

Performance Period	Fund Return	Benchmark*	Outperformance
3 months	8.1%	8.2%	-0.1%
6 months	6.0%	5.7%	0.3%
1 Year	9.4%	10.1%	-0.6%

\* Benchmark: JSE Capped Swix  
 Inception date: March 2023

Asset & Sector Allocation	
Cash	4%
Domestic Equity	96%
Basic Materials	19%
Consumer Discretionary	12%
Consumer Staples	16%
Financials	27%
Industrials	6%
Real Estate	5%
Technology	11%

### Top 5 Holdings

Naspers  
 FirstRand  
 Standard Bank  
 Capitec Bank  
 ANGLOGOLD

**Portfolio Manager: Walter Jacobs / Gary Quin**  
**Commentary for the Quarter ended June 2024**

### Performance

For the quarter, the fund returned 8.1% vs. the benchmark's 8.2%. Over 12 months, the fund returned 9.4% vs. the benchmark's 10.1%.

### Macro

At a simplistic level, the fund is underweight mining and precious metals companies and overweight domestic-focused businesses. We have been steadily increasing our domestic weightings throughout 2024. While the election results move the country in the right direction, we still think that the improvement could be faster, and while that is not the case, growth will be difficult to come by. For that reason, the domestic companies we own are not cyclical at all. All of the domestic companies we own are already "fixed", don't have ambitious capex plans and tend to be leaders in their sector. They all have enough cash flow to support healthy dividend yields and or buybacks. Of course, we would prefer if they could deploy this cash for growth but acknowledge that growth might only return next year.

Apart from the positive election result, Eskom has improved its availability, and the country is running a primary fiscal surplus. The big missing ingredient is a cut in interest rates. Unfortunately, the aura of Chris Stals still hangs over our reserve bank, who believed in crushing the local economy to deal with global inflation.

The country would be much better off with a weaker Rand and real short rates closer to zero. South Africa's real short rates are amongst the highest in the world.

### The Portfolio

Our asset allocation to be underweight miners was correct, but our stock selection could have been better, with Goldfields and Anglo American detracting. We are underweight Rand Hedges, but this is more a function of our individual stock views. Bidcorp is our most overweight Rand Hedge and Anheuser-Busch our most underweight.

The biggest contributors to returns at an individual level were Bidvest, Truworths, Emira Property fund, Capitec, and Clicks.

We invest in quality companies with good growth prospects. These companies should be able to withstand the uncertain macro environment.