

SYNOPSIS

PERFORMANCE (TOTAL RETURN)

	<u>Portfolio</u>	<u>Benchmark</u>
Annualised (since 02/09/2002)	14.0%	13.9%
Last 12 months	23.1%	22.9%
Last 3 months	0.6%	5.8%

PORTFOLIO VALUE

R 4 336.9 million (31/12/2024: R 4 238.5 million)

INVESTMENT OUTLOOK AND PORTFOLIO CONSTRUCTION

World: US economy showing signs of slowing
 Tariffs could put upward pressure on inflation
 Rate cuts to slow outside of an economic crisis
 Earnings growth decelerating
 Geopolitical tensions elevated by trade war

South Africa: Growth unlikely without structural reform
 Energy supply improving but risk of disruption remains
 Inflation moderating but with upside risks
 Pace of interest rates cuts slowing
 Rand remains vulnerable to negative surprises

Portfolio construction: Low exposure to resources maintained
 Physical gold position hedges systemic risks
 Limited exposure to financials, given economic risk
 Healthcare remains significant weight, given defensive characteristics
 Naspers/Prosus largest holding on attractive valuations
 Selective exposure to listed property
 Cash provides flexibility to capitalize on opportunities

EFFECTIVE ASSET ALLOCATION (previous)

	<u>Portfolio</u>	
	<u>%</u>	<u>%</u>
JSE equities	81	(88)
JSE property	3	(2)
Commodities	2	(1)
Money market	14	(9)
	<u>100</u>	

1. PORTFOLIO PERFORMANCE

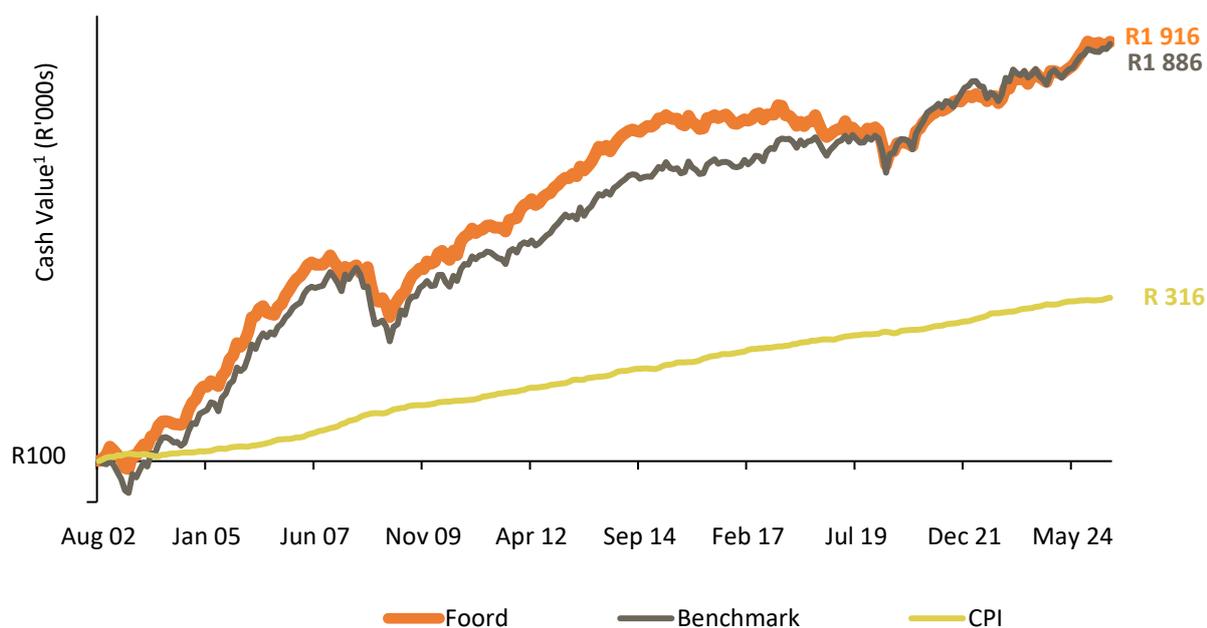
Total performance to 31 March 2025

	Portfolio	Benchmark*	Variance	Peer Group#
	%	%	%	%
From inception (02/09/2002)	14.0	13.9	0.1	12.3
20 years	12.8	13.5	-0.7	11.2
15 years	10.4	11.4	-1.0	8.8
10 years	5.6	9.2	-3.6	6.5
7 years	8.8	11.0	-2.2	8.0
5 years	19.0	19.8	-0.8	17.6
3 years	13.1	9.0	4.1	7.0
1 year	23.1	22.9	0.2	19.4
3 months	0.6	5.8	-5.2	3.5

* Total return of the FTSE/JSE Capped All Share Index (prior to 01/07/2018 FTSE/JSE All Share Index)

(ASISA) South Africa Equity – SA General average

Daily linked time-weighted total rates of return (capital and income) based on unit price. Returns in percent net of management fees and fund expenses. Returns for periods exceeding 12 months are annualised percentages.



¹ Current value of R100 000 notional lump sum invested at inception, distributions reinvested (graphically represented in R'000s above)

Quarterly performance comment:

- The fund lagged its benchmark during the first quarter of 2025 — South African equities rallied on the back of surging gold and platinum-group metal stocks — while financial shares were slightly weaker and industrials only mildly positive
- A meaningful allocation to media stocks Naspers and Prosus added to returns — their share prices rose as Chinese stimulus measures boosted the Chinese stock market and the performance of Tencent, in which they hold a significant stake
- Positions in mid-cap SA Inc. companies detracted from returns — an uninspiring budget and rising uncertainty regarding the future of the GNU lowered confidence, causing domestically-focused businesses to be sold off indiscriminately
- The underweight to financials contributed positively — the sector came under pressure amid deteriorating economic sentiment and growing expectations of further interest rate cuts, given a weaker domestic outlook
- The fund benefited from its allocation to gold and gold producers — the gold price crossed the \$3,000 per ounce milestone given rising geopolitical tensions and persistent inflation concerns, reinforcing its safe-haven status
- An allocation to global beverage company Anheuser-Busch InBev contributed to returns — the share price rose after the company reported stronger-than-expected earnings, boosted by higher prices and improvements in the US that offset lingering weakness in China
- Cash continued to enhance absolute returns with yields remaining elevated — despite inflation moderating, the SARB maintains their cautious approach to monetary policy

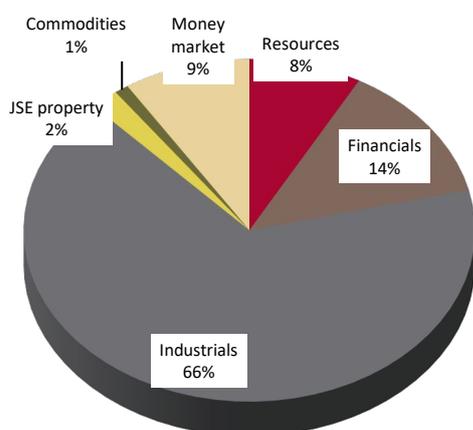
2. PORTFOLIO STRUCTURE

	Portfolio Effective exposure		FTSE/JSE Capped ALSI Weightings
	31/12/2024	31/03/2025	
	%	%	%
JSE equities: resources	8	10	20
JSE equities: financials (ex property)	14	15	24
JSE equities: industrials	66	56	36
JSE property	2	3	4
JSE equities*	90	84	84
Commodities	1	2	
Money market	9	14	
	100	100	

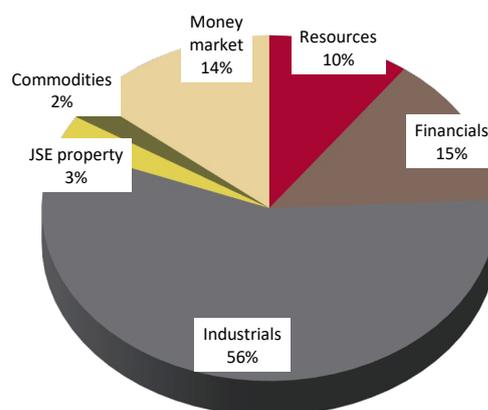
Total portfolio	R 4 238.5m	R 4 336.9m
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*Size distribution of JSE equities	%	%	%
Large capitalisation	56	60	87
Mid capitalisation	14	12	8
Small capitalisation	30	28	5
	100	100	100

Effective exposure 31/12/2024



Effective exposure 31/03/2025



3. PORTFOLIO CONSTRUCTION

- SA equities were reduced slightly to 81% of total — rising uncertainty around the future composition and policy direction of the Government of National Unity has diminished confidence in the prospects for near-term structural reform needed to revive economic growth
- Cash position was increased — cash yields remain attractive, and cash holdings offer flexibility to capitalise on opportunities as they arise
- Holdings in global media giant Naspers / Prosus was trimmed — they remain the fund’s top holdings, underpinned by strong balance sheets, compelling valuations and solid long-term earnings potential
- Took advantage of market volatility to increase exposure to quality consumer discretionary businesses — holdings remain concentrated in quality defensive names such as Premier Group, RFG Group, Spur and Pepkor, which are well positioned to weather a challenging economic environment
- Maintained a relative underweight to the financial sector, while selectively adding to banks on attractive valuations — we favour quality banks over life insurers, as they are better positioned to preserve margins and grow earnings even as interest rates decline
- Kept weighting in commodity producers at low levels and maintained holdings in gold miners — while the outlook for global growth remains uncertain, elevated gold prices continue to support gold producers with high operational leverage
- Continued to avoid large, diversified property counters — fundamentals remain weak for the asset class, with elevated debt burdens, excess capacity and ongoing uncertainty around office and retail space demand
- Our effective asset allocation is:

	<u>Capped ALSI</u>	Portfolio at	
	<u>Current</u>	<u>31/12/2024</u>	<u>31/03/2025</u>
	%	%	%
Precious metals	16	3	6
Commodity cyclicals	8	5	5
Capital goods/construction	1	5	5
Industrials/transport	5	4	5
Overseas companies	7	8	7
Health	2	10	8
Consumer/services	10	22	19
Telecommunications	5	0	0
Media	12	18	12
Financials	29	13	14
Property	5	2	3
Commodities	0	1	2
Money market	0	9	14
	100	100	100

N BALKIN/N HOSSACK/W MURRAY
MARCH 2024

4. EFFECTIVE EXPOSURE AND PORTFOLIO SENSITIVITY

4.1 Effective exposure

Asset class	Market Value R'000	Option exposure R'000	Effective exposure R'000	Effective exposure %
JSE equities	3,510,162		3,510,162	80.9%
JSE property	145,066		145,066	3.3%
Commodities	72,009		72,009	1.7%
Money market	609,615		609,615	14.1%
Total	4,336,852		4,336,852	100.0%

4.2 Sensitivity report

JSE EQUITIES

Change in portfolio equities

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant equity change *	-702,032	-351,016	-175,508	0	175,508	351,016	702,032
Resultant portfolio value *	3,634,820	3,985,836	4,161,344	4,336,852	4,512,360	4,687,868	5,038,884
Resultant portfolio change (%)	-16.2%	-8.1%	-4.0%	0.0%	4.0%	8.1%	16.2%

JSE PROPERTY

Change in portfolio property

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant property change *	-29,013	-14,507	-7,253	0	7,253	14,507	29,013
Resultant portfolio value *	4,307,839	4,322,345	4,329,599	4,336,852	4,344,105	4,351,359	4,365,865
Resultant portfolio change (%)	-0.7%	-0.3%	-0.2%	0.0%	0.2%	0.3%	0.7%

*[R'000]

5. RESPONSIBLE INVESTMENT SUMMARY**Voting resolutions for Q1 2025**

	Total count	For	Against	Abstain
Adopt Financials	2	50%	50%	0%
Auditor/Risk/Social/Ethics related	55	100%	0%	0%
Buy Back Shares	7	100%	0%	0%
Director Remuneration	33	100%	0%	0%
Issue Shares	3	0%	100%	0%
Loan / Financial Assistance	8	50%	50%	0%
Other	8	88%	13%	0%
Re/Elect Director	27	96%	4%	0%
Remuneration Policy	14	57%	43%	0%
Shares under Director Control	1	0%	100%	0%
Signature of Documents	3	100%	0%	0%

General comments:

- There are few abstentions. We apply our minds to every single resolution put to shareholders. When there is an abstention it would typically be intentional or for strategic reasons
- We typically vote against any resolution that could dilute the interests of existing shareholders. Examples include placing shares under the blanket control of directors, providing loans and financial assistance to associate companies or subsidiaries and blanket authority to issue shares. On the rare occasion, we have voted in favour of such resolutions, we were able to gain the required conviction in the specifics of the strategic rationale for such activities and could gain comfort that such activities are indeed to be used to the reasons stated
- The firm also has a strong philosophy regarding management remuneration models. We believe in rewarding good managers with appropriate cash remuneration on achievement of relevant performance metrics that enhance long-term shareholder value. We are generally not in favour of share option schemes given the inherent asymmetry between risk and reward typical of such schemes. In addition, we do not believe that existing shareholders should be diluted by the issuing of new shares to management as is the case with most option schemes. We are in favour of the alignment created between management and shareholders when management has acquired its stake in the company through open market share trading and paid for out of management's own cash earnings

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