

Portfolio Facts

INCEPTION DATE:	October 2014
BENCHMARK:	FTSE/JSE Capped All Share
NUMBER OF STOCKS:	On average 30
FUND SIZE:	R 766 443 001.00

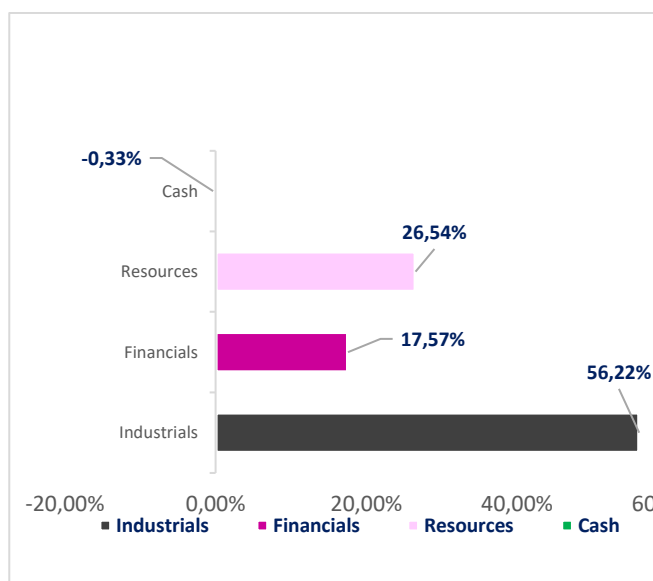
Long Term Objective

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 31/10/2025

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	11.28%	12.30%
1 Year	32.15%	31.69%
3 Years	19.01%	21.60%
5 Year	19.02%	21.51%
7 Years	15.08%	14.97%
Since Inception	11.98%	12.11%

Risk Statistics as at 31/10/2025

– 12 Months

Measure	Strategy (%)
Tracking Error	8.98
Standard Deviation	17.37
Beta	0.96

Principal Holdings as at 31/10/2025

Top 10 Holdings	% of Fund
RICHEMONT	15.22%
PROSUS NV	12.81%
ANGLO AMERICAN PLC	10.84%
BHP GROUP LTD	6.58%
MTN GROUP LTD	5.60%
STANDARD BANK GROUP LTD	5.25%
FIRSTRAND LTD	4.36%
BRITISH AMERICAN TOBACCO PLC	3.90%
NORTHAM PLATINUM HOLDINGS LTD	3.88%
IMPALA PLATINUM HOLDINGS LTD	3.61%

Market Performance

Following the loss of 1.0% in September, Property rebounded in October with a total return of +7.8% to be the top performing asset class. Bonds outperformed Equities with a total return of +2.6% vs +1.6%. Gold staged a strong rally in October with Krugerrands reaching a new high on 16 October (+24%MTD) but pulled back to be up 6.3% for the month amid profit taking and a firmer dollar.

SA Resources showed strong performance with the surge in the metal prices and by mid-month was up 8% before the gold price retreat weighed and the index ended the month down 4.8%. SA Industrials only managed a gain of 1.8% while SA Financials rebounded with a total return gain of +8.4%.

The Small Cap index posted a total return of +5.0% in October, its first monthly outperformance this year. The Large Cap and Mid Cap indices posted similar total returns over the month of +1.5% and +1.4% respectively.

REITs (+10.5%) was the top performing equity sector within SA Financials with solid total returns coming from Growthpoint (+15.0%), Hyprop (+14.0%), Fairvest (+13.2%), Attacq (+12.9%), Resilient (+10.3%) and Redefine (+8.7%). The Bank's sector returned +8.7% with positive total returns across the board, the best being Capitec (+11.1%), Nedbank (+10.6%) and FirstRand (+9.1%). The Life Insurance and Investment Banking sectors each returned +8.5% in October, Non-Life Insurance +5.4% while Real Estate Inv & Services only returned +2.2% over the month.

Within SA Industrials, top equity sector performance in October came from Industrial Transport: +17.2% (Super Group +26.4%, Grindrod +12.8%), Telecom Services: +13.9% (MTN +19.3%), Consumer Services: +11.7% (AdvTech +12.3%), Food Producers: +4.7% (Astral +9.1%, Tigerbrands +6.4%, Premier +6.3%) and Personal Goods: +4.4% (Richemont), General Industrials: -2.5% (Mondi -18.3%), Software & Computers: -2.0% (Karoo -18.8%, Bytes -7.6%, Naspers -2.5%, Prosus -0.8%) and Tobacco -1.2% (BATS), were the only SA Industrial equity sectors to post negative total returns in October.

Precious Metals (-6.7%) was the worst performing equity sector within SA Resources in October with the largest losses coming from Implats (-15.5%) and Valterra (-13.1%) followed by Harmony (-7.0%), Gold Fields (-7.0%) and Sibanye (-6.0%). Industrial Materials (Sappi) shed 1.9% in October. Alternative Energy (Montauk) was the best performing equity sector, returning +8.8%.

Gold (+38.1%) is the top overall performer year-to-date. Equities with a solid total return of +33.9% remains the top performing broad asset class. Property, with a total return of +21.1% has moved ahead of Bonds (+16.9%). Cash has lagged with a return of +6.3%.

Of the Headline indices Year to date, Large Caps has returned +41.9%. The Mid Cap index has returned +19.5% and Small Caps +13.3%. Within Equities, SA Resources has outperformed year-to-date with a solid total return of +95.1%. SA Industrials has returned +21.7% and SA Financials +16.6%

The rand weakened to 17.31 against the US dollar (0.35% month on month) from R 17.25. The currency strengthened against the euro at 19.97 (1.38% month on month) and strengthened against the pound at R22.77 (1.81% month on month). SA's five-year CDS spread narrowed by 8.73% during October 2025 by (14.4bps) from 164.91 to 150.52 points

On the news front, the latest CPI print was uneventful, but the SARB's announcement to potentially buy FX reserves if the rand strengthens signals a cautious approach to currency management.

On corporates, FSR announced a 20% stake in the listed fintech microlender Optasia. On the same bank, there was some concern in early October that FSR would need to increase provisioning further on the back of the FCA's proposed redress scheme for UK motor finance saga. One of the more notable events was the TFG trading statement which saw a 30% earnings miss driving the stock down -16% on the month.

As at September 2025 foreign ownership of the JSE All Share index (including dual-listed) was at 31.5%, higher than June 2025 (30.5%) and December 2024 (29.3%) as well as December 2023 (28.8%) – at the height of loadshedding and ahead of the general elections.

SA Resources foreign ownership increased in Q3 2025 to 35.8% from 34.0% in June 2025 and 27.5% in December 2024.

While SA Financials has the second largest foreign ownership at 30.1% at September 2025, it is down from 31.1% in December 2024 and 32.5% in December 2023.

SA Industrials foreign ownership of 29.1% in September 2025 was higher than the 28.6% in June 2025 and the 28.7% in December 2024, but still lower than the 30.3% at December 2023.

Portfolio Performance

The portfolio returned 1.11% during the month, underperforming the Capped All Share index which returned 1.80%. Positive contributors to performance for the month included the fund's overweight positions in Richemont, BHP Group & MTN as well as underweight positions in The Foschini Group & AngloGold. Negative contributors to performance included the funds overweight positions in Mondi, Prosus & Impala as well as underweight positions in Pepkor, Discovery & Capitec

Cachalia Capital Investment team

From our Corner in the Sky

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