

Portfolio Facts

INCEPTION DATE:	October 2014
BENCHMARK:	FTSE/JSE Capped All Share
NUMBER OF STOCKS:	On average 30

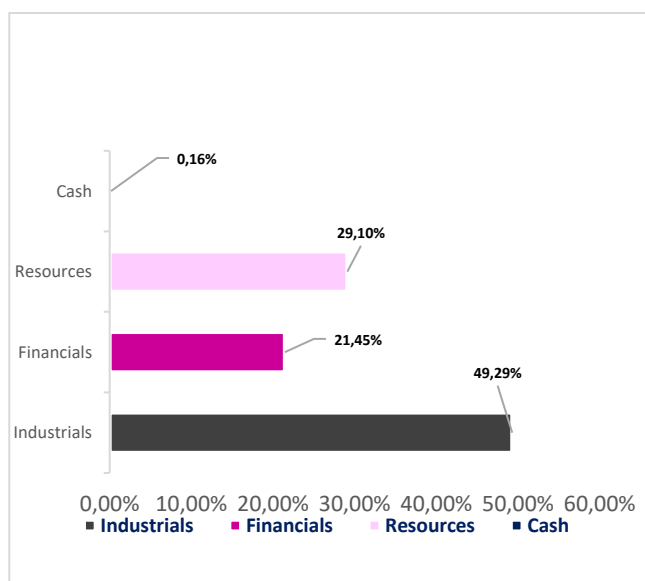
Long Term Objective

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 31/12/2025

Gross Composite Returns

	Portfolio (%)	Benchmark (%)
3 Month	5.34%	8.95%
1 Year	37.28%	42.75%
3 Years	16.32%	20.67%
5 Year	16.29%	19.32%
7 Years	15.78%	16.10%
Since Inception	12.43%	12.79%

Risk Statistics as at 31/12/2025

– 12 Months

Measure	Strategy (%)
Tracking Error	8.70
Standard Deviation	17.00
Beta	0.97

Principal Holdings as at 31/12/2025

Top 10 Holdings	% of Fund
NASPERS LTD	14.40%
COMPAGNIE FINANCIERE RICHEMONT SA	10.23%
ANGLO AMERICAN PLC	9.05%
PROSUS NV	8.77%
FIRSTRAND LTD	6.18%
BHP GROUP LTD	5.41%
STANDARD BANK GROUP LTD	4.79%
MTN GROUP LTD	4.40%
IMPALA PLATINUM HOLDINGS LTD	4.06%
NORTHAM PLATINUM HOLDINGS LTD	3.61%

Market Performance

SA Equities (All Share Index) was the top performing asset class in December with a total return of +4.6%. The All Bond index posted a gain of 2.8% while SA Listed Property was flat (+0.1%). Gold, however, outperformed all asset classes again with Krugerrands gaining 7.1% over the month.

Of the equity headline indices, Large Caps and Mid Caps posted similar total returns of +4.8% and +4.5% respectively, while Small Caps returned +2.4%. SA Financials (+6.5%) outperformed within the Sector indices while SA Resources returned +5.7% and SA Industrials lagged with a total return of +1.9%.

Pharmaceuticals was the top performing equity sector in December with a total return of +22.9%, followed by Support Services (+10.5%), Industrial Materials (+10.0%), Banks (+9.5%), Industrial Metals (+8.4%) and Construction (+8.3%). Negative sector total returns came from Chemicals (-8.0%), Tobacco (-3.9%), Real Estate Investment & Services (-2.1%), Retailers (-1.7%), Drug & Grocery Stores (-0.6%) and Non-life Insurance (-0.4%).

In Q4 2025, Property was the overall asset class winner with a total return of +16.3% (+6.7% in Q3). However, Including Gold (Krugerrands) saw this asset class outperform with a return of +19.0% in Q4 (+8.6% in Q3). Bonds posted a rand total return gain of 9.0% vs +6.9% in Q3. Equities gained 8.1% in Q4 vs +12.9% in Q3 and Cash added 1.8% in Q4 (+1.8% in Q3).

SA Financials were the winners in Q4 2025 with a gain of +18.4% vs an increase of 10.3% for SA Resources and a loss of 1.2% for SA Industrials.

Of the equity sectors, Industrial Transport recorded the largest Q4 total return (+24.7%), Followed by Pharmaceuticals (+23.7%), Banks (+21.4%), REITs (+21.0%), Consumer Services (+18.6%), Life Insurance (+17.2%), Support Services (+16.5%) and Food Producers (+16.2%), Software & Computers (-11.8%), Chemicals (-5.8%) and Drug & Grocery Stores (-2.0%).

For calendar 2025, total return performance was again solid across all asset classes beating 2024, with the exception of Cash. Equities at 42.4% (+13.4% in 2024), was the top performer, overtaking Property at 30.6% (+29.0% in 2024). Bonds returned +24.2% (+17.2% in 2024), followed by Cash (+7.5% after +8.5% in 2024). Gold, however, was the top overall performer, with Krugerrands returning +54.6% (2024:+22.8%).

Of the equity Headline indices, Large Caps returned +49.4% in 2025. The Mid Cap index returned +31.0% and Small Caps +21.5%. Within the Sector indices, SA Resources outperformed with a solid total return of +126%. This is the second largest annual performance on record since 1960 (1999: +137%). SA Financials, with a total return of +27.4% came in ahead of SA Industrials (+18.1%).

Top equity sector performance for 2025 came from Precious Metals (+215%), Telecom Services (+73.0%), Tobacco (+49%), Industrial Transport (+45%), REITs (+37%), Software & Computers (+34%), Personal Goods (32%) and Banks (+29%).

The rand strengthened to 16.56 against the US dollar (3.16% month on month) from R 17.10. The currency strengthened against the euro at 19.45 (1.92% month on month) and strengthened against the pound at 22.31 (1.46% month on month). SA's five-year CDS spread narrowed by 7.14% during December 2025 by (10.44bps) from 146.26 to 135. points

On the news front, the major political event in December was the ANC's National General Council that took place in early December. The event serves as a useful barometer on the pulse of the party, potential succession debates and performance measures leading up to Local Government elections.

On the macro front, the first survey of inflation expectations following the SARB's shift to a 3% inflation target saw significant downward revisions. The overall one-year ahead expectation fell to 3.8% oya, from an initial 4.2% in Q3. The declines were broad-based across the three surveyed groups. Lastly, Moody's completed its review of South Africa's Ba2 credit rating and announced its decision to maintain a stable outlook. The announcement was surprising given the recent upgrade of the outlook to positive by S&P, with Moody's citing low growth potential and an elevated debt burden (albeit stable) over the medium term.

Following the large foreign selling of SA Equities in November to the value of R18.8 billion, foreigners were smaller sellers in December to the value of R1.2 billion. Excluding the dual-listed's there was buying to the value of R4.0 billion, due to foreigners buying AngloGold (R7.1bn) on the JSE.

Firststrand, Capitec & Goldfields were the most bought stocks by foreigners whereas Implats, Naspers and Nedbank were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned 5.32 % during the month, outperforming the Capped All Share index which returned 4.62%. Positive contributors to performance for the month included the fund's overweight positions in Impala, BHP Group & Anglo American as well as underweight positions in AngloGold & Goldfields. Negative contributors to performance included the funds overweight positions in Quilter, Mr Price & Richemont as well as underweight positions in Glencore, Capitec & Valterra

Cachalia Capital Investment team

From our Corner in the Sky

Disclaimer

This document is for informational purposes only and does not constitute investment advice, financial advice, trading advice, or any other sort of advice. The information contained within this commentary is not intended to be a comprehensive analysis of every material fact regarding any market, industry, investment, or strategy. Investments mentioned herein may not be suitable for all investors. Before making any investment decision, investors should consider their financial situation, investment objectives, and risk tolerance to determine if the investment is appropriate for them. Past performance is not indicative of future results; investments can go down as well as up. There is the risk of loss, including the loss of principal, when investing in securities. Market conditions, economic factors, and government regulations can affect the value of any investment, and there is no guarantee that any investment strategy will achieve its objectives. This commentary reflects the views of the author as of the date of this document and is subject to change without notice. The company or author of this commentary does not accept liability for any losses or damage arising from the use of this information.