

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

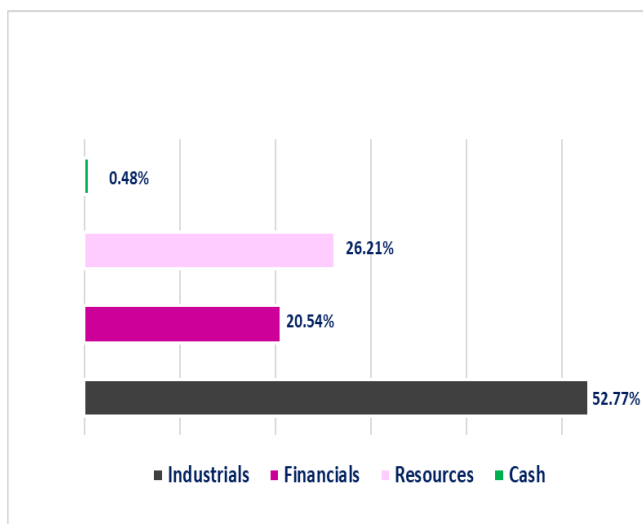
Long Term Objective

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 31/07/2024

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	3.81%	9.42%
1 Year	1.17%	9.53%
3 Years	7.93%	11.14%
5 Year	12.09%	12.39%
7 Years	10.10%	9.92%
Since Inception	9.60%	9.69%

Risk Statistics as at 31/07/2024.

- 12 Months

Measure	Strategy (%)
Tracking Error	7.09%
Standard Deviation	16.43%
Beta	0.99

Principal Holdings as at 31/07/2024

Top 10 Holdings	% of Fund
Compagnie Financiere Richemont	13.60%
Naspers Ltd	13.00%
Anglo American Plc	11.25%
Prosus Nv	7.40%
BHP Group Ltd	7.27%
Standard Bank Group Ltd	4.97%
Firstrand Ltd	4.71%
Aspen Pharmacare Holdings	3.39%
British American Tobacco	3.06%
Mtn Group Ltd	2.79%

Market Performance

Top performance once again came from SA Listed Property with the asset class posting a total return of +4.4% in July. The All Bond and All Share total returns were marginally lower at +4.0% and +3.9% respectively.

Of the equity headline indices in July, Small Caps and Mid-Caps posted similar total returns of +5.4% and +5.1% respectively, while the Large Caps lagged (+3.2%). SA Resources outperformed with a solid total return of +5.5%, followed closely by SA Financials with a total return of +5.3%. SA Industrials posted a gain of 2.0% over the month.

Within SA Resources, the Energy industry group returned +8.6% and Basic Materials returned +5.4% in July. Of the equity sectors, Precious Metals gained 12.1% with top performance coming from DRD Gold (+18.2%), Amplats (+17.4%), Gold Fields (+16.7%), Pan African (+14.2%) AngloGold (+13.7%) and Northam (+12.1%). Industrial Materials (Sappi) returned +9.6%, Oil, Gas & Coal returned +9.2% (Exxaro +9.5%, Thungela +8.4%) and Chemicals returned +5.0% with Sasol up 6.7%. Industrial Metals (-4.7%) was the worst performing equity sector with losses across the board with the exception of Tharisa (+4.1%).

Within SA Financials, the Banks sector outperformed with a total return of +6.1% (Nedbank +8.4%, Investec plc +8.3%, Capitec +7.9%), followed by Real Estate Investment & Services +5.1% (MAS +13.9%, NEPI Rockcastle +4.8%) and Investment Banking +5.1% (Quilter plc +12.8%, Ninety One plc +8.7%).

Of the SA Industrial equity sectors in July, CoNstruction & Materials outperformed, returning +15.4% with Raubex gaining 14.8% and WBHO gaining 12.4%. Within the Consumer Staples industry group (+7.2%), Tobacco outperformed with a total return of +13.9%, followed by Food Producers +6.9% (Tigerbrands +13.8%), Drug & Grocery Stores +6.0% (Shoprite +7.2%, BidCorp +6.7%, Pick n pay +6.4%, Dis-Chem +6.3%) and Beverages +2.0%. The Health Care industry group returned +6.6% (Pharmaceuticals +7.5%, HC Providers +4.2%) and the Consumer Discretionary industry group returned +1.9% with positive total returns coming from Travel & Leisure +7.4% (Southern Sun +16.2%, Famous Brands +6.4%), Consumer Services +7.3% (Curro +7.6%, AdvTech +7.2% and the Retailers +4.3% (Motus +11.7%, Cashbuild +10.0%, Pepkor +8.9%, Italtile +8.4%, Mr Price +7.6%, TFG +7.0%) and a negative total return coming from Personal Goods (-2.9%). The Telecommunications and Technology industry groups lost 2.8% and 1.3% respectively in July.

In 2024 year-to-date, Property has outperformed all asset classes with a total return of +14.4%. Equities and Bonds have posted similar total returns of +9.9% and +9.8% respectively and Cash has returned +4.9%

The rand weakened to 18.19 against the US dollar (0.07% month on month) from R 18.18. The currency weakened against the euro at 19.70 (1.12% month on month) and weakened against the pound at 23.39 (1.76% month on month). SA's five-year CDS spread narrowed by 6.43% during July 2024 by (14.00bps) from 210.59 to 197.05 points

On the news front, SA domestic assets continued to move higher, with a confluence of higher gold prices and Government of National Unity (GNU) sentiment shoring up domestic assets. The GNU came into focus in July, with President Ramaphosa opening parliament with the traditional State of the Nation address focusing on service delivery, policy execution and a capable state.

President Ramaphosa signed the “two-pot” pension law, allowing savers early access to their pensions from 1 September; National Treasury estimates that R28 billion (c \$1.5 bn) will be withdrawn with some used to pay down debt and the balance likely to fuel consumption.

In terms of company news, Production updates from Anglo American (and subs) as well as Sasol for calendar 2Q were broadly in line.

The SARB left rates unchanged at its 18 July meeting, in line with near-unanimous expectations.

Following the largest foreign selling of SA equities on record in May 2024 (-R32.3bn), foreigners again sold equities to the value of R5.1bn in June. Stripping out the dual-listed companies, foreigners were sellers in June to the value of R1.1 bn. SA Resources had outflows of R2.9 bn and SA Industrials outflows of R2.3bn, while SA Financials saw inflows of R4.1bn

Pepkor, Capitec & Bidvest were the most bought stocks by foreigners whereas Goldfields, Naspers and Foschini were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned 0.08 % during the month, underperforming the Capped All Share index which returned 4.13%. Positive contributors to performance for the month included the fund's overweight positions in Mr Price & Aspen as well as underweight positions in Kumba Iron ore & Glencore. Negative contributors to performance included the funds overweight positions in Naspers, Prosus & Richemont as well as underweight positions in Goldfields, Shoprite & Capitec

Cachalia Capital Investment team

From our Corner in the Sky

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