

September 2024

General Investor Report

Cordatus Balanced Prescient Fund A1



Return for the quarter ending 30 September 2024 %

CORDATUS	BALANCED FUND A1	6.4
SA Equity	FTSE/JSE All Share	9.6
SA Property	FTSE/JSE SA Listed Property	18.7
SA Bonds	BEASSA All Bond	10.5
SA Preference shares	FTSE/JSE Preference Share	11.8
SA Cash	STeFI Call Deposit	2.1
SA Inflation	Urban, All Areas	0.6

Change in Top 10 holdings over quarter 09.2024 06.2024

Cordatus Worldwide Flex Prescient Fund B3	18.3	19.4
Coronation Bond Fund P	9.2	9.1
PIM Flexible Bond Fund B1	9.0	9.0
Coronation Strategic Income Fund P	6.1	3.8
Naspers Ltd - N Shares	3.1	2.8
Standard Bank Group Ltd	3.1	2.9
Glencore Xstrata Plc	2.9	3.2
Discovery Holdings Ltd	2.7	2.5
ANHEUSER-BUSCH INBEV SA/NV	2.5	3.1
Grindrod Ltd	2.0	2.1

Top & Bottom 5: contribution % for quarter Return Contri

Prescient Flexible Bond B1	11.8	1.0
Coronation Bond P	10.8	0.9
Discovery Ltd	27.6	0.7
Wilson Bayly Holmes-Ovcon Ltd	44.5	0.6
Standard Bank Group Ltd	18.5	0.5
Afrimat Ltd	-3.6	-0.1
Northam Platinum	-13.8	-0.1
Glencore PLC	-4.2	-0.1
Cordatus Wwide Flexible Prescient B3	-2.4	-0.5
ASML Holding NV	-23.9	-0.6

Asset Allocation % 09.2024 06.2024

Equity	68.0	67.7
Property	0.9	0.9
Bonds	19.7	19.9
Prefs	3.1	3.1
Cash	8.3	8.5
Other	0.0	0.0
Domestic	72.0	71.8
Offshore	28.0	28.2

Risk: Drawdown



Risk: Rolling period returns over 5 yrs 3 yrs 1 yr

Maximum return	11.9	17.1	33.7
Average return	8.1	8.0	8.0
Minimum return	4.8	-0.7	-10.4

All figures in ZAR %

Offshore Equity	MSCI World Index	0.4
Offshore Property	FTSE EPRA Nareit Global	9.5
Offshore Bonds	FTSE WGBI	0.9
Offshore Inflation	US BLS Urban All Areas	-5.4
Offshore Cash	ICE BofA Overnight	-4.3
ZAR	vs USD	5.6
ZAR	vs GBP	-0.2

Activity during the quarter

With further clarity around the path of interest (cash) rates in the shorter-term being lower, holding excess cash is now a capital allocation decision aligned with a short runway. The impact of lower rates on savers will be material and immediate. A considered and phased move into longer duration assets ahead of further rate declines is taking place within Cordatus portfolios. Exposure to the Coronation Strategic Income Fund was increased from cash.

Contributions to Fund quarterly return

Positive absolute returns were driven by domestic stocks, with the exception of resource-related counters, as interest rates look to be lowered as inflation moderates and economic growth looks to be finding a bottom after electricity availability increases and sentiment gets a boost from a relatively market-friendly election outcome. A weaker USD has been a primary driver of the ZAR strength during the quarter.

Changes in asset allocation

There is no material change in asset allocation within the Fund over the quarter. A pivot to lower interest rates and economic growth showing signs of resilience allows for a meaningful allocation towards risk assets. This outlook is not without risk in the short-term however with administered and energy prices on the up. Currency depreciation on the back of a political events, both home and away, can never be ruled out for an emerging market.

A note on portfolio risk

Drawdown measures the peak-to-trough decline during a specific period, quoted as a percentage between the latest peak and subsequent trough of the FoF, before a new peak is achieved. It is instructive when measuring the loss to the portfolio during a period and the subsequent return required to return to the previous peak of the portfolio. The drawdown profile shown alongside depicts the increased volatility being experienced in risk markets over the past 5 years. Asset allocation intervention during such periods is necessary to compress the recovery time factor and/or limit further downside. The appropriate period over which to measure performance of the Fund is rolling 3-year periods, given the risk profile and recommended holding period. Shorter measurement periods are linked to a higher variance in returns (see table below left).

Adherence to Fund Policy Objective

The Fund has adhered to its Policy Objective, as stated in the Supplemental Deed, in all respects during the quarter. There are no unresolved breaches to report from prior periods.

Annual Total Investment Charge (TIC) % 06.2024 06.2023 06.2022

Cordatus Balanced Fund Class A 1	1.06	1.01	1.04
Cordatus Balanced Fund Class A 2	1.46	1.41	1.44

Annual Income Distribution (cpu) 03.2024 03.2023 03.2022

Cordatus Balanced Fund Class A 1	5.49	5.99	3.18
Cordatus Balanced Fund Class A 2	4.93	5.42	2.65

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