



KEY FACTS

Portfolio Managers:	Andrew Vintcent & Grant Morris
Launch Date:	07 December 2022
Solution Name:	CGAM Focussed Equity
Solution Structure:	Standard Bank AMC
Benchmark:	Capped SWIX Total Return
Note Price:	R1 193
Number of Notes in Issue:	101920
AUM:	R 121 million
Minimum Investment:	R100 000
Denomination:	ZAR
Annual Management Fee:	0.75% pa (excl VAT)
ISIN:	ZAE000316923
Alpha Code:	AMC003

PERFORMANCE AS AT 31 JULY 2025

	3 Months	6 Months	1 Year	Since Inception*
Fund	9.7%	5.0%	8.4%	7.0%
Benchmark	7.6%	15.9%	22.5%	14.6%

* Annualised since inception

QUARTERLY COMMENTARY | JUNE 2025

Trade Wars and Real Wars - An Unforgettable Quarter

"Wars begin when you will, but they do not end when you please." Machiavelli

The second quarter of 2025 will be remembered as one of the more emotionally charged and geopolitically volatile periods in recent history. What began as a continuation of simmering trade tensions exploded into a full-blown crisis of confidence - across markets, governments, and society at large. The fuse was lit in early April - President Trump's so called "Liberation Day" will be analysed and debated by students of economics and history for generations to come. The final details of the tariff wars remain fluid, but labelled an act of "economic independence", the move triggered immediate retaliation from America's larger trading partners. Market reaction was swift and brutal. Perhaps more significantly, the uncertainty and subsequent loss of consumer and business confidence runs the risk of impacting economic growth.

Caught between the rock of potential tariff induced inflation and the hard place of slowing growth, central banks, most notably the US Federal Reserve, have found themselves inadvertently at the centre of the crisis. Do tariffs cause inflation, or does the deteriorating growth outlook and stagnant demand lead to disinflation or even deflation? Trade wars aside, the return of real wars was equally disturbing. The escalation of tensions in the Middle East, coupled with the continuation of the war in Ukraine continue to polarise global politics. Theories abound - the imponderables of macroeconomics and geopolitics.

If ever there was a market that could write the playbook on dealing with volatility, it would be South Africa. A perennially complicated, dynamic and noisy political backdrop, a small open economy with highly tradeable and liquid currency and bond markets, and a vibrant, free media. As if the global environment sketched above was not quite enough, South African politicians went one better. Coalition politics is a new phenomenon in South Africa - a phenomenon to which the 2 major parties seem to be taking some time to adjust. We like most South Africans, want to see the country reach its growth potential - many of our social and financial problems are arguably solvable through improved economic growth. The ideological debates are a natural consequence of a vibrant democracy - the public bickering and brinkmanship are not constructive.

CGAM Focussed Equity AMC is a concentrated active investment vehicle, in which we strive to deliver Alpha for our investors over time. The AMC aims to hold around 15 investments, resulting in the positioning being very different from the Index and most South African equity funds. We believe that a focussed offering, wherein we express conviction in select number of opportunities, has the ability to deliver attractive returns for investors over time.

Sample of 6 SA Financial & Industrial Companies

Forward PE's now as attractive as at any stage in last 20 years



We find the chart instructive. We took the average forward PE multiple of 6 South African facing businesses that have remained largely unchanged over the last 20 years. They are disparate, spanning differing industries - financial, consumer and industrial. The current valuations that these 6 companies trade at is rivalled only by the Global Financial Crisis and the Covid pandemic - 2 seismic events of the last 20 years. Indeed, they are currently even cheaper than they were during the uncertainty before the 2024 elections.

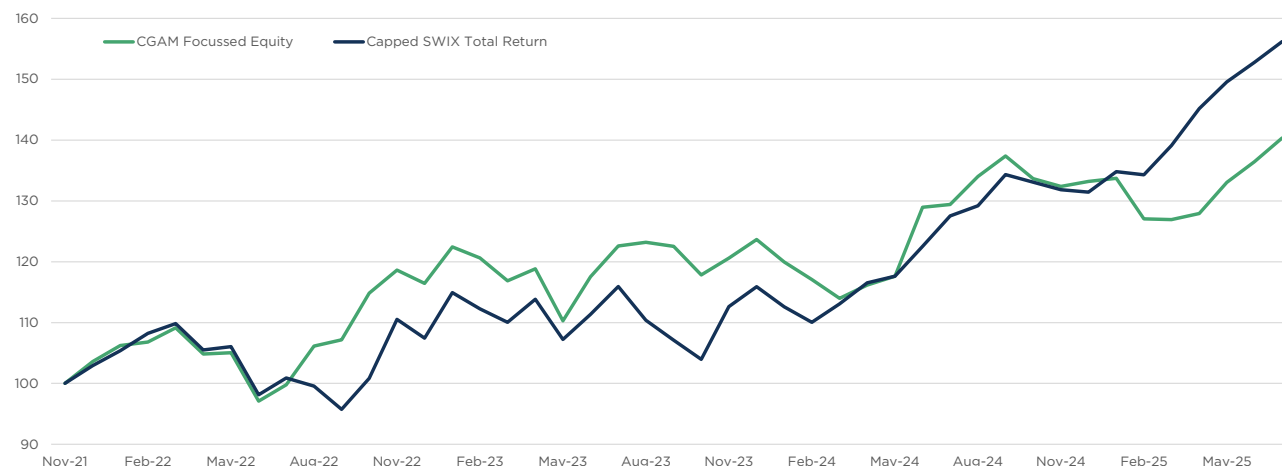
We have however experienced similar periods before. By sticking to our fundamentally driven process, striving to invest in good companies at attractive prices, and seeking out "underexplored opportunities", we believe the AMC has the ability to deliver very good returns over time.

With the 3 major drivers of equity returns being Earnings Growth, Dividend Yield and the change in Valuation, our view is that SA equities are well placed to deliver attractive returns. Starting valuations are low, with potential upside risk to valuation multiples. The starting dividend yield of the portfolio is high, providing an underpin to returns, with the prospect of decent earnings growth in a steadily improving economic backdrop. As a result, we continue to believe that patience will be rewarded.

Performance:

We launched the capability in December 2021, with an instrument that initially proved quite cumbersome. In December 2022, the opportunity arose to launch a JSE listed AMC through Standard Bank - we opted to move the capability from the previous structure to the listed AMC. As a result, we believe the below track record since the initial inception of December 2021 is appropriate way to demonstrate the performance of the capability.

CUMULATIVE PERFORMANCE SINCE INCEPTION



Track record of AMC includes the original Ashburton note launched on the 17th December 2021, and rolled into AMC003 in December 2022.

FUND OBJECTIVE & STRATEGY

The CGAM Focussed Equity is a South African equity structured note. The objective is to provide long term capital growth ahead of its benchmark (JSE Capped Swix), by investing in companies whose shares are listed on a recognised exchange in South Africa. The note is a "long only" product and does not make use of leverage. This is a high conviction investment offering, aiming to hold no more than 15 positions at any point in time. Fundamental analysis, a valuation discipline, patience, and a belief that inefficient markets create opportunities in mispriced assets underpin our process.

WHO SHOULD INVEST

The investment is suitable for long term investors seeking the potential for higher levels of capital growth. Given the differentiated and focused nature of the note, it should be seen as a complementary offering to an investors' existing portfolios. Investors should be able to tolerate a potential higher level of capital volatility.

RISK INDICATOR

These investments typically exhibit more volatility given their higher exposure to equities, which may result in capital losses. Expected potential long-term returns could be higher than other risk profiles - conversely potential losses could also be higher.

LOW	LOW - MED	MED	MED - HIGH	HIGH
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TOP 10 HOLDINGS (ALPHABETICALLY)

ABSA Group	KAL Group
AECI	Nampak
African Rainbow Minerals	Old Mutual
British American Tobacco	Reunert
Caxton Group	Zeda

The top 10 holdings make up 69% of the fund.



DISCLAIMER

AMC's should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. AMC's are traded at the ruling price. There is no guarantee in respect of capital or returns in a portfolio.

The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please refer to the Pricing Supplement for detailed information relating to the AMC. The fact should be read in conjunction with the Pricing Supplement. This is available on the Standard Bank website <https://www.warrants.standardbank.co.za/proxy/warrants/WarrantsAmcPricing.asp>

Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees and the actual investment date. Full performance calculations are available from the manager on request.

Equity investment risk: Value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

Property risk: Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices move in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations.

Geographic / Sector risk: For investments primarily concentrated in specific countries, geographical regions and/or industry sectors, their resulting value may decrease whilst portfolios more broadly invested might grow.

For any additional information please go to <https://www.warrants.standardbank.co.za/proxy/warrants/WarrantsAmcPricing.asp> and www.cgam.co.za

Glossary Summary

"AMC" means actively managed certificates, being notes issued by an issuer which offer investors exposure to the performance of a single portfolio of underlying assets which are discretionarily managed by a third party in terms of a pre-determined strategy;

Investment Manager:

ClucasGray Asset Management (Pty) Ltd, Registration number: 2019/060149/07 is an authorised Financial Services Provider FSP50733 under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision. Physical address: Dunkeld Place, 12 North Road, Dunkeld West, 2196 Postal address: PO Box 413037, Craighall, 2024 Telephone number: +27 11 771 1960 Website: www.cgam.co.za

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