

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

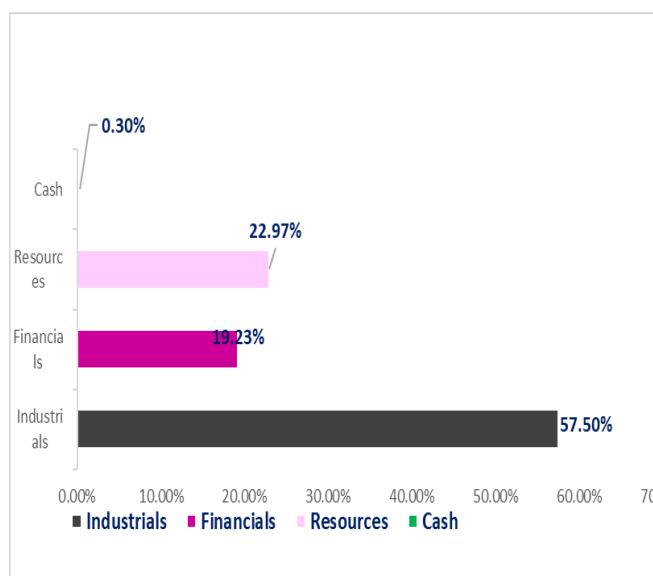
Long Term Objective

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 31/03/2025

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	4.47%	5.86%
1 Year	16.83%	22.74%
3 Years	6.97%	9.09%
5 Year	18.49%	19.91%
7 Years	10.75%	10.76%
Since Inception	9.94%	10.09%

Risk Statistics as at 31/03/2025

– 12 Months

Measure	Strategy (%)
Tracking Error	8.5
Standard Deviation	14.81
Beta	1.15

Principal Holdings as at 31/03/2025

Top 10 Holdings	% of Fund
NASPERS LTD	15.70%
COMPAGNIE FINANCIERE	14.48%
ANGLO AMERICAN PLC	9.81%
PROSUS NV	9.23%
BHP GROUP LTD	5.99%
STANDARD BANK GROUP LTD	5.05%
MTN GROUP LTD	4.09%
FIRSTRAND LTD	3.90%
BRITISH AMERICAN TOBACCO PLC	3.40%
IMPALA PLATINUM HOLDINGS LTD	2.50%

Market Performance

The All Share index was the top performing asset class in March with a total return of +3.6%. The All Bond index only managed a gain of 0.2% while SA Listed Property lost 0.9% over the month. Including Gold (Krugerrands) in the mix saw this asset class outperform with a return of 10.2% in March.

Of the equity headline indices, Large Cap stocks outperformed in March with a total return of +3.9%, followed closely by Mid Caps (+3.7%). Small Cap stocks posted a marginal loss of 0.3% over the month.

Within the sector indices, SA Resources returned a significant +18.4% in March. But Precious Metals, with a total return of +34.3%, was the only equity sector within this group to show a positive return over the month (Chemicals -2.8%, Industrial Metals -4.6%, Oil, Gas & Coal -5.8%, Industrial Materials -11.5%, Alternative Energy -44.6%).

SA Financials index was flat in March with the Financials group gaining 0.2% and Real Estate shedding 1.0%. Investment Banking and Banks gained 1.8% and 1.0% respectively while Life Insurance posted a loss of 3.4% and Non-Life Insurance lost 2.9%.

Performance was mixed within SA Industrials (-0.3) with positive total returns coming from Telecommunications (+4.7%), Technology (+2.8%) and Consumer Staples (+0.6%). The worst industry group performance came from Consumer Discretionary (-9.4%). The Industrials and Health Care groups shed 2.2% and 1.8% respectively in March.

Year to date, Equities has outperformed all asset classes with a total return of +5.9%. Cash (+1.9%) is the second-best performing asset class. Bonds only managed to eke out a total return of +0.7%, while Property has lost 3.5%. Gold (Krugerrands), however, has posted a return of +16.5%, nearly three times that of Equities.

Within Equities, SA Resources has outperformed with a sizeable total return of +27.9%. SA Industrials has returned +3.1%, while SA Financials has recorded a loss of 2.0%.

Of the industry groups, top year-to-date performance has come from Basic Materials (+30.0%) with Precious Metals gaining a whopping 58.5% (Harmony +77%, Gold Fields +67%, AngloGold +66%, Implats 43%). Telecommunications has returned +27.6% (MTN +34%) and Technology +9.2% (Prosus +12%, Naspers +8%). Consumer Staples eked out a gain of 0.7% (Beverages +20.5%, Tobacco +13.7%, Food Producers -9.4%, Drug Grocery Stores -4.9%).

The worst industry group performance has come from Energy (-13.9%), followed by Consumer Discretionary -9.9% (Retailers -20.3%, Travel & Leisure -11.30%, Personal Goods +14.2%), Industrials -8.3% (Construction -18%) and Health Care -5.3% (Health Care Providers -11%, Pharmaceuticals -2%). The Real Estate and Financials groups have lost 3.7% and 1.8% respectively year-to-date.

The rand strengthened to 18.31 against the US dollar (1.09% month on month) from R 18.51. The currency weakened against the euro at 19.80 (-2.86% month on month) and weakened against the pound at 23.65 (-1.42% month on month). SA's five-year CDS spread widened by 9.25% during March 2025 by (17.71bps) from 191.39 to 209.10 points

On the news front, In March, themes from February persisted. The budget, tabled for the 2nd time on 12 March, failed to gain GNU consensus. Negotiations are ongoing, with the DA demanding measures like PRASA devolution and co-chairing Operation Vulindlela to support the ANC on the budget.

On 21 March, the MPC kept the key policy rate at 7.5%, as anticipated. The meeting was more balanced than January's hawkish tone, hinting at possible future rate cuts. In banking results, Absa led with a 27% earnings increase, while FirstRand had the highest ROE at 21%. The big-4 SA banks saw a 10% year on year earnings rise in 2H 2024.

Foreigners continued to be large sellers of SA Equities in March to the value of R22.3 billion (January : -R29.4 billion, February : -R27.4 billion). Excluding dual-listed companies, there was foreign selling to the value of R17.5 billion (January: -R17.3 bn, February: -R13.5 bn).

Capitec, Sibanye & FirstRand were the most bought stocks by foreigners whereas ABSA, Naspers and Shoprite were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned -0.76 % during the month, underperforming the Capped All Share index which returned 3.60%. Positive contributors to performance for the month included the fund's overweight positions in Impala, Northam & Sibanye as well as underweight positions in Capitec & Bidcorp. Negative contributors to performance included the funds overweight positions in Naspers, BHP Group & Mr Price as well as underweight positions in Harmony, Goldfields & AngloGold

Cachalia Capital Investment team From our Corner in the Sky

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