

## 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

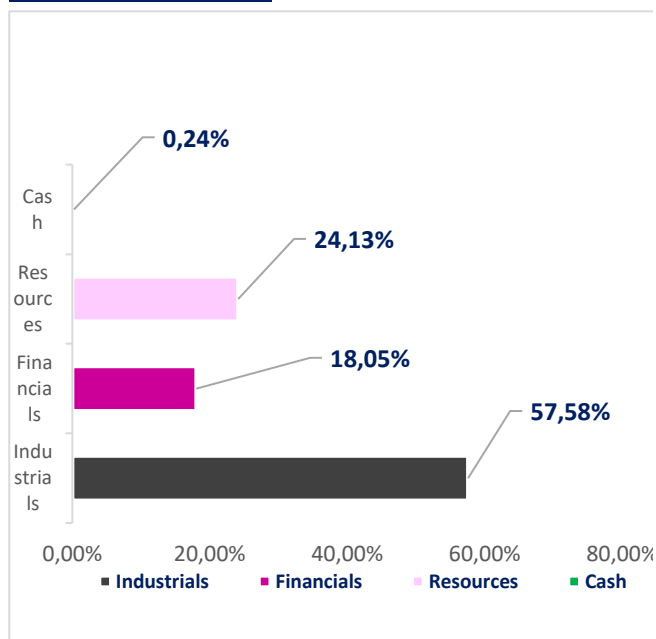
## Long Term Objective

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 31/07/2025

### Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	10.95%	7.63%
1 Year	22.90%	22.39%
3 Years	14.22%	16.53%
5 Year	15.61%	17.02%
7 Years	11.85%	12.06%
Since Inception	11.08%	1112%

## Risk Statistics as at 31/07/2025

### – 12 Months

Measure	Strategy (%)
Tracking Error	9.74
Standard Deviation	19.70
Beta	1.05

## Principal Holdings as at 31/07/2025

Top 10 Holdings	% of Fund
NASPERS LTD	17.53%
COMPAGNIE FINANCIERE	12.15%
PROSUS NV	10.21%
ANGLO AMERICAN PLC	7.72%
BHP GROUP LTD	5.51%
MTN GROUP LTD	4.55%
STANDARD BANK GROUP LTD	4.42%
BRITISH AMERICAN TOBACCO	3.88%
FIRSTRAND LTD	3.76%
IMPALA PLATINUM HOLDINGS LTD	3.05%

## **Market Performance**

SA Listed Property rebounded in July to be the top performing asset class with a total return of +4.8%. The All Bond index returned +2.7% over the month. On the 23<sup>rd</sup> July, the All Share index breached the 100 000 mark to reach a new intraday high of 100504. However, the index pulled back slightly in the last week of the month to end July with a total return gain of 2.3%.

Of the equity headline indices, Mid Caps and Small Caps posted similar total returns of +3.3% and +3.1% respectively, while the Large Caps returned +1.9%.

Of the sector indices, SA Resources continued to outperform with a total return of +5.1%. SA Financials gained 1.8% and SA Industrials gained 1.2% in July.

Within the industry groups, Energy (+8.3%) was the top performer over the month (Exxaro +8.4%), followed by Telecommunications: +7.3% (Telkom +14.9%, MTN +8.9%). Basic Materials returned +5.0% with solid total returns coming from Chemicals: +13.0% (Sasol +19%) and Precious Metals: +5.8% (Sibanye +18.9%, Northam +9.4%, Implats +8.2%, Gold Fields +6.0%) while Industrial Materials (Sappi) lost 7.3%. Real Estate gained 4.3% (Emira +9.9%, Resilient +8.7%, Growthpoint +6.6%, Sirius +6.5%, Redefine +5.5%) and Technology returned +2.7% (Prosus +5.0%, Naspers +2.4%). Within Financials (+1.3%), top sector performance came from Banks: +1.8% (Standard Bank +3.0%, Absa +2.5%). Performance was mixed within Consumer Staples (+0.8%), with Tobacco (BATS) returning +14.7% and losses coming from Beverages: -12.4% (AB Inbev), Drug and Grocery Stores: -1.1% (Shoprite -4.1%, Dis-Chem -3.8%, BidCorp -2.0%, Boxer +4.1%, Clicks +3.6%) and Food Producers: -0.2% (AVI -0.2%, Tigerbrands +0.3%).

Consumer Discretionary (-4.3%) was the worst-performing industry group in July dragged down by Personal Goods: -10.6% (Richemont). The Retailers shed 1.6% (Woolworths -3.4%, TFG -2.8%, Mr Price -1.9%, Pepkor +0.6%). The Travel & Leisure sector, however, posted a gain of 2.8% (Sun International +7.5%, Southern Sun +7.4%, Famous Brands -3.2%). The Industrials group lost 3.8% (General Industrials -4.2%, Industrial Transport -3.0%, Construction -2.2%) and Health Care lost 1.0% (Health Care Providers -2.6%, Pharmaceuticals +0.2%).

Year to date, Equities have outperformed all asset classes with a solid total return of +19.3%. Property (+10.3%) is now the second-best performing asset class followed by Bonds (+9.5%) and Cash (+4.4%). Gold, however, is the overall winner with a total return of +20.0%.

Of the equity headline indices year-to-date, Large Caps has returned +23.4%. The Mid Cap index has returned +13.7% and Small Caps +5.0%.

Within Equities, SA Resources has outperformed year-to-date with a total return of +46.7%. SA Industrials has returned +16.6% and SA Financials has returned +8.3%

The rand weakened to 17.98 against the US dollar (1.58% month on month) from R 17.70. The currency strengthened against the euro at 20.80 (0.38% month on month) and strengthened against the pound at R23.84 (1.97% month on month). SA's five-year CDS spread narrowed by 3.31% during July 2025 by (6.27bps) from 189.38 to 183.11 points

On the news front, at its 31 July meeting, the MPC cut its policy rate by 25bps to 7% in a unanimous decision & in line with consensus. What dominated the news flow, however, was the SARB's statement that it now preferred inflation to settle at 3% (from 4.5%), the bottom of the formal 3-6% inflation target range. According to our economists, this shift in the implicit target makes it that the Finance Minister will adjust the formal inflation target when presenting the medium-term budget policy statement (MTNPS) in October.

On the corporate front, Vodacom Group reported total revenue growth of 10.6% in 1<sup>st</sup> Quarter 2026. This was driven by group service growth of 11.4% and is ahead of Bloomberg consensus FY26E growth of 9.56%. While MTN Nigeria (27% of group EBITDA) released 1<sup>st</sup> half 2025 results; total revenue increased by 54.5%, implying +67.9% increase in 2Q25 (accelerating from +40.5% in 1Q25)

Following the large foreign selling of SA Equities in June to the value of R26.6 billion, foreigners were small sellers in July to the value of R1.9 billion. Stripping out the dual-listed companies there was foreign buying to the value of R6.4 billion

Pepkor, Naspers & Nedbank were the most bought stocks by foreigners whereas Sibanye, Implats and MTN were the most sold stocks by foreigners.

## **Portfolio Performance**

The portfolio returned 1.79% during the month, underperforming the Capped All Share index which returned 2.22%. Positive contributors to performance for the month included the fund's overweight positions in Prosus, BHP Group & Sibanye as well as underweight positions in Anheuser Busch & Capitec. Negative contributors to performance included the funds overweight positions in Astral, Mr Price & Anglo American as well as underweight positions in Exxaro, AngloGold & Goldfields

## ***Cachalia Capital Investment team***

### ***From our Corner in the Sky***

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