

Performance Period	Fund Return	Category Average	Outperformance
1 Year	23.6%	18.5%	5.1%
3 Years (annualised)	11.6%	10.4%	1.2%
5 Years (annualised)	11.2%	10.2%	1.0%
Since Inception (annualised)	9.4%	8.6%	0.8%

Asset allocation	
Domestic Equity	37%
Global Equity	38%
Property	9%
Bonds	10%
Commodities	4%
Cash	2%

Performance is reported for the C Class, net of fees
Category Average: ASISA SA Multi Asset High Equity
Inception date: September 2018

Top 5 Domestic Holdings	Top 5 Global Holdings
R2032 8.25% NewGold Ltd Mr Price Clicks Redefine	Pulte Group United Rentals Autozone Broadcom Home Depot

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

Performance

For the quarter, the fund returned 6.9%, compared to the category average of 5.8%. Over 12 months, it returned 23.6%, compared to the category average of 18.5%.

Financial Markets

In Q3, MSCI EMEA rose 5.9% behind MSCI EM (7.8%) and behind MSCI World (6.0%). For the quarter, MSCI SA was 15.2% higher in USD, helped by the ZAR, which appreciated 5.4% against the USD. The USD gold price was 13.2% higher, while South African Bonds returned 17.3% in USD for the quarter.

China's stimulus package dominated the news and initially triggered a strong rally in commodities (Iron Ore) and Chinese-linked equities. The Fed's 50 bps cut at the 18th September FOMC also helped fuel equity markets. The escalating Middle East conflict remains an uncertainty for markets.

In South Africa, the SARB cut its key policy rate by 25 bps to 8.0% at its Sept meeting, its first rate cut since COVID as core inflation dipped below the midpoint target, averaging 4.4% for the year. Progress is being made with consistent electricity supply but urgent attention is needed to address logistical and water supply challenges as well as ensuring service delivery at municipal level.

The 'two pot' pension system law was passed and came into effect in September, and by mid-October, more than R20bn (according to SARS) had been withdrawn from the savings pot.

Against this macro backdrop, coupled with softer fuel prices and a stronger rand, consumer confidence upliftment is expected, which is particularly favourable for domestic cyclical stocks.

The Portfolio

For the quarter - The local equity allocation was the biggest contributor to returns contributing 3.9%, for the quarter, the offshore allocation was at 37.6% at the end of the quarter. The fund typically remains fully allocated to the offshore allowance per Regulation 28. However, the strong performance of the local equity market and high valuation levels of global equity resulted in limited new investment ideas in the global equity space.

At the instrument level, the R2032, Mr Price, Pulte Group, United Rentals, and Redefine Properties were the top contributors, while Domino's Pizza, Alphabet, Stellantis, and Microsoft were the detractors.

We continue to invest in quality companies with good growth prospects. Reducing interest rates and a general improvement in the global economy over the next 18 months should benefit these companies.

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