10.0% in March with positive total returns across the board. The Technology group was in second place (+6.1%) followed by Health Care (+5.0%), with Pharmaceuticals gaining 11.4% and Health Care Providers losing 6.6%. The Consumer Staples group managed to eke out a positive total return of 0.5% (Tobacco +3.0%, Beverages -1.6%) while the Industrials group posted a marginal loss of 0.6%. The Consumer Discretionary group lost 2.9% in March with Travel & Leisure and Personal Goods shedding 6.2% and 5.9%, respectively.

Of the SA Financials, the Real Estate industry group lost 0.6% in March and the Financials group lost 3.4%. With a total return loss of 9.6%, Finance & Credit Services was the worst performing equity sector. Investment Banking shed 6.2% and Life Insurance shed 6.1%. Banks posted a total return loss of 2.2% in March.

Year to date, Property has outperformed all asset classes with a total return of +3.8%. Cash (+2.1%) is the second-best performing asset class. Bonds has lost 1.8%, while Equities has lost 2.2%.

Within Equities, SA Industrials fared the best with a small total return gain of 0.6%. SA Resources has recorded a loss of 1.6%, while SA Financials recorded a loss of 6.1%

The rand strengthened to 18.86 against the US dollar (1.05% month on month) from R 19.06. The currency strengthened against the euro at 20.36 (1.83% month on month) and strengthened against the pound at 23.84 (1.49% month on month). SA's five-year CDS spread widened by 10.35% during March 2024 by (23.85bps) from 230.38 to 254.23 points

On the news front, two new polls that incorporate the MK party were published in March. The MK Party is a new political party led by former SA and ANC President Zuma. Both polls show lower support for the ANC due to the MK's rise.

On Corporates, MTN released its FY23 result; reported diluted HEPS declined by 72%, within the guided range but slightly below the midpoint. Sibanye missed its FY23 earnings while Harmony Gold beat with its 1H24 results.

On the Banks, Standard Bank reported its FY23 results with headline earnings up +26% yoy, ahead of Bloomberg consensus (+22%). In its FY23 results, Absa's normalized earnings were slightly up (+1%yoy) but behind consensus expectations (+3%).

Foreigners continued to be large sellers of SA equities in March to the value of R12.6 billion. Stripping out the dual-listed companies, there was still foreign selling to the value of R6.9 billion. Ex the dual-listed's, SA Industrials and SA Financials had similar outflows of R4.2 billion and R4.1 billion respectively, while SA Resources saw inflows of R1.4 billion.

Sibanye, Implats & MTN were the most bought stocks by foreigners whereas Firstrand, Naspers and Sappi were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned 2.08 % during the month, underperforming the Capped All Share index which returned 3.21%. Positive contributors to performance for the month included the fund's overweight positions in Prosus, Anglo & Aspen as well as underweight positions in Shoprite & Discovery. Negative contributors to performance included the funds overweight positions in ABSA, Standard bank & Astral as well as underweight positions in Glencore, Harmony & AngloGold

Cachalia Capital Investment team From our Corner in the Sky

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