

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

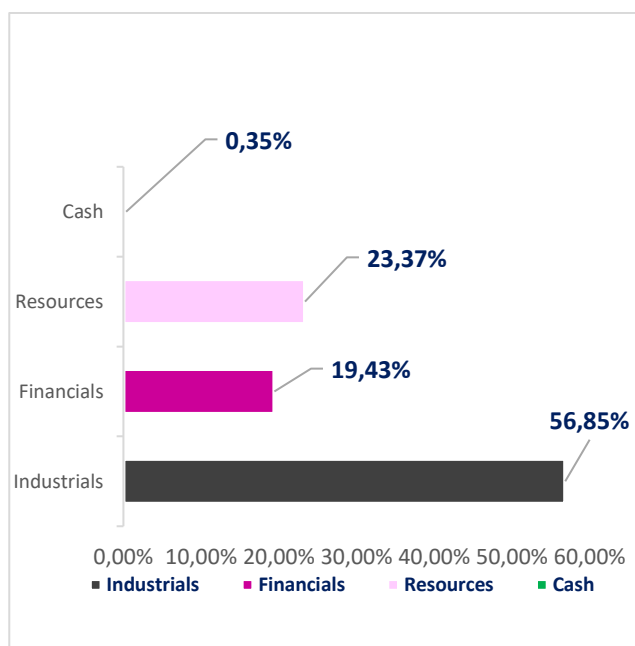
Long Term Objective

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 31/01/2025

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	4.37%	1.26%
1 Year	17.21%	19.86%
3 Years	6.98%	9.17%
5 Year	12.80%	13.54%
7 Years	9.79%	9.46%
Since Inception	9.99%	9.82%

Risk Statistics as at 31/01/2025.

– 12 Months

Measure	Strategy (%)
Tracking Error	8.39%
Standard Deviation	12.21%
Beta	1.06

Principal Holdings as at 31/01/2025

Top 10 Holdings	% of Fund
COMPAGNIE FINANCIERE RICHEMONT SA	16.57%
NASPERS LTD	13.73%
ANGLO AMERICAN PLC	10.56%
PROSUS NV	7.89%
BHP GROUP LTD	6.31%
STANDARD BANK GROUP LTD	4.60%
FIRSTRAND LTD	4.14%
MTN GROUP LTD	3.82%
BRITISH AMERICAN TOBACCO PLC	3.33%
MR PRICE GROUP LTD	2.70%

Market Performance

Equities (ALSI) outperformed all other asset classes in January with a total return of +2.3%. Bonds (ALBI) posted a gain of just 0.4% while Property (SAPY) lost 2.3% over the month.

Of the equity headline indices, Large Cap stocks outperformed in January with a total return of +3.8%, while Mid Caps only managed to eke out a positive total return of 0.7%. Small Caps, however, posted a loss of 4.6%, its worst monthly performance since May 2023 (-5.1%).

Within the sector indices, SA Resources was the outright winner in January, posting a solid total return of +16.3%. The performance was driven by Precious Metals & Mining (+29.1%) with the gold stocks (Harmony +42%, AngloGold +34%, Gold Fields +31%) coming in ahead of the platinum stocks (Northam +30.0%, Sibanye +20.%, Implats +17%, Amplats +15%). The Oil, Gas & Coal sector returned +8.5% (Exxaro +11%) and the Industrial Materials sector (Sappi) returned +2.7%. Performance was mixed within Industrial Metals & Mining (+0.3%), with the top total returns coming from Kumba (+19.1%) and African Rainbow (+7.6%) and the worst return coming from Glencore (-3.2%). Chemicals lost 0.5% in January (Sasol +3.9%, AECL -5.0%, Omnia -14.0%).

SA Industrials returned just +0.5% in January. The Telecommunications industry group returned +17.7% with MTN gaining 25% and Vodacom gaining 8.4%. Within the Health Care group (+4.4%), Pharmaceuticals gained 7.8% while Health Care providers lost 1.0% over the month. Performance was also mixed within Consumer Staples +1.9% (Tobacco +9.1%, Drug & Grocery Stores +1.4%, Food Producers -5.1%, Beverages -1.8%) as well as Consumer Discretionary +0.3% (Personal Goods +30.7%, Retailers -12.0%, Travel & Leisure -10.0%). The Industrials Industry group shed 2.6%, the General Industrials & Industrial transport equity sectors lost 1.1% and 1.2% respectively while the Construction & Materials equity sector posted a larger loss of 10.4%. Technology (-4.9%) was the worst performing SA Industrials industry group in January, with Naspers & Prosus losing 5.4% and 4.0%, respectively.

SA Financials lost 2.8% in January. Life Insurance -5.6%, was the worst performing equity sector (Discovery -7.1%, Sanlam -6.3%, Momentum -4.8%, Old Mutual -1.3%), followed closely by Non-Life Insurance -5.5% (Santam -6.7%, Outsurance -5.2%). REITs lost 3.8% over the month (Shaftesbury -7.9%, Growthpoint -5.2%, Redefine -2.6%). Banks shed 2.2% in January, with losses across the board, with the exception of FirstRand, albeit only a positive total return of 0.4%. The Investment Banking sector lost 2.0% over the month (Remgro -6.9%, Reinert +3.4%, Quilter +5.2%).

The rand strengthened to 18.65 against the US dollar (-1.06% month on month) from R 18.85. The currency strengthened against the euro at 19.34 (-0.92% month on month) and strengthened against the pound at 23.11 (-1.99% month on month). SA's five-year CDS spread widened by 1.94% during January 2025 by (3.96bps) from 190.06 to 193.75 points

On the news front, The SARB cut rates by 25bps to 7.5% at its 30 January meeting, in line with the Bloomberg consensus, but the split decision and hawkish press conference implies further cuts in 2025 are less likely than consensus expected pre-meeting. The president signed a land reform bill, which technically aligns the 1975 Land reform Act with the constitution but sparked a row within the GNU with the DA formally filing a complaint under the GNU terms. That the bill mentioned expropriation intensified the saliency of the dispute.

On 31 January, Eskom announced stage 3 loadshedding for the weekend of 1-2 February after going ten months with the lights on.

On Corporate news, MTN (+27% in USD in Jan) won an unexpected 50% tariff hike from the Nigerian telecom regulator. The retailers reported the year-end trading statements with key names like MRP and WHL consensus expectations. Naspers (-3.9%)

fell as Tencent was added to a US Department of Defense sanctions list.

Foreign selling of SA equities amounted to a very large R29.4 billion in January, the second largest on record. The largest monthly selling of R32.3 billion took place in May 2024 with uncertainty over the general elections weighing on the flows. Excluding dual-listed companies, there were foreigners selling in January to the value of R17.3 billion.

Implats, MTN & Thungela were the most bought stocks by foreigners whereas Harmony, Naspers and Capitec were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned 4.07 % during the month, outperforming the Capped All Share index which returned 2.56%. Positive contributors to performance for the month included the fund's overweight positions in Richemont, MTN & Northam as well as underweight positions in Capitec & Foschini. Negative contributors to performance included the funds overweight positions in BHP Group, Anglo & Mr Price as well as underweight positions in Amplats, Bidcorp & Harmony

Cachalia Capital Investment team

From our Corner in the Sky

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