



# Quarterly Investment Update - April 2025



INDEPENDENT  
INVESTMENT  
SOLUTIONS



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# Market Performance Review

# LOCAL MARKET PERFORMANCE (2025/03/31)

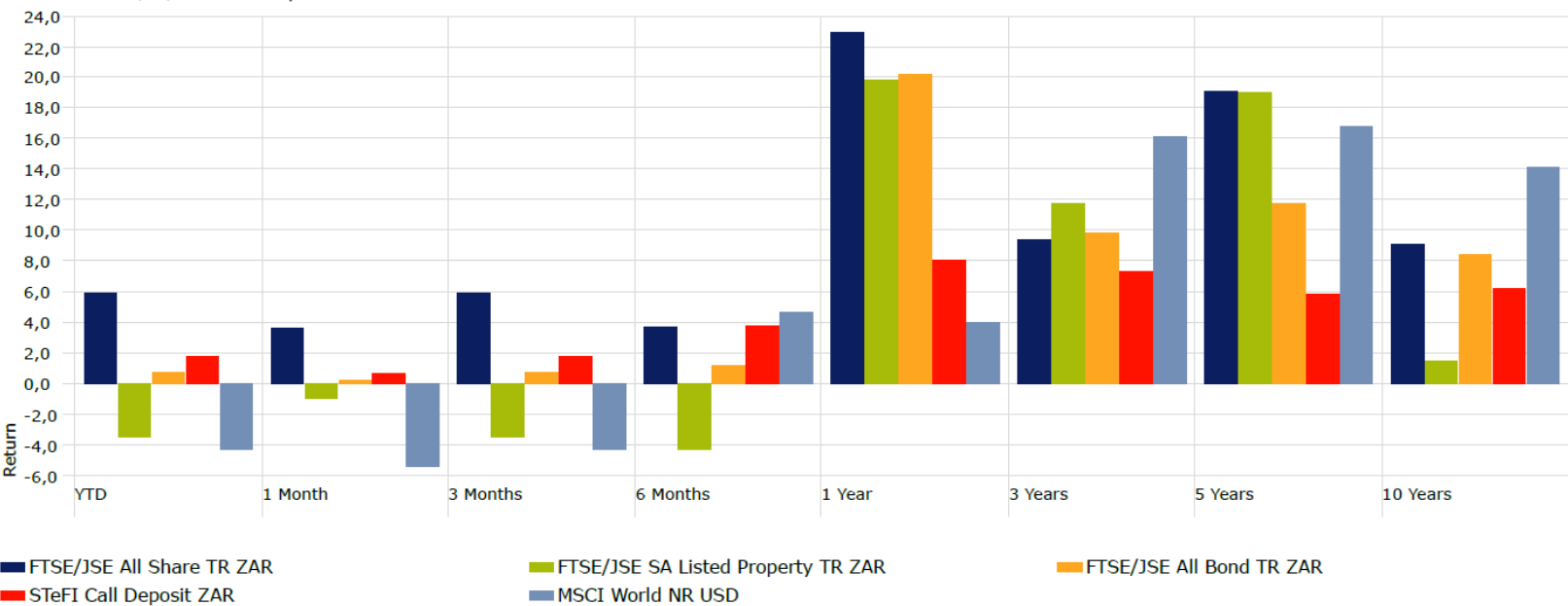
## Calendar Year Returns

Data Point: Return

	YTD	1 Month	3 Month	6 Month	1 Year	3 Years	5 Years	10 Years
FTSE/JSE All Share TR ZAR	5,94	3,55	5,94	3,68	22,95	9,41	19,06	9,04
FTSE/JSE SA Listed Property TR ZAR	-3,51	-0,90	-3,51	-4,31	19,83	11,74	18,97	1,44
FTSE/JSE All Bond TR ZAR	0,70	0,19	0,70	1,13	20,16	9,83	11,73	8,41
STeFI Call Deposit ZAR	1,82	0,61	1,82	3,80	7,98	7,26	5,83	6,20
MSCI World NR ZAR	-4,28	-5,38	-4,28	4,65	3,96	16,15	16,81	14,16

### South African Market Returns (ZAR)

As of Date: 2025/03/31    Currency: Rand





# GLOBAL MARKET PERFORMANCE (2025/03/31)

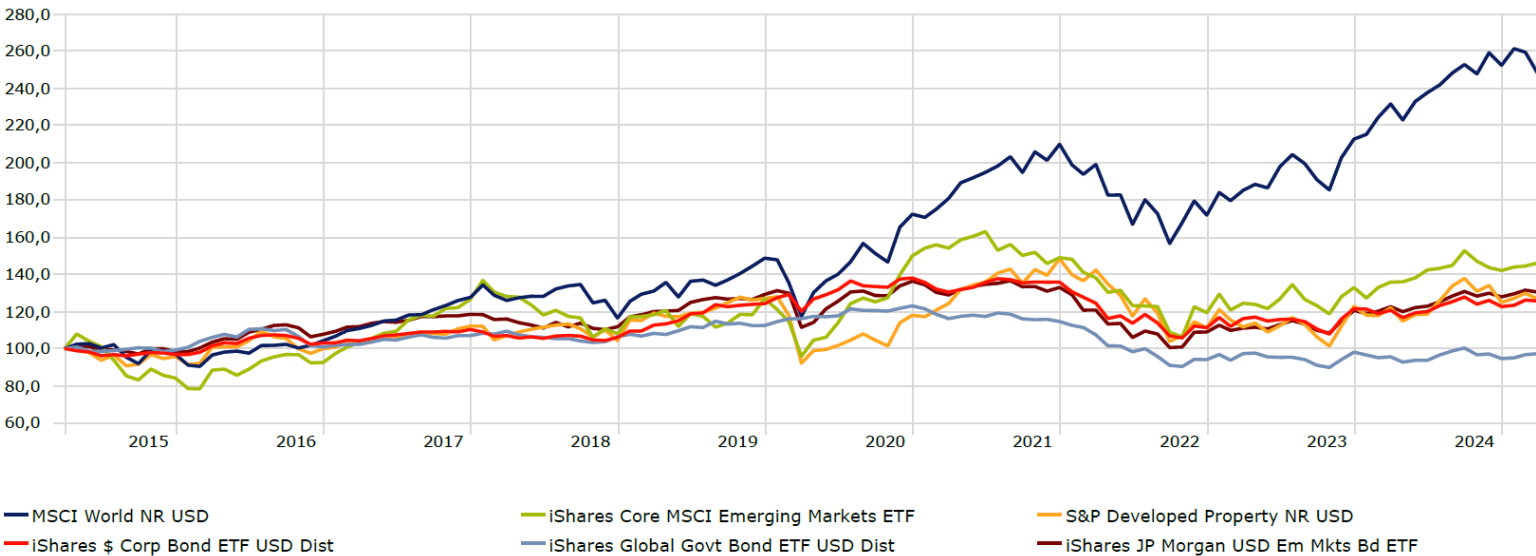
## International Market Returns

Data Point: Return

	YTD	1 Month	3 Month	6 Month	1 Year	3 Years	5 Years	10 Years
MSCI World NR USD	-1,79	-4,45	-1,79	-1,95	7,04	7,58	16,13	9,50
iShares Core MSCI Emerging Markets ETF	2,85	1,16	2,85	-4,31	7,61	1,89	8,78	3,86
S&P Developed Property NR USD	1,52	-2,31	1,52	-7,97	3,95	-3,78	6,57	2,39
iShares \$ Corp Bond ETF USD Dist	2,43	-0,39	2,43	-1,69	4,14	0,31	0,90	2,30
iShares Global Govt Bond ETF USD Dist	2,78	0,55	2,78	-3,05	1,78	-3,25	-3,47	-0,28
iShares JP Morgan USD Em Mkts Bd ETF	2,00	-0,81	2,00	-0,29	6,39	2,60	3,19	2,68
USTREAS T-Bill Auction Ave 3 Mon	1,09	0,36	1,09	2,25	4,99	4,61	2,79	1,97

## Investment Growth

Time Period: 2015/04/01 to 2025/03/31





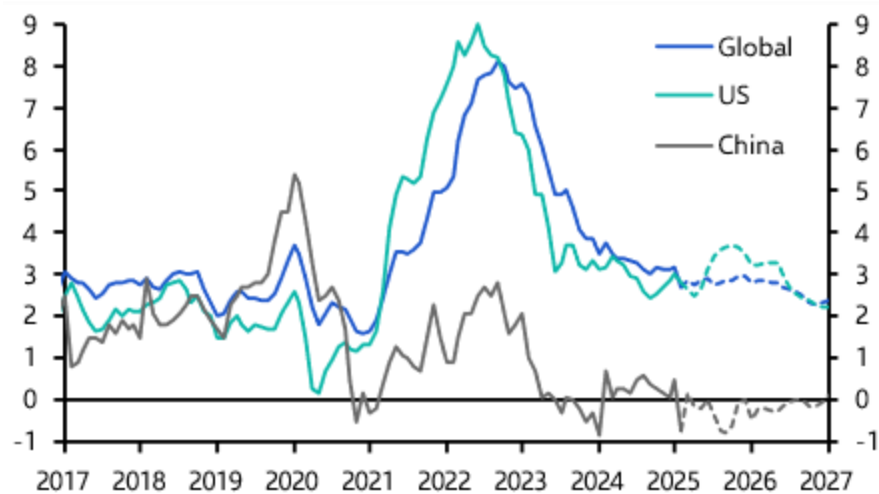
# Market Outlook

# RATE CUTS

Meanwhile, the global trend of disinflation will be less broad this year. A 10%-pt hike in the average US tariff rate will boost inflation there by a little under 1%-pt, though this price level change should drop out of the year-on-year comparison in 2026. Further falls in headline inflation in the euro-zone and Japan are likely to be matched by slight increases in inflation in many EMs outside Asia. China will remain the global outlier, with excess capacity keeping inflation stuck just below zero.

Slower disinflation and upside risks from tariff escalation and higher defence spending will mean that central banks tread carefully. Most will continue cutting rates, but the depth of the rate cuts will be reduced compared to 2024. In fact, the Fed will refrain from cuts until price pressures subside in 2026. And sustained 2% core inflation will give the Bank of Japan the green light to continue hiking.

## Headline CPI Inflation (%)



## Policy Interest Rates (%)

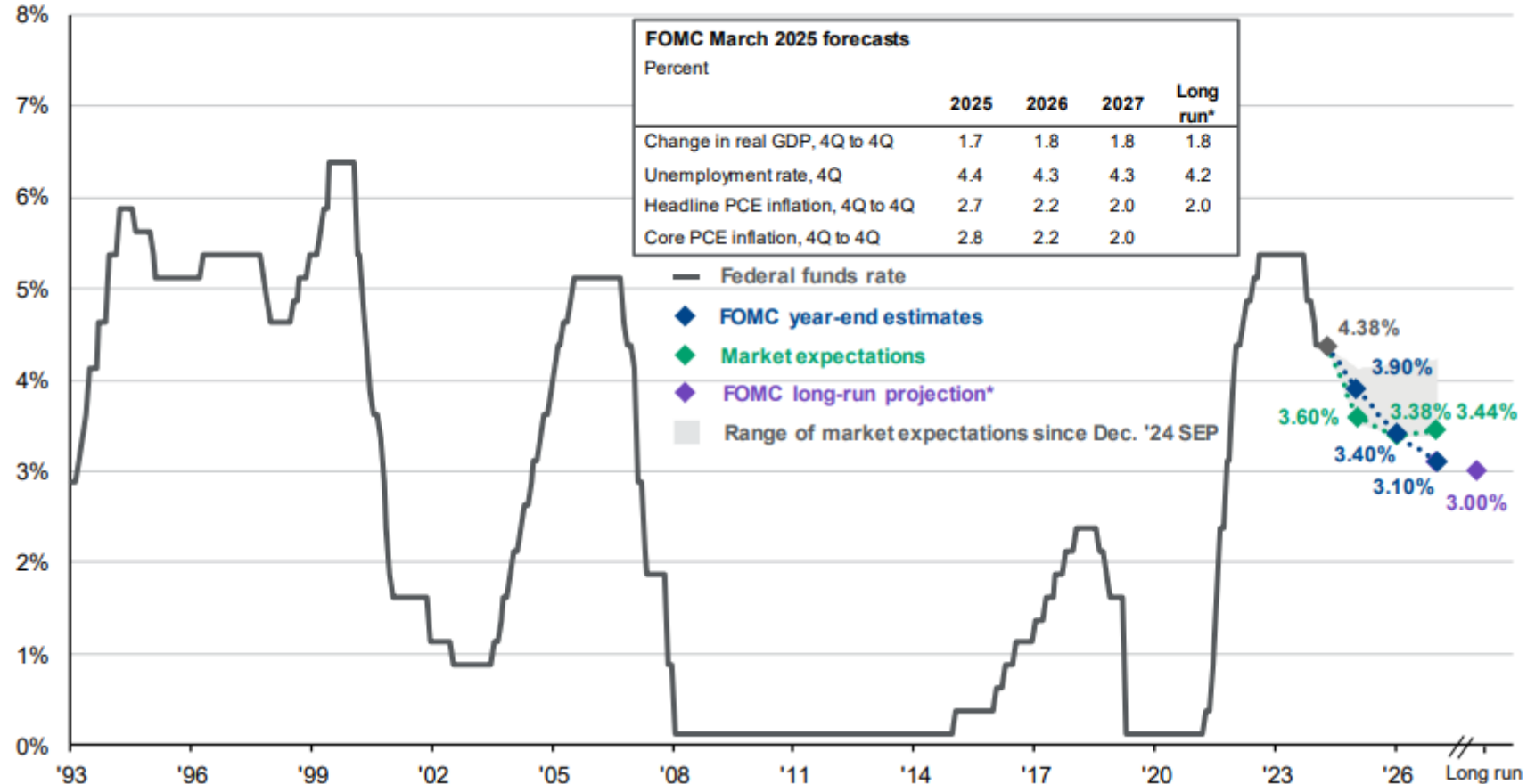




# RATE CUTS

## Federal funds rate expectations

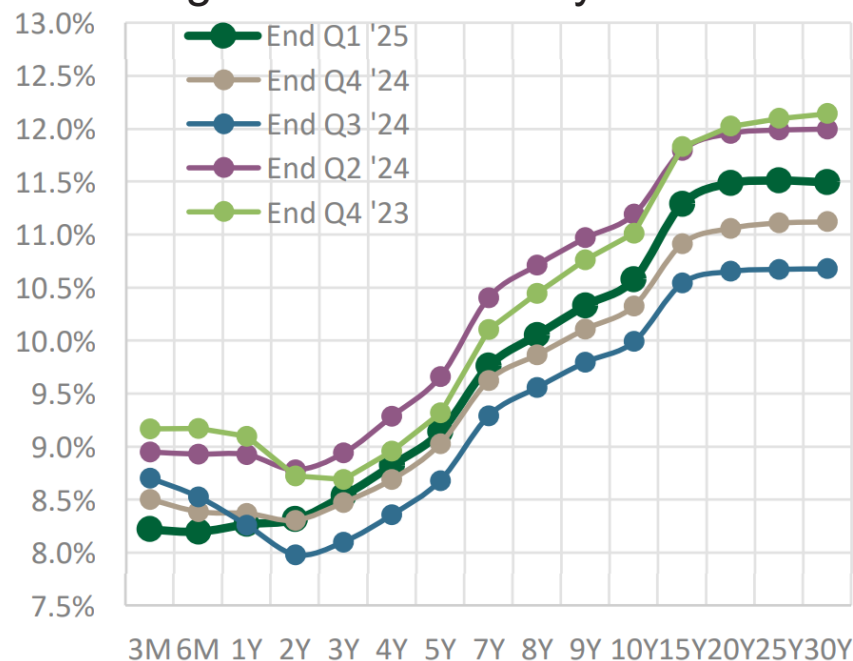
FOMC and market expectations for the federal funds rate



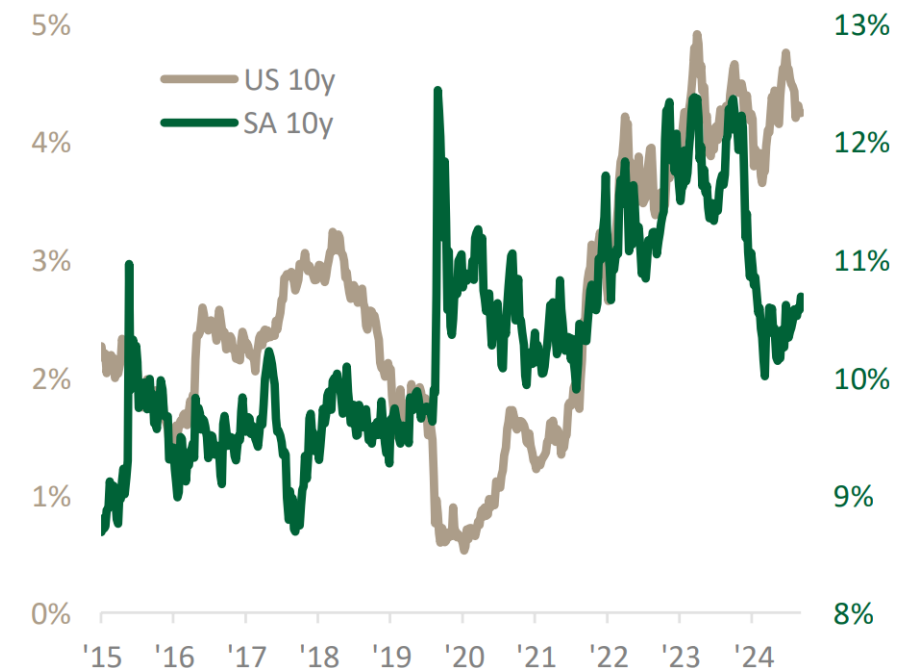
# SOUTH AFRICA BONDS

SA bonds returned +0.7% this quarter, lagging SA cash at +1.8% amid geopolitical volatility. The SA 10-year bond yield closed at 10.6%, offering a strong real return versus 3.2% inflation. Cash remains attractive, with 12-month NCDs yielding 8.1%—a 4.9% real return. We continue to favour cash and money markets while maintaining some long-duration exposure. SA bonds appear fairly valued, but political risks (e.g., potential GNU instability) could push yields higher. Yield curve shifts reflect rising long-end yields on budget concerns and falling short-end rates after the repo cut.

## SA government bond yield curve



## US & SA 10-year government bond yields



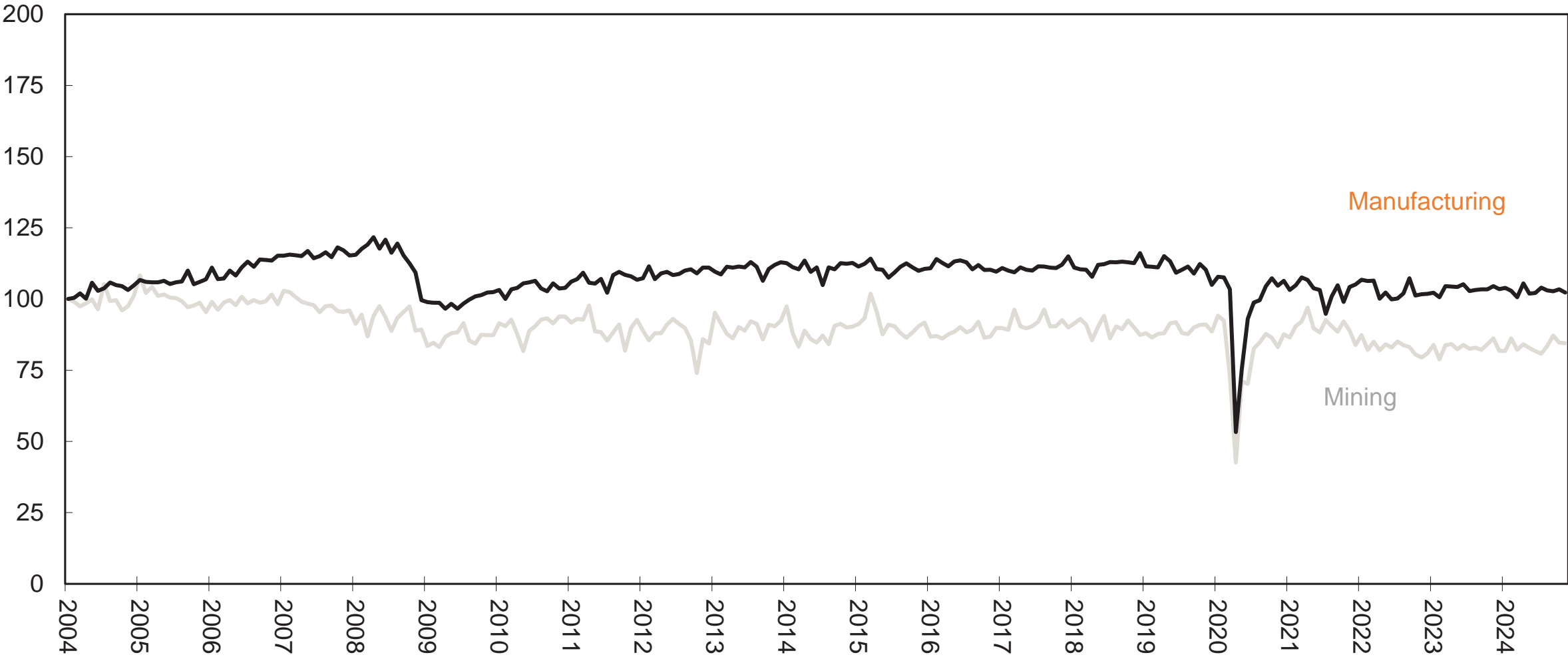
# SOUTH AFRICA EQUITY

While mid- and small-cap SA stocks rallied last year, large caps have led in 2025, returning +8.5% vs. -7.1% for small caps and +0.1% for mid-caps. The JSE All Share Index returned 5.9% for the quarter, driven largely by precious metals miners—especially gold stocks—boosted by higher gold prices. Excluding this sector, the broader market delivered negative returns. Global assets within domestic portfolios have detracted year-to-date amid US tariff-driven selloffs. **Three key risks to SA equity outlook: 1) rising geopolitical tensions, 2) Trump-era policy volatility and SA-US trade strain, and 3) domestic coalition instability.** The latter two materialised recently, weighing on equity performance. Despite global growth concerns, SA companies remain resilient—supported by strong balance sheets, experienced management, low valuations, and solid cash returns to shareholders.

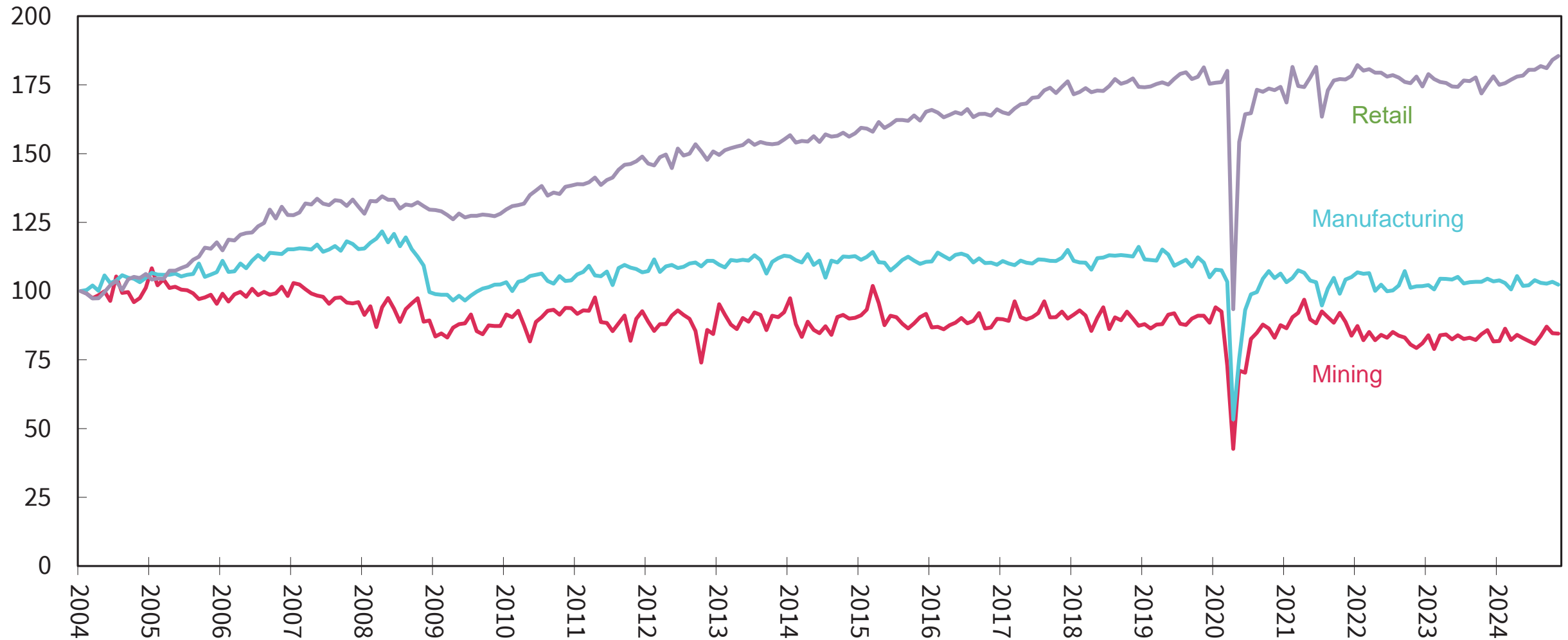




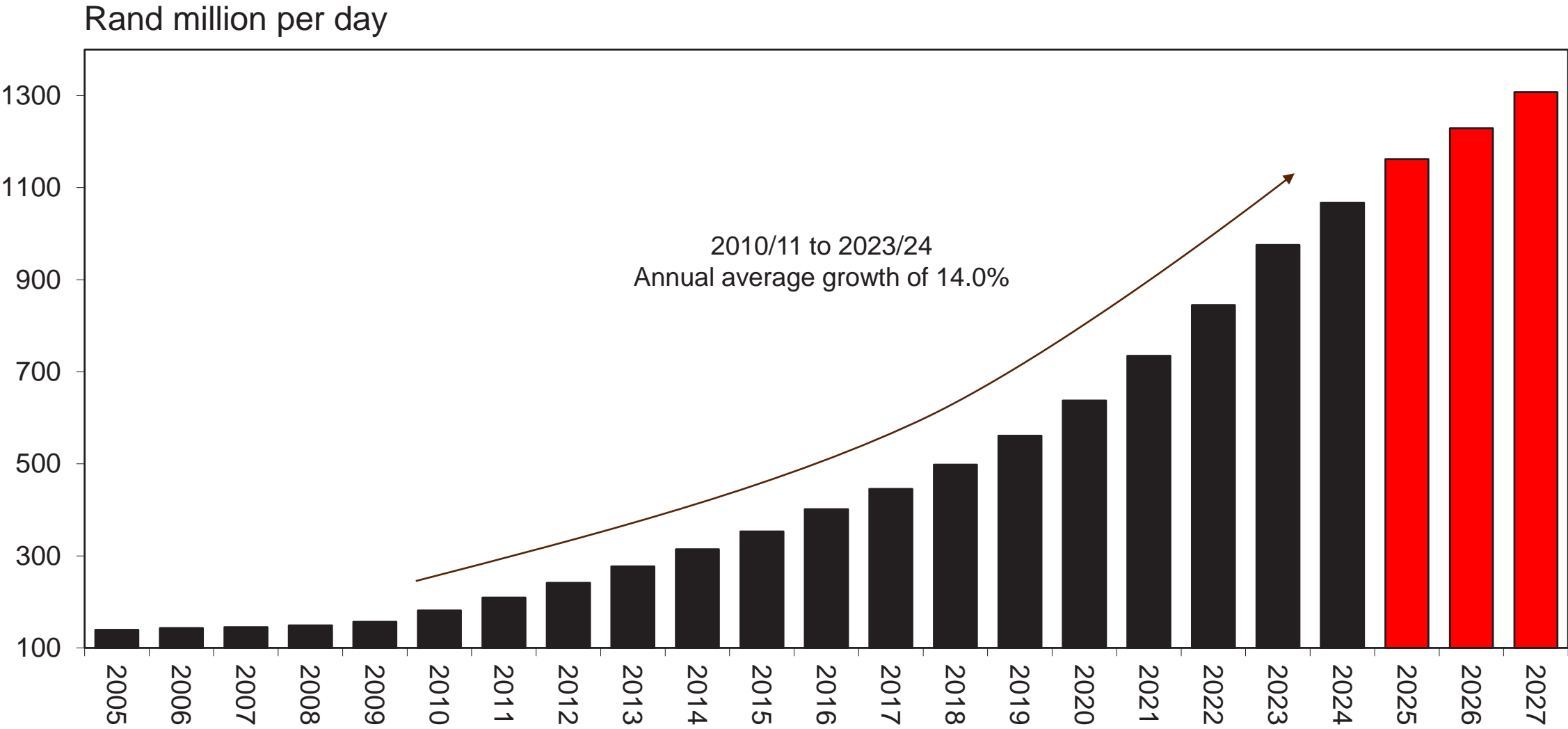
# SA MINING AND MANUFACTURING PRODUCTION INDEX



# SA MINING, MANUFACTURING AND RETAIL ACTIVITY



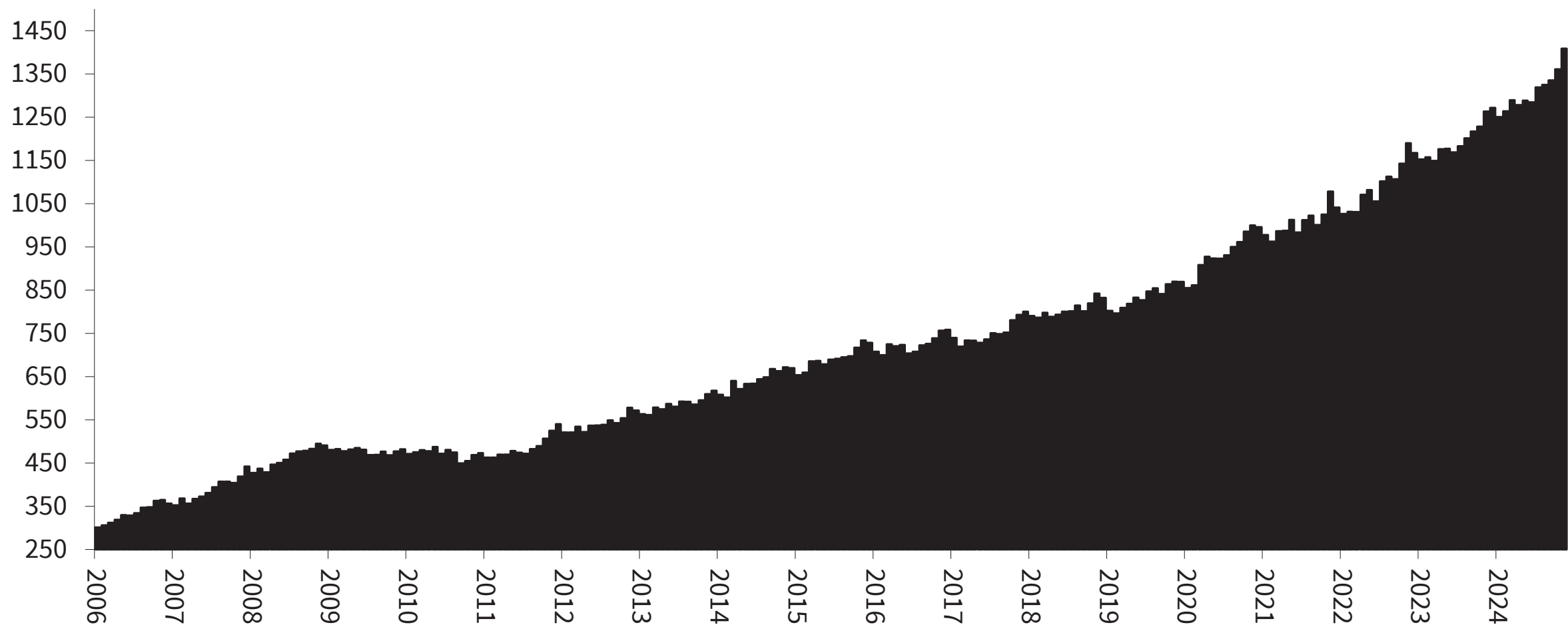
# DAILY INTEREST COST OF SA GOVERNMENT DEBT





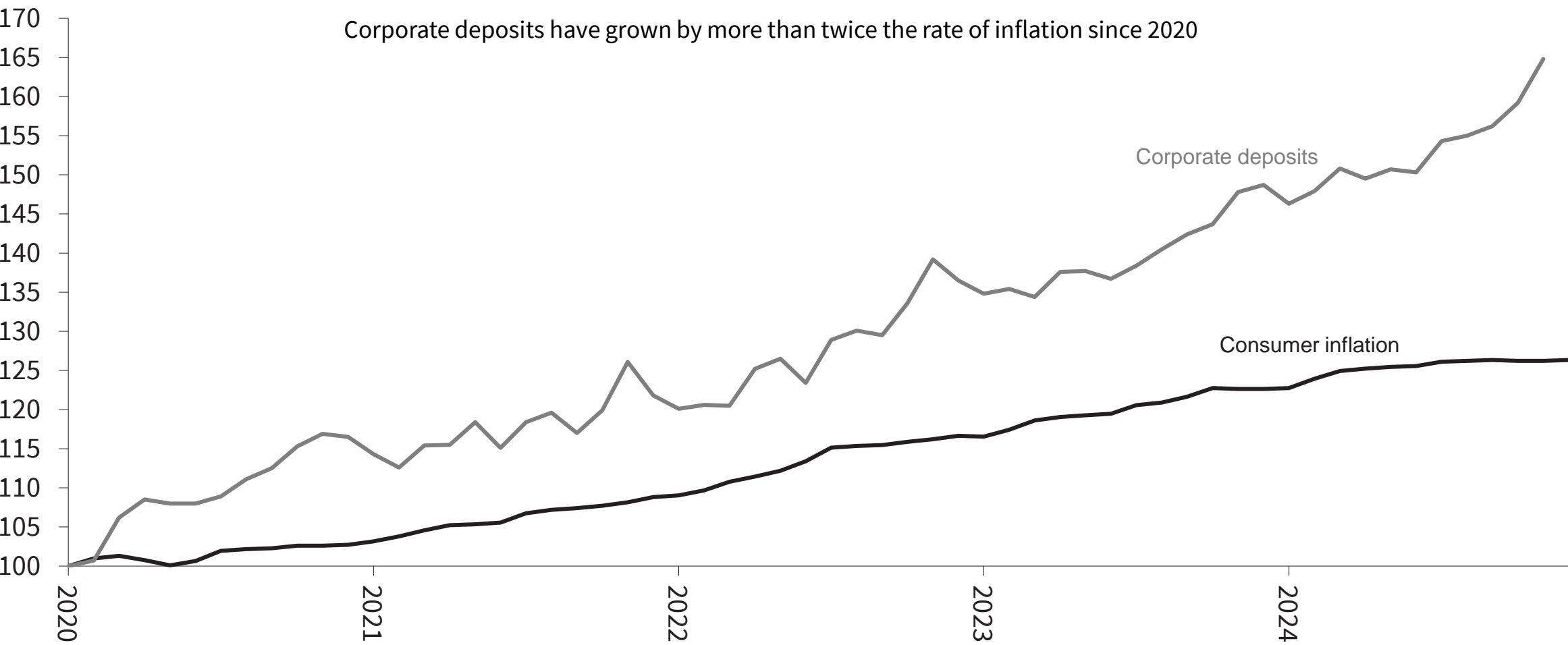
# SOUTH AFRICA CORPORATE (NON-FINANCIAL) DEPOSITS

R billion

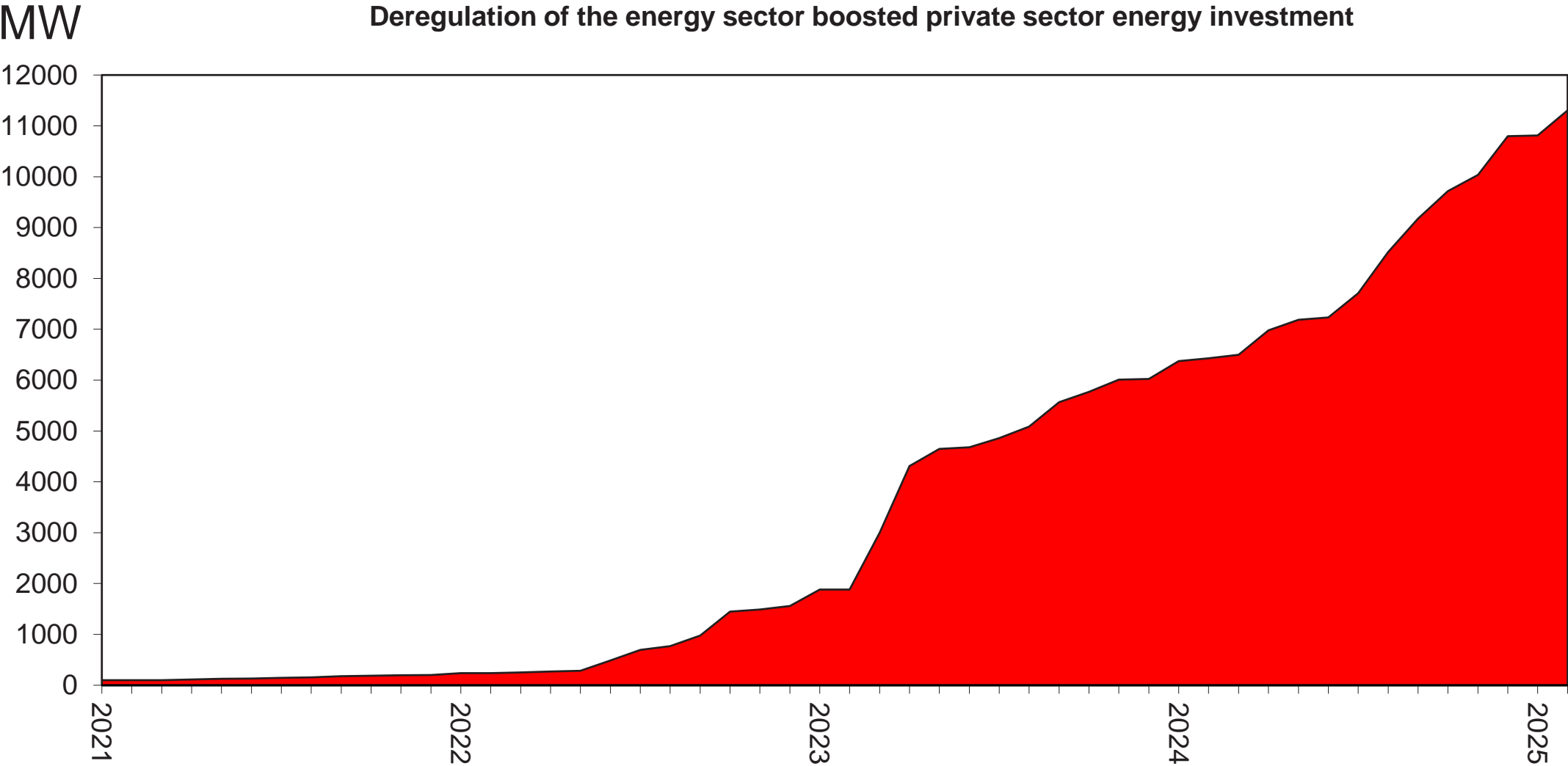


# SOUTH AFRICA CORPORATE DEPOSIT (NON-FINANCIAL) VS INFLATION

Index, Jan 2020 = 100



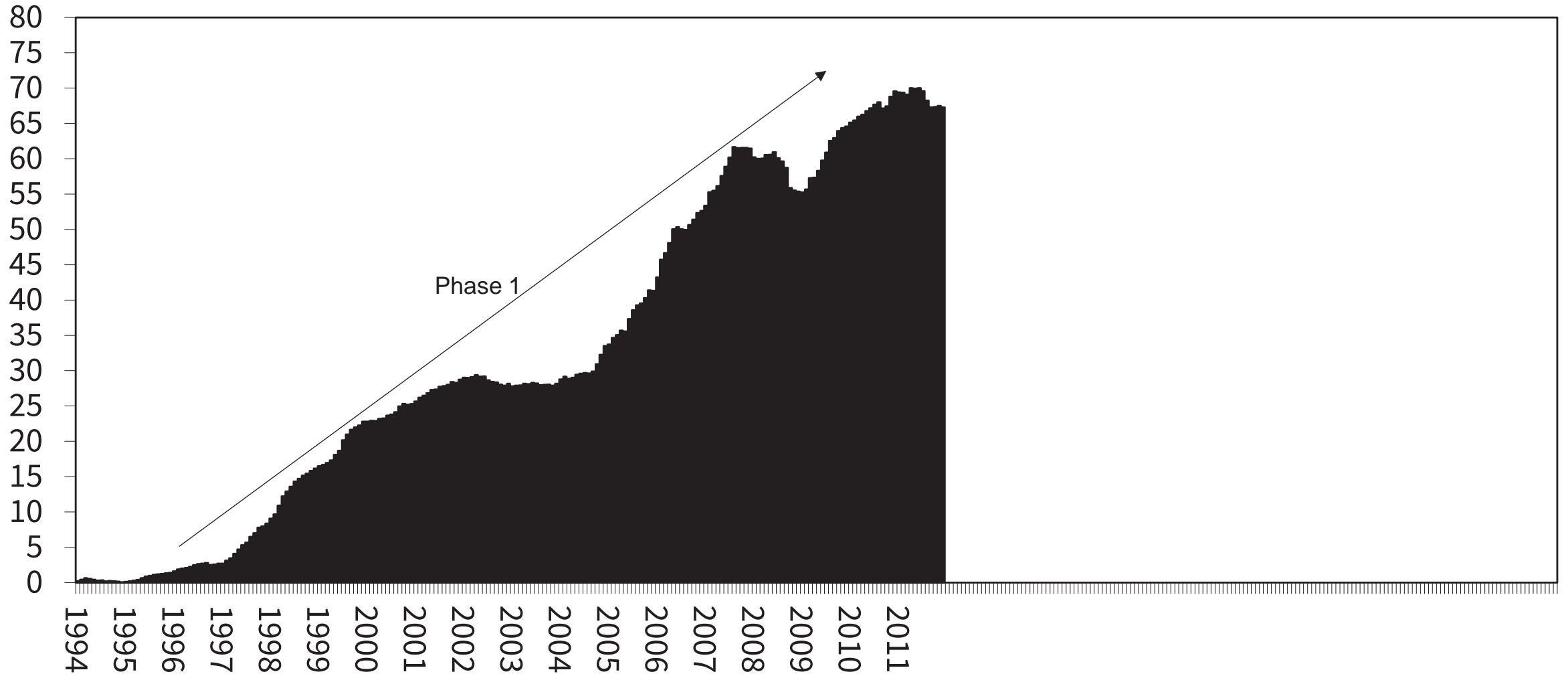
# SA PRIVATE SECTOR ELECTRICITY PRODUCTION (MOSTLY SOLAR ENERGY)



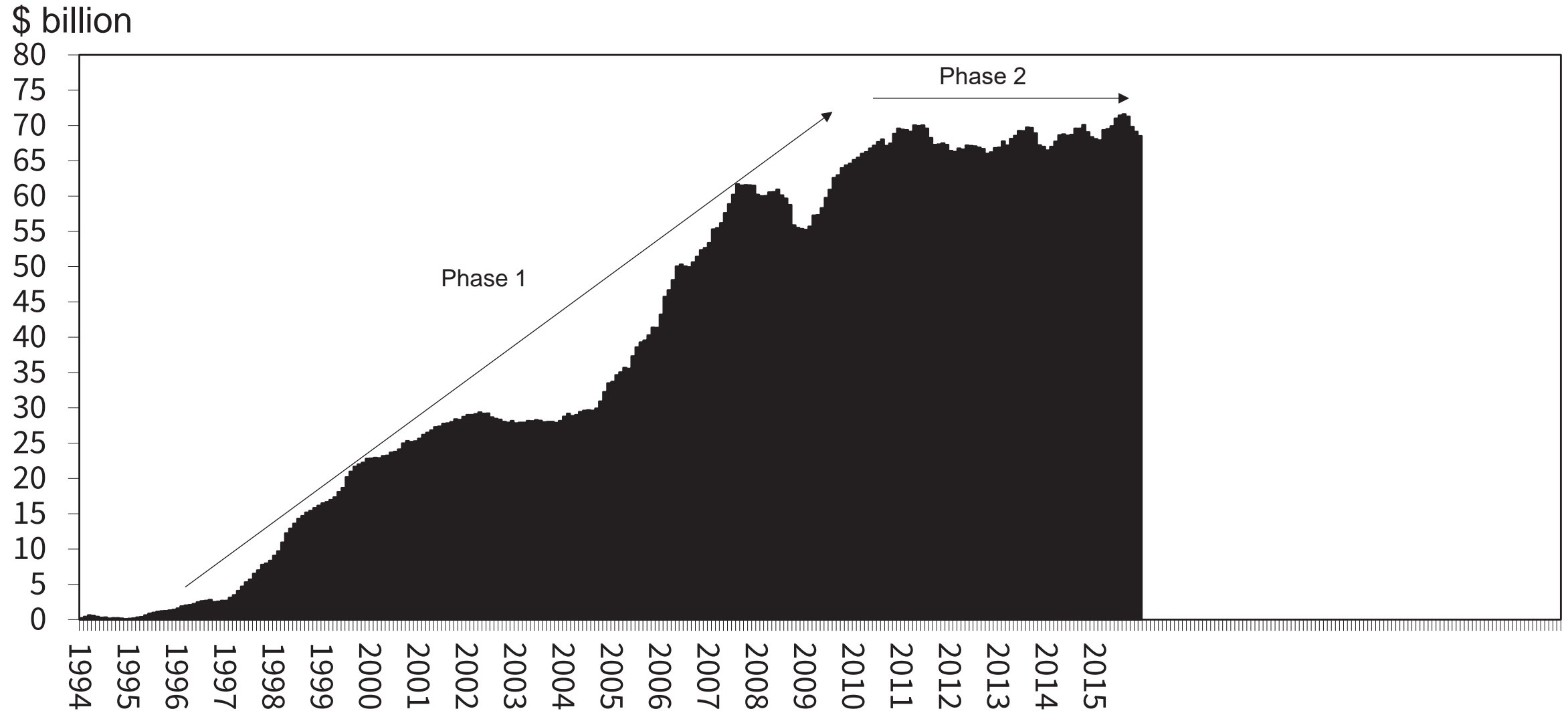


# NET CUMULATIVE FOREIGN BUYING OF SA EQUITIES

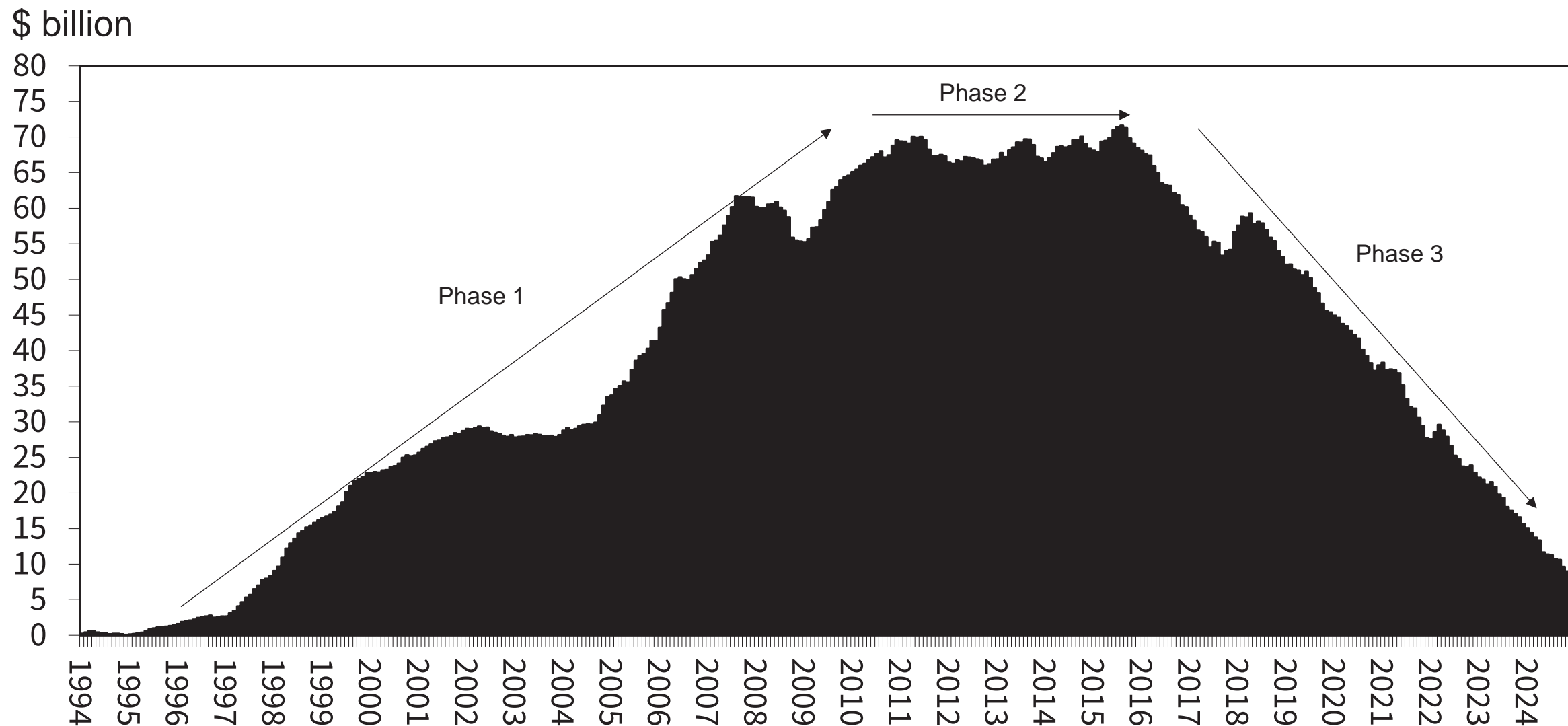
\$ billion

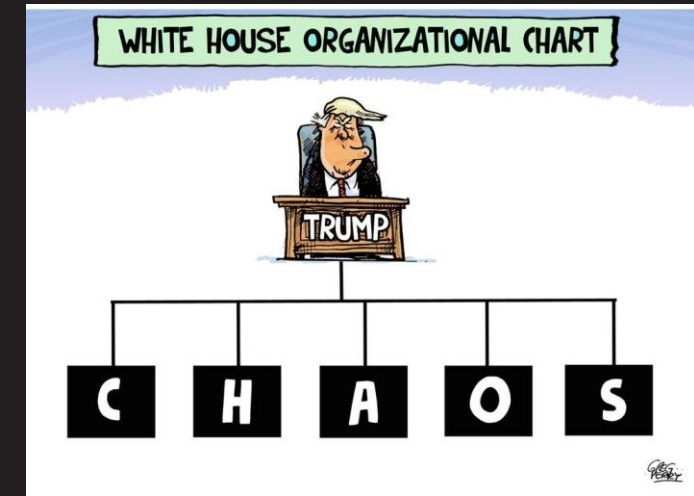


# NET CUMULATIVE FOREIGN BUYING OF SA EQUITIES

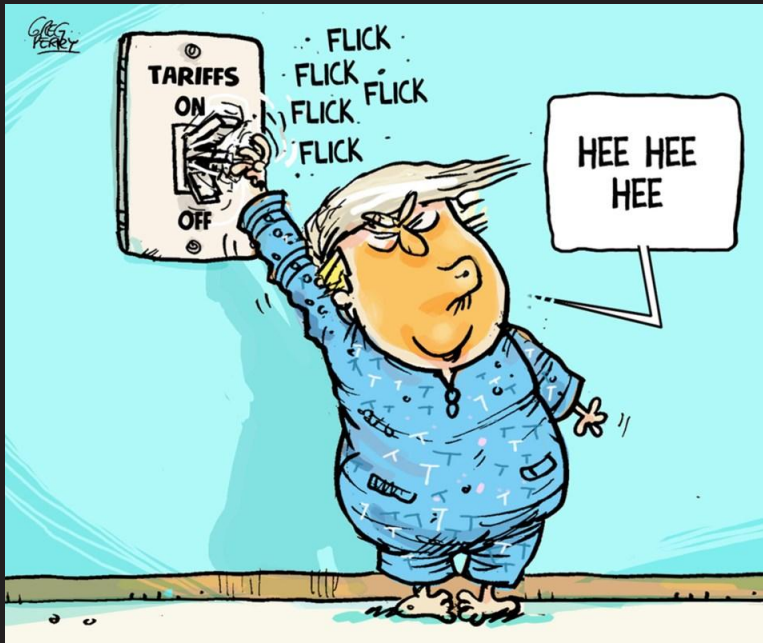


# NET CUMULATIVE FOREIGN BUYING OF SA EQUITIES





# TRUMP TARIFFS

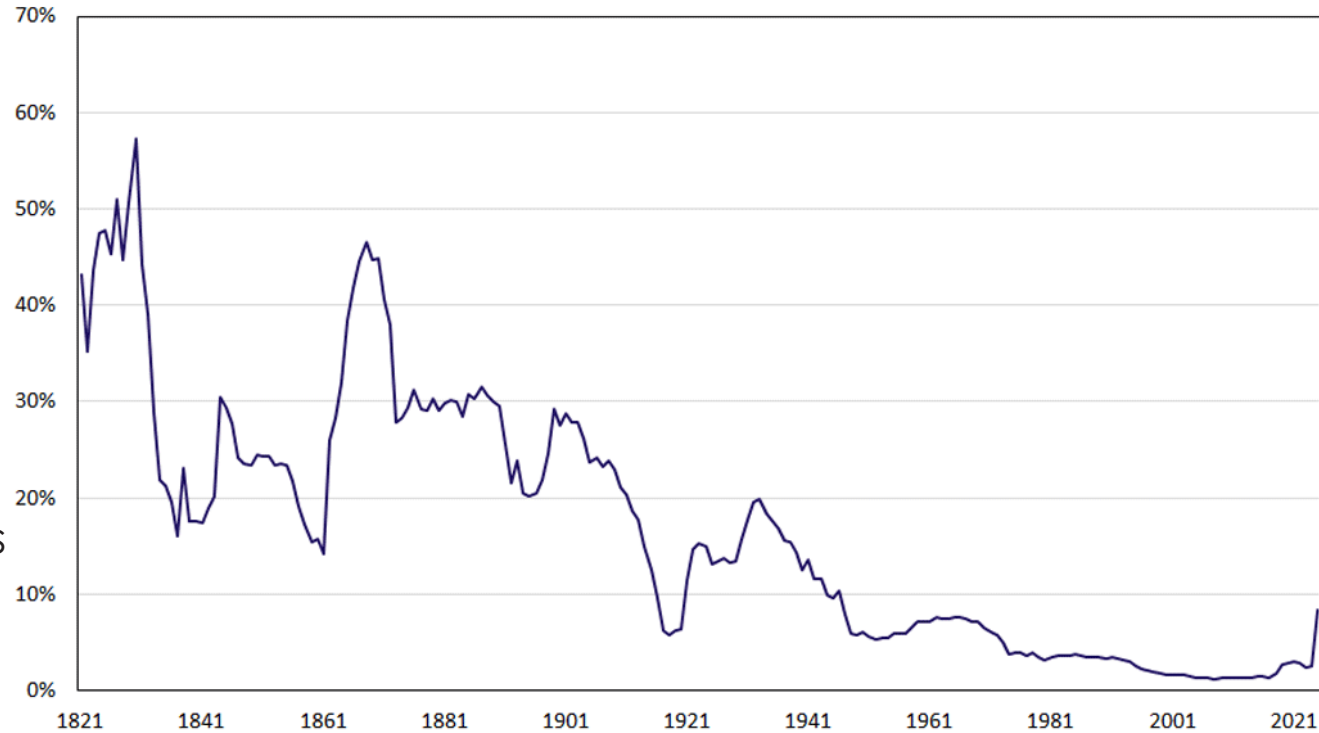




# A BIT OF HISTORY ON TARIFFS

Historically, the U.S. relied heavily on tariffs — often exceeding 30 percent — as its primary source of federal revenue from the nation's founding until the introduction of income taxes in 1913. During this early period, these high tariffs also served to protect emerging industries through a strategy called import substitution. After World War II, international trade agreements like the General Agreement on Tariffs and Trade significantly reduced tariffs globally from an average of around 20 percent in 1947 to below 5 percent following the Uruguay Round in 1994. The globalization movement of the 1980s and 1990s further accelerated tariff reductions, culminating in the establishment of the World Trade Organization (WTO) in 1995. Since then, tariffs among WTO member countries have generally remained around 2.5 percent, reinforcing greater global economic interconnectedness.

Figure 2: Historical Tariff Rates

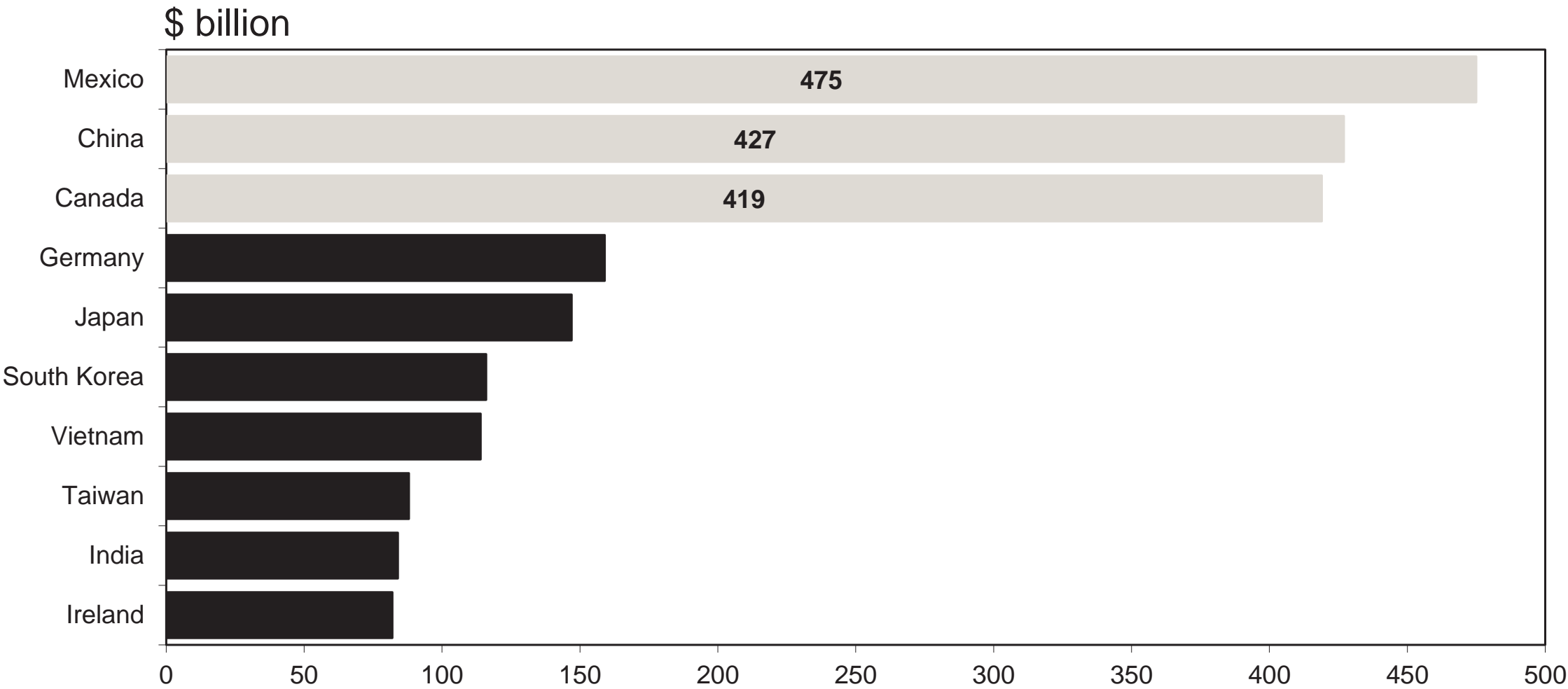


Notes: This figure uses data made publicly available for download from the Tax Foundation. Shown are the average tariff rates for the period 1890-2023, the projected rate for 2024 and the estimated rate for 2025 under currently imposed tariffs. Tariff revenue estimate uses an elasticity of -0.997 and a noncompliance rate of 8 percent.

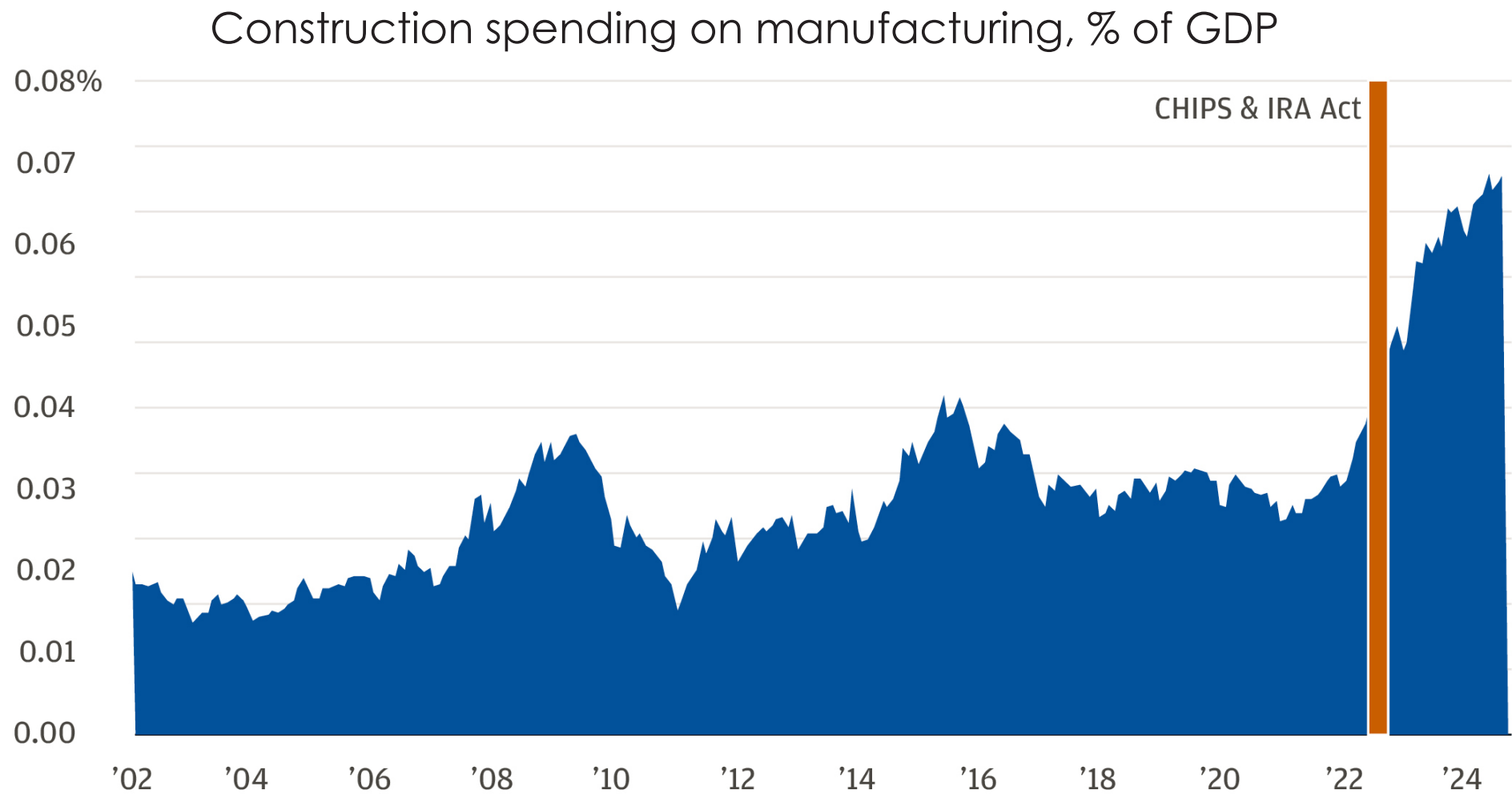
Sources: Census Bureau's *Historical Statistics of the United States, Colonial Times to 1970, Part II*; US Trade Commission, "U.S. imports for consumption, duties collected, and ratio of duties to values, 1891-2023, (Table 1); and Tax Foundation calculations via the March 25, 2025 article "Trump Tariffs: Tracking the Economic Impact of the Trump Trade War."



# US IMPORTS BY COUNTRY IN 2023



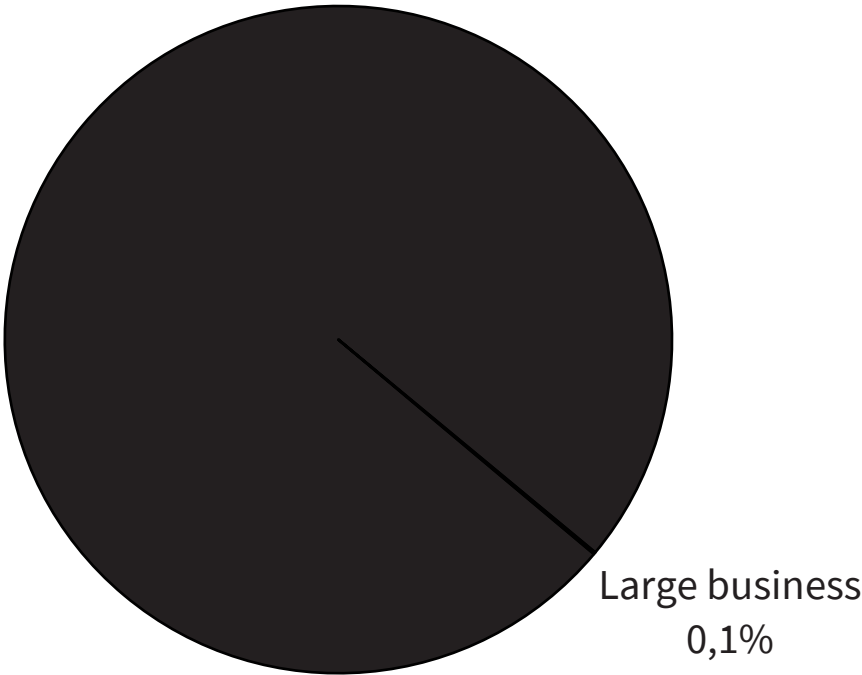
# SPENDING ON U.S. MANUFACTURING PLANTS HAS MORE THAN DOUBLED SINCE 2019



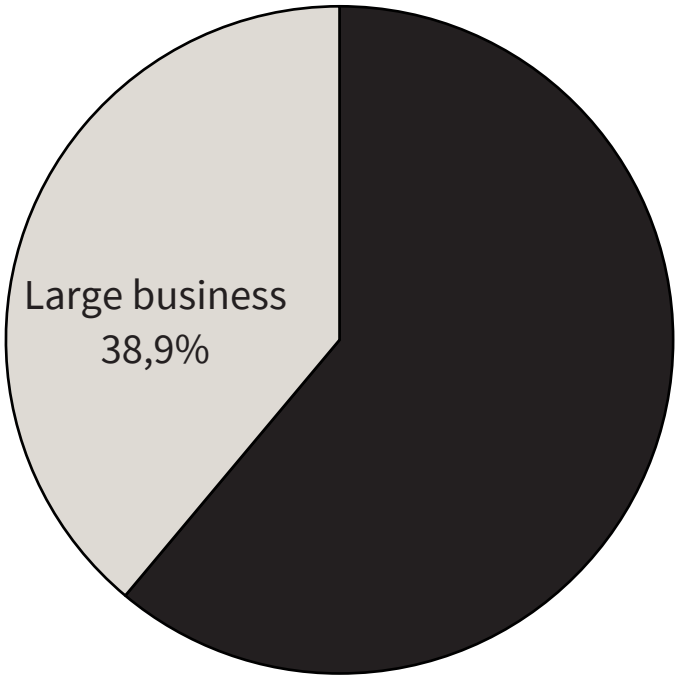
# BREAKDOWN OF US BUSINESS: SMALL VS LARGE BUSINESS

Percent

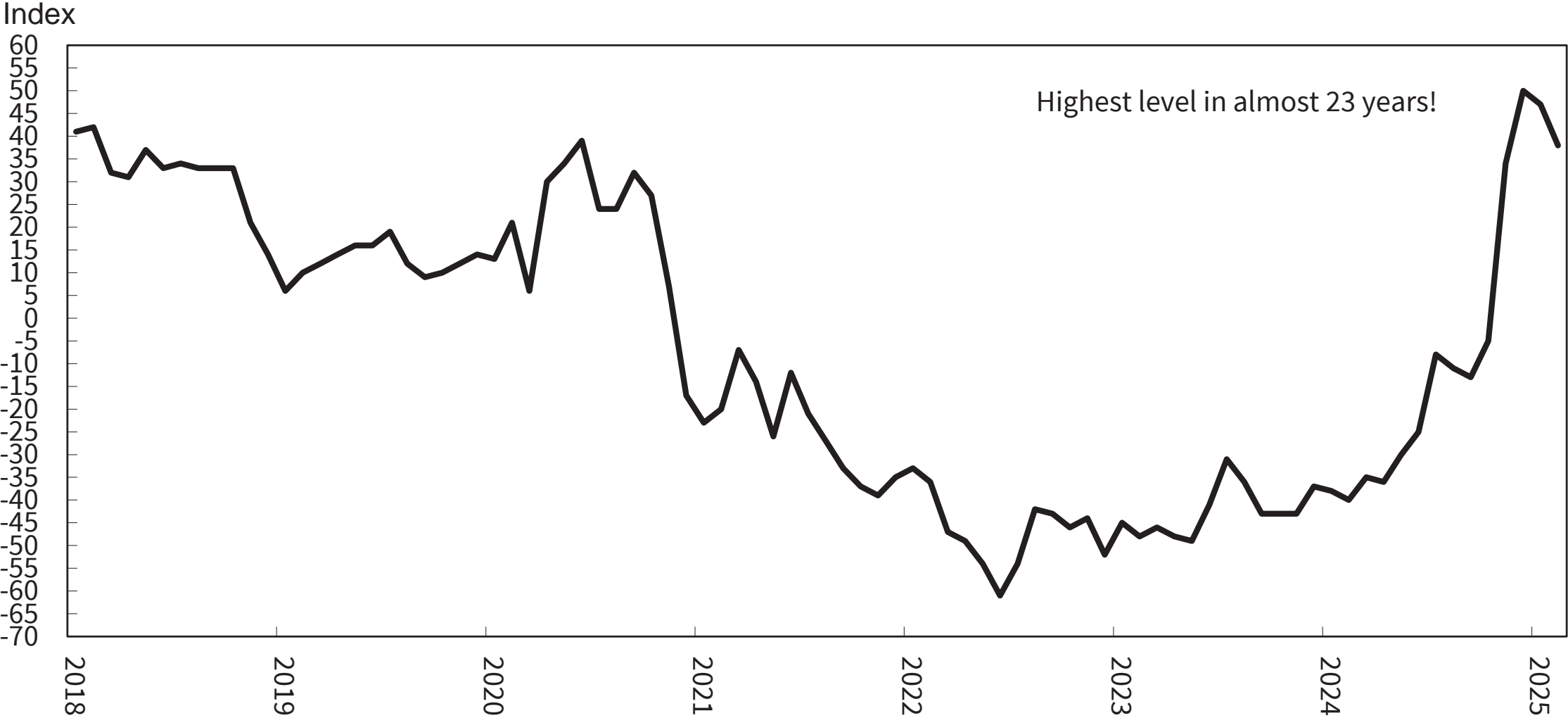
Number of businesses  
34.8 million small business vs 19 688 large businesses



Job growth since 1995  
Since 1995 small business has created 61.1% of US jobs

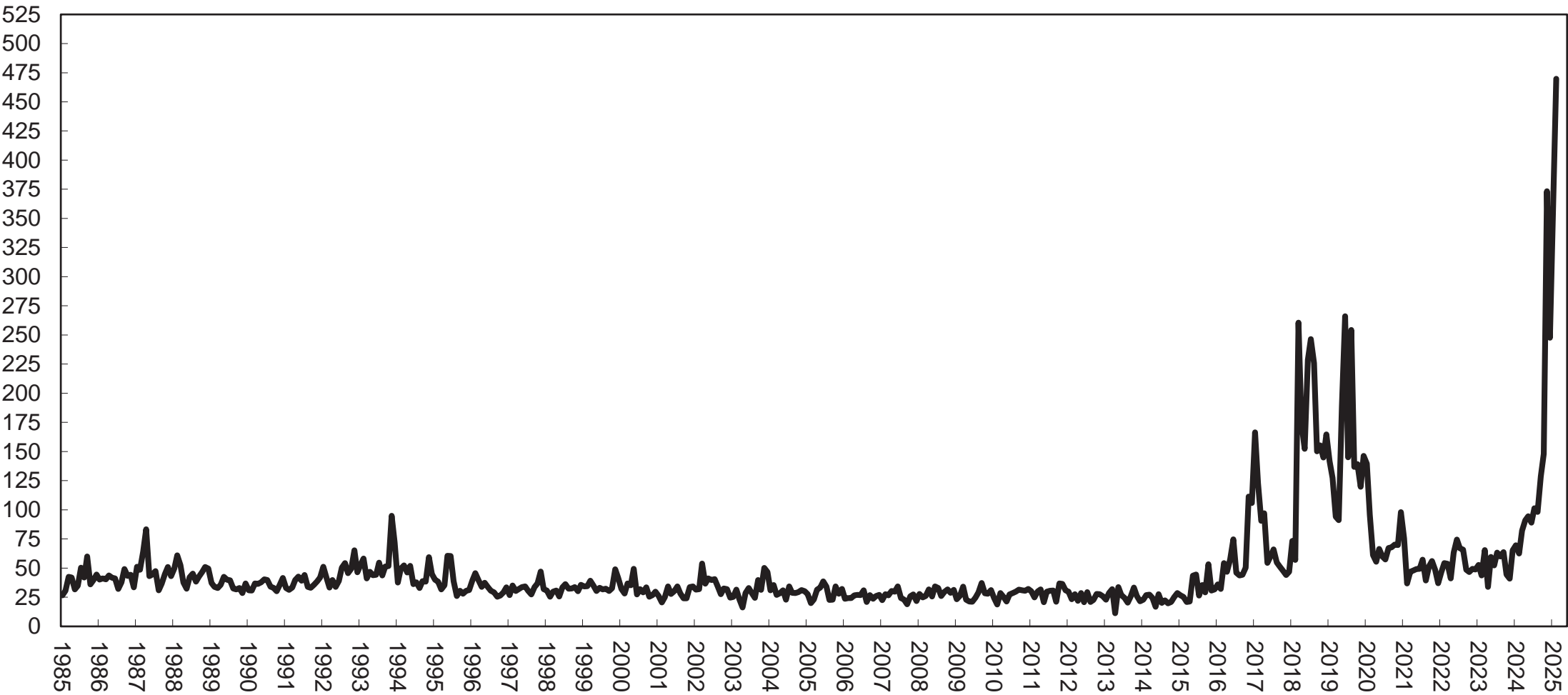


# US SMALL BUSINESS CONFIDENCE: BUSINESS CONDITIONS NEXT 6 MONTHS



# US TRADE POLICY UNCERTAINTY (MONTHLY DATA)

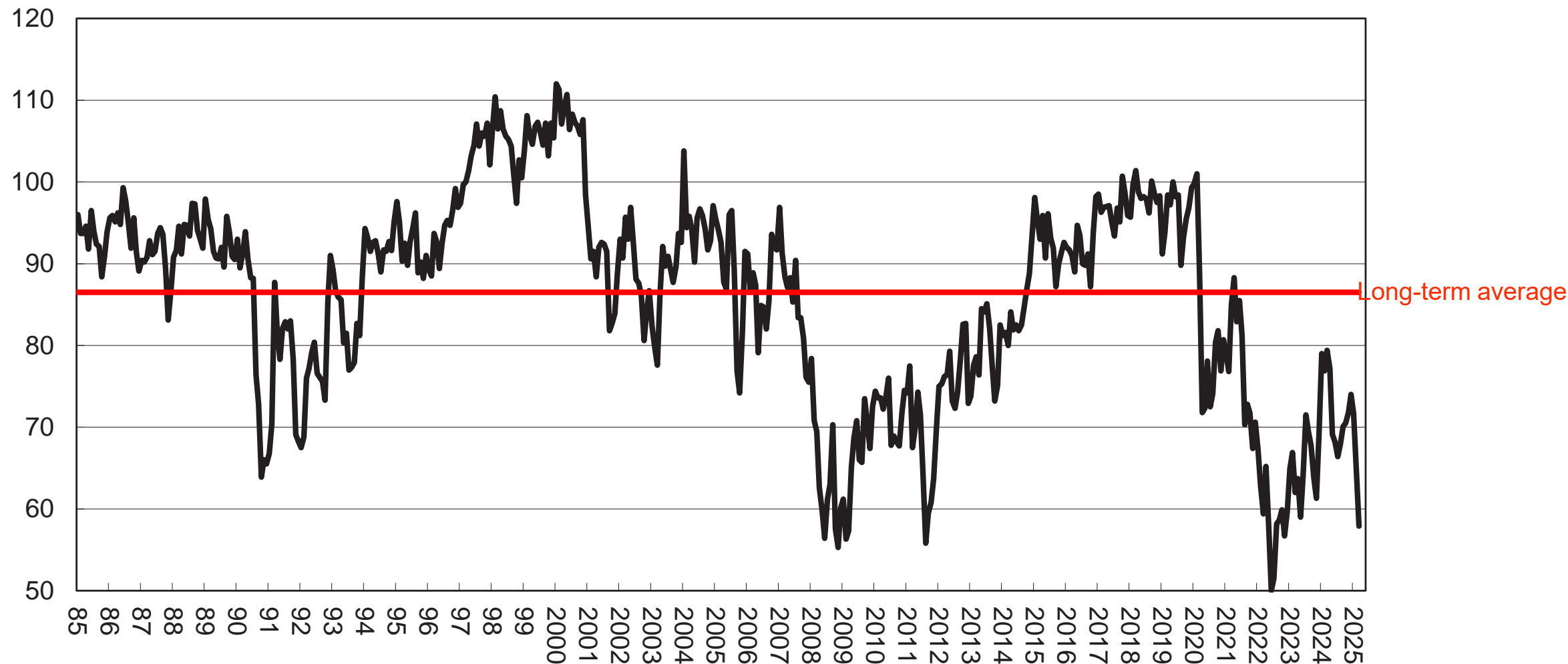
Index





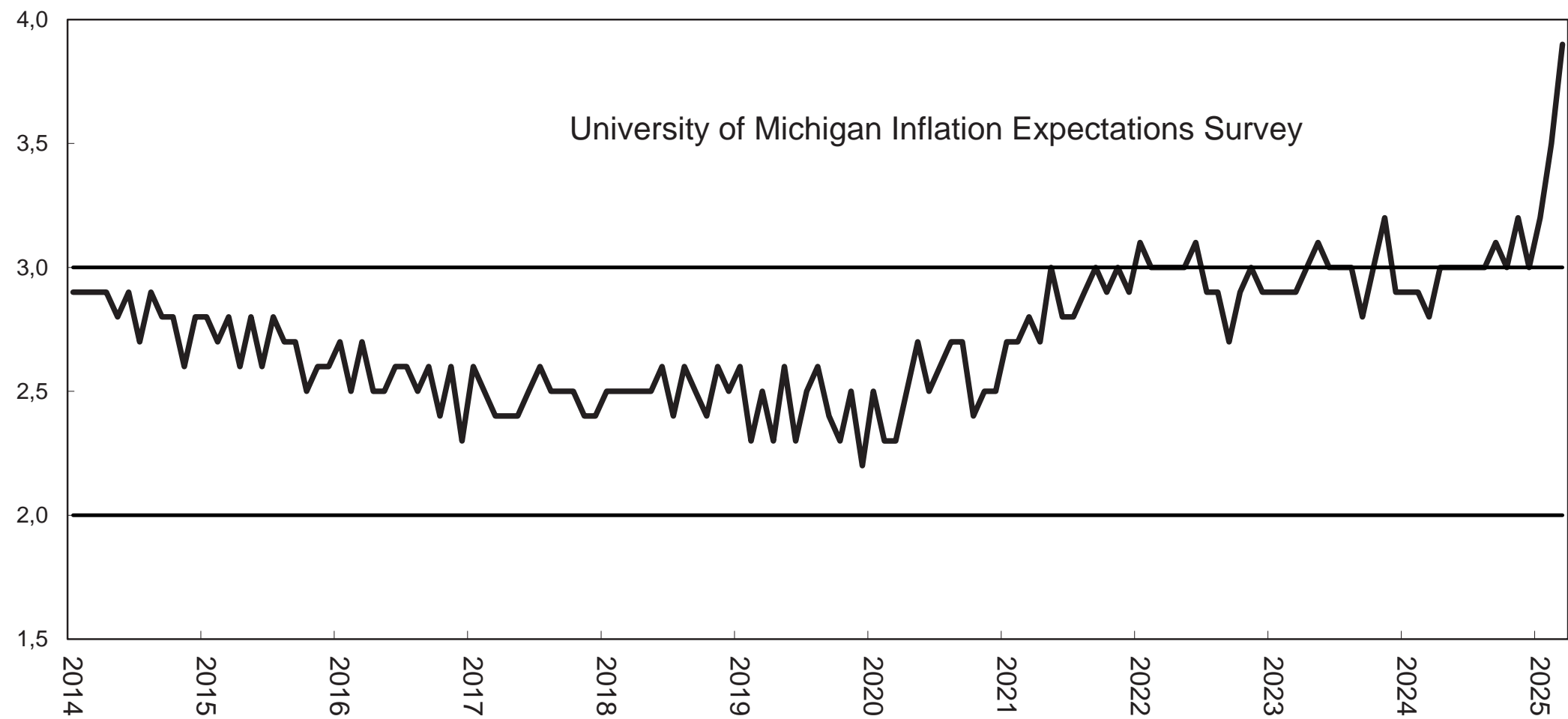
# US CONSUMER CONFIDENCE (UNIVERSITY OF MICHIGAN)

Index



# US HOUSEHOLD INFLATION EXPECTATIONS IN 5 TO 10 YEARS

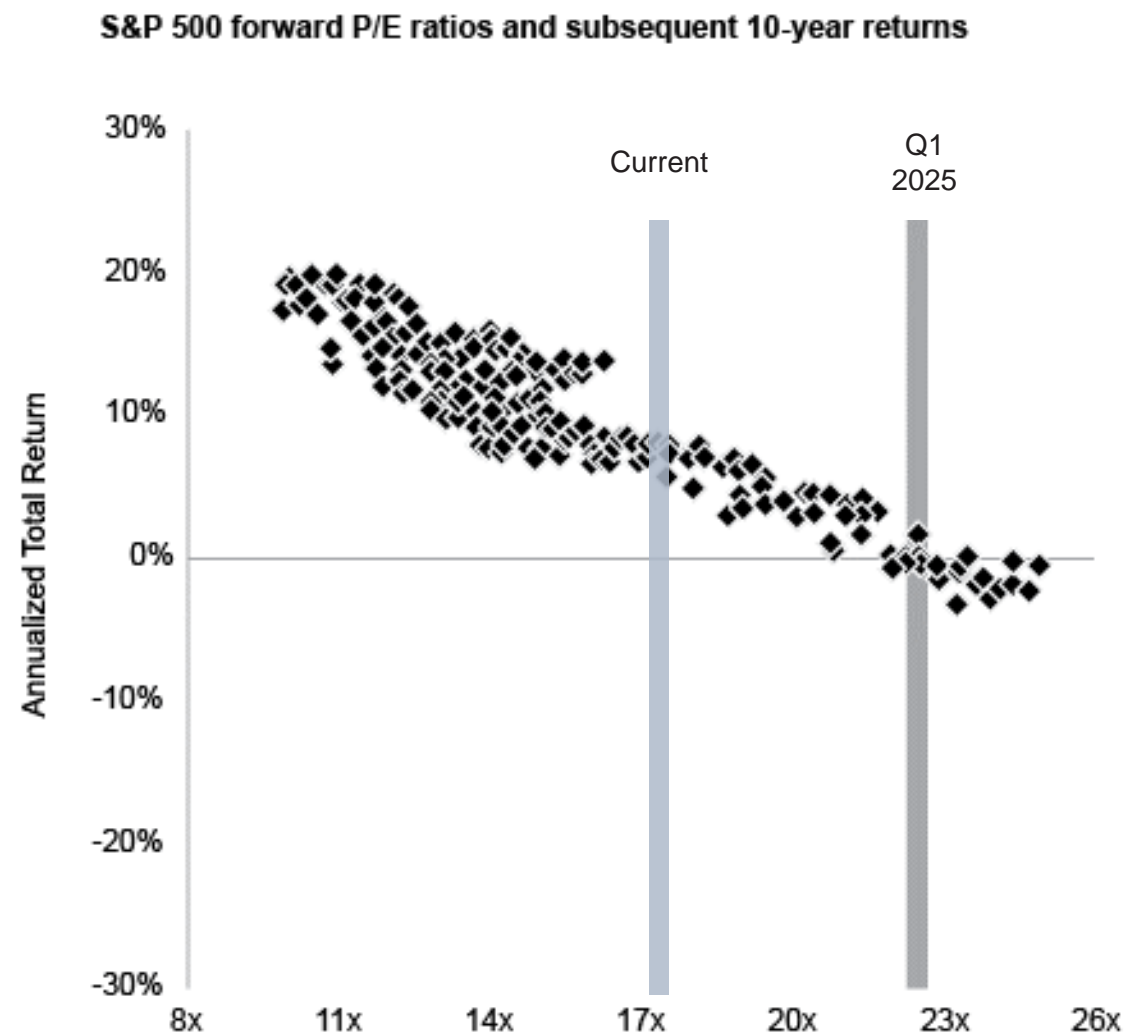
Inflation rate in 5 to 10 years



# EXPECTED EQUITY RETURNS

S&P FWD. P/E is elevated by historical standards.

History suggests the US Equity market will deliver low total returns over the next decade.





# Asset Allocation

# NAVIGATING UNCERTAINTY WITH A DEFENSIVE TILT

Asset Classes	Tactical View Q1 2025	Tactical View Q2 2025
SA Income	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
SA Equity	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
SA Property	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
SA Bonds	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
DM Equity	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
EM Equity	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
Global Bonds	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
Global Cash	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
ZAR/USD	<div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>





# NAVIGATING UNCERTAINTY WITH A DEFENSIVE TILT

Asset Classes	Tactical View Q1 2025	Tactical View Q2 2025
SA Income	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
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SA Bonds	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
DM Equity	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
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Global Bonds	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
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ZAR/USD	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>





# NAVIGATING UNCERTAINTY WITH A DEFENSIVE TILT

Asset Classes	Tactical View Q1 2025	Tactical View Q2 2025
SA Income		
SA Equity		
SA Property		
SA Bonds		
DM Equity		
EM Equity		
Global Bonds		
Global Cash		
ZAR/USD		

## Defensive Positioning



Rafael Nadal (left) sent Roger Federer packing in their first career match.

On March 28, 2004, a 17-year-old Spaniard named Rafael Nadal introduced himself to the world by defeating No. 1 Roger Federer 6-3, 6-3 in the third round of the NASDAQ-100 Open. The surprising 70-minute victory for the 34th-ranked player in the world kick-started a 10-year rivalry that has spanned 33 meetings, including eight Grand Slam finals and perhaps the greatest match of all time, the 2008 Wimbledon final.

# NAVIGATING UNCERTAINTY WITH A DEFENSIVE TILT

Asset Classes	Tactical View Q1 2025	Tactical View Q2 2025
SA Income	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
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ZAR/USD	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>

Defensive Positioning



Fund Allocation	Rewighted Allocation	Passive\Active	Fund Name
16,50%	62,26%	62,26%	Satrix MSCI World Index
5,00%	18,87%	37,74%	Fairtree Global Equity Prescient Feedr
5,00%	18,87%		BCI Ranmore Global Value Equity Fund
26,50%	100,00%	100,00%	





# Solution Process

# SOLUTION PROCESS

Your Expert **Fund Selection Specialist!**

Unlock the Power of **Diversification**



# SOLUTION PROCESS

Methodical Systematic  
Fund Selection  
Specialist



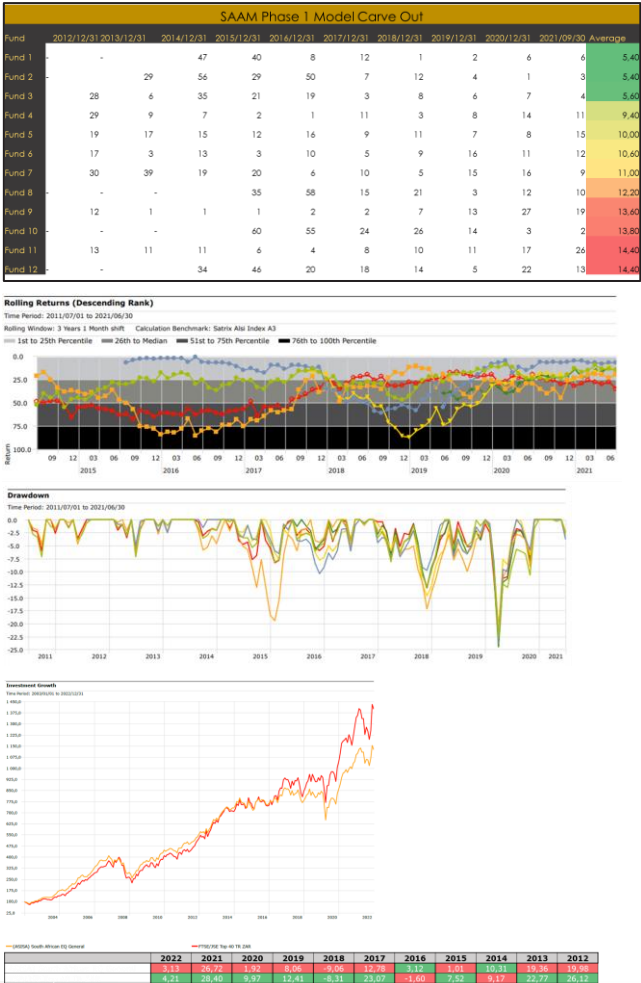
Three Phase Process



Passive & Active  
Selection Blend

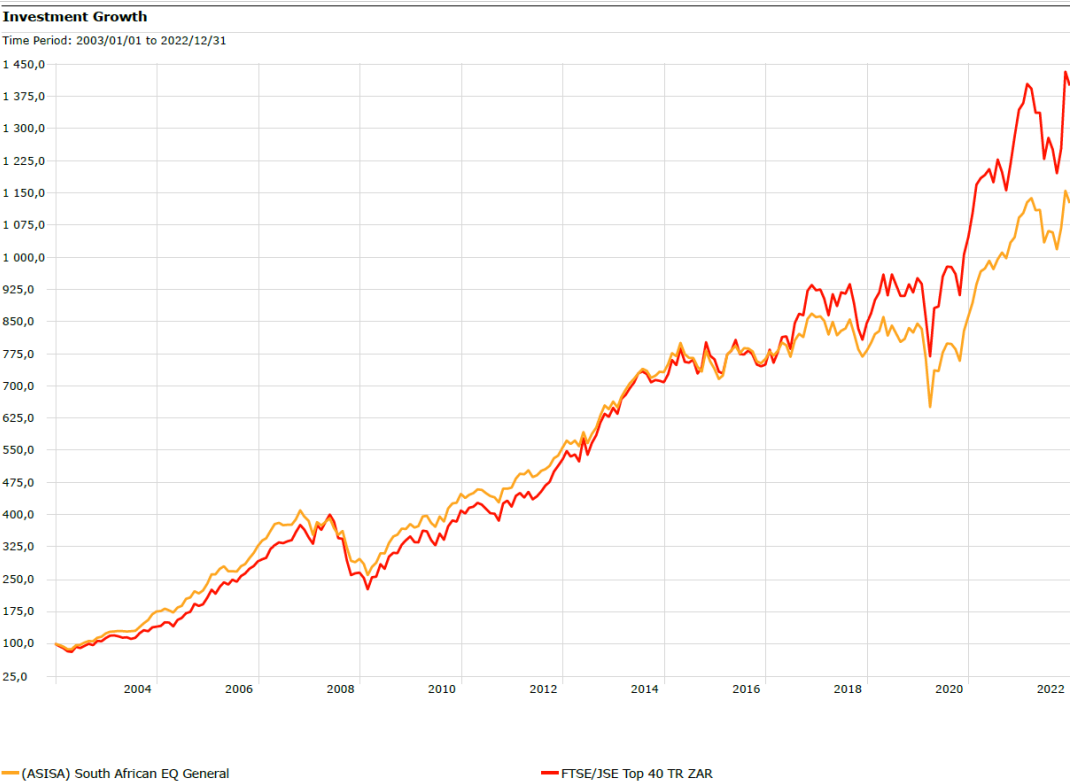


## PROCESS



# SOLUTION PROCESS

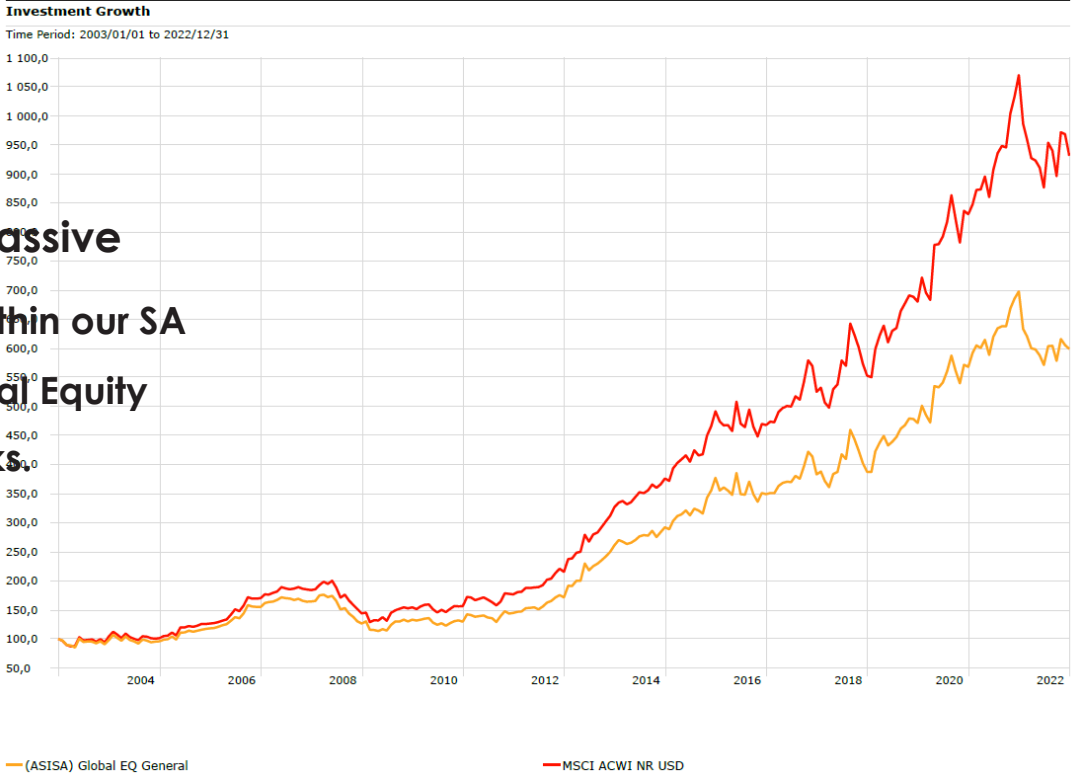
## SA Equity Passive Selection



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
(ASISA) South African EQ General	3,13	26,72	1,92	8,06	-9,06	12,78	3,12	1,01	10,31	19,36	19,98
FTSE/JSE Top 40 TR ZAR	4,21	28,40	9,97	12,41	-8,31	23,07	-1,60	7,52	9,17	22,77	26,12

Hold 70% passive exposure within our SA Equity & Global Equity Building Blocks.

## Global Equity Passive



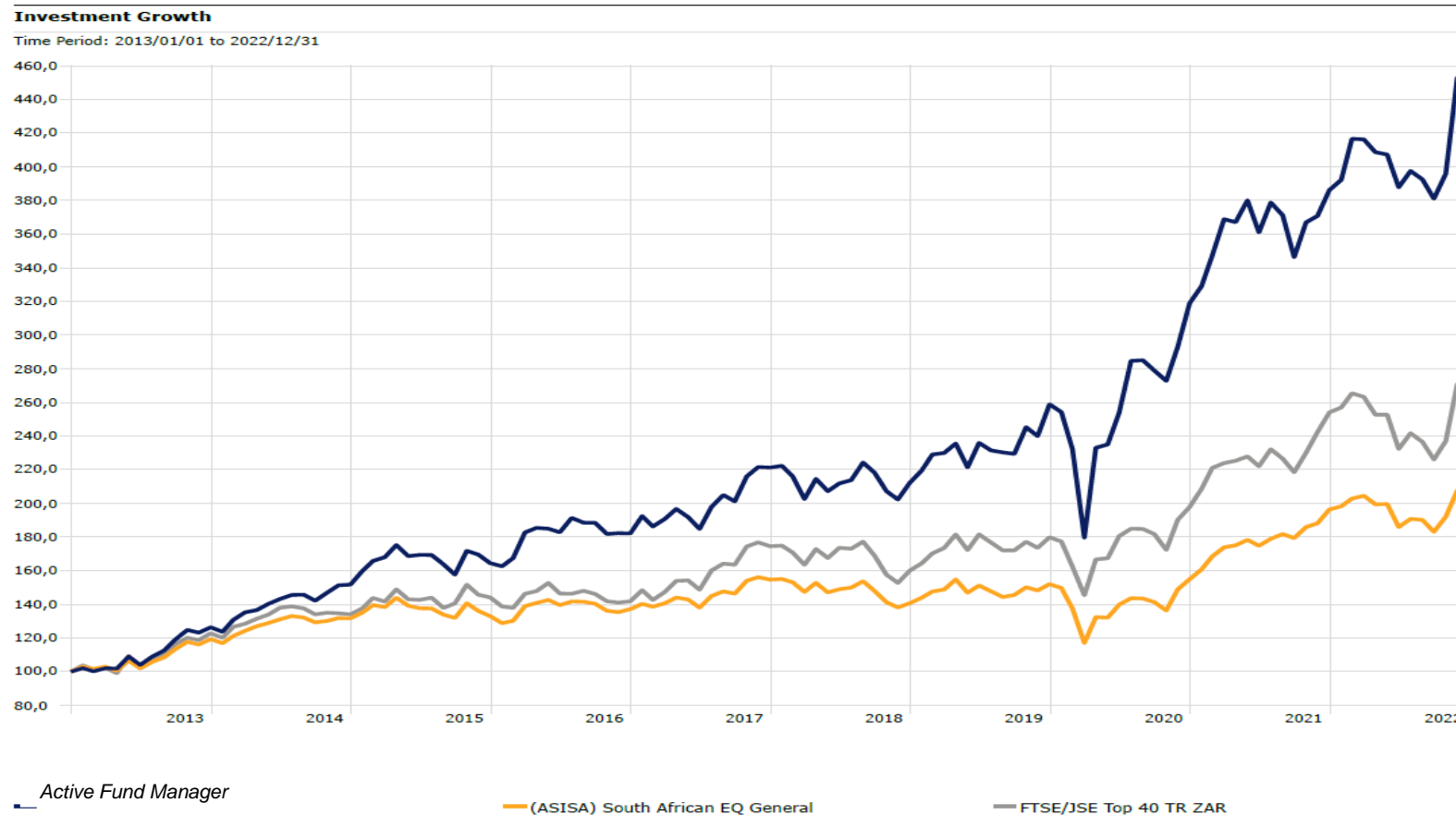
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
(ASISA) Global EQ General	-14,21	22,85	20,45	21,75	1,13	9,74	-7,43	29,13	11,88	52,17	18,59
MSCI ACWI NR USD	-12,97	28,80	22,12	23,06	5,26	12,23	-4,81	30,78	15,05	51,60	22,04



# SOLUTION PROCESS

## SA Active Selection

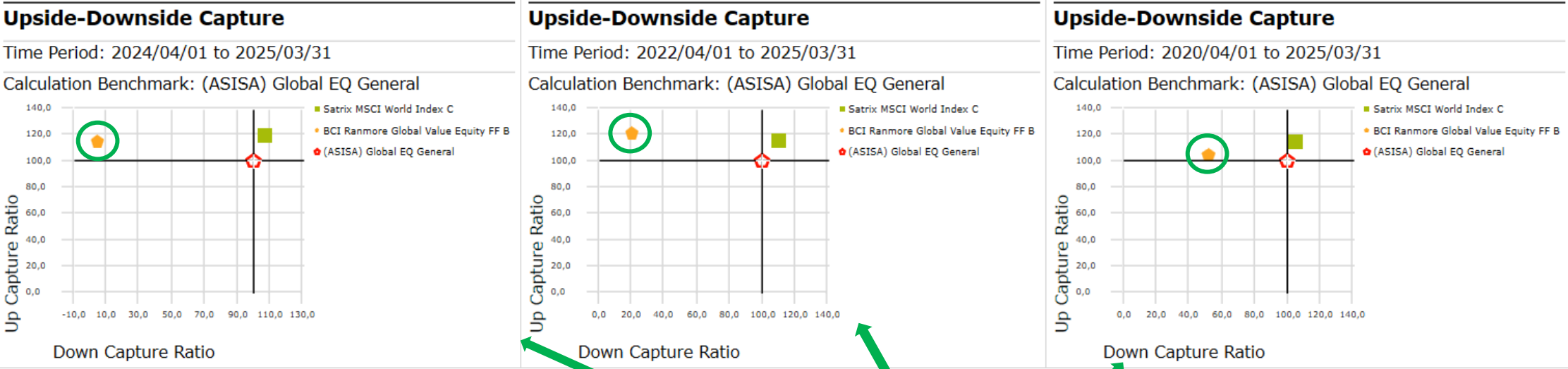
Why invest 30% in active managers when Passive funds perform better?



# REDUCED GLOBAL EQUITY EXPOSURE WITH AN INCREASED TILT TOWARD VALUE

## Ranmore Global Equity fund

✔ Less drawdown than the MSCI ACWI



## Drawdown

Calculation Benchmark: (ASISA) Global EQ General

	Max Drawdown
Satrix MSCI World Index C	-17,37
BCI Ranmore Global Value Equity FF B	-12,46
(ASISA) Global EQ General	-18,13

PROVIDES PROTECTION



# REDUCED GLOBAL EQUITY EXPOSURE WITH AN INCREASED TILT TOWARD VALUE

## Ranmore Global Equity fund



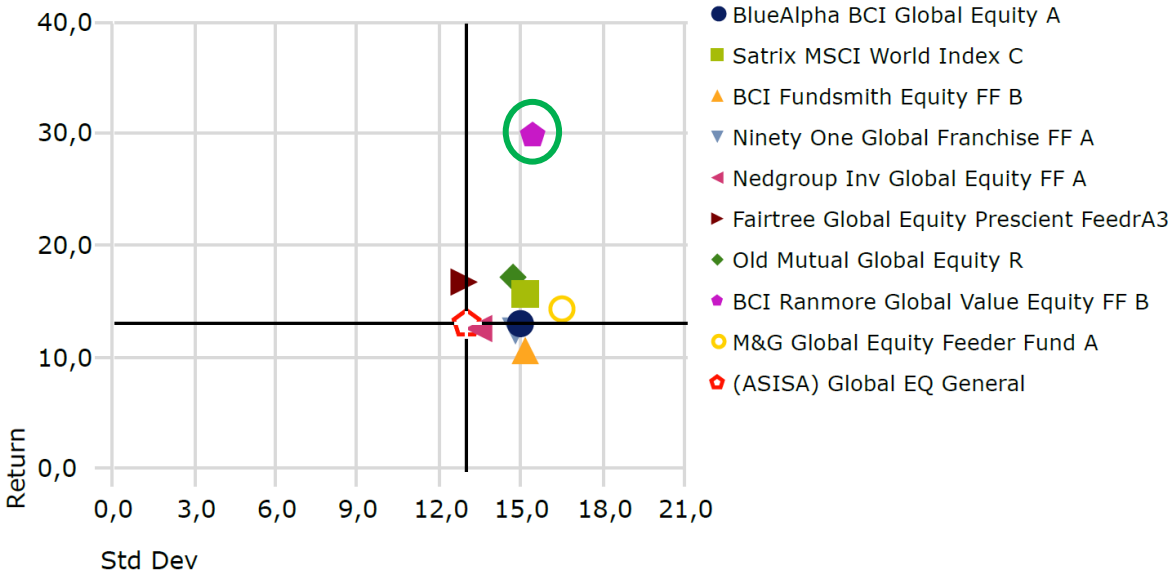
The same degree of risk compared to growth funds but provides higher returns

3 Years

### Risk-Reward

Time Period: 2022/04/01 to 2025/03/31

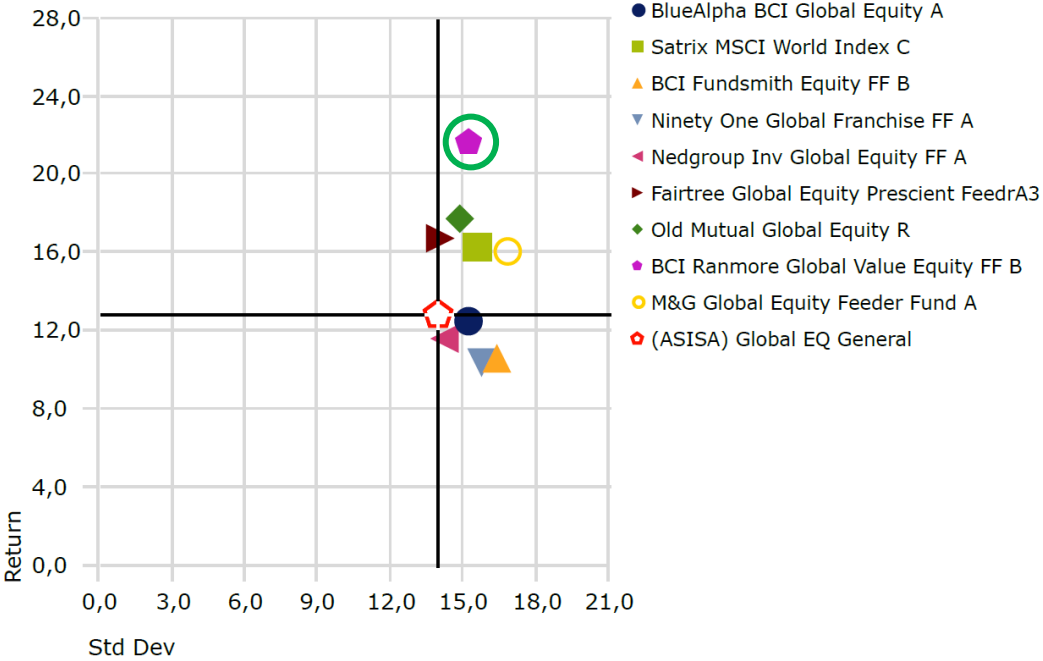
Calculation Benchmark: (ASISA) Global EQ General



5 Years

### Risk-Reward

Calculation Benchmark: (ASISA) Global EQ General



# REDUCED GLOBAL EQUITY EXPOSURE WITH AN INCREASED TILT TOWARD VALUE

## Ranmore Global Equity fund

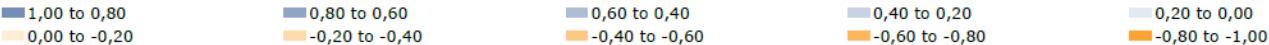


The Least Correlated to growth fund manages – Diversification Benefits

### Correlation Matrix

Time Period: 2022/04/01 to 2025/03/31

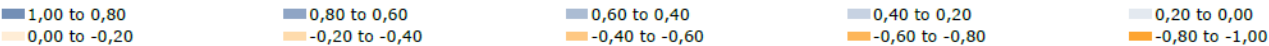
	BlueAlpha BCI Global Equity A	Satrix MSCI World Index C	BCI Fundsmith Equity FF B	Ninety One Global Franchise FF A	Nedgroup Inv Global Equity FF A	Fairtree Global Equity Prescient FeedrA3	Old Mutual Global Equity R	BCI Ranmore Global Value Equity FF B	M&G Global Equity Feeder Fund A	(ASISA) Global EQ General
BlueAlpha BCI Global Equity A	1,00									
Satrix MSCI World Index C	0,92	1,00								
BCI Fundsmith Equity FF B	0,86	0,86	1,00							
Ninety One Global Franchise FF A	0,89	0,91	0,87	1,00						
Nedgroup Inv Global Equity FF A	0,92	0,87	0,83	0,88	1,00					
Fairtree Global Equity Prescient FeedrA3	0,87	0,86	0,76	0,83	0,84	1,00				
Old Mutual Global Equity R	0,95	0,95	0,81	0,91	0,89	0,88	1,00			
BCI Ranmore Global Value Equity FF B	0,71	0,74	0,57	0,72	0,72	0,82	0,77	1,00		
M&G Global Equity Feeder Fund A	0,95	0,93	0,80	0,88	0,89	0,87	0,96	0,73	1,00	
(ASISA) Global EQ General	0,95	0,96	0,86	0,93	0,91	0,94	0,96	0,79	0,95	1,00



### Correlation Matrix

Time Period: 2020/04/01 to 2025/03/31

	BlueAlpha BCI Global Equity A	Satrix MSCI World Index C	BCI Fundsmith Equity FF B	Ninety One Global Franchise FF A	Nedgroup Inv Global Equity FF A	Fairtree Global Equity Prescient FeedrA3	Old Mutual Global Equity R	BCI Ranmore Global Value Equity FF B	M&G Global Equity Feeder Fund A	(ASISA) Global EQ General
BlueAlpha BCI Global Equity A	1,00									
Satrix MSCI World Index C	0,91	1,00								
BCI Fundsmith Equity FF B	0,89	0,90	1,00							
Ninety One Global Franchise FF A	0,91	0,92	0,91	1,00						
Nedgroup Inv Global Equity FF A	0,89	0,92	0,87	0,90	1,00					
Fairtree Global Equity Prescient FeedrA3	0,89	0,90	0,84	0,89	0,89	1,00				
Old Mutual Global Equity R	0,94	0,95	0,86	0,92	0,91	0,93	1,00			
BCI Ranmore Global Value Equity FF B	0,66	0,68	0,54	0,67	0,68	0,77	0,72	1,00		
M&G Global Equity Feeder Fund A	0,91	0,91	0,83	0,88	0,88	0,87	0,94	0,64	1,00	
(ASISA) Global EQ General	0,93	0,97	0,89	0,93	0,93	0,96	0,96	0,72	0,94	1,00



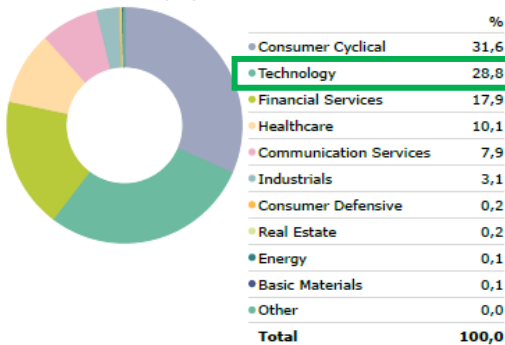
# REDUCED GLOBAL EQUITY EXPOSURE WITH AN INCREASED TILT TOWARD VALUE

## Ranmore Global Equity fund

✓ The Least Technology exposure – Ranmore was less impacted by the technology stock pull back compared to growth managers.

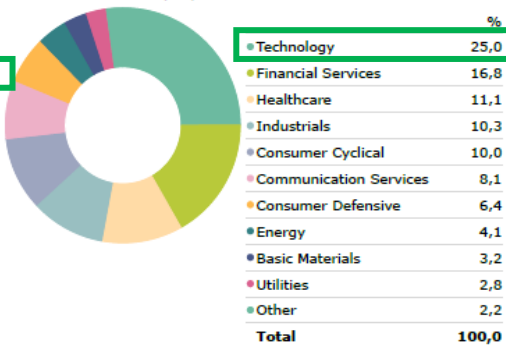
Equity Sectors (Morningstar) - BlueAlpha BCI G

Portfolio Date: 2025/02/28



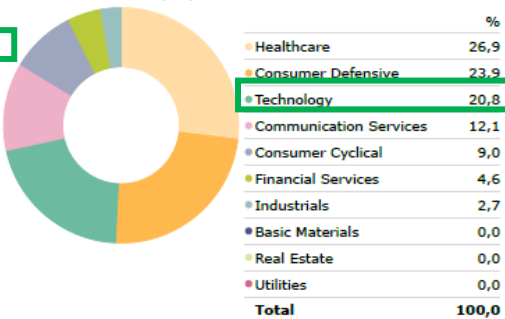
Equity Sectors (Morningstar) - Satrix MSCI Wor

Portfolio Date: 2025/03/31



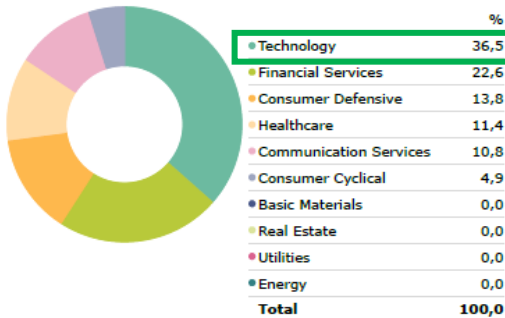
Equity Sectors (Morningstar) - BCI Fundsmith E

Portfolio Date: 2025/02/28



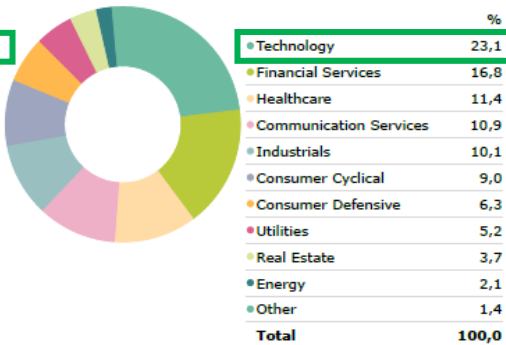
Equity Sectors (Morningstar) - Ninety One Glob

Portfolio Date: 2025/02/28



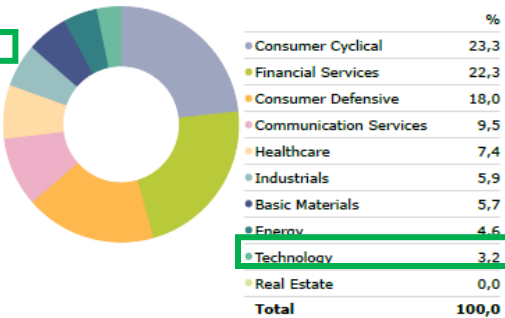
Equity Sectors (Morningstar) - Old Mutual Globi

Portfolio Date: 2025/03/31



Equity Sectors (Morningstar) - BCI Ranmore Gl

Portfolio Date: 2025/02/28





# Solution Returns



# LOCAL PERFORMANCE

Performance - 2025/03/31	3 Months	6 Months	1 Year	3 Year	5 Year
<b>i<sup>2</sup> Income Solution</b>	<b>1,21%</b>	<b>2,92%</b>	<b>11,77%</b>	<b>9,47%</b>	<b>8,54%</b>
<i>(ASISA) South African MA Income</i>	<i>1,57%</i>	<i>3,12%</i>	<i>10,95%</i>	<i>8,52%</i>	<i>8,17%</i>
<b>i<sup>2</sup> Cautious Solution</b>	<b>1,37%</b>	<b>2,84%</b>	<b>12,77%</b>	<b>9,63%</b>	<b>12,35%</b>
<i>(ASISA) South African MA Low Equity</i>	<i>0,97%</i>	<i>2,66%</i>	<i>11,85%</i>	<i>8,79%</i>	<i>10,41%</i>
<b>i<sup>2</sup> Moderate Solution</b>	<b>2,25%</b>	<b>3,32%</b>	<b>16,35%</b>	<b>10,35%</b>	<b>15,30%</b>
<i>(ASISA) South African MA High Equity</i>	<i>0,68%</i>	<i>2,15%</i>	<i>12,38%</i>	<i>8,90%</i>	<i>13,38%</i>
<b>i<sup>2</sup> Growth Solution</b>	<b>3,86%</b>	<b>3,42%</b>	<b>19,58%</b>	<b>10,40%</b>	<b>19,46%</b>
<b>i<sup>2</sup> TFSA Solution</b>	<b>3,86%</b>	<b>3,42%</b>	<b>19,58%</b>	<b>10,57%</b>	<b>19,92%</b>
<i>(ASISA) South African EQ General</i>	<i>1,91%</i>	<i>0,83%</i>	<i>17,74%</i>	<i>7,09%</i>	<i>16,50%</i>
<b>i<sup>2</sup> Global Feeder Solution</b>	<b>-0,48%</b>	<b>4,58%</b>	<b>2,46%</b>	<b>10,43%</b>	<b>6,87%</b>
<i>(ASISA) Global MA High Equity</i>	<i>-1,89%</i>	<i>5,49%</i>	<i>3,65%</i>	<i>10,97%</i>	<i>9,15%</i>

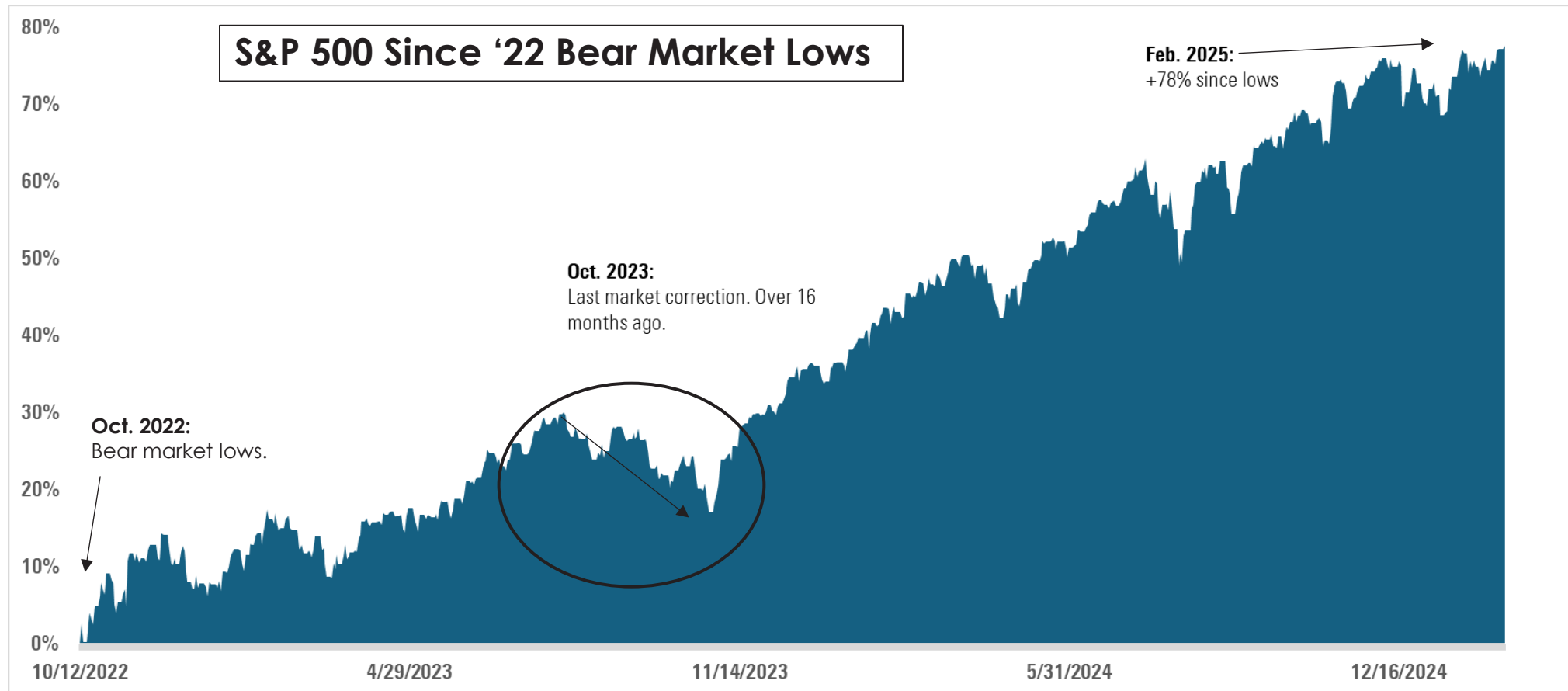


A stylized globe with a network of glowing orange lines and dots representing global trade or communication. The globe is shown from a perspective that highlights the Americas and Europe. The network lines are composed of thin, intersecting orange lines with small, bright orange dots at the nodes, creating a web-like structure over the globe's surface. The background is a deep blue gradient.

**Never Trade In Panic**

# CORRECTIONS ARE NORMAL

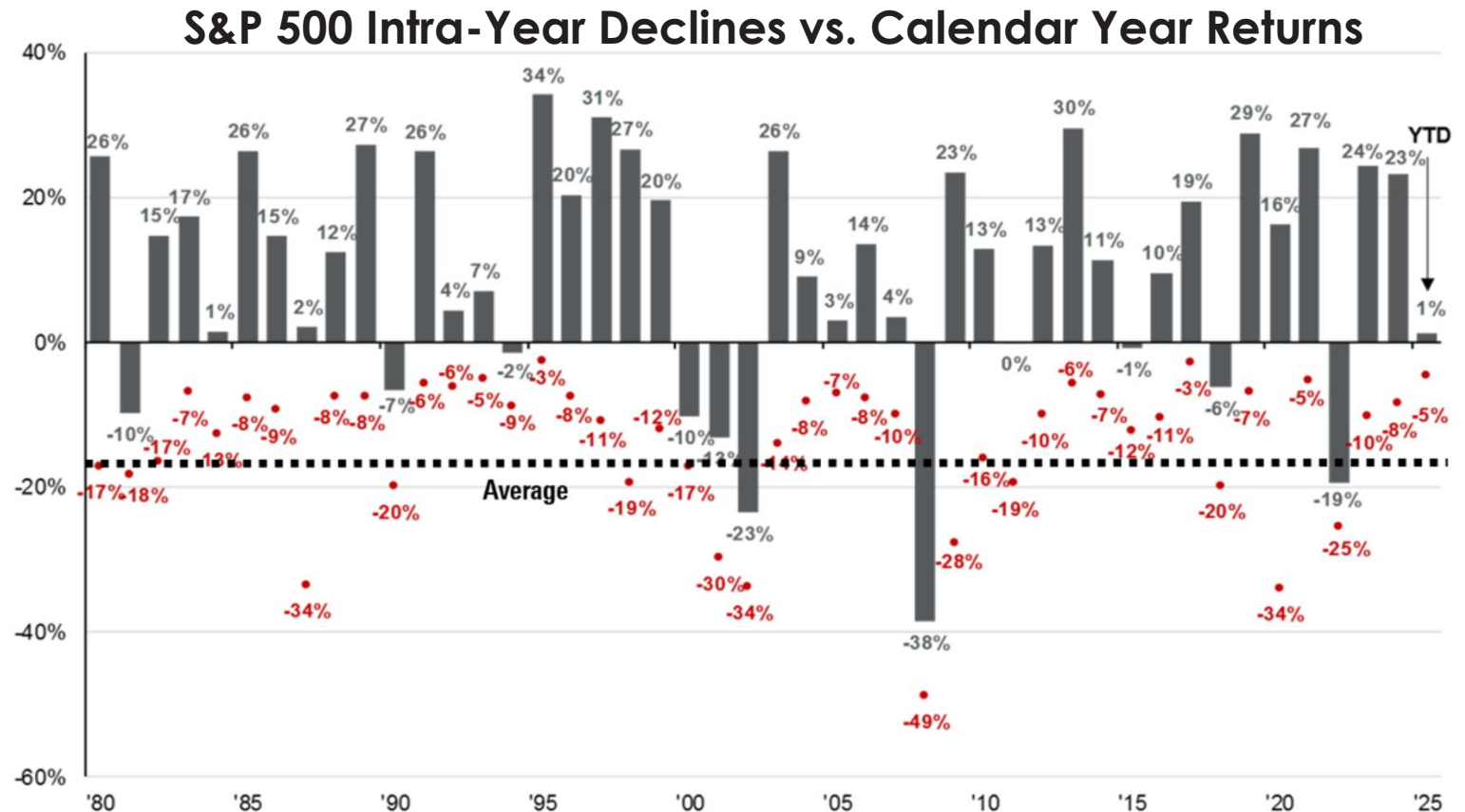
US stocks have gained nearly 80% since the October 2022 lows, and a true market correction hasn't occurred since October 2023—over 16 months ago.



# CORRECTIONS ARE NORMAL

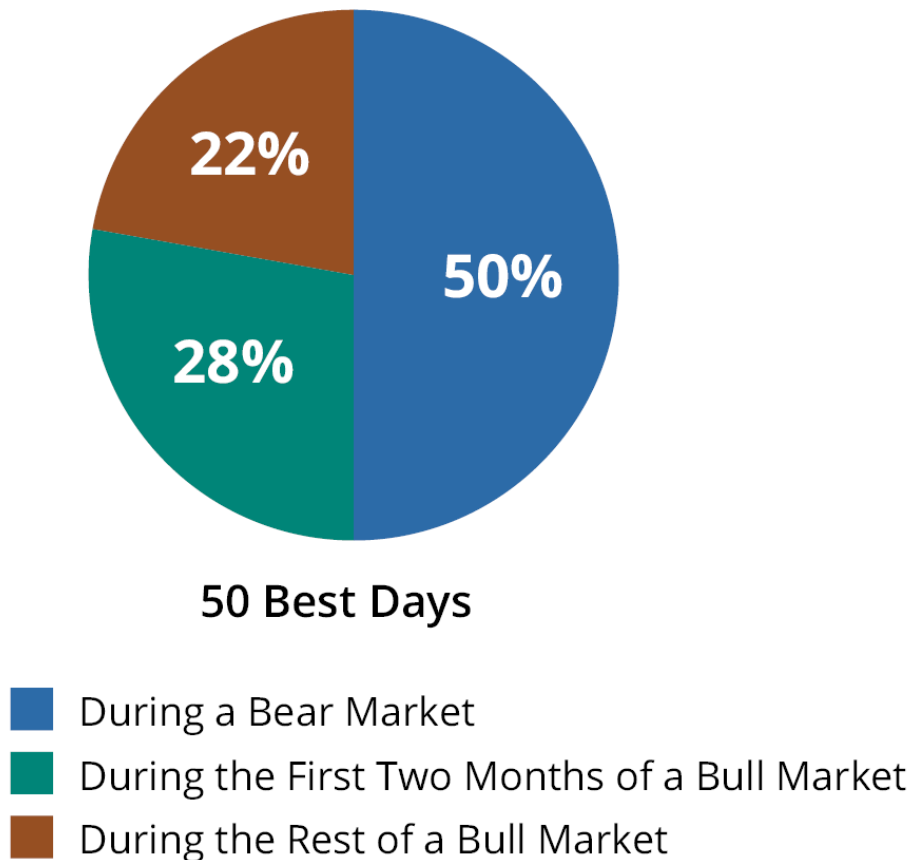
A contrarian takeaway? This is normal—there will always be problems that pop up.

- In some ways, US equity investors have been spoiled in recent years.
- Market declines are inevitable, even if their timing and causes are unpredictable.
- **Since 1980, the average intra-year decline has exceeded 14%. Despite these declines, history shows that the market finished positive in 34 of the past 45 years (76% of the time).**
- Nobody can predict market corrections—at least not reliably—but you can manage through them. Trying to anticipate every correction and sell ahead of it often leads to worse outcomes than simply staying the course.

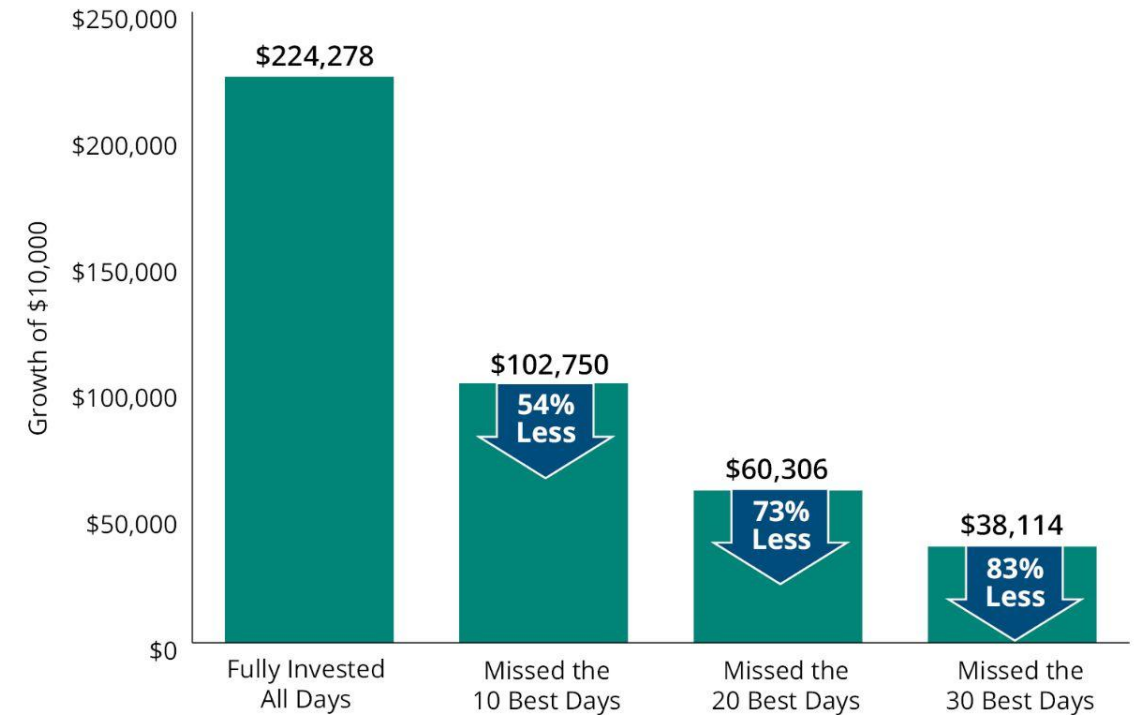


# TIMING THE MARKET IS IMPOSSIBLE

Good Days Happen in Bad Markets  
S&P 500 Index Best Days: 1995–2024

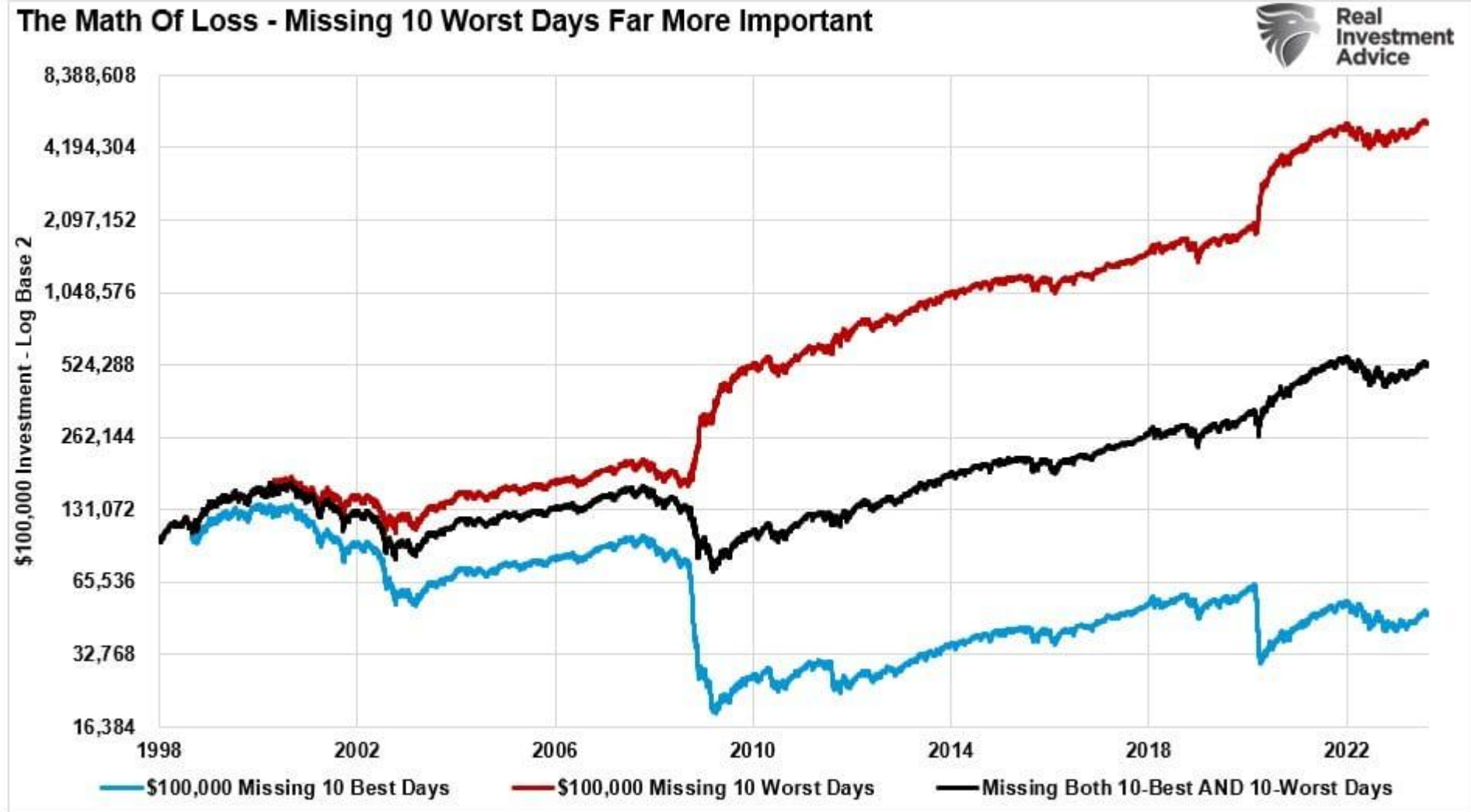


Missing the Market's Best Days Has Been Costly  
S&P 500 Index Average Annual Total Returns: 1995–2024





# MISSING THE 10-WORST DAYS





**Tax Efficiency - After Tax Returns Are Important**

# CASH VS EQUITIES RETURNS

## More Detailed Version (if you have multiple tax components):

If you want to split it (for example: interest, dividends, and capital gains taxed differently), you can use:

$$\text{After-Tax Return} = (R_i \times (1 - T_i)) + (R_d \times (1 - T_d)) + (R_{cg} \times (1 - T_{cg}))$$

Where:

- $R_i$  = Portion of return from interest
- $T_i$  = Tax rate on interest
- $R_d$  = Portion of return from dividends
- $T_d$  = Tax rate on dividends
- $R_{cg}$  = Portion of return from capital gains
- $T_{cg}$  = Tax rate on capital gains



# CASH VS EQUITIES RETURNS

## More Detailed Version (if you have multiple tax components):

If you want to split it (for example: interest, dividends, and capital gains taxed differently), you can use:

$$\text{After-Tax Return} = (R_i \times (1 - T_i)) + (R_d \times (1 - T_d)) + (R_{cg} \times (1 - T_{cg}))$$

Where:

- $R_i$  = Portion of return from interest
- $T_i$  = Tax rate on interest
- $R_d$  = Portion of return from dividends
- $T_d$  = Tax rate on dividends
- $R_{cg}$  = Portion of return from capital gains
- $T_{cg}$  = Tax rate on capital gains

# CASH VS EQUITIES RETURNS

Years	Investment In Income Product	Interest	Tax on Interest	After Tax return
0		7%	45%	
1	R 100 000,00	R 7 000,00	R 3 150,00	R 103 850,00
2	R 103 850,00	R 7 269,50	R 3 271,28	R 107 848,23
3	R 107 848,23	R 7 549,38	R 3 397,22	R 112 000,38
4	R 112 000,38	R 7 840,03	R 3 528,01	R 116 312,40
5	R 116 312,40	R 8 141,87	R 3 663,84	R 120 790,42
6	R 120 790,42	R 8 455,33	R 3 804,90	R 125 440,85
7	R 125 440,85	R 8 780,86	R 3 951,39	R 130 270,33
8	R 130 270,33	R 9 118,92	R 4 103,52	R 135 285,74
9	R 135 285,74	R 9 470,00	R 4 261,50	R 140 494,24
10	R 140 494,24	R 9 834,60	R 4 425,57	R 145 903,26
	Annualized Return	3,85%		

VS

Years	Investment In Equity Product	Growth	Tax on gain	After Tax return
0		4,69%	18%	
1	R 100 000,00	R 4 695,12	R 845,12	R 103 850,00
2	R 103 850,00	R 4 875,88	R 877,66	R 107 848,23
3	R 107 848,23	R 5 063,61	R 911,45	R 112 000,38
4	R 112 000,38	R 5 258,55	R 946,54	R 116 312,40
5	R 116 312,40	R 5 461,01	R 982,98	R 120 790,42
6	R 120 790,42	R 5 671,26	R 1 020,83	R 125 440,85
7	R 125 440,85	R 5 889,60	R 1 060,13	R 130 270,33
8	R 130 270,33	R 6 116,35	R 1 100,94	R 135 285,74
9	R 135 285,74	R 6 351,83	R 1 143,33	R 140 494,24
10	R 140 494,24	R 6 596,38	R 1 187,35	R 145 903,26
	Annulized Return	3,85%		

# CASH VS EQUITIES ROLLING RETURNS



How many times does the equity indexes outperform cash in a rolling 1 Month period?

- FTSE/JSE All Share TR ZAR = **81%**
- MSCI ACWI NR ZAR = **71%**



# Fairtree Equity

## Independent Investment Solutions

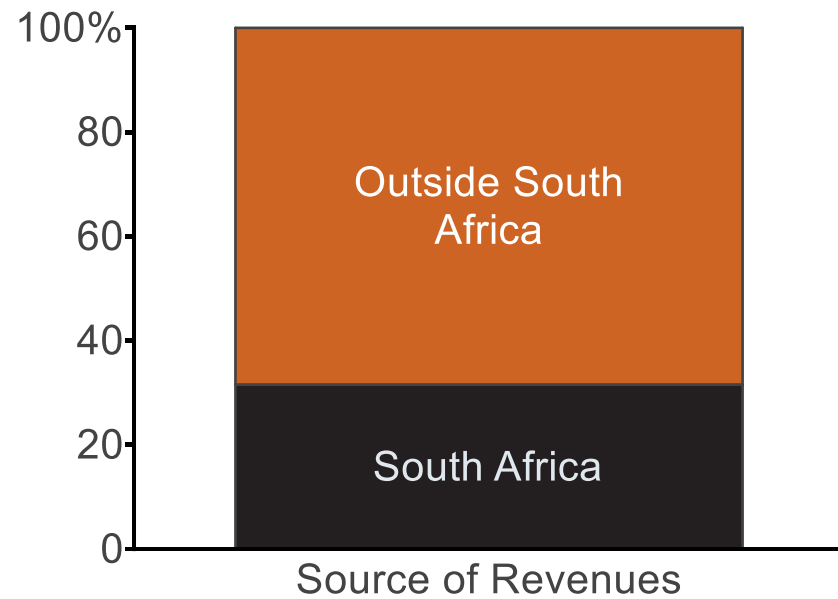
Portfolio Manager - Chantelle Baptiste  
Distribution – Nico van Heerden

22 April 2025



# SA Economy ≠ All Share Index

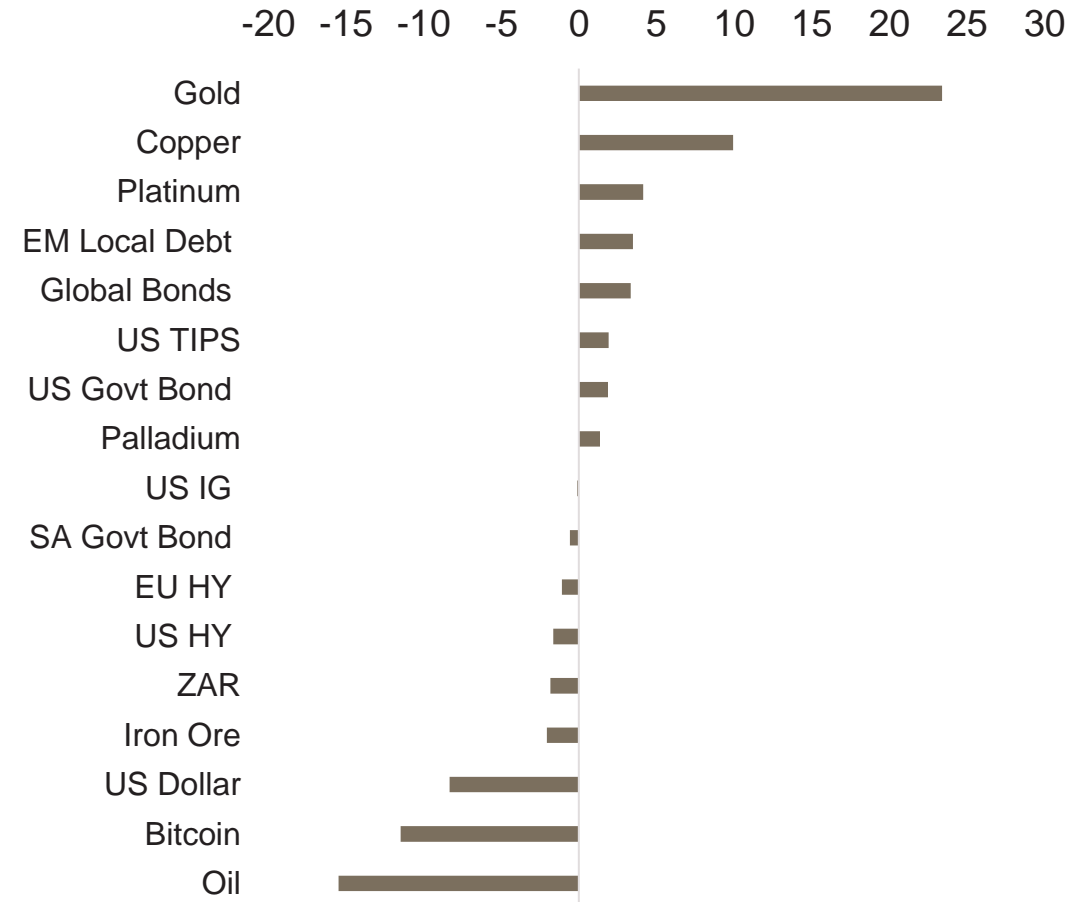
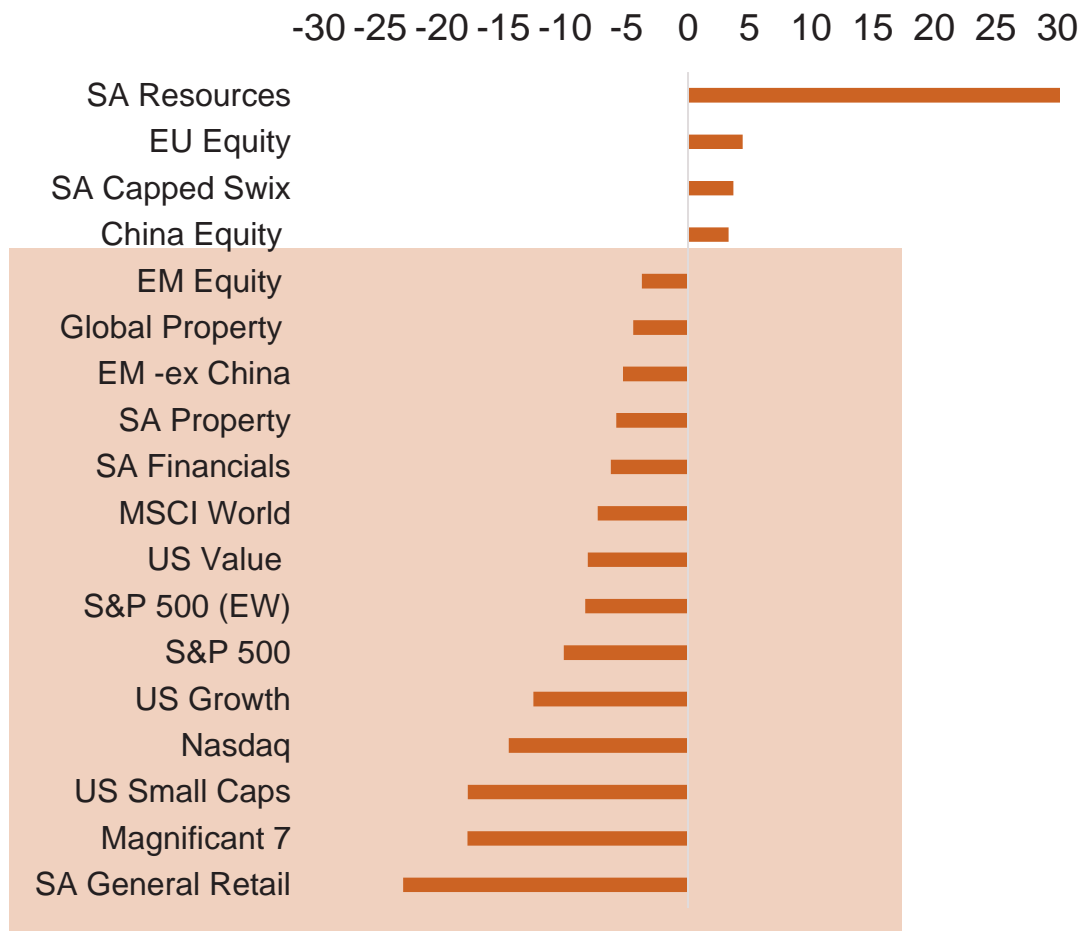
~70% of revenues generated outside South Africa



**Note:** Top 50 companies represent 87.7% of the ALSI Index in 2013  
Source: Bloomberg, Company Reports

# Market Movements

Performance across asset classes (%) - YTD



Source: Bloomberg, Fairtree, \* YTD is 11 April 2025



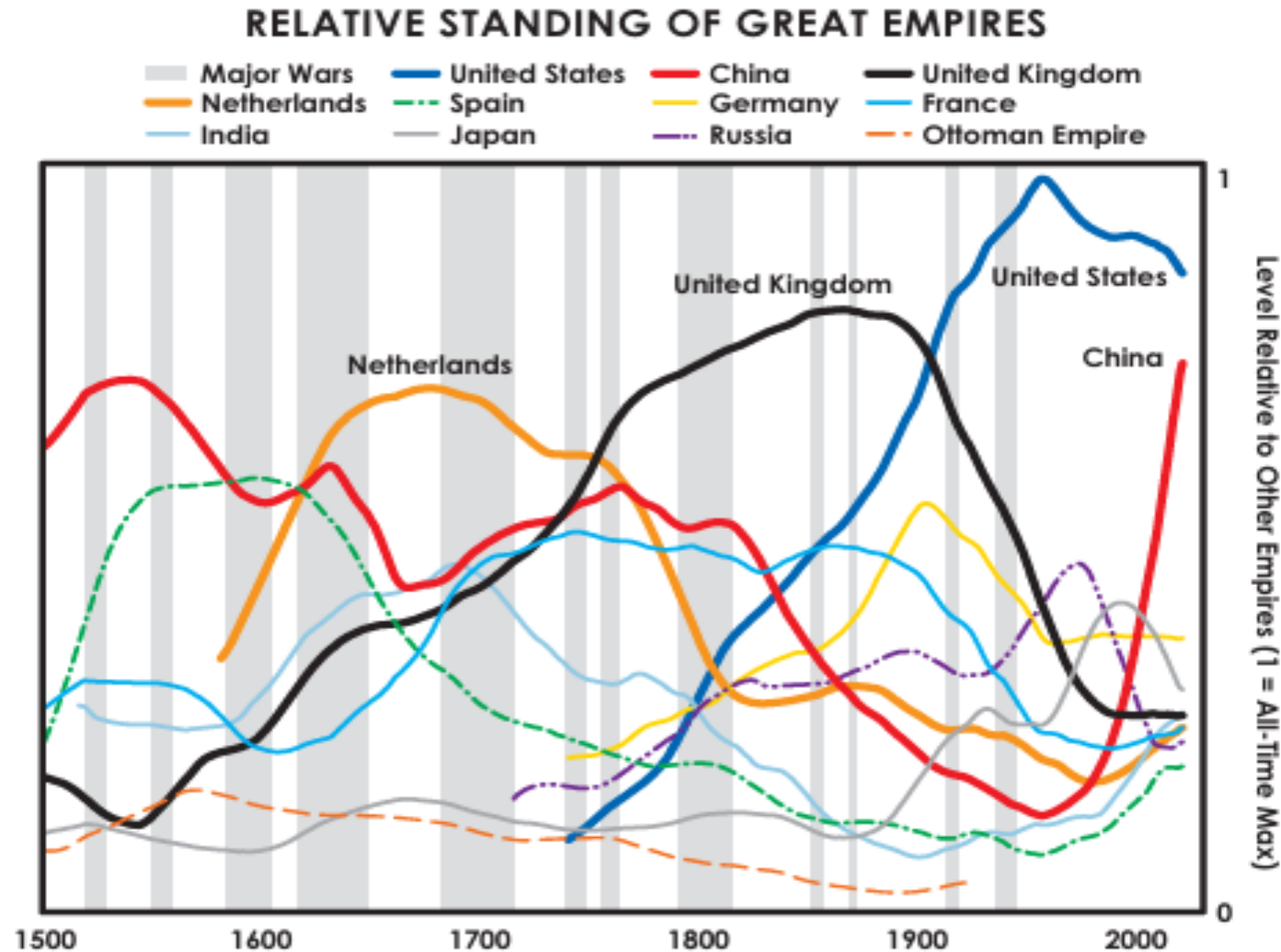
# The World in Pictures



Source: Bloomberg, Fairtree, \* YTD is 11 April 2025

# The Changing World Order

We are in a global power shift, which may come with disruption



Source: Ray Dalio's Changing World Order Book, Fairtree,





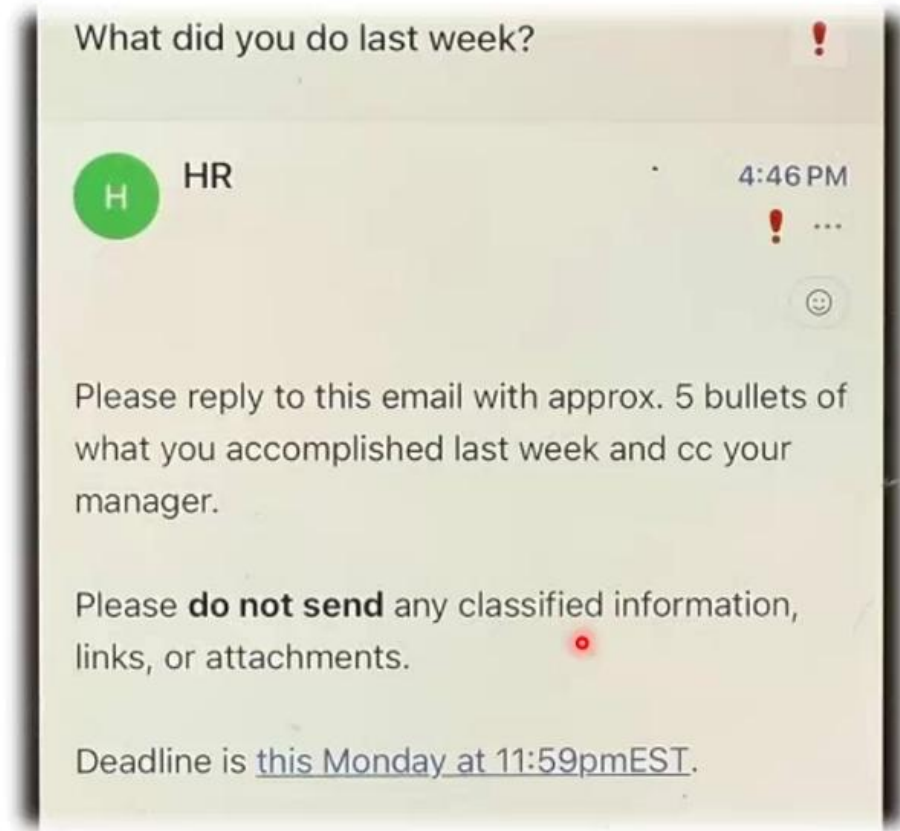
**“With great power comes  
great responsibility.”**

*Spider-Man (2002)*



# US DOGE Impact

Uncertainty will lead to global economic paralysis



## Trump administration scraps over 80% of USAID programs, top diplomat Rubio says

The New York Times

[Africa Received Billions in U.S. Aid. Here's What It Will Lose.](#)

17 hours ago



The Guardian

[Trump's USAid cuts will have huge impact on global climate finance, data shows](#)

4 hours ago



NBC News

[WHO warns of possible tuberculosis surge because of USAID cuts](#)

1 day ago



AP News

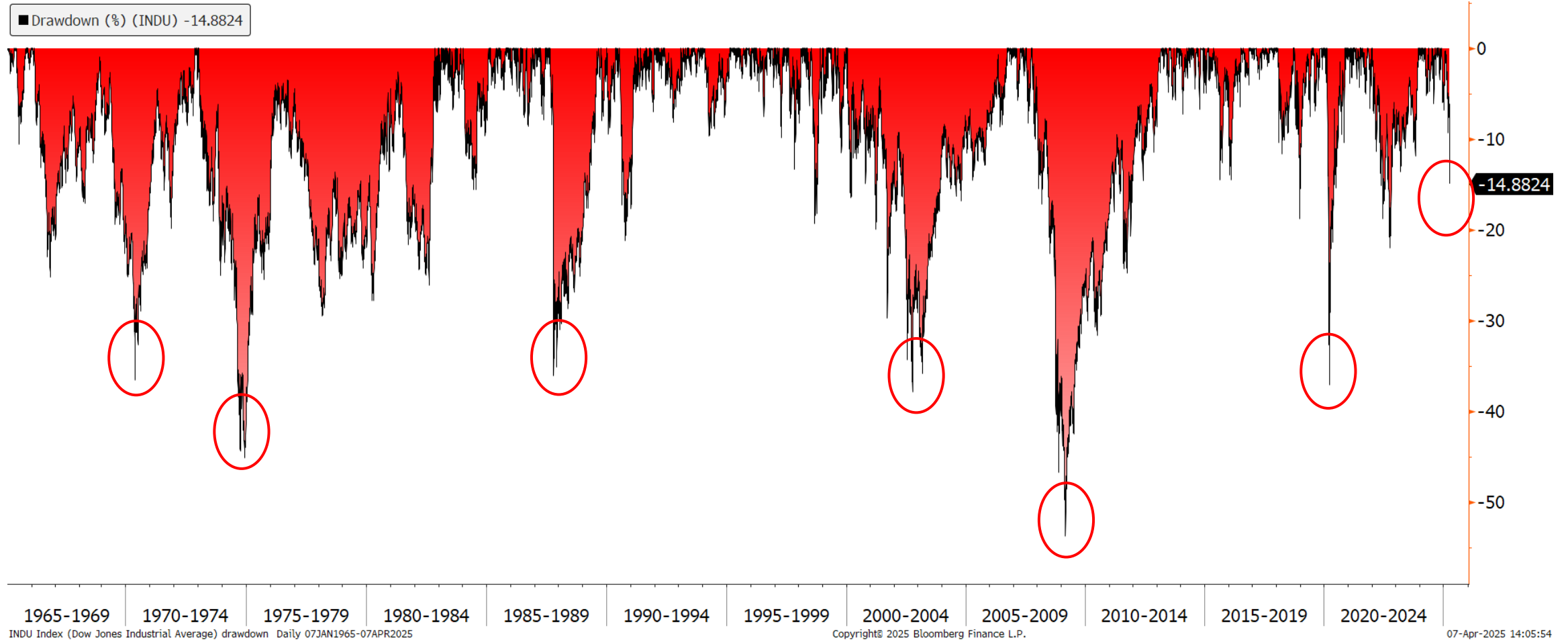
[US foreign aid cuts leave a funding gap that private donors are unlikely to fill](#)

3 days ago



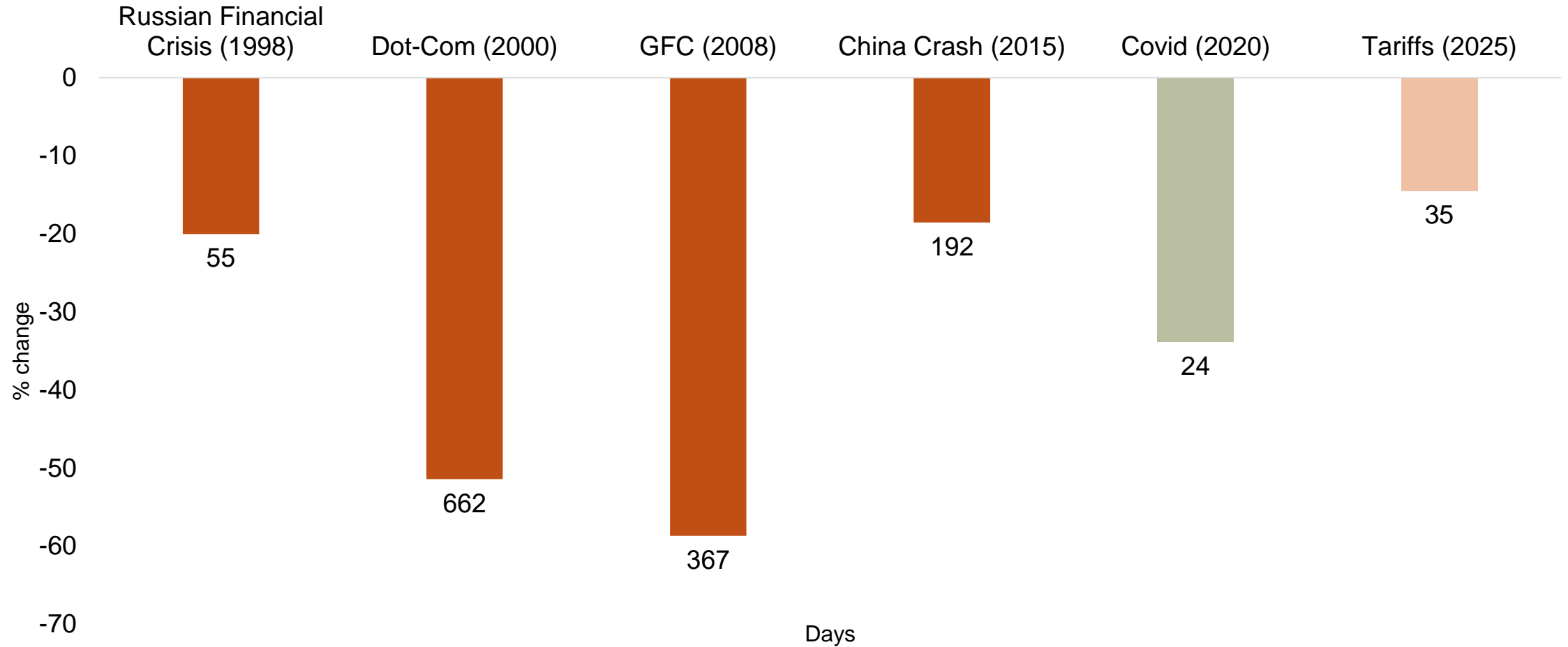
# One of the most severe drawdown in history

US equity drawdown over last 60 years



# A Dip Or An Ursus Magnus?

The 2020 market drawdown has been the most rapid bear market in history

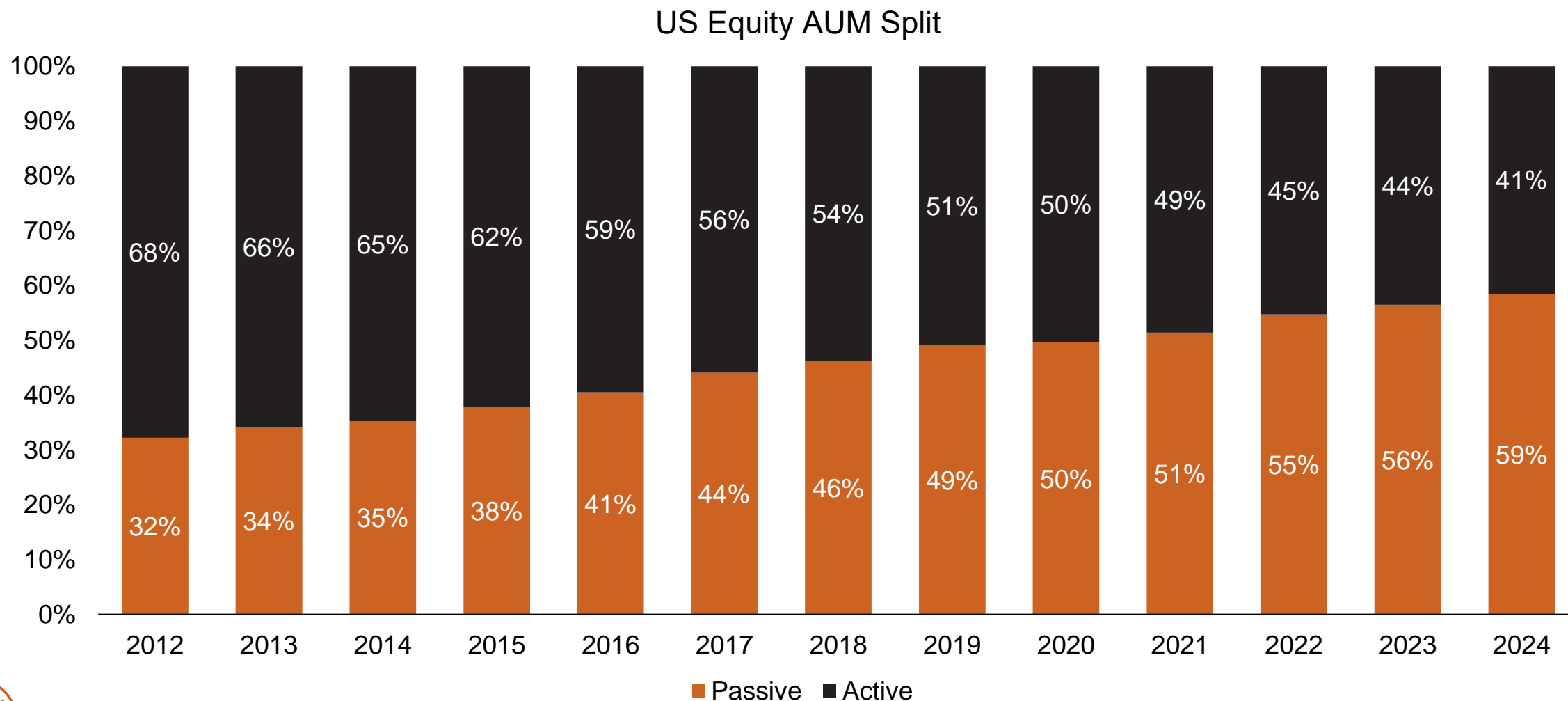


Source: Fairtree, Bloomberg



# Impact of Passive Investments

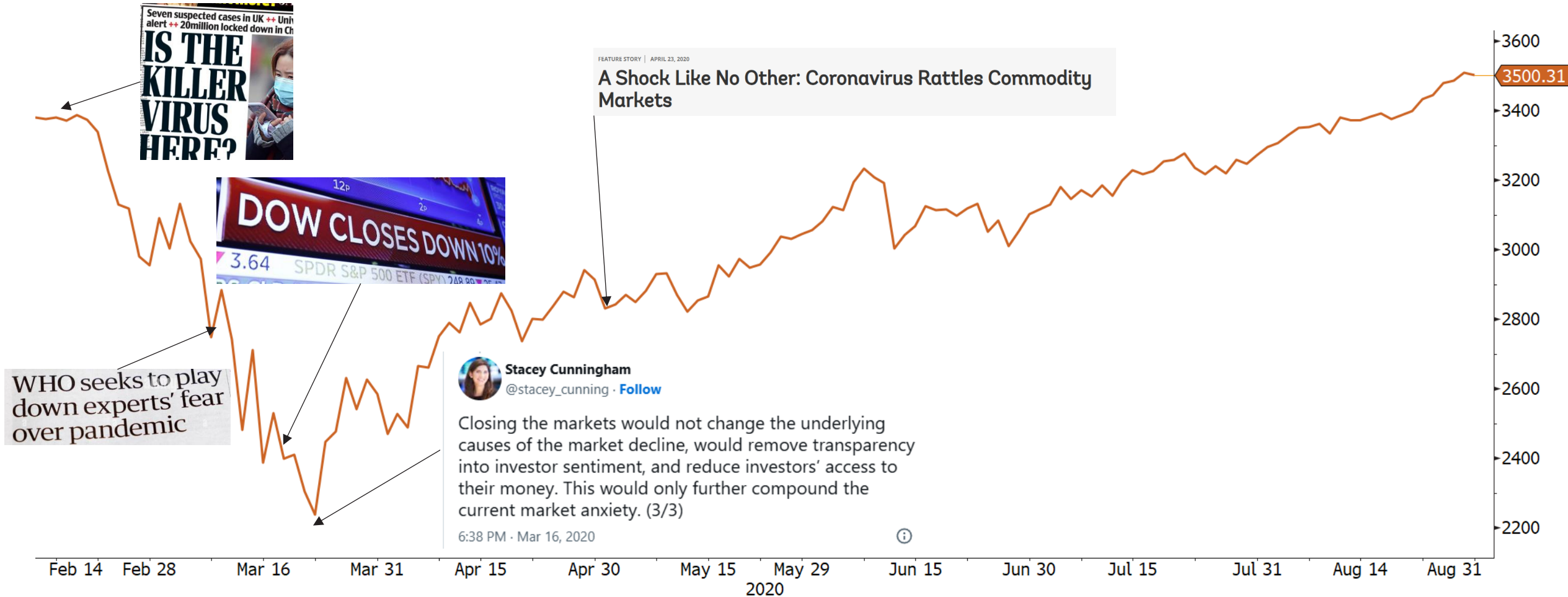
Passive investment flows have become increasingly influential in equity market performance



Source: Fairtree, Bloomberg

# Lessons from the Covid Crisis

News-flow and sentiment is often worst around the market bottom



# Lessons from the 2008 Financial Crisis

News-flow and sentiment is often worst around the market bottom



SPX Index (S&P 500 INDEX) Lesson from Covid Daily 01FEB2008-29APR2010

Copyright© 2025 Bloomberg Finance L.P.

07-Apr-2025 12:07:03



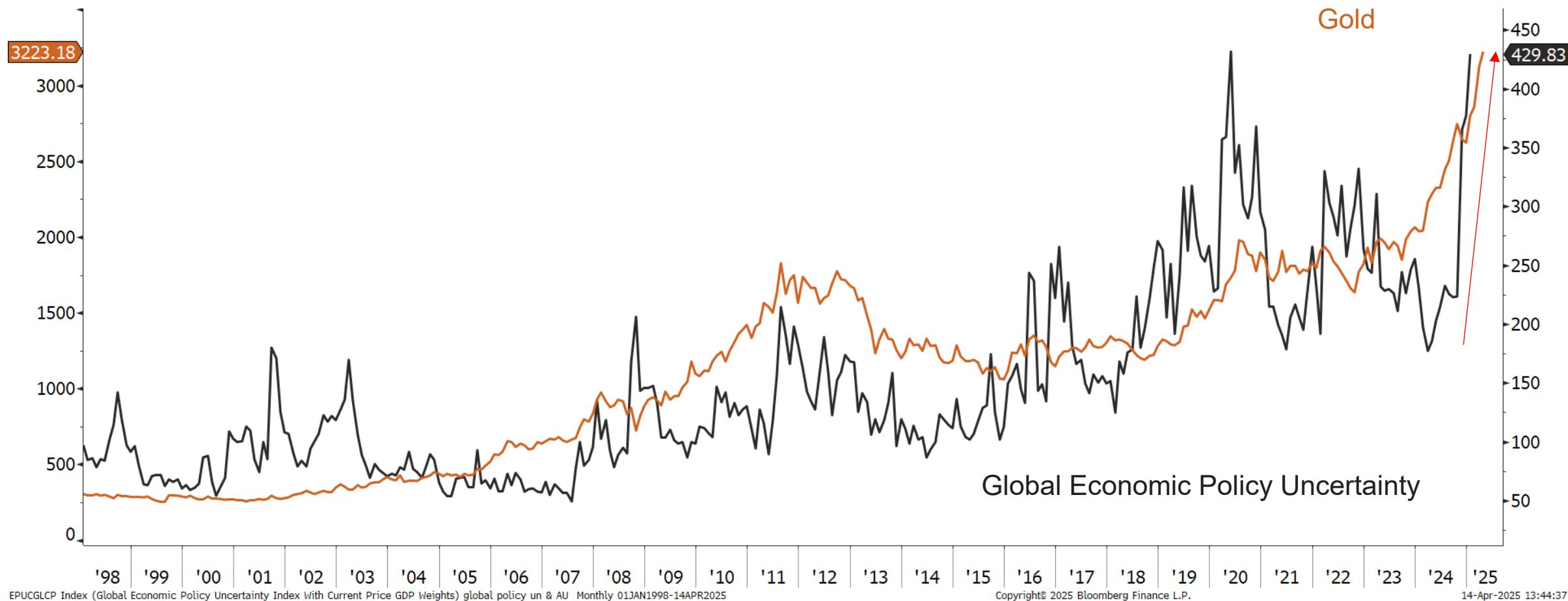
# Fed Policy Rate vs US 10yr Bond Yields

Bond yields rising while the Fed is cutting rates is unprecedented



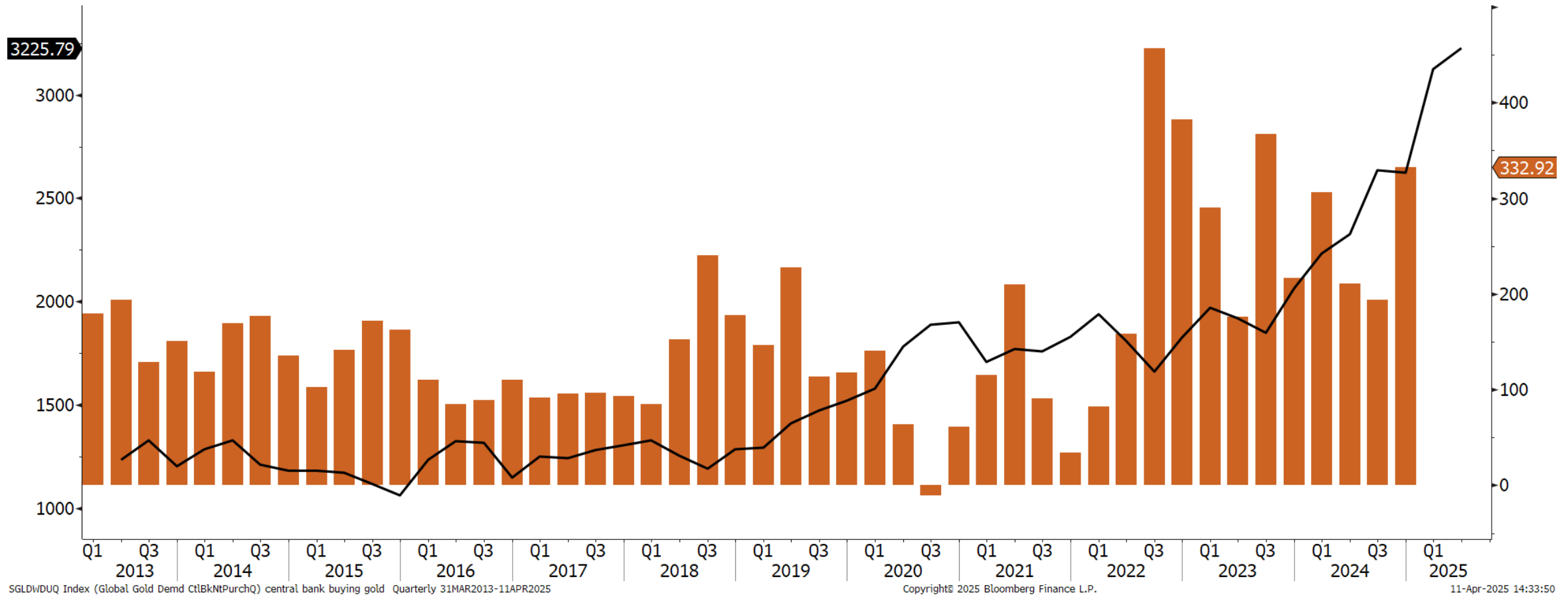
# Trade War = Higher Gold

## Global Policy Uncertainty Index & Gold



# Central banks have increased their gold buying

## Central Bank Net Gold Purchases



Source: Fairtree, Bloomberg



# Where to hide?

Bitcoin's one yr volatility is 50%, which is more than double that of Gold's

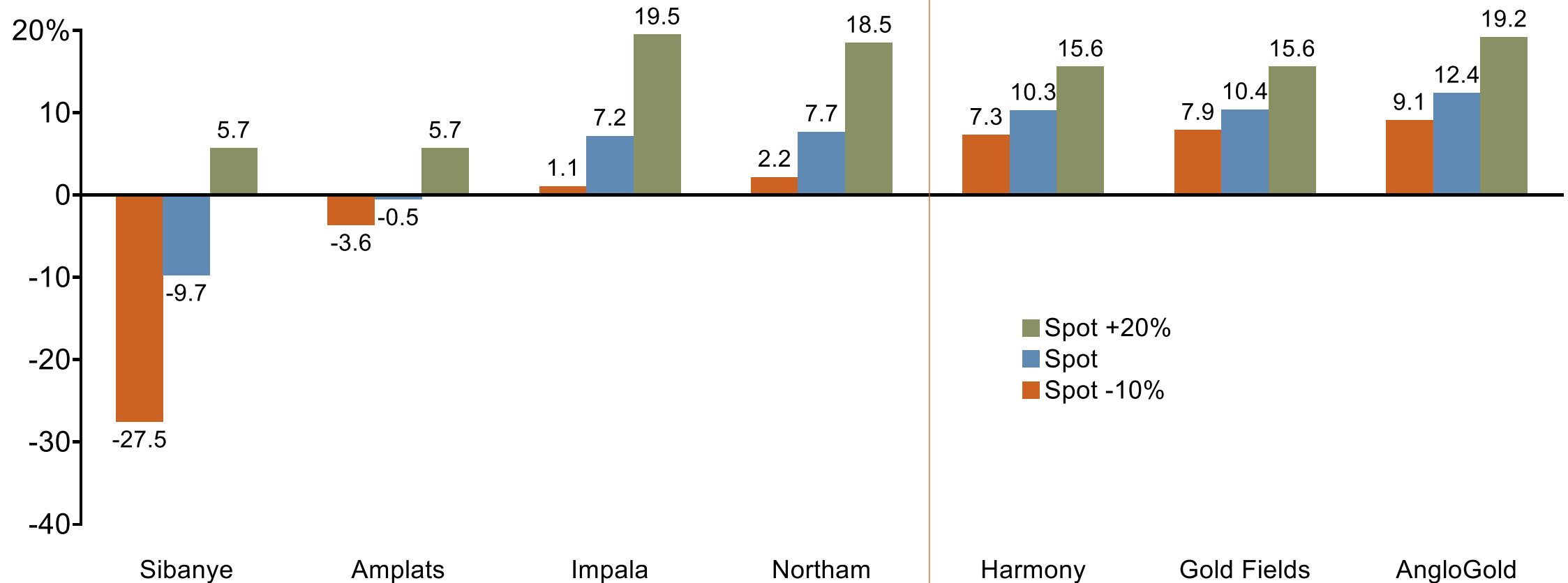


Source: Fairtree, Bloomberg

# Precious Metal Miners FCF Yield %

Gold Miners offer better risk/reward profile

## Free Cashflow Yields



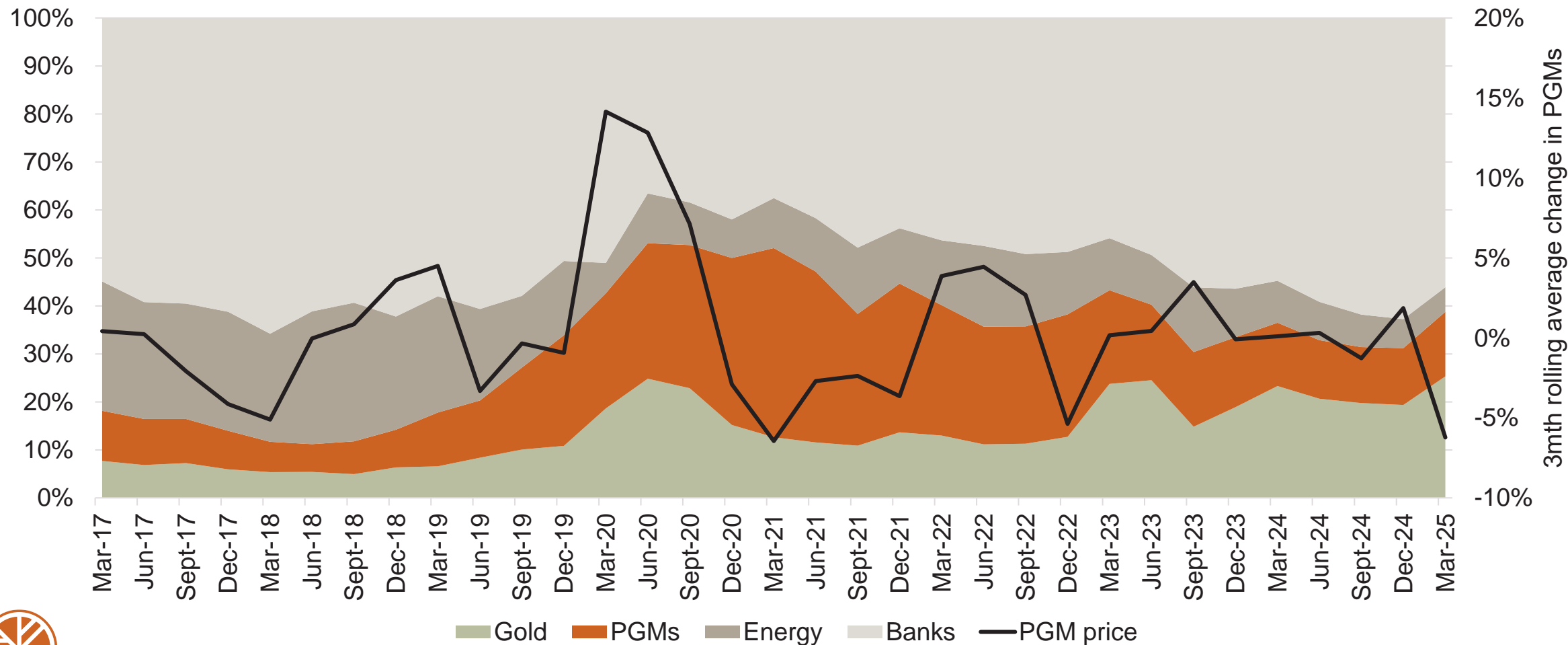
Source: Source: Bloomberg, Fairtree: 10 April 2025

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# Advantage of Active Management

The cycle opportunities can be captured by active managers

Benchmark Weighting Capped Swix

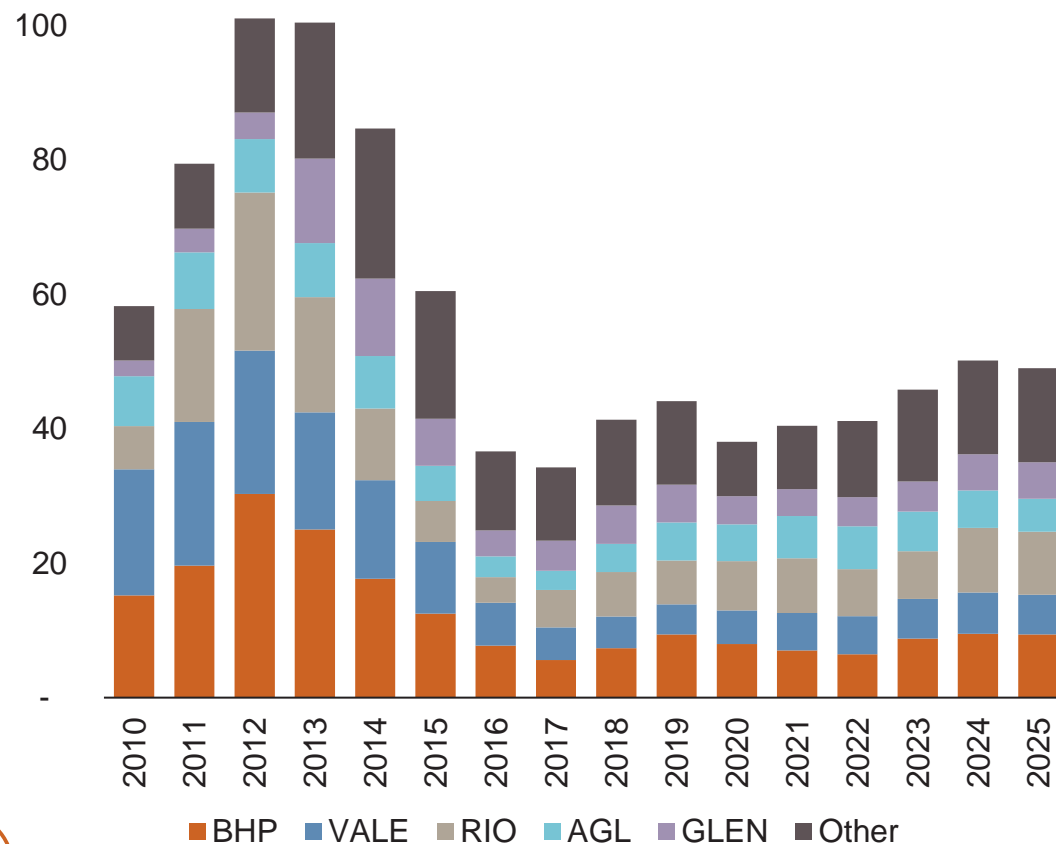


Source: Bloomberg, Fairtree

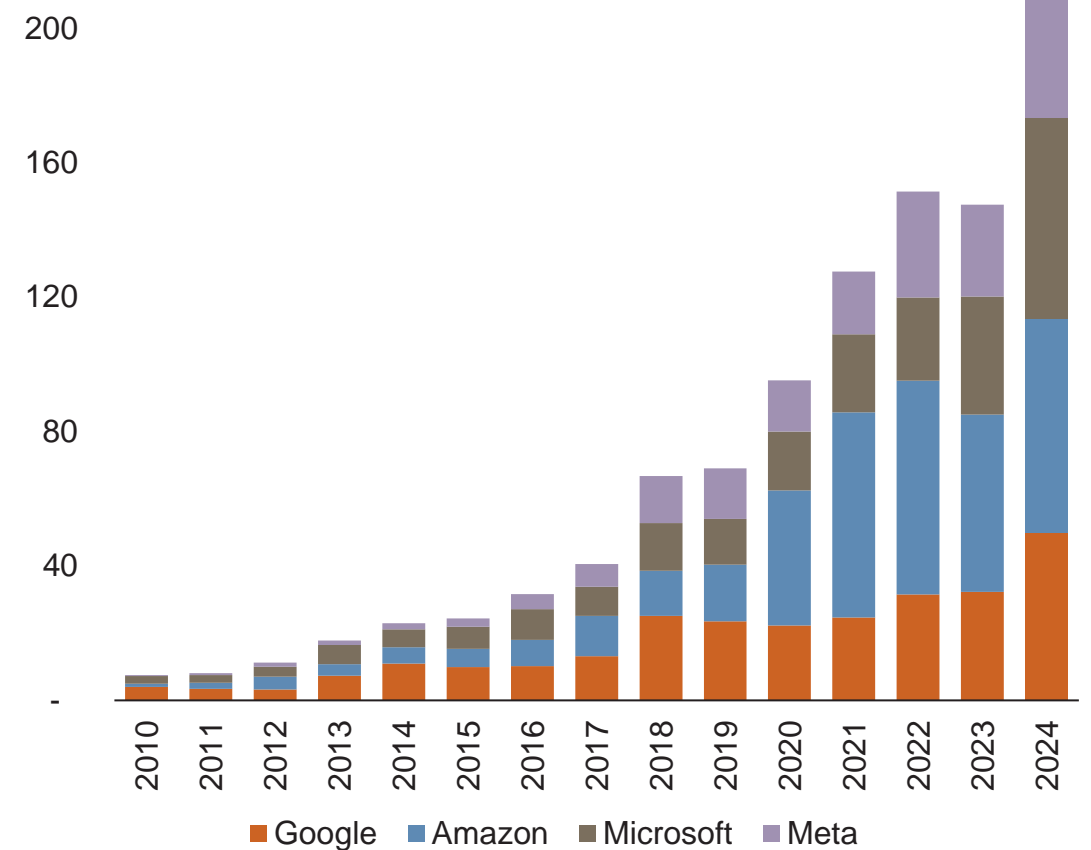
# Growing Commodity Demand

... will come up against significant supply constraints

Major Global Miner Capex  
US\$b [Real 2023]

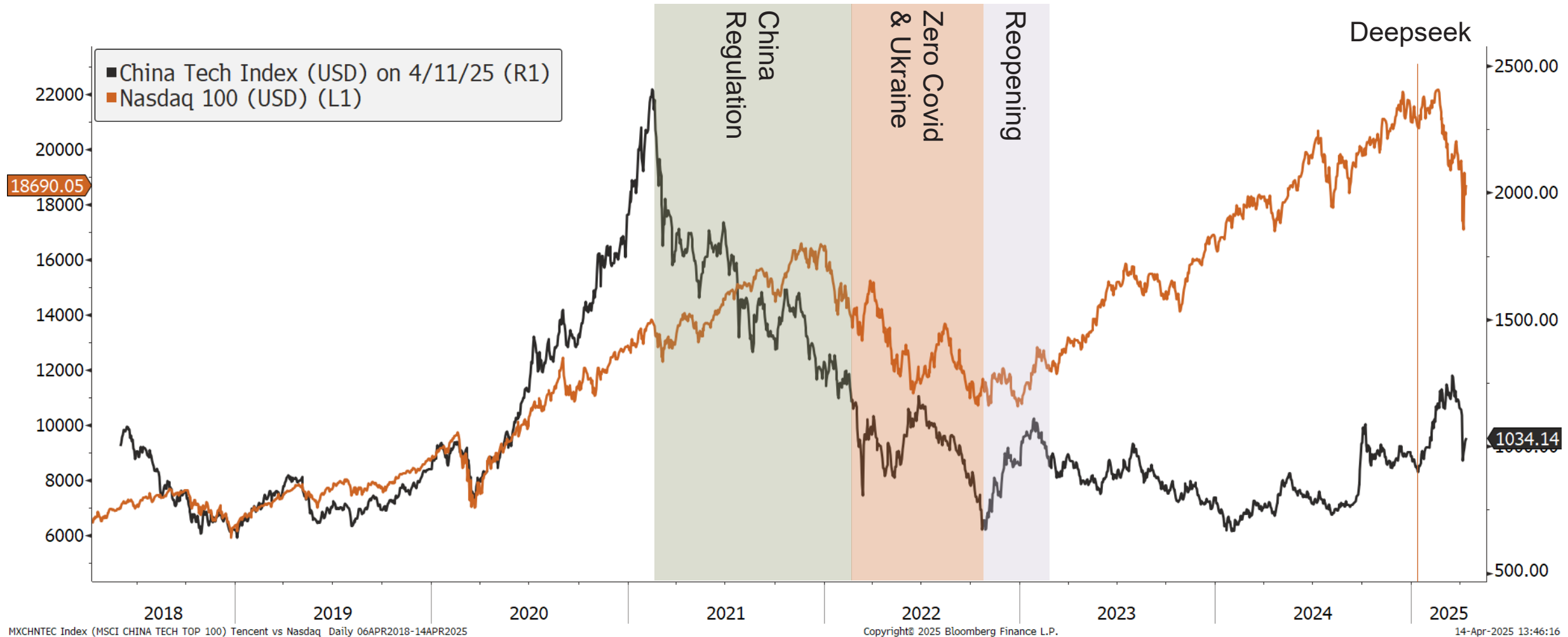


Big Tech. Company Capex  
US\$b



# US vs China Tech

China tech recovery was underway, but the bifurcation remains wide

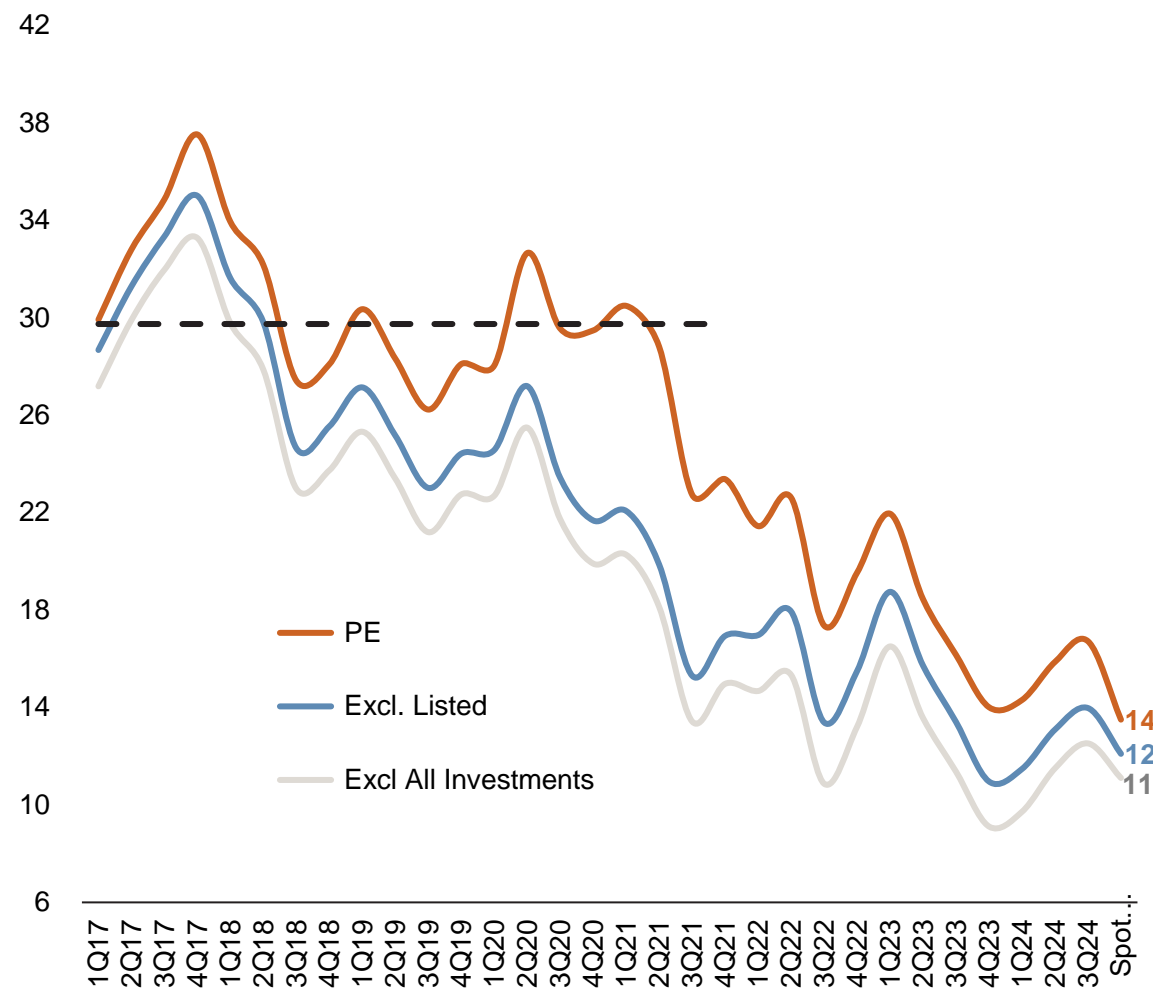


Source: Fairtree, Bloomberg

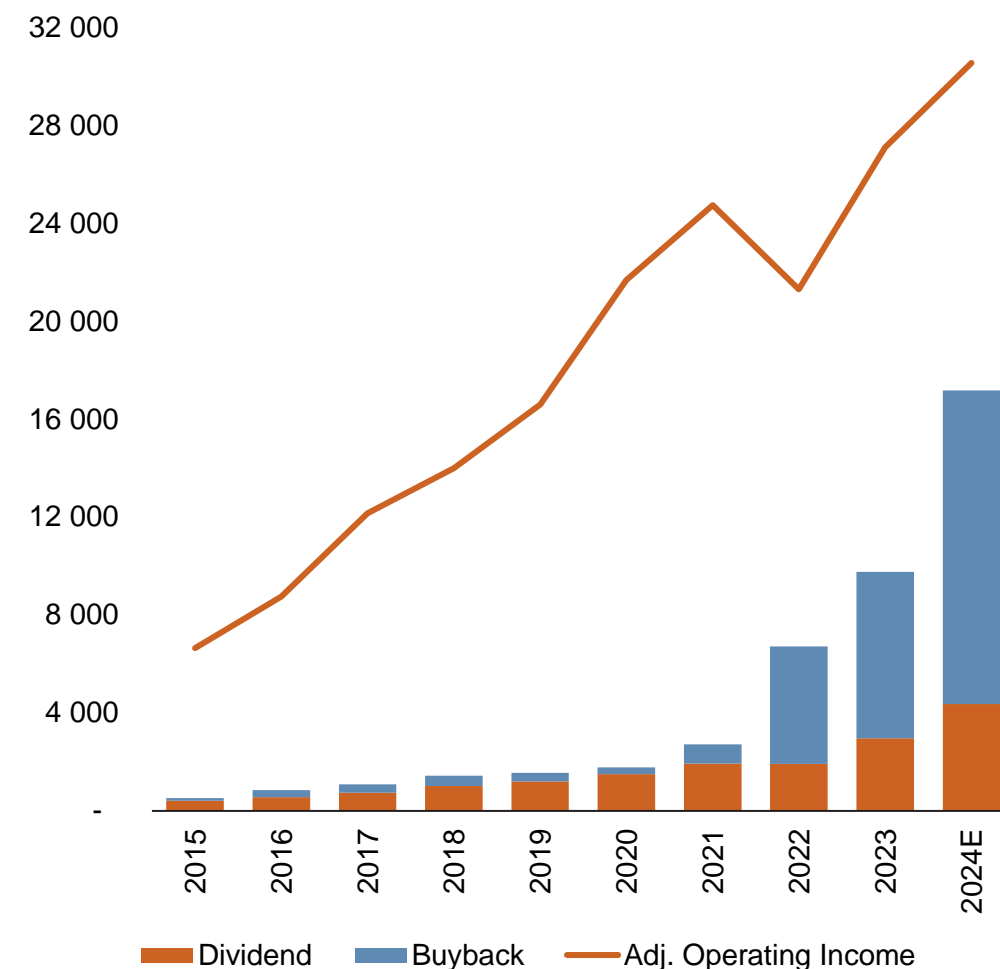
# Tencent & Prosus

Prosus remains an attractive way to get exposure to Tencent

Tencent Fwd PE Ratio



Tencent Profitability and Cash Allocation US\$m

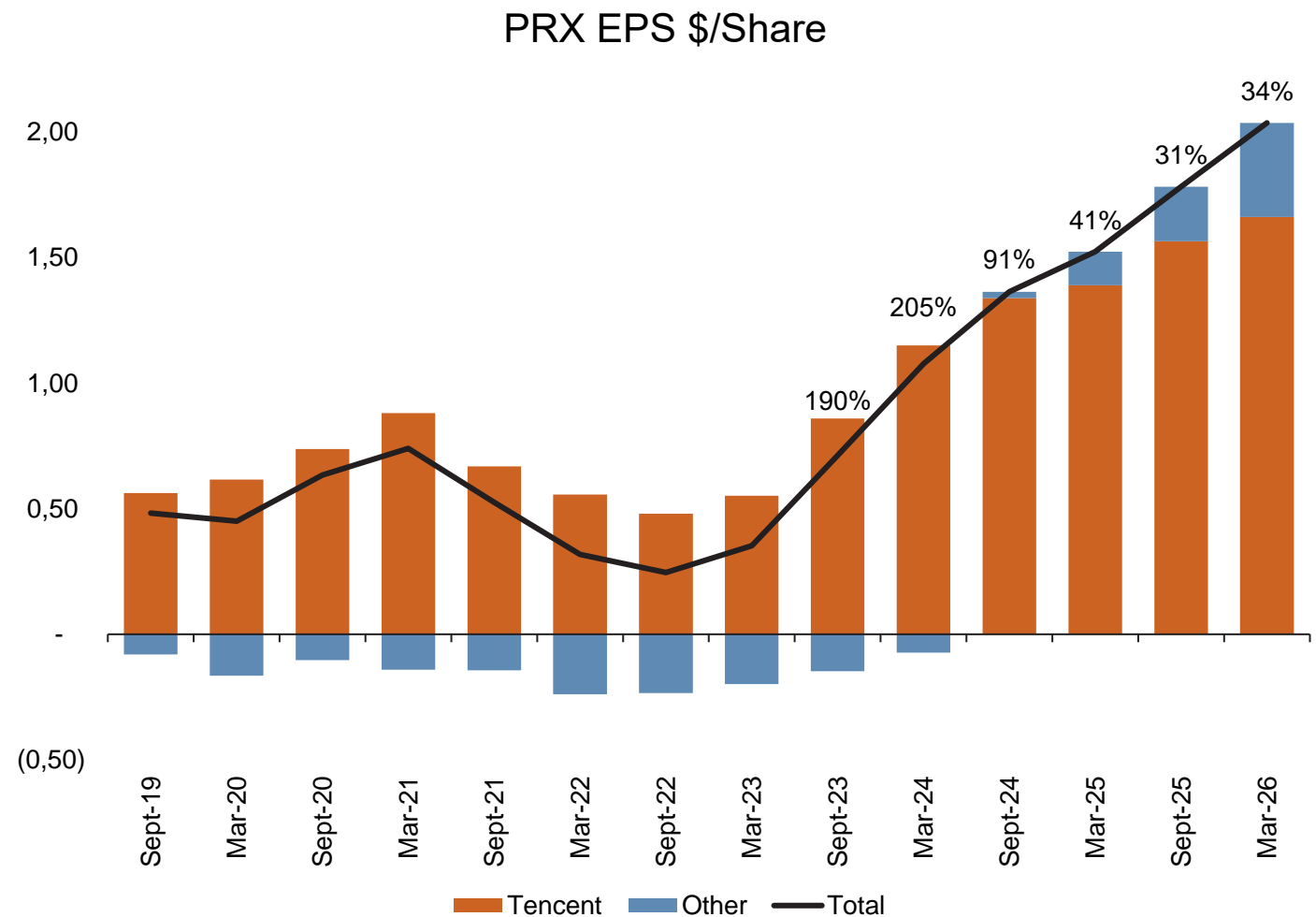


Source: Source: Bloomberg, Fairtree: 24 Feb 2025



# Tencent & Prosus

Prosus remains an attractive way to get exposure to Tencent

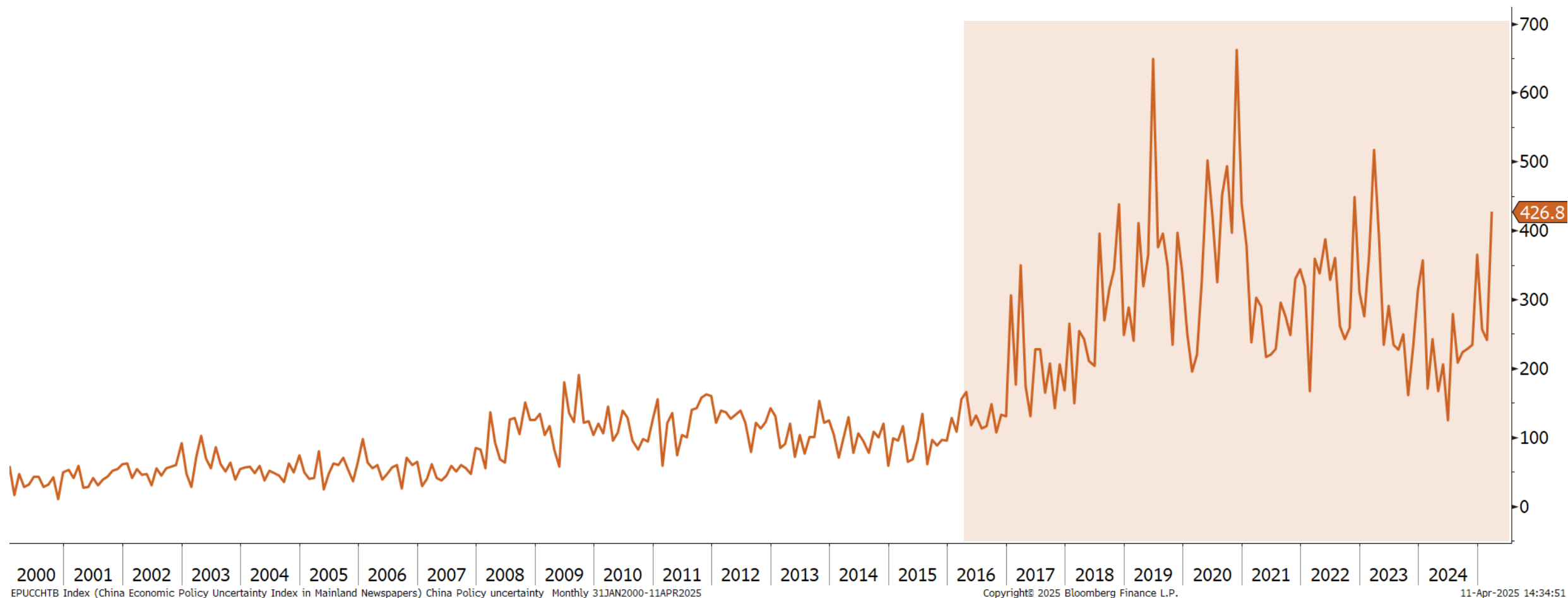


Source: Source: Bloomberg, Fairtree: 24 Feb 2025

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# Chinese Policy uncertainty

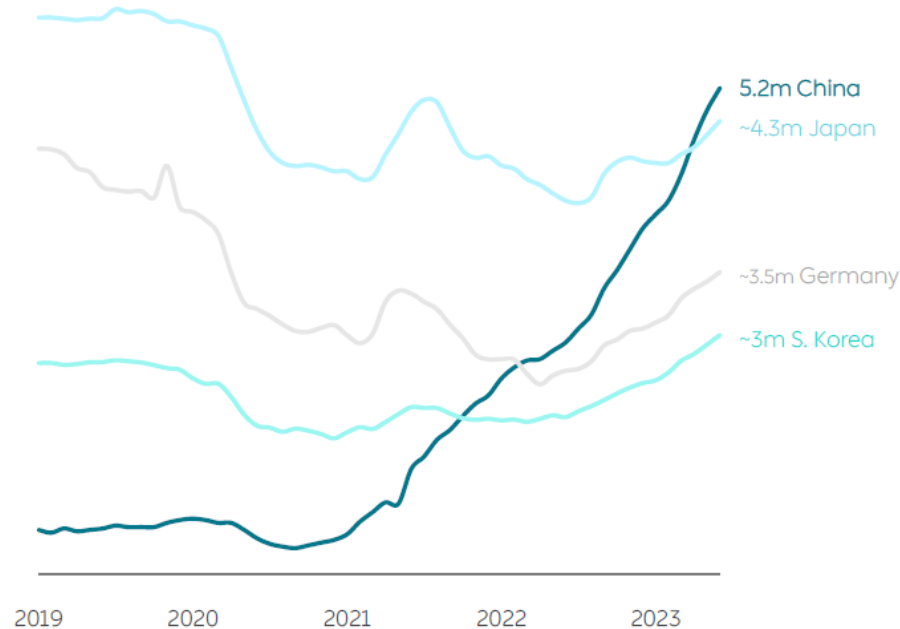
Xi Jinping's policy direction appears to be clearer



# China Becomes Global No.1 Auto Exporter

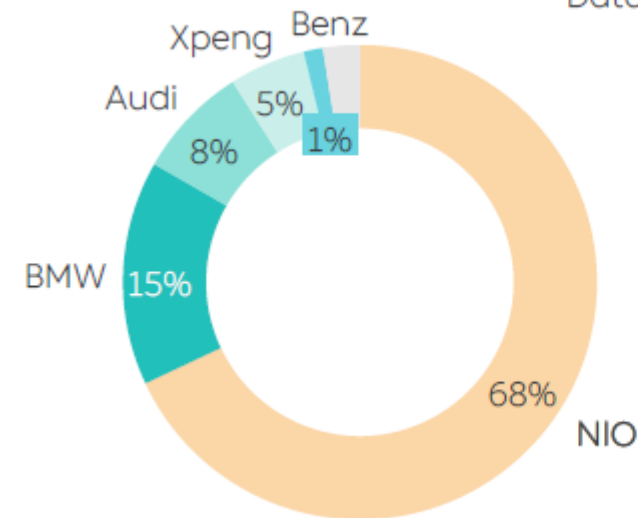
## Chinese Auto Presence in the Global Market

Monthly car exports, 12mth moving average



NIO's Market Share in Premium BEV 300-400k RMB  
(750-990k ZAR)






Data as of August 2024



Source: Wind, National Bureau of Statistics of China, Fairtree, Nio Results Presentation 2024

# Metal Basket Content by Light Vehicle Type

We need more, not less, green metals

	 <b>Gasoline</b>	 <b>Diesel</b>	 <b>Hybrid</b> <small>incl. PHEV <sup>(1)</sup></small>	 <b>BEV <sup>(2)</sup></b>	 <b>FCEV <sup>(3)</sup></b>
<b>Ni</b>	Stainless Steel & Parts		+Batteries		2-3 kg
	2-4 kg	2-4 kg	5-15 kg	30-110 kg	
<b>Cu</b>	Wires & Parts		+Electric Motor, Generator Winding		
	20-25 kg	20-25 kg	45-50 kg	75-80 <sup>(5)</sup> kg	70-75 kg
<b>PGM</b>	Catalysts				Fuel Cell
	2-5 g	3-6 g	2-6 g	-	25-35 g
<b>Pt:Pd ratio</b>	1:4	8:1	1:4		
<b>Metal value per vehicle, US\$</b>	370-890	250-480	610-1,180	Up to 1,500	Up to 1,600

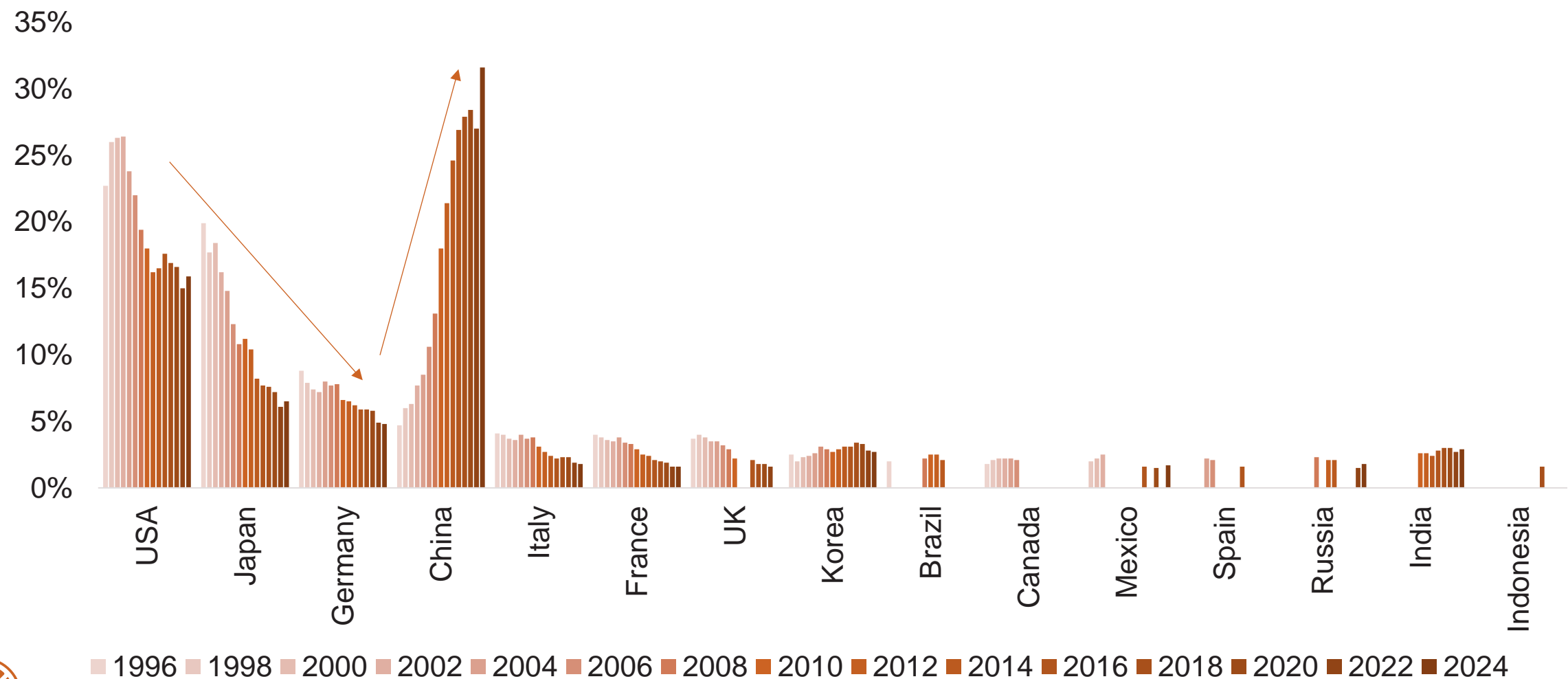
Sources: Company estimates, LMC Automotive, Bloomberg

Notes: 1. Plug-in hybrid electric vehicles, 2. Battery electric vehicles, 3. Fuel cell electric vehicles



# Share of World Manufacturing Output

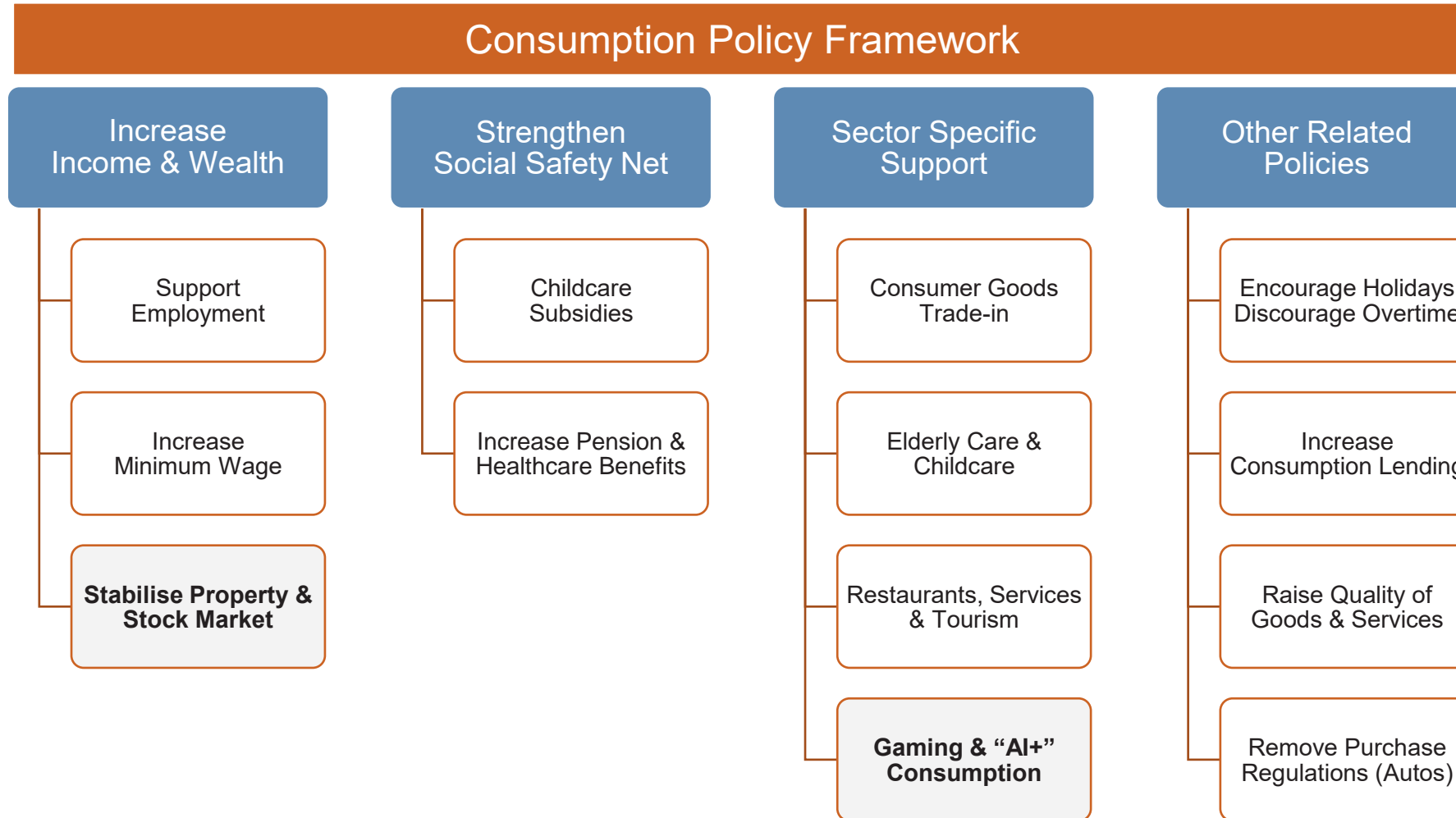
G7 contribution to share has reduced significantly



Source: OECD, Fairtree

# China Policy Tilt

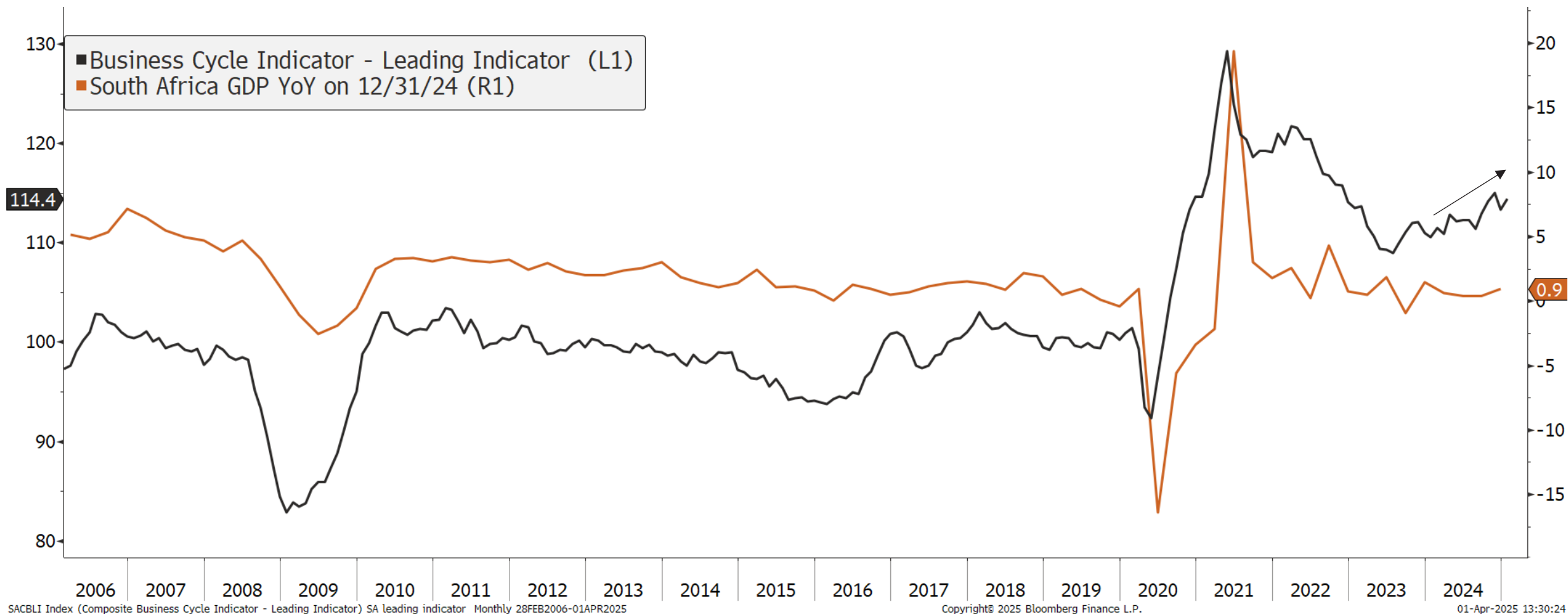
China's State Council “special action plan” to boost domestic consumption





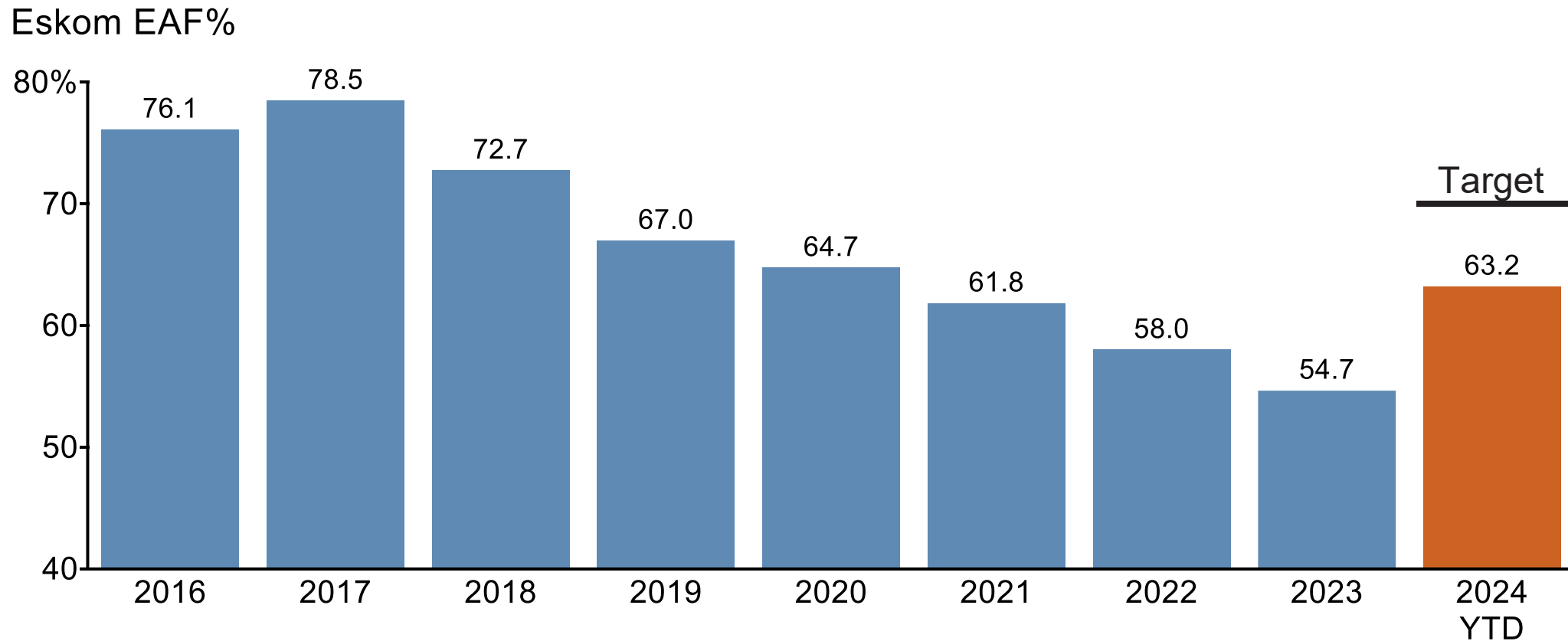
# SA Leading Indicators

Leading business cycle indicator continued to rise, led by new passenger vehicles



# SA Infrastructure Reform: 1. Electricity

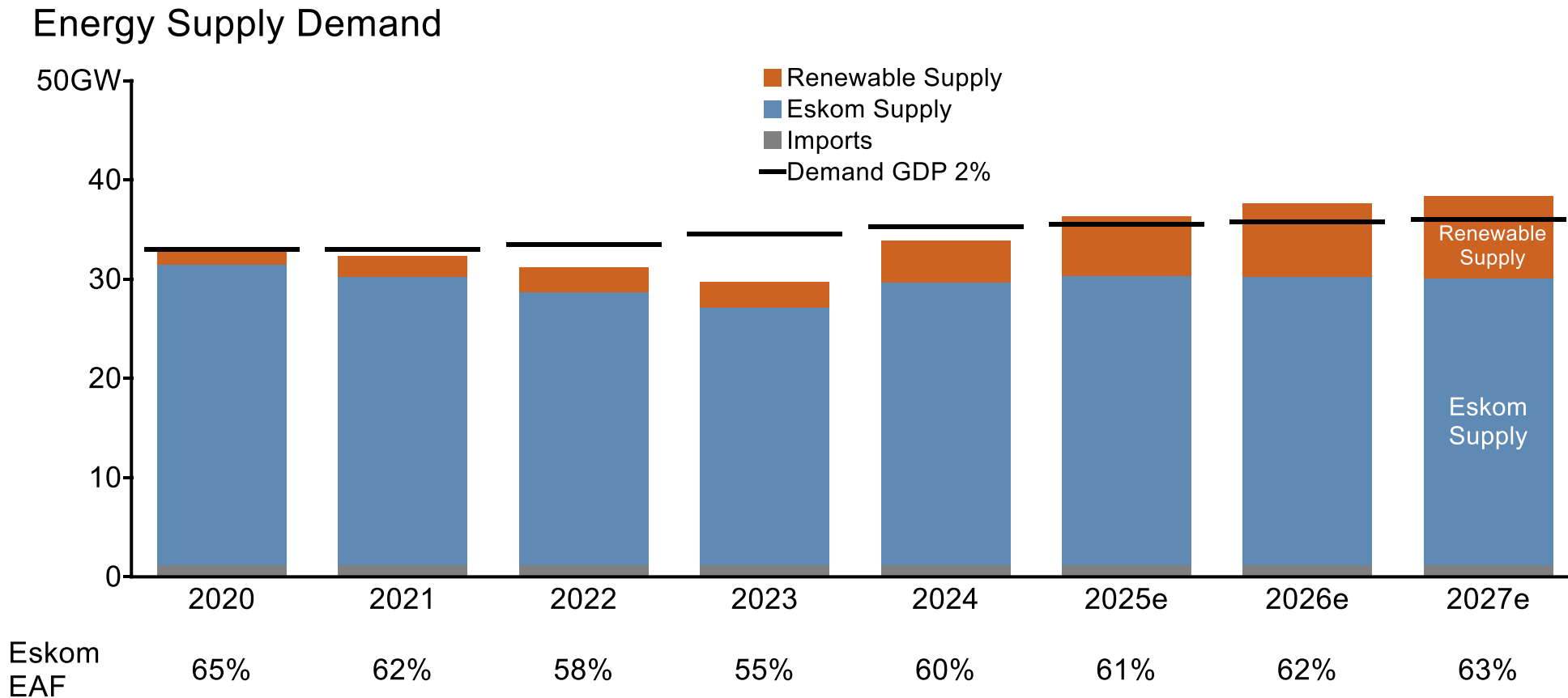
Eskom has not implemented loadshedding for 9 months



Source: Eskom, January 2024

# SA Energy Supply Growth

The private sector will add significantly to supply, with moderate Eskom operational improvement

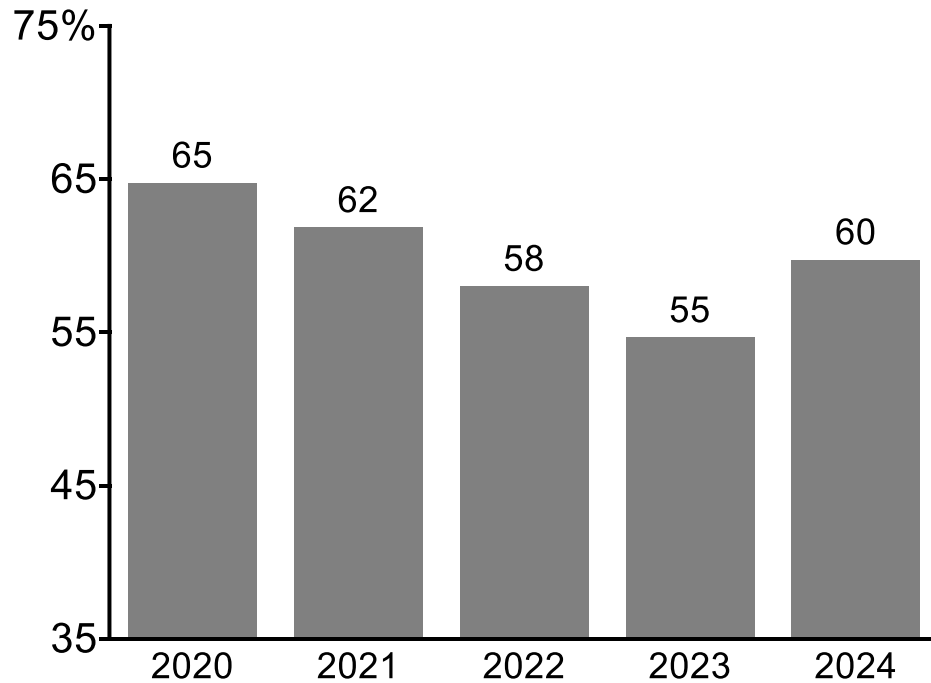


Source Eskom, Fairtree

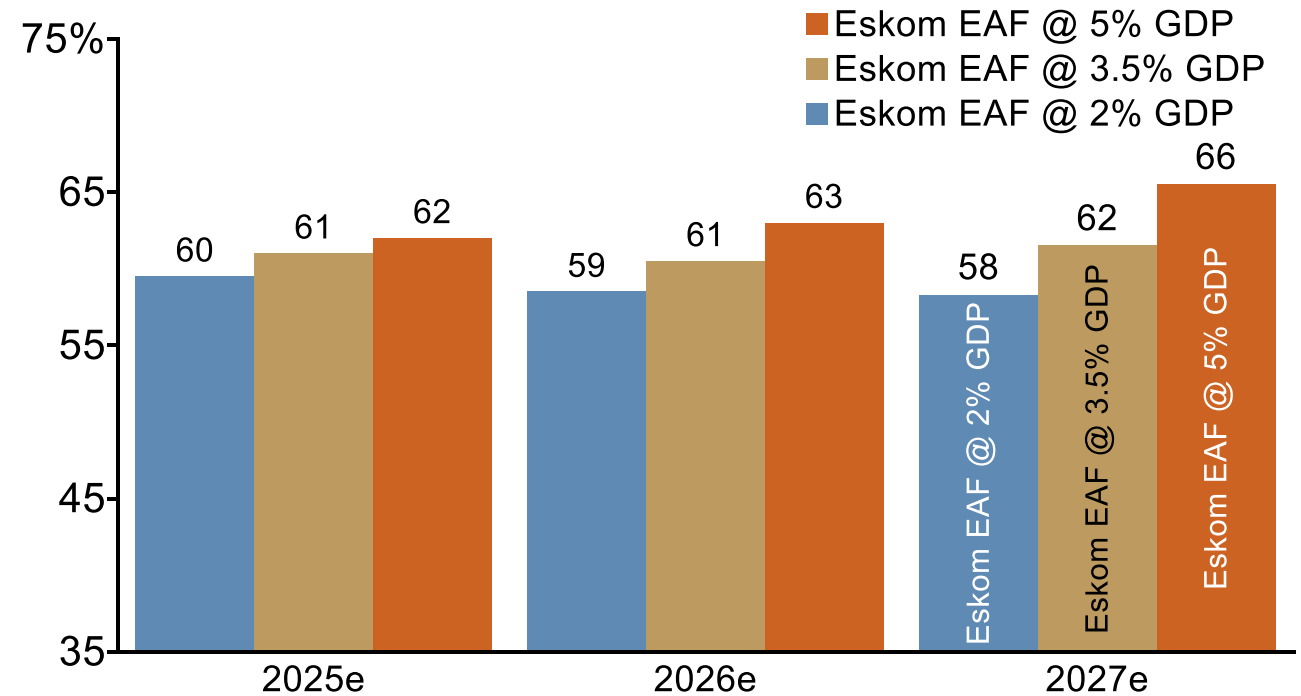
# Energy Constraints to SA Growth

Blue sky 5% GDP growth is attainable if Eskom EAF improve to 66%

## Historic Eskom EAF

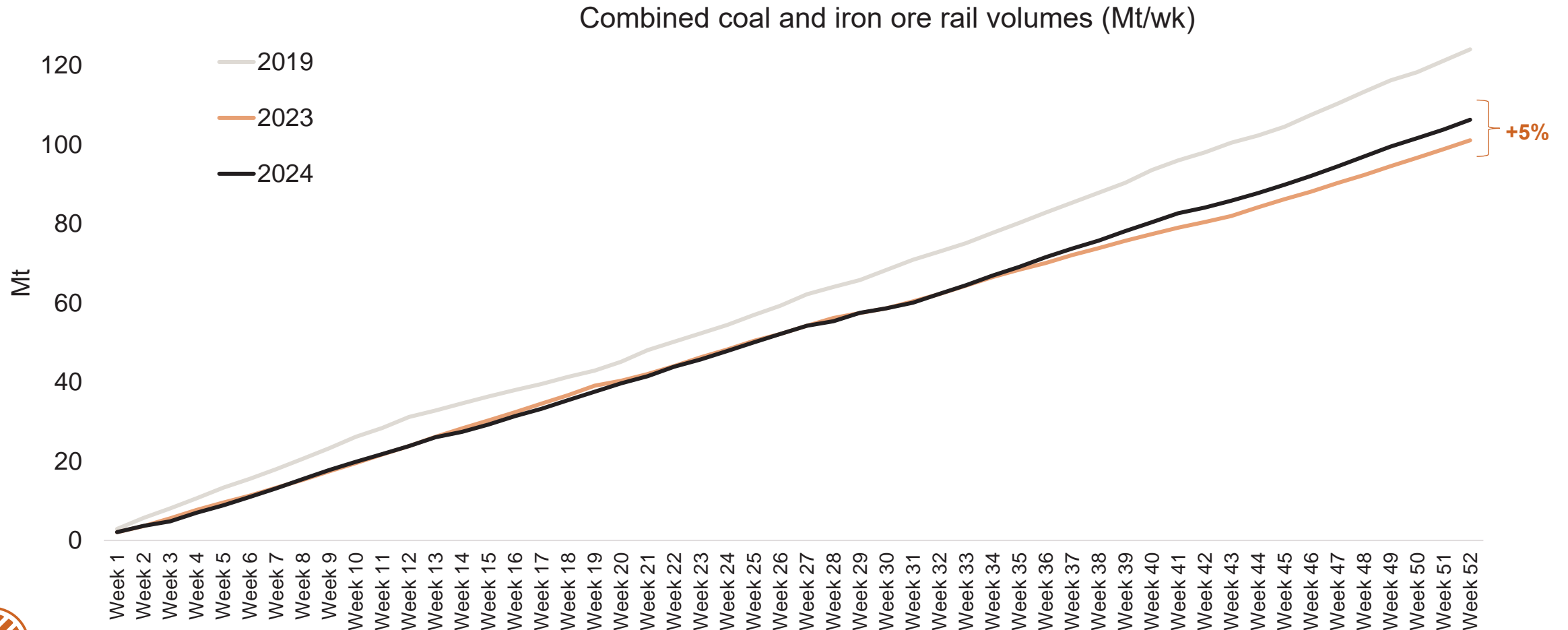


## Required Eskom EAF vs GDP Growth



# SA Infrastructure Reform: 2. Transnet

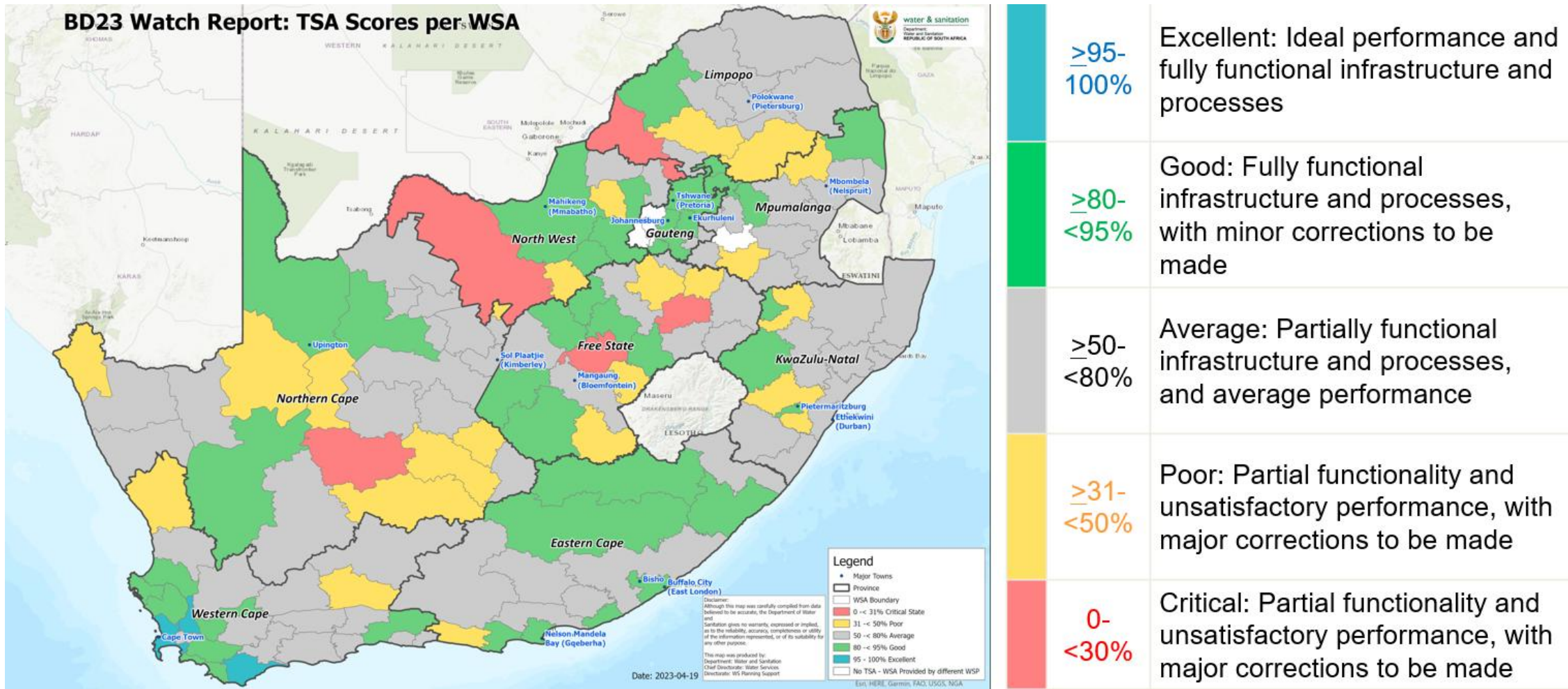
The private sector will add significantly to supply, with moderate Eskom operational improvement



Source Eskom, Fairtree

# SA Infrastructure Reform: 3. Water

Drinking water infrastructure condition status is poor across NW, N Cape, FS and Limpopo

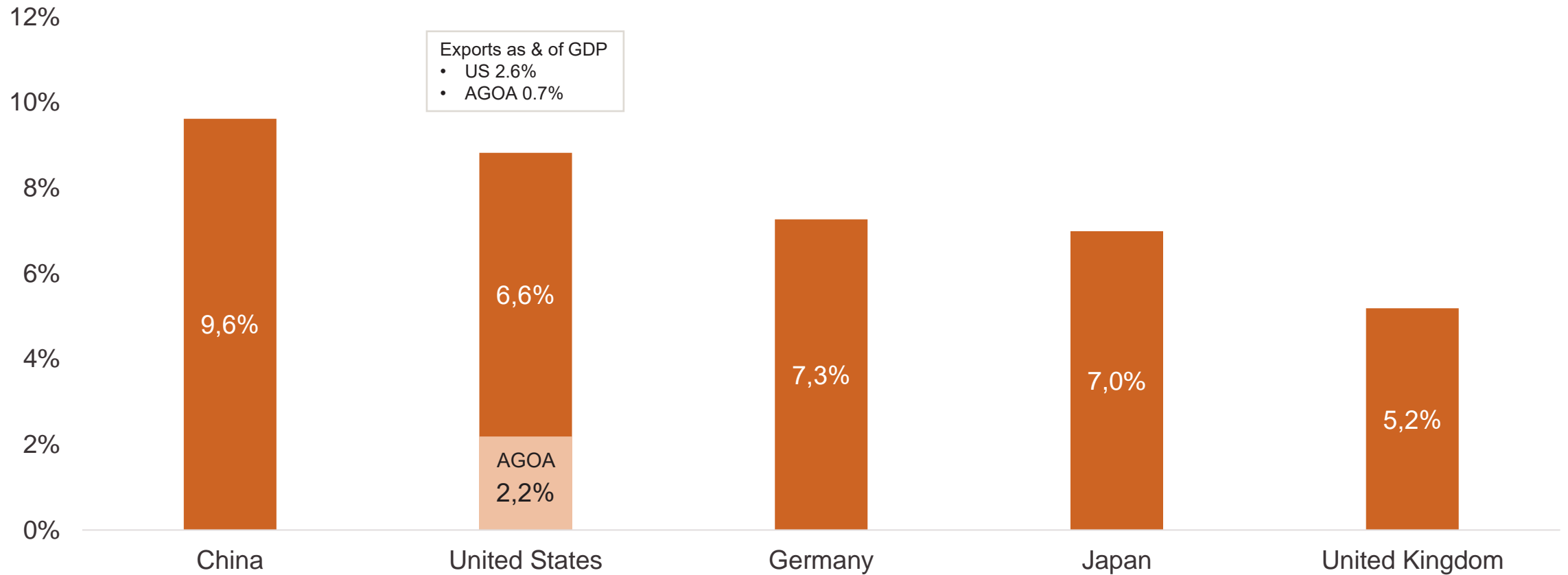




# Trump 2.0

## The US is a key trading partner of South Africa

South Africa main exports partners (% of total exports)

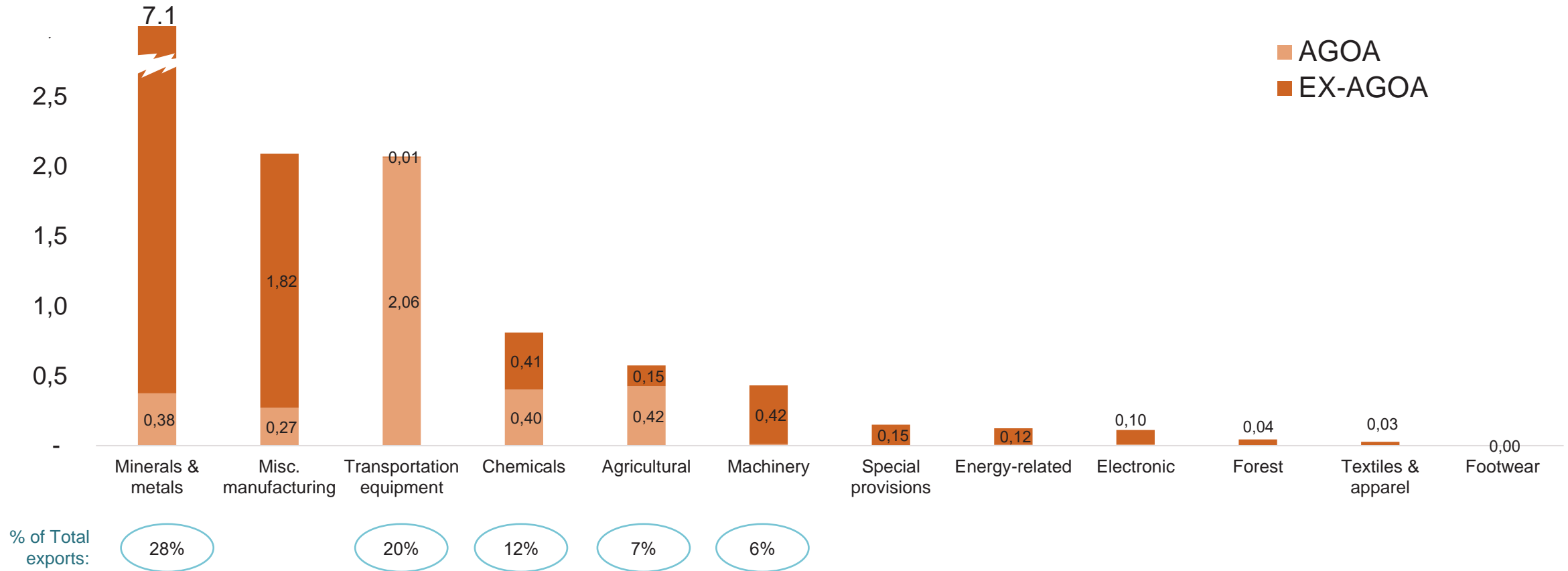


Source: World Integrated Trade Solutions, US Department of commerce, Fairtree.

# Exports to US by sector

## US exports under AGOA vs outside AGOA

SA exports to US by sector – 2023 (\$bn)

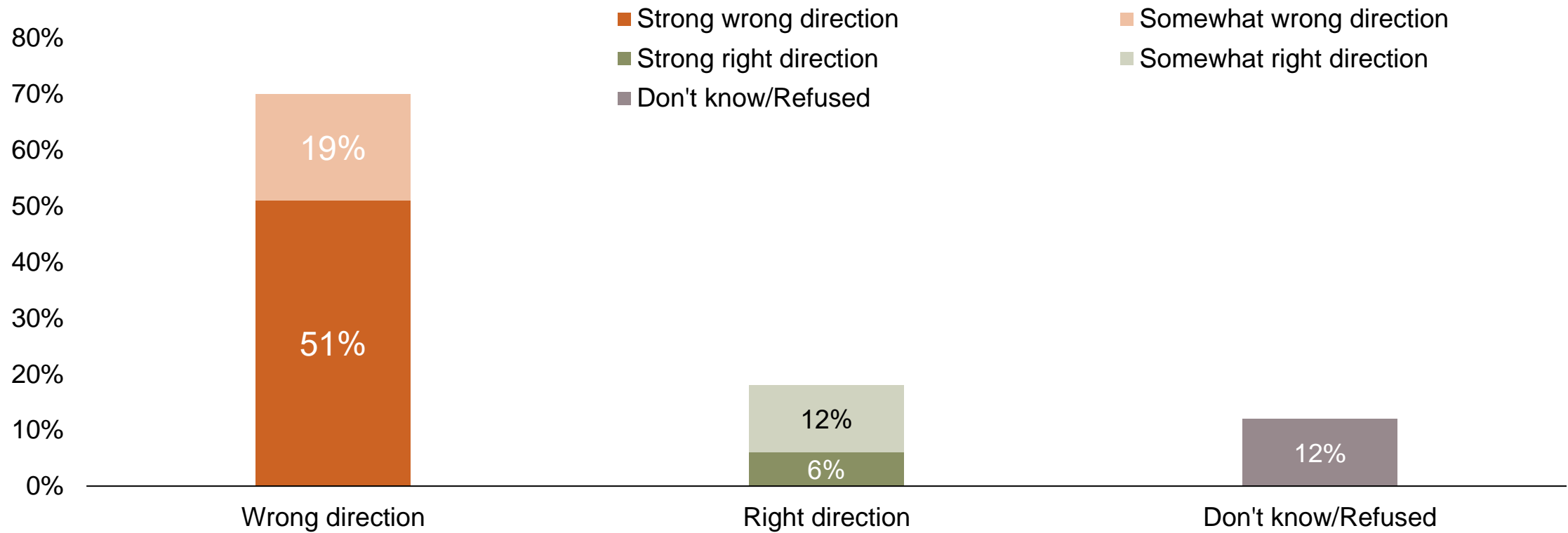


Source: US Department of Commerce, Fairtree.

# 70% believe SA is going in the wrong direction

## Brenthurst Survey

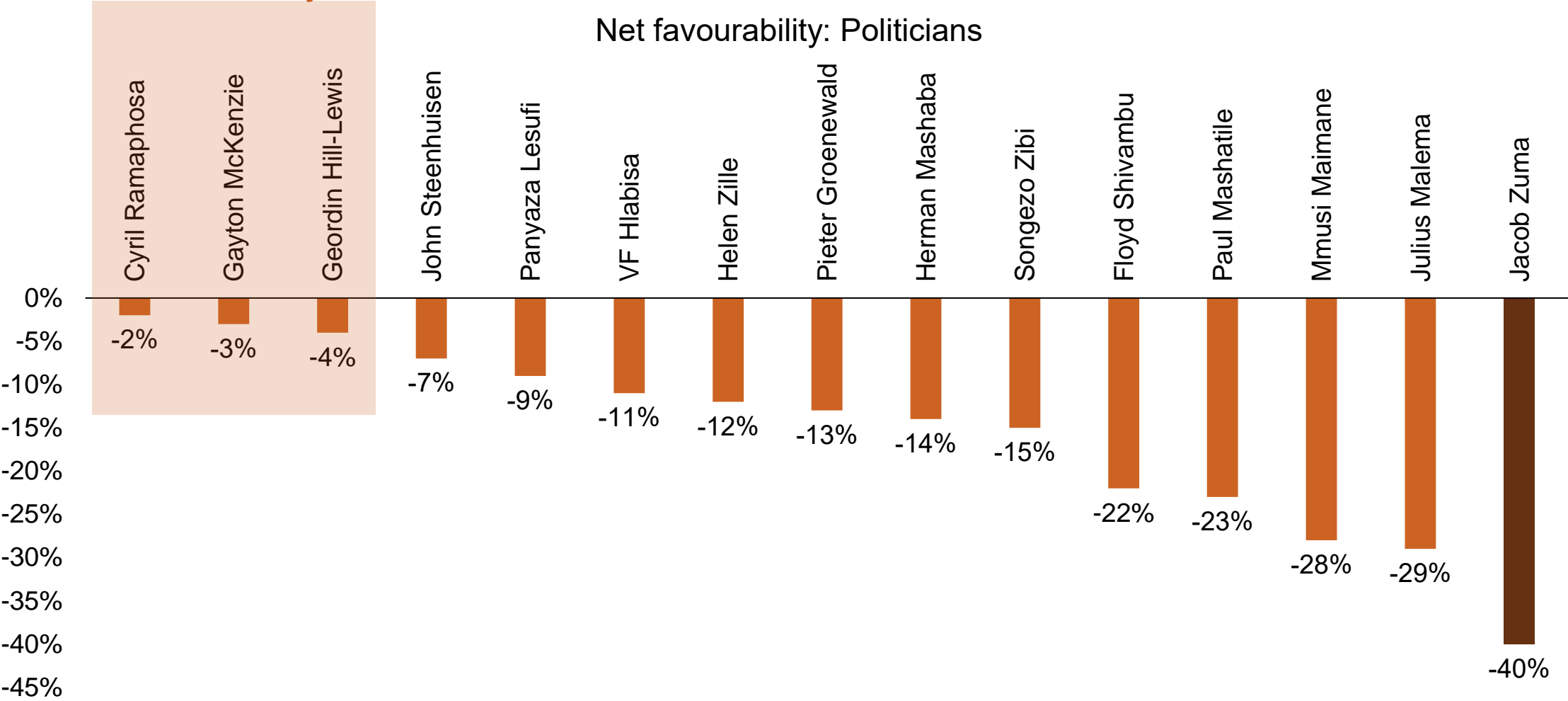
In general, are things in South Africa going in the right direction or in the wrong direction?



Source: Nationally Representative Survey of South African Voter Opinion April 2025, Brenthurst Foundation

# No SA politician has a positive net favourability

Brenthurst Survey

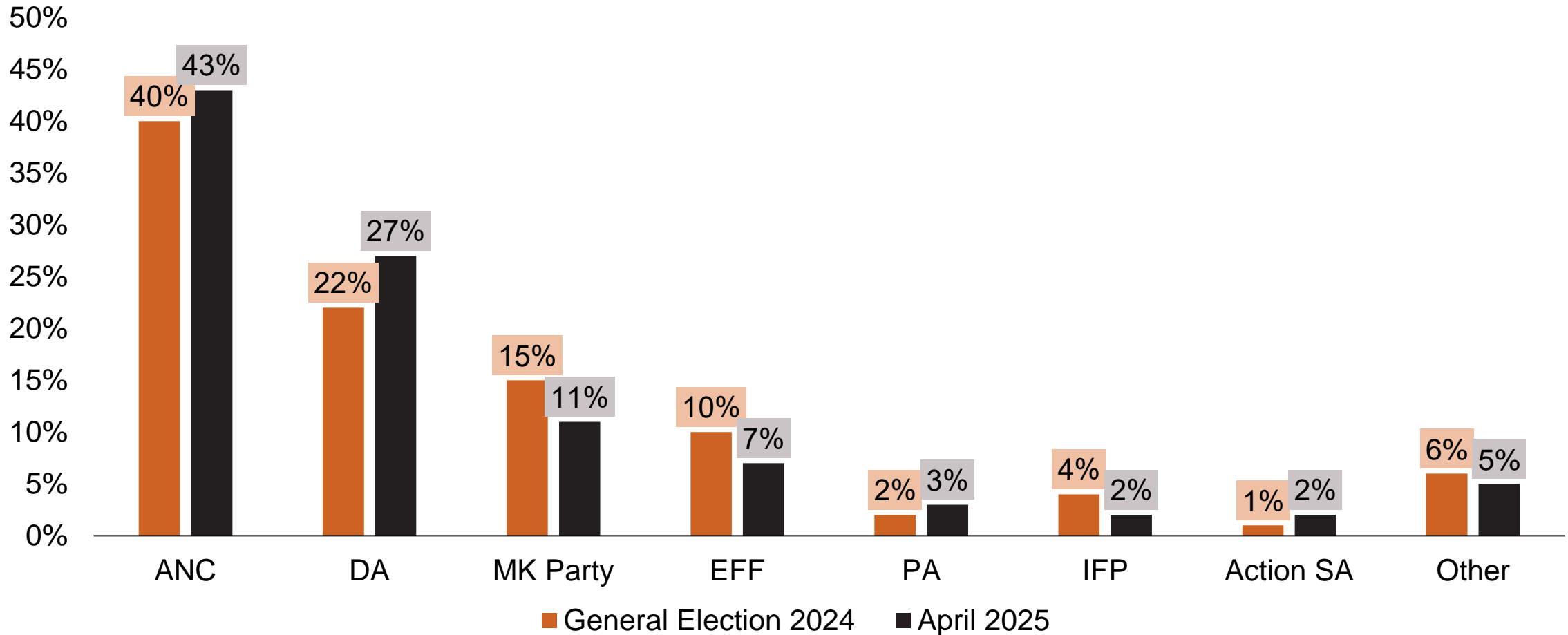


Source: Nationally Representative Survey of South African Voter Opinion April 2025, Brenthurst Foundation

# ANC wins 43% (up 3% from 2024); DA wins 27% (up 5%)

## Brenthurst Survey

If an election was held today, which party would you vote for?

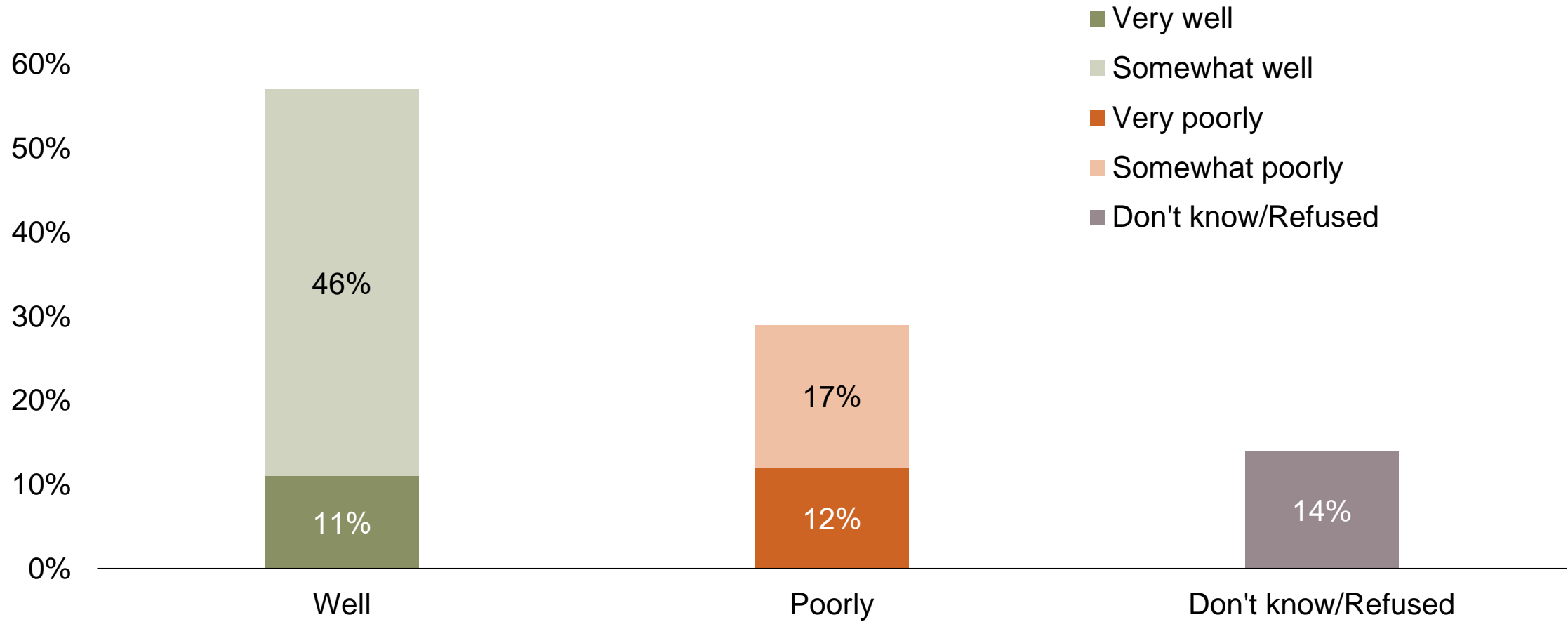


Source: Brenthurst

# 57% of voters believe the GNU is performing well

## Brenthurst Survey

How would you say the GNU is currently performing?



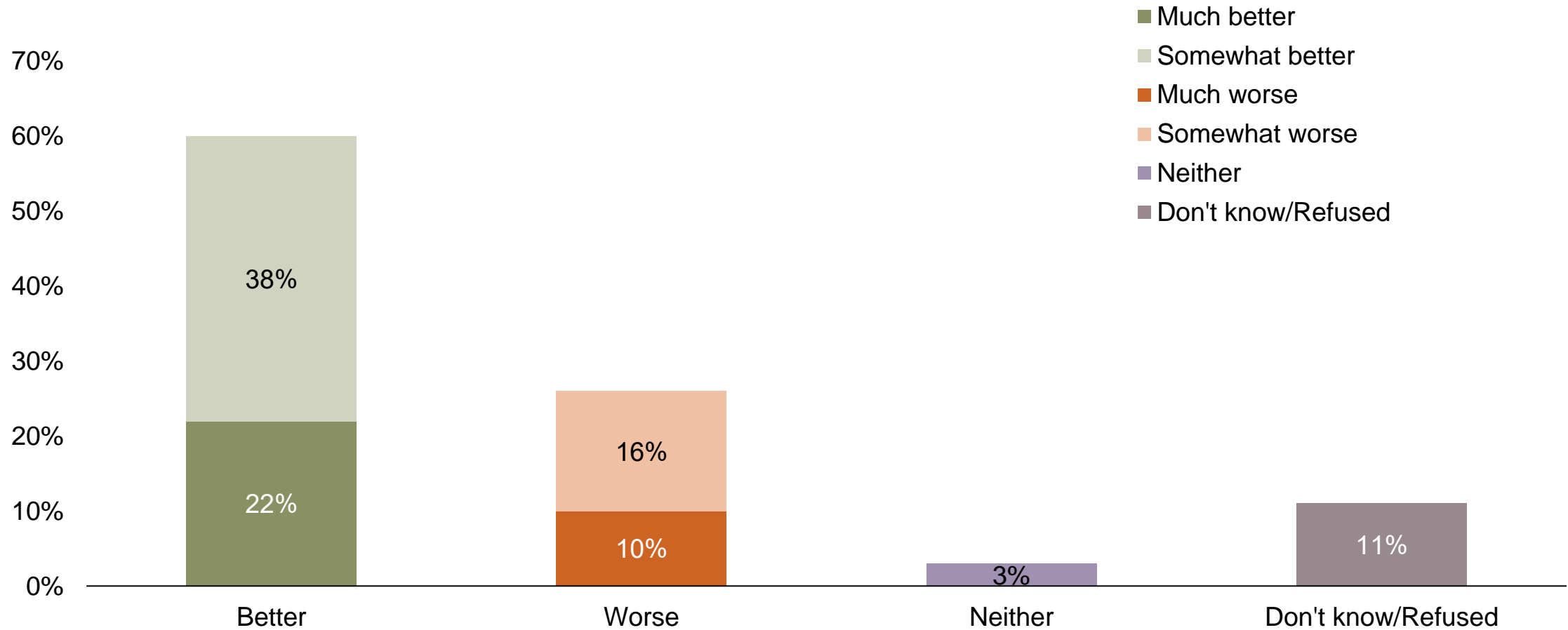
Source: Nationally Representative Survey of South African Voter Opinion April 2025, Brenthurst Foundation



# 60% of voters believe the GNU is better than the ANC

## Brenthurst Survey

Do you think the GNU is performing better or worse than the last ANC government?

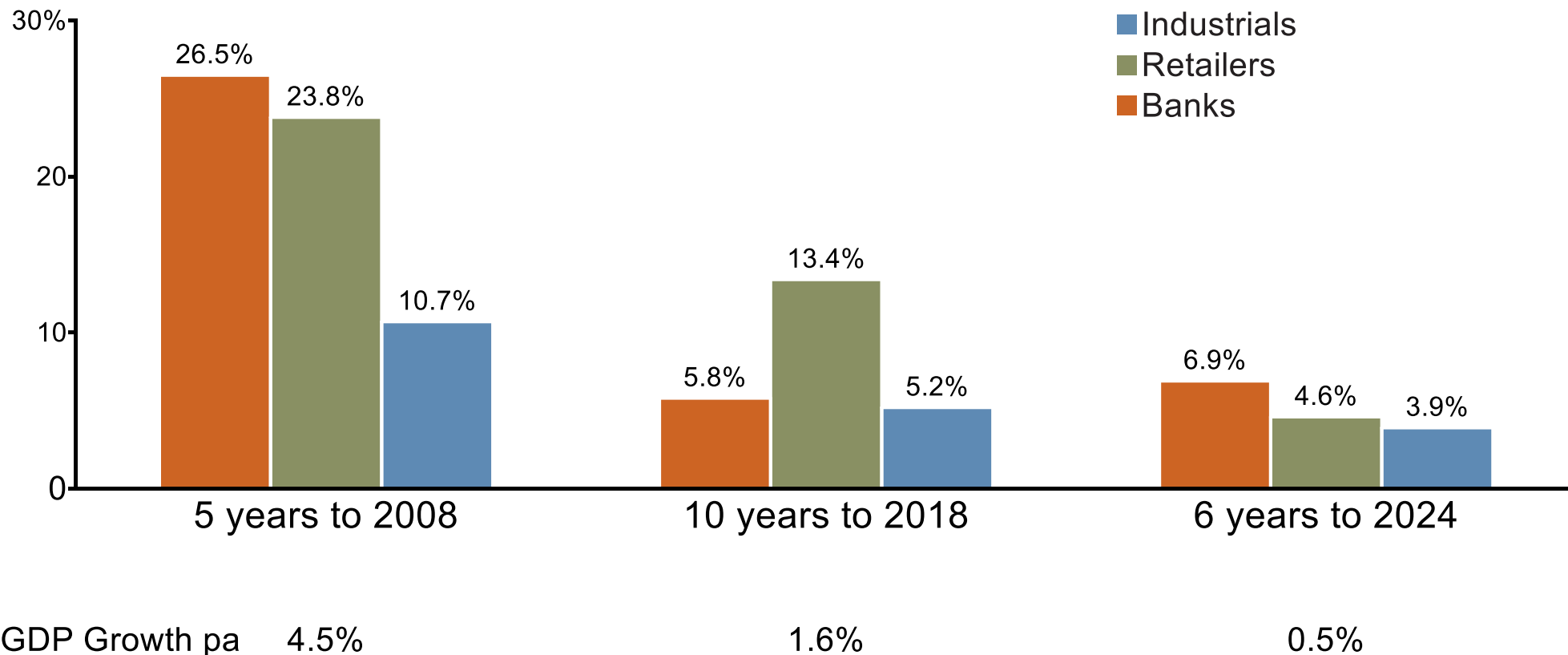


Source: Nationally Representative Survey of South African Voter Opinion April 2025, Brenthurst Foundation

# SA Inc. Earnings Growth

Domestic Earnings Growth is highly correlated to SA GDP

## Annualised Earnings Growth

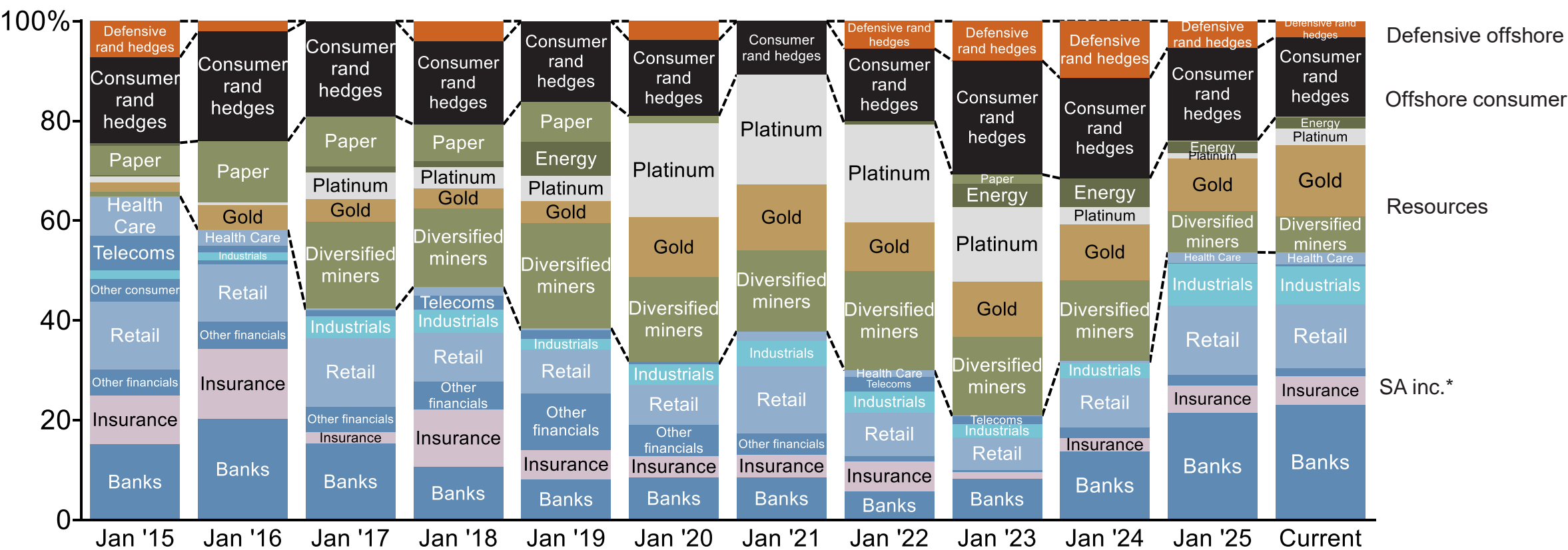


Source: Bloomberg, Fairtree

# Current Fund Positioning

The ability to be flexible is key to adapt to prevailing economic conditions

## Detailed Fund Composition



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THANK YOU