



KEY FACTS

Portfolio Managers:	Andrew Vintcent & Grant Morris
Launch Date:	07 December 2022
Solution Name:	CGAM Focussed Equity
Solution Structure:	Standard Bank AMC
Benchmark:	FTSE/JSE Capped All Share Index
Note Price:	R1 505
Number of Notes in Issue:	101915
AUM:	R 153 million
Minimum Investment:	R100 000
Denomination:	ZAR
Annual Management Fee:	0.75% pa (excl VAT)
ISIN:	ZAEOO0316923
Alpha Code:	AMC003

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.



PERFORMANCE AS AT 31 JANUARY 2026

	3 Months	6 Months	1 Year	Since Inception*
Fund	17.6%	26.2%	32.4%	13.9%
Benchmark	10.5%	24.1%	43.8%	20.1%

* Annualised since inception

TOP 10 HOLDINGS (ALPHABETICALLY)

ABSA Group	Hosken Consolidated
African Rainbow Minerals	KAL Group
Astral Foods	Old Mutual
Caxton	Reunert
Glencore	Zeda

The top 10 holdings make up 72% of the fund.

QUARTERLY COMMENTARY | DECEMBER 2025

The final quarter of 2025 was a strong one for the CGAM AMC, with the note gaining 15.7%. This takes the calendar year return to 26.2% - a very respectable return in any normal year!

Notwithstanding these strong nominal returns for the year, the fund lagged the JSE Capped Swix benchmark, which gained 42.4% in the year. The exceptional performance of, amongst others, the Gold and Platinum Indices drive the Swix returns. Whilst the fund had some indirect exposure to both Gold and Platinum, our lack of direct exposure had a material impact on relative returns.

As illustrated in the below table, the fund is exposed to companies across the market cap spectrum. It does hold positions in large companies, such as the Financials and Commodity companies; yet more than 50% of the fund is made up of companies outside of the Top 60 – effectively medium and smaller cap companies.

	Capped Swix	CGAM AMC
Top 40	86.31	46.56
Next 20	7.3	-
Outside Top 60	6.39	52.85

We believe there to be a material disconnect between the valuations of larger companies, and the less liquid smaller one – this liquidity discount is hard to quantify, but in our experience remains amongst the highest we can recall.

The recent changes in the fund include exiting Metrofile (into a take out & delisting), British American Tobacco and Exxaro. We also reduced weightings in MTN and Nampak. New additions include Glencore, Reinet, Pick n Pay & Astral. We also added to weightings in Zeda, Caxton, The Kal Group, Reunert and AECI.

South African equities have performed very well, yet the performance has not been broad based. A number of key sectors and large companies have driven the bulk of the returns. We have been exposed to some, and not to others – that is the nature of active management at times, more so with a concentrated portfolio like the CGAM AMC. There are many companies which have not participated in the market rally, and hence we still see significant areas of the market that continue to look appealing.

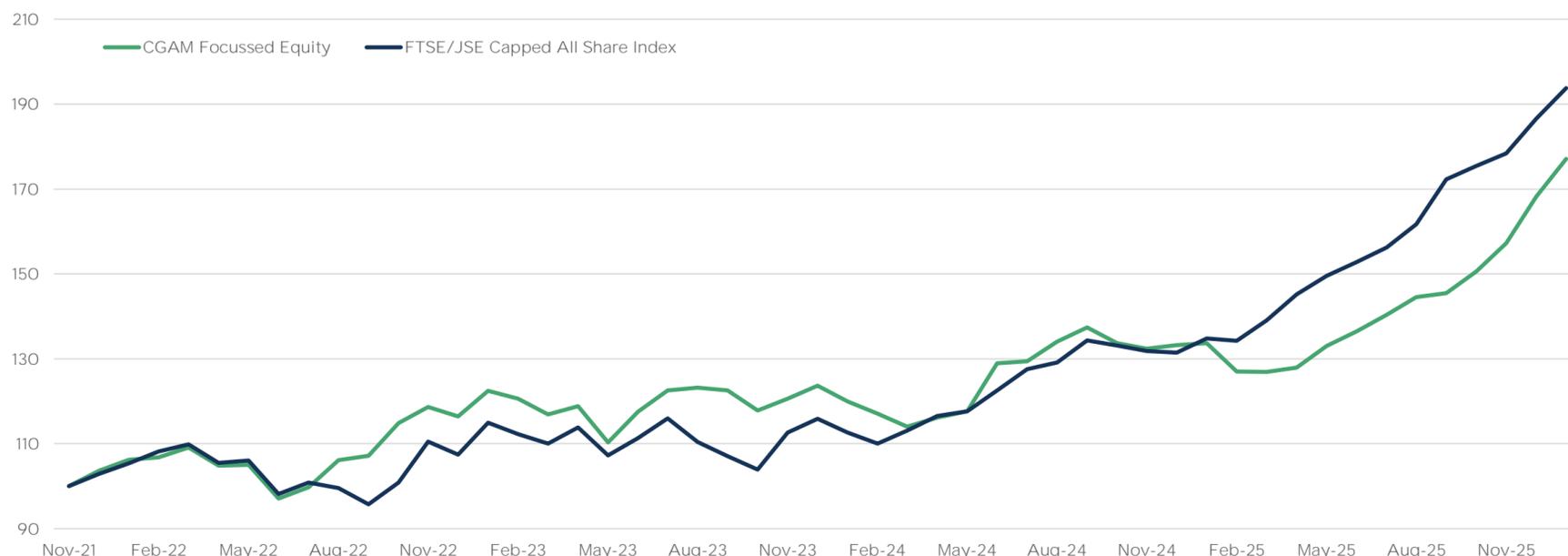
We estimate that the weighted forward portfolio PE multiple is around 8.5x – this compares to a market that trades closer to 15x. Similarly, the weighted Dividend Yield of nearly 5% is materially higher than the markets average of around 3.3%. With a disparate grouping of companies, each with their own unique investment case, it can be difficult to generalise on a portfolio like the AMC. We believe all the investments are united in their ability to generate attractive returns for patient investors. With an improving economic backdrop leading to decent earnings growth, elevated dividend yields and modest starting valuations, we believe the portfolio is well placed to continue to deliver on our long term return objectives.

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.

The Benchmark changed from the JSE Capped Swix to the FTSE/JSE Capped All Share Index effective 1 January 2026

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.



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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