

Portfolio Facts

INCEPTION DATE:	October 2014
BENCHMARK:	FTSE/JSE Capped All Share
NUMBER OF STOCKS:	On average 30
FUND SIZE:	R 1300,000,000.00

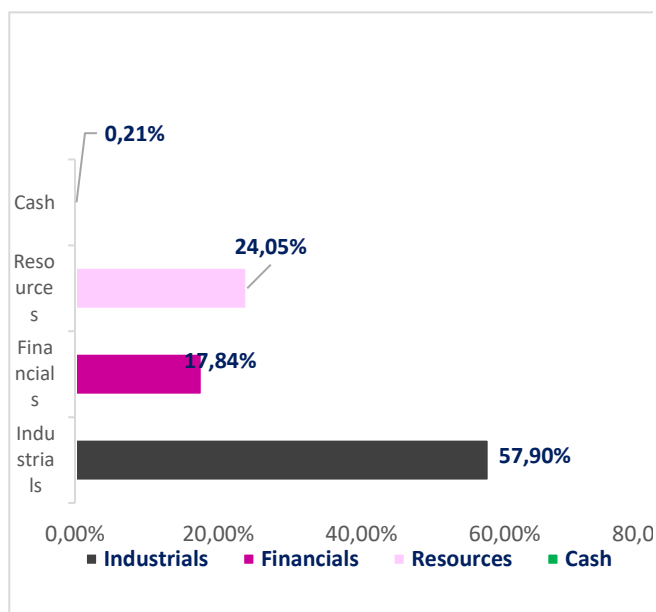
Long Term Objective

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 31/08/2025

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	7.81%	8.14%
1 Year	24.28%	25.12%
3 Years	15.61%	18.59%
5 Year	15.72%	17.87%
7 Years	11.80%	12.22%
Since Inception	11.21%	11.41%

Risk Statistics as at 31/08/2025

– 12 Months

Measure	Strategy (%)
Tracking Error	10.02
Standard Deviation	19.52
Beta	1.04

Principal Holdings as at 31/08/2025

Top 10 Holdings	% of Fund
NASPERS LTD	17.69%
COMPAGNIE FINANCIERE RICHEMONT SA	12.43%
PROSUS NV	10.50%
ANGLO AMERICAN PLC	8.04%
BHP GROUP LTD	5.91%
STANDARD BANK GROUP LTD	4.60%
MTN GROUP LTD	4.36%
BRITISH AMERICAN TOBACCO PLC	3.94%
FIRSTRAND LTD	3.54%
IMPALA PLATINUM HOLDINGS LTD	2.77%

Market Performance

With the All Share now trading firmly above the 100 000 level, the index posted a total return of +3.5% in August to outperform all other asset classes. SA Listed Property posted a gain of 2.8% while Bonds lagged, only managing to eke out a total return of 0.7% over the month. Gold gained 2.9% in August.

Of the equity headline indices, the Large Caps were the best performers, gaining 5.1%. Small Caps returned +1.9% and Mid Caps posted a loss of 0.6% in August. Within the sector indices, SA Resources continued to outperform with a total return of +11.4%. SA Industrials and SA Financials gained 1.1% and 1.0% respectively.

Within the Industry groups, Energy (+15.7%) was again the top performer over the month (Exxaro +21.0%), followed by Basic Materials (+11.2%) with solid total returns coming once again from Chemicals +19.3% (Sasol +27.2%) and Precious Metals +12.5% (Gold Fields +31.5%, AngloGold +21.1%, Sibanye -13.1%). Technology gained 3.4% (Bytes +11.4%, Karoo +9.7%, Prosus +4.9%, Naspers +2.9%). The Real Estate industry group +2.4% (Fortress B +6.3%, NEPI Rockcastle +5.2%, Redefine +4.8%) was in fourth position, followed by Consumer Staples +1.4% (AB Inbev +4.0%, BATS +3.4%) and Industrials: +1.2% (Ind Transport +12.9% (Grindrod +32.3%, Super Group -11.5%), General Industrials +1.2% (Ind Transport +12.9% (Grindrod +32.3%, Super Group -11.50%), General Industrials +1.0%, Construction -1.8%). Financials were mostly flat (+0.8%), Life Insurance gained 3.6%, Investment Banking & Banks returned +0.5% and +0.3% respectively and Non-life Insurance lost 1.5% in August

Healthcare (-4.4%) was the worst performing industry group in August (Aspen -9.7%), followed by Telecommunications -2.1% (Blue Label -24.5%, Telkom -15.2%, MTN -2.3%, Vodacom +2.2%). Consumer Discretionary lost 1.3% with losses coming from the Retailers -4.5% (Truworths -14.9%, TFG -11.5%, Pepkor -7.3%, Woolworths +3.9%) and Travel & Leisure -3.1% (Southern Sun -8.0%, Tsogo Sun -2.3%), while Personal Goods +4.3% and Consumer Services +8.9% (Curro +33.7%) posted positive total returns in August.

Year to date, Equities have outperformed all asset classes with a solid total return of +23.6% and is now marginally ahead of Gold (+23.5%). Property with a total return of +13.4% remains ahead of Bonds (+10.3%) and Cash (+5.0%).

Of the equity headline indices year-to-date, Large Caps has returned +29.6%. The Mid Cap index has returned +13.1% and Small Caps +6.9%. Within Equities, SA Resources has outperformed year-to-date with a solid total return of +63.4%. SA Industrials has returned +18.0% and SA Financials has returned +9.5%.

Of the industry groups, Basic Materials (+66.0%) lead the performance year-to-date, followed by Telecommunications (+57.3%) and Technology (+40.0%). Real Estate has returned +12.8%, Consumer Staples and Energy have returned +10.8% and +10.7% respectively and the Financials group has returned +8.9%. The worst industry group performance has come from Healthcare (-23.4%), Consumer Discretionary (-10.9%) and Industrials (-7.3%).

The rand strengthened to 17.64 against the US dollar (1.89% month on month) from R 17.98. The currency strengthened against the euro at 20.61 (0.91% month on month) and strengthened against the pound at R23.82 (0.08% month on month). SA's five-year CDS spread narrowed by 5.94% during August 2025 by (10.9bps) from 183.11 to 172.23 points

On the news front, Finance Minister Godongwana . said he had no plans as yet to adopt the SARB's 3% CPI target as a new inflation target, leaving in place the 3-6% inflation band.

On the corporate front, in the Financials space, Old Mutual (+8.8% on the month, in ZAR), Standard Bank (+6.2%) and ABSA (+4.6%) all beat consensus with their 1 half earnings. Nedbank (-8.9%) followed its in-line first half numbers with a cut to full year guidance. FirstRand (-3.9%) was boosted by the UK constitutional court decision that mitigated potential liabilities and lifted a large overhang on the stock.

Following the small foreign selling of SA Equities in July to the value of R1.9 billion, foreigners were large sellers in August to the value of R28.2 billion. Stripping out the dual-listed companies there was foreign selling to the value of R 16.3 billion. Half of this selling occurred on the 26th August (-R8.6bn) with the MSCI index rebalancing being implemented on the 27th August. Woolworths, Aspen and Kumba were excluded from the MSCI South Africa index, while Sibanye was included as a Mid Cap constituent.

Sibanye, Sasol & MTN were the most bought stocks by foreigners whereas Woolworths, Valterra and Aspen were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned 2.02% during the month, underperforming the Capped All Share index which returned 3.54%. Positive contributors to performance for the month included the fund's overweight positions in Prosus, BHP Group & Anglo American as well as underweight positions in The Foschini Group & Capitec. Negative contributors to performance included the funds overweight positions in Impala, Mr Price & Aspen as well as underweight positions in Exxaro, AngloGold & Goldfields

Cachalia Capital Investment team

From our Corner in the Sky

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