

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

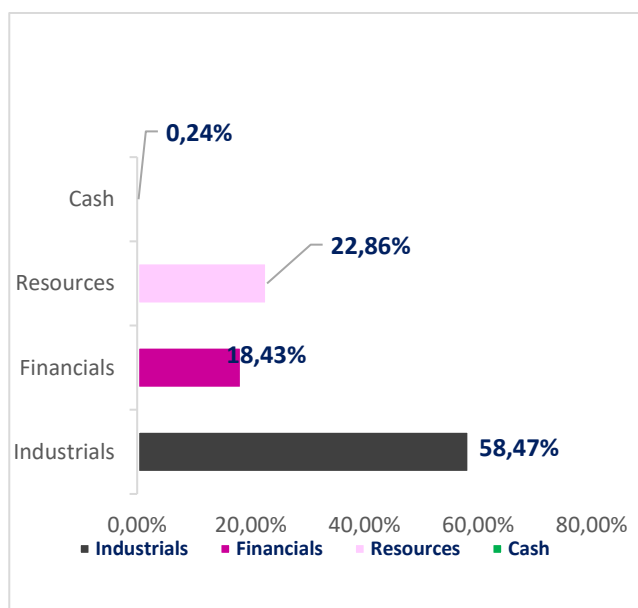
Long Term Objective

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 31/05/2025

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	6.44%	11.30%
1 Year	17.08%	27.04%
3 Years	10.55%	13.26%
5 Year	16.44%	18.28%
7 Years	11.48%	11.69%
Since Inception	10.56%	10.72%

Risk Statistics as at 31/05/2025

– 12 Months

Measure	Strategy (%)
Tracking Error	9.79
Standard Deviation	19.44
Beta	1.03

Principal Holdings as at 31/05/2025

Top 10 Holdings	% of Fund
NASPERS LTD	16.87%
COMPAGNIE FINANCIER	14.53%
ANGLO AMERICAN PLC	9.69%
PROSUS NV	9.49%
BHP GROUP LTD	5.65%
STANDARD BANK GROUP LTD	4.63%
MTN GROUP LTD	3.90%
FIRSTRAND LTD	3.81%
BRITISH AMERICAN TOBACCO PLC	3.43%
MR PRICE GROUP LTD	2.45%

Market Performance

SA Equities outperformed all other asset classes in May, with the All Share posting a rand total return of +3.1% for the month. Bonds returned +2.7% and Property returned +2.3%. Gold (Krugerrands), however, declined by 4.1% over the month.

Of the equity headline indices, Mid Cap stocks were the top performers, gaining +5.5%. Small Caps returned +3.3% and Large Caps returned +2.4%.

Within the sector indices, SA Industrials outperformed in May with a total return of +3.9%. SA Resources and SA Financials posted similar returns of +2.6% and +2.5% respectively.

All Industry groups posted positive total returns in May, the best being Technology: +5.9% (Karoo +24.1%, Altron +15.9%, Prosus +6.3%, Naspers +5.6%). Consumer Discretionary gained 3.9% with Travel & Leisure returning +5.0% (Famousbrands +13.3%), Consumer Services +4.8% (Curro +6.6%, AdvTech +4.2%), Retailers +4.0% (WeBuyCars +13.7%, Pepkor +8.8%, TFG +4.0%) and Personal Goods +3.5%. Basic Materials and Consumer Staples each returned 2.6%. Within Basic Materials, Chemicals gained 17.9% and Industrial Metals gained 5.3%. Top performance within Staples came from Food Producers: +11.2% (Tigerbrands +19.4%) and Beverages +6.0%. The Financials and Real Estate groups returned +2.5% and +2.4% respectively with Life Insurance and REIT's returning +4.7% and +4.5% respectively, Investment Banking returned +2.4% and Banks returned +2.0%. The Industrials group (Transport +8.5%, Support Services +6.2%) and the Telecommunications group (Blue Label +41.7%, Multichoice +7.8%) each returned +2.4%. Health Care and Energy were the industry group laggards, returning +1.7% and +1.5% respectively.

Year to date, Equities has outperformed all asset classes with a total return of +14.0%. SA Listed Property (+6.2%) is the second-best performing asset class followed by Bonds (+4.2%) and Cash (+3.1%). Gold (Krugerrands), however, has posted a return of +20.6%.

Within Equities, SA Resources has outperformed with a total return of +33.9%. SA Industrials has returned +12.5% and SA Financials has returned +5.4%.

Over the past 12 months, SA Property outperformed all asset classes with a total return of 32.5%. Equities and Bonds returned +27.3% and 21.7% respectively and Cash returned +8.1%. Including Gold (Krugerrands) in the mix saw this asset class outperform with a return of +36.0%.

Of the industry groups over the past 12 months, Telecommunications returned a solid +52%, followed by Technology (+39%), Financials (+36%) and Real Estate (+31%). Consumer Staples and Consumer Discretionary returned +28% and +25% respectively and Basic Materials returned +17%. Performance for Industrials was flat, while Energy and Health Care posted losses of 17% and 24% respectively over the 12 month period.

The rand strengthened to 17.99 against the US dollar (3.02% month on month) from R 18.55. The currency strengthened against the euro at 20.42 (3.45% month on month) and strengthened against the pound at 24.22 (2.34% month on month). SA's five-year CDS spread narrowed by 14.80% during May 2024 by (34.41bps) from 241.93 to 206.12 points

On the news front, President Ramaphosa's visit to the White House on 21 May opened communication lines between South Africa and the US, with trade issues to be addressed soon.

The MPC cut the repo rate by 25 basis points to 7.25% on May 29, signaling a more dovish stance.

According to Stats SA, real GDP expanded by just 0.1% q-o-q in 2025 Quarter 1. This follows downwardly revised growth of 0.4% (previously 0.6%) in 2024 Quarter 4, which meant that the economy expanded by just 0.5% (from 0.6%) in 2024, down from 0.8% in 2023.

On Corporates, Sanlam & TymeBank announced a joint venture for unsecured personal loans. Old Mutual's Q1 update showed a 2% decline in Life Insurance APE sales. Sasol's Capital Markets Day presentation set 2028 targets, aiming for EBITDA of up to R71 billion, split between South Africa and International Chemicals. The Capital Markets Day was well received with the stock

rallying +26% on the month.

Foreigners were net sellers of SA equities in May to the value of R13.6bn. Stripping out the dual-listed companies, there was foreign selling to the value of R2.9bn. However, foreigners were net buyers of SA Equities to the value of R5.3 billion from 2nd May to 29th May, with the bulk of the monthly selling occurring on 30 May (-R7.9bn) as fund managers adjusted for the MSCI May rebalancing.

Valterra, Firststrand & Momentum were the most bought stocks by foreigners whereas Discovery, Naspers and Capitec were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned 4.99% during the month, outperforming the Capped All Share index which returned 3.06%. Positive contributors to performance for the month included the fund's overweight positions in Prosus, Naspers & Anglo American as well as underweight positions in Harmony & Goldfields. Negative contributors to performance included the funds overweight positions in Aspen, BTI & BHG as well as underweight positions in Sasol, Pepkor & Glencore

Cachalia Capital Investment team

From our Corner in the Sky

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