

Umthombo Moderate Fund



FUND OBJECTIVES

The Fund represents Umthombo Wealth's best equity house view with constraints relative to a specific benchmark. The Fund aims to outperform the Capped SWIX TR over a rolling three year period.

ABOUT THE FUND

The Fund is actively managed on a discretionary basis to provide returns in excess of the benchmark with reasonable amount of risk. The Fund is expected to have a tracking error in excess of 2% with a cap of 5%

PORTFOLIO INFORMATION

Portfolio Managers: Portfolio Management Team

Benchmark: JCAPAL Total Return

Inception date: 01 January 2016

Investment vehicle: Segregated

Size: R8.12bn (invested within Moderate strategy)

Risk Level: Moderate

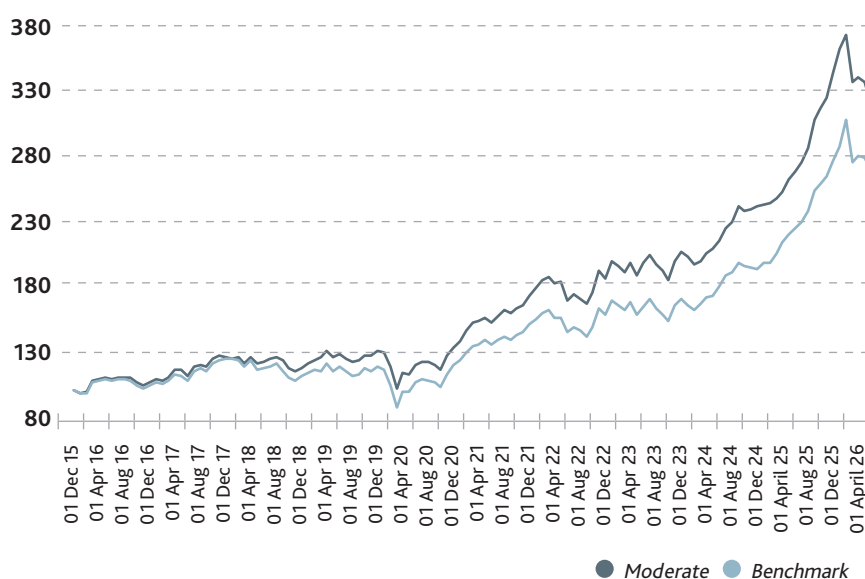
Equity Team: Alexander Duys, CFA, CAIA, Chief Investment Officer
Lauren Zunckel, CFA, Portfolio Manager & Analyst
Nyiko Mnisi, CFA, FRM, Assistant Portfolio Manager & Analyst
Jandre Pieterse, Assistant Portfolio Manager & Analyst
Talya Ginsberg, Equity & ESG Analyst
Bulelwa Ndara, ESG Analyst

RETURN SINCE INCEPTION

(Gross of fees)

	Portfolio	Benchmark
1 Month	-4,97%	-3,68%
3 Months	-4,84%	-2,36%
6 Months	-6,76%	-2,80%
1 Year	19,28%	19,38%
2 Years (annualised)	21,90%	21,94%
3 Years (annualised)	17,43%	17,84%
4 Years (annualised)	17,22%	16,73%
5 Years (annualised)	15,97%	14,70%
Since Inception	220,03%	168,20%
Since Inception (Annualised)	11,72%	9,85%

PERFORMANCE - SINCE INCEPTION





RISK MEASURES - SINCE INCEPTION

	Portfolio	Benchmark
Downside deviation	2,14%	2,39%
Volatility	3,89%	4,19%
Sortino ratio	2,21	1,20
Sharpe ratio	1,21	0,68
Tracking error	3,33%	
Information ratio (since inception)	0,56	

TOP 5

(Alphabetically)

OVERWEIGHTS

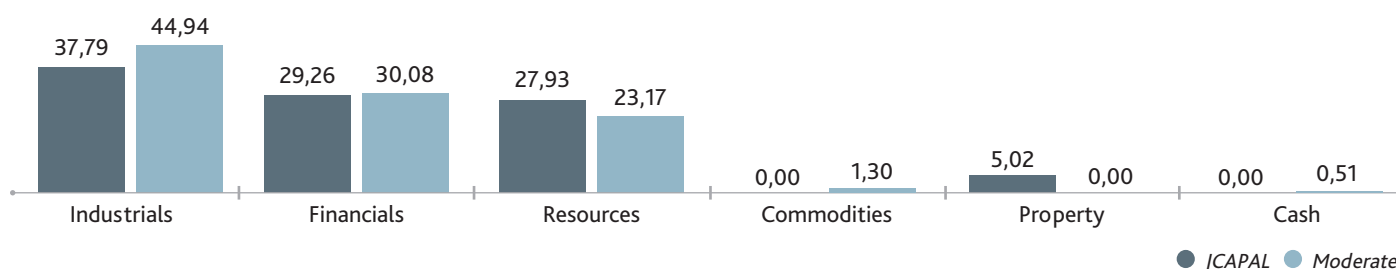
Absa
Prosus
Remgro
Stadio
Standard Bank

UNDERWEIGHTS

AngloAmerican
AngloGold
Capitec
Goldfields
Valterra

SECTOR ALLOCATION

(Umthombo Wealth internal classification)



FUND COMMENTARY

By now, most readers are probably tired of the hype, the buzzwords and the repetitive commentary around AI. But it is impossible to ignore, not least because of the knock-on effects it is already having on the real economy. Naturally, this is also creating distortions across both the economy and markets. The rush to build AI capacity has triggered a sharp increase in demand for semiconductors, data-centre equipment and related hardware, as multiple firms attempt to secure the same inputs at the same time. The result has been bottlenecks across the supply chain, with technology manufacturers facing substantial order backlogs. Prices have responded accordingly: Computer prices have risen by roughly 89%, while semiconductor prices are up around 119%.

As the adage goes, bad news happens fast while good news happens slowly. And despite the seemingly endless perils of the domestic economy, reinforced by the constant stream of "the downfall of Joburg" videos that may or may not plague your YouTube algorithm, South Africa is, slowly but surely, making progress, irrespective of what the latest interest-rate hike may suggest. The rand remained resilient despite global uncertainty, while first-

quarter GDP came in at an encouraging, if not exactly exciting, 0.5%. On an annualised basis, this translates into growth of 1.9%.

We are navigating markets at a time when the narrative of a stable global order is fundamentally unravelling. In this rapidly shifting landscape, secular inflation is unlikely to prove "transitory," while wealth inequality is set to widen further. In such an environment, the future will increasingly favour those who own productive assets.

Taken together, these themes point to a market regime that will remain more volatile, more inflation-prone, and more geopolitically fragile than the one investors grew accustomed to in the decade following the global financial crisis. The assumptions that underpinned the post-war order no longer hold, while the broader economic payoffs of the current AI investment boom remain more promise than reality. Against this backdrop, investors must balance a healthy respect for macroeconomic risk with the conviction to look through short-term noise—remaining anchored in high-quality assets capable of preserving purchasing power and compounding value over time.

CONTACT PERSON/DETAILS:

CIO: Alexander Duys, CFA, CAIA | E: info@umthombow.com T: +27 11 318 0171
www.umthombowealth.co.za

DISCLAIMER: The document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment advice before investing in any of Umthombo Wealth (Pty) Ltd products. Investors should be aware that investing in a financial product entails a level of risk which depends on the nature of the investment. The merits of any investment should be considered together with the investor's specific risk profile and investment objectives. Past performance is not necessarily a guide to future performance. Fluctuations in exchange rates and underlying investments may cause the value of international investments or underlying investments, if included in the mandate, to go up or down. Illustrations are not guaranteed but are for illustrative purposes only. While due care has been used in the preparation of this information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Umthombo Wealth (Pty) Ltd's control. Past performance is not a reliable indication of future performance. The investment manager of the portfolios is Umthombo Wealth (Pty) Ltd, registration number 2013/058341/07 and FSP number 44802. The investment manager is an authorised financial services provider under the Financial Advisory and Intermediary Services Act (No. 37 of 2002), to act in the capacity as investment manager.