

Performance Period	Fund Return	Benchmark*	Outperformance
3 months	-1.9%	-2.3%	0.4%
6 months	4.2%	5.7%	-1.5%
1 Year	4.8%	2.9	1.9

* Benchmark: JSE Capped Swix
Inception date: March 2023

Asset & Sector Allocation	
Cash	3%
Domestic Equity	97%
Basic Materials	18%
Consumer Discretionary	14%
Consumer Staples	17%
Financials	24%
Industrials	6%
Real Estate	6%
Technology	12%

Top 5 Holdings

Naspers
FirstRand
Standard Bank
Gold Field
Richemont

Portfolio Manager: Walter Jacobs / Gary Quin Commentary for the Quarter ended March 2023

Performance

For the quarter, the fund returned -1.3% vs. the benchmark's -2.3%. Over 12 months, the fund returned 7.4% vs. the benchmark's 2.9%.

Macro

MSCI World outperformed MSCI EM and was up 9.0% in USD terms for the quarter. The JSE All Share index was down 2.2% and SA bonds were down 1.2% in ZAR terms.

The ZAR weakened by 3.4% against the USD.

US inflation continued being above the targeted range, pushing out the start of interest rate cuts towards the end of the year and driving up prices for inflation hedges such as gold. Expectations for a probability of soft landing and no landing (next 12m) increased vs hard landing, a scenario supportive for global equities. China's March manufacturing PMI data showed an uptick in new orders and exports – potential early signs for an improvement in production activity and demand conditions. However, deflation concerns persist, with overcapacity, particularly in new green industries pushing prices down.

For SA, despite a decline in food inflation, CPI saw an increase in Jan and Feb this year – likely to keep interest rates higher. March saw an improvement in SA equities, after a tough start to 2024. Recovery was driven by resources and industrials, while other sectors dragged. Weakness in retail and vehicle sales, as well as housing prices, persists. And other economic indicators such as building plans passed, already showing a declining trend for the past decade, saw a sharp drop in March. These macro indicators highlight sluggish economic activity potentially pointing to election uncertainty and high rates, delaying decision making.

The Portfolio

For the quarter top contributors included stocks the fund did not own Remgro ABSA and Discover while the fund owned MTN and AngloGold. The fund subsequently sold out of MTN during the quarter while the exposure to gold counters was increased. Woolworths was a top detractor however the exposure to Woolworths was reduced during the quarter. Impala Platinum and Sibanye Stillwater were top contributors over the 12 months. Truworths was a detractor over the quarter and was a top contributor over 12 months.

We invest in quality companies that have good growth prospects, these companies should be able to withstand the uncertain macro environment.