

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

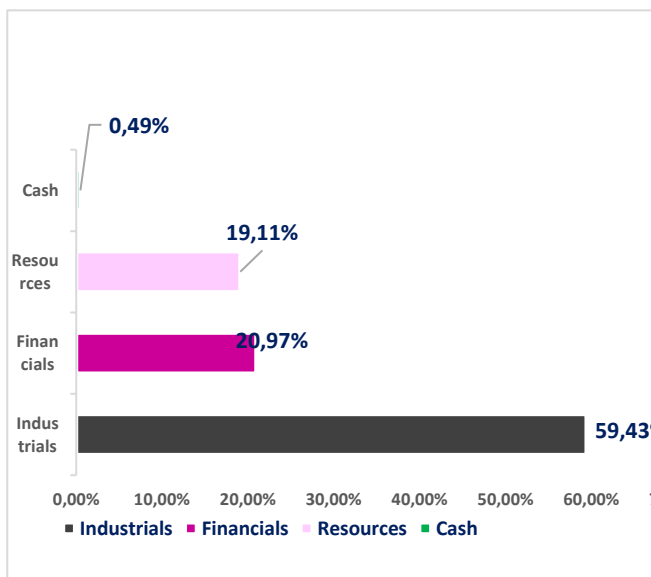
Long Term Objective

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 30/11/2024

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	1.71%	2.08%
1 Year	11.06%	16.36%
3 Years	7.42%	10.55%
5 Year	12.39%	13.23%
7 Years	8.87%	9.22%
Since Inception	9.48%	9.65%

Risk Statistics as at 30/11/2024.

- 12 Months

Measure	Strategy (%)
Tracking Error	8.56%
Standard Deviation	16.26%
Beta	1.05

Principal Holdings as at 30/11/2024

Top 10 Holdings	% of Fund
NASPERS LTD	14.84%
COMPAGNIE FINANCIERE RICHEMONT SA	11.94%
ANGLO AMERICAN PLC	11.45%
PROSUS NV	8.36%
BHP GROUP LTD	6.75%
STANDARD BANK GROUP LTD	5.25%
FIRSTRAND LTD	4.39%
MR PRICE GROUP LTD	3.27%
BRITISH AMERICAN TOBACCO PLC	3.23%
MTN GROUP LTD	2.81%

Market Performance

The All Bond index was the top performing asset class in November with a total return of +3.0%. The SA Listed Property index posted a gain of 1.7% while the All Share index shed 0.9% over the month.

Of the equity headline indices, the Small Caps were the best performers with a total return of +3.6%, while Mid Caps and Large Caps lost 0.1% and 1.8% respectively. Within the Sector indices, SA Financials and SA Industrials managed to eke out positive total returns of 0.6% and 0.5% respectively. SA Resources, however, following two months of positive performance, lost 6.6% in November.

Of the Industry Groups, performance was mixed in Consumer Staples (+4.1%) with Tobacco gaining 12.0% and Beverages shedding 8.2%. Within Consumer Discretionary (+3.8%), top equity sector performance came from the Retailers +7.1% (Pepkor +17.0%, Mr Price +12.5%, TFG +11.1%). The Travel & Leisure and the Personal Goods sectors shed 3.3% and 2.1% respectively. The Real Estate industry group gained 1.6% in November and the Financials industry group gained 0.5% with Non-life Insurance returning +6.3% and +3.4% respectively and Banks shedding 0.4%.

Basic Materials was the worst-performing industry group in November: -6.9% (Precious Metals -11.1%, Chemicals -7.2%). The Telecommunications group shed 5.7% (MTN -7.8%, Vodacom -5.3%), Health Care shed 3.4% (Pharmaceuticals -6.8%, Health Care Providers +2.4%) and the Technology group lost 1.6%. Returns were mixed within the Industrials group (-1.0%), with Industrial Transport and Construction gaining 8.2% and 5.5% respectively and Electronics and General Industrials shedding 5.3% and 2.4% respectively. The Energy industry group shed 0.6% over the month with Alternative Energy (Montauk) losing 18.4% and Oil, Gas & Coal gaining 0.8% in November.

Year to date, Property has outperformed all asset classes with a total return of +28.4%. Bonds and Equities have posted total returns of +17.6% and 13.8% respectively and Cash has returned +7.8%

Within the Headline indices, the Small Cap index has returned a solid +31.2% year-to-date, the Mid Cap index has returned +17.6% and Large Caps +10.5% respectively.

Within the Sector indices, the largest year-to-date outperformance has come from SA Financials with a total return of +24.3%, followed by SA Industrials (+15.4%), SA Resources, however, has posted a loss of 3.4%

The rand weakened to 18.05 against the US dollar (2.79% month on month) from R 17.56. The currency strengthened against the euro at 19.09 (0.10% month on month) and weakened against the pound at 22.99 (1.50% month on month). SA's five-year CDS spread narrowed by 3.35% during November 2024 by (6.65bps) from 188.18 to 181.53 points.

On the news front, the MPC on 21 November lowered the repo rate by 25bp to 7.75% in an unanimous decision, as expected. Some market participants had hoped for a larger move given the recent inflation drop. The tone of the statement and Q&A was cautious with the SARB stressing that the QPM and its forecasts provided no forward guidance.

On Corporate news, on 22 November, the Boxer offer saw shares oversubscribed at R54/share to raise R8.5billion for Pick n Pay. MRP released its 1H25 results; diluted HEPS increased by 6.5% to ZAC468. MTN 3Q24 results saw Group revenue declining by -12.4% to R44.4 billion during the quarter, implying 9 month decline of 17.6% (up 12.4% in constant currency terms). Anglo American has announced the sale of its residual coal assets to Peabody Energy for a maximum price of US\$3.775 billion cash.

Foreigners continued to be large sellers of SA equities in November to the value of R11.8 billion. Stripping out the dual-listed companies, there were still foreign outflows to the value of R6.8 billion.

In 2024 year-to-date, ex dual-listeds, foreigners are net sellers of SA equities to the value of R49.7 billion. SA Industrials has the largest outflows of R32.0 billion and SA Financials has outflows of R15.9 billion, while SA Resources has a smaller outflow of R1.8 billion.

Amplats, Outsurance & Discovery were the most bought stocks by foreigners whereas Northam, Naspers and Firstrand were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned -0.85 % during the month, outperforming the Capped All Share index which returned -0.94%. Positive contributors to performance for the month included the fund's overweight positions in Anglo American, Mr Price & Astral as well as underweight positions in Goldfields & Harmony. Negative contributors to performance included the funds overweight positions in Aspen, Impala & Richemont as well as underweight positions in Discovery, Foschini & Pepkor



Cachalia Capital Investment team

From our Corner in the Sky

Wishing you a wonderful Festive season & a happy New Year

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