

Performance Period	Fund Return	Benchmark*	Outperformance
1 Year	14.6%	10.3%	4.3.0%
3 Years (annualised)	11.6%	9.2%	2.4%
5 Years (annualised)	9.4%	9.0%	0.4%
Since Inception (annualised)	8.5%	7.7%	0.8%

Asset allocation	
Domestic Equity	36%
Global Equity	39%
Property	9%
Bonds	9%
Commodities	4%
Cash	3%

Performance is reported for the C Class, net of fees

*Benchmark: Average of the SA Multi Asset High Equity ASISA category, calculated over a 1-year rolling period
Inception date: September 2018

Top 5 Domestic Holdings	Top 5 Global Holdings
R2032 8.25% NewGold Ltd FirstRand MR PRICE Bidvest	Alphabet Inc Cl A Pulte Group Dominos Autozone Broadcom

Portfolio Manager: Walter Jacobs / Richard Pitt
Commentary for the Quarter ended June 2024

Performance

For the quarter, the fund returned 1.4% vs. the benchmark's 3.7%. Over 12 months, the fund returned 14.6% vs. the benchmark's 10.3%.

Macro

MSCI World underperformed MSCI EM and was up 2.8% in USD terms for the quarter. The JSE All Share index was up 8.2%, and SA bonds were up 7.5% in ZAR terms. The ZAR strengthened by 3.6% against the USD.

The US tech rally continued, fueled by AI enthusiasm, and the S&P 500 hit new highs during the quarter. The magnificent 7 have been driving earnings growth so far, however, analysts project their slowdown and a recovery for the other 493, a start of a growth trend broadening across the market. China's deflation risks persist with supply-side stimulus, meant to defend real GDP growth, entrenching deflationary pressures and is spilling over into the US and Euro regions via the goods channel, particularly apparel.

By the end of June, Eskom had achieved three months straight of no load-shedding as additional capacity from Kusile boosted the grid. Earnings recovery is expected for SA Inc stocks during FY24 compared to the load-shedding impacted FY23. The GNU-phoria saw to the SA Inc. rally by the end of the quarter, and retailers and banks were the leading sectors. Metals, however, gave back some of the Q1 gains during the second quarter. There generally is scope for rerating, should government stability continue and delivery improves. SA is currently trading at the second largest discount vs MSCI EM, after Brazil.

The Portfolio

For the quarter - The domestic equity allocation was the biggest contributor to returns, contributing 3.2% for the quarter. The offshore allocation was at 36.7.% at the end of the quarter and detracted 2.97% from performance. The fund typically remains fully allocated to the offshore allowance per Regulation 28, however, with some of the offshore technology names having run hard, we have taken the opportunity to lighten offshore equity exposure while searching for another quality growth stock.

At the instrument level the R2032 bond, Alphabet, First Rand, Capitec and Sanlam were top contributors while Stellantis, Ulta Beauty, United Rentals and Goldfields were detractors.

We intend to remain fully allocated to equities per the Regulation 28 limits, where we invest in quality companies that have good growth prospects. These companies should be able to withstand the uncertain macro environment, while providing real returns.