

“ASSET CLASS DIVERSIFICATION, FLEXIBILITY, EXPERIENCE & TIME”

VISIO FUND MANAGEMENT | MAY 2024



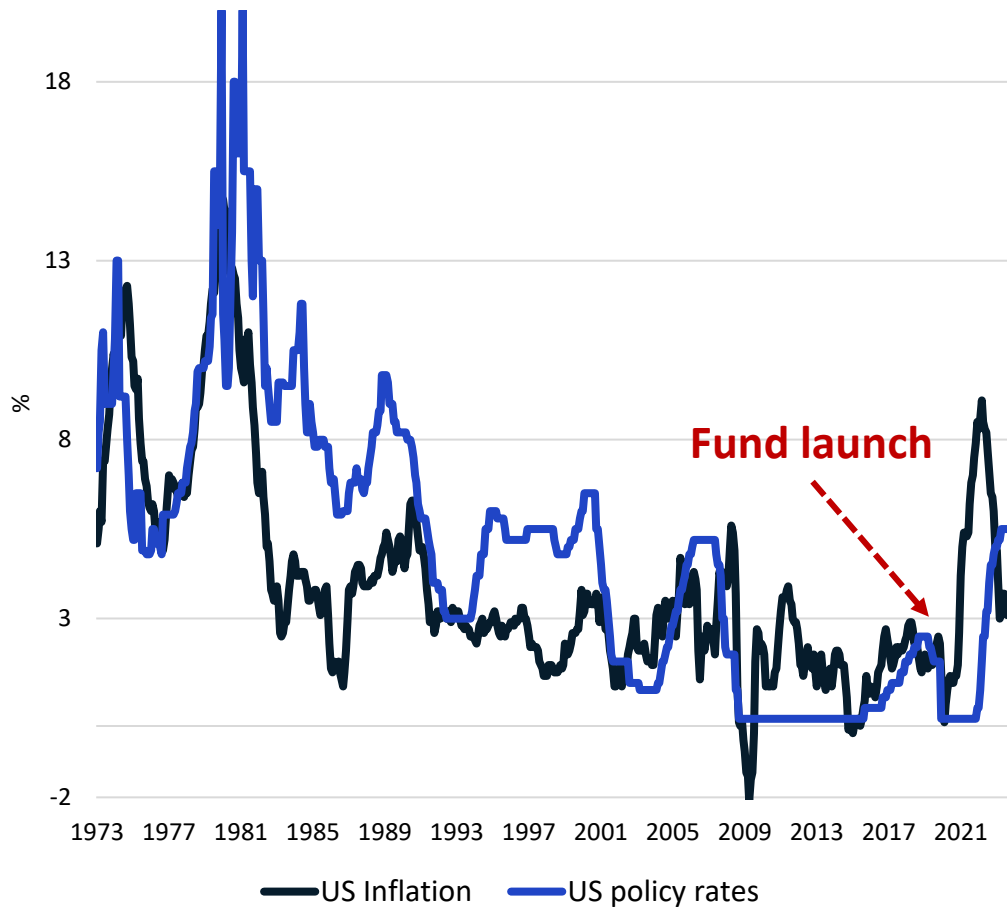
VISIO

Private and strictly confidential

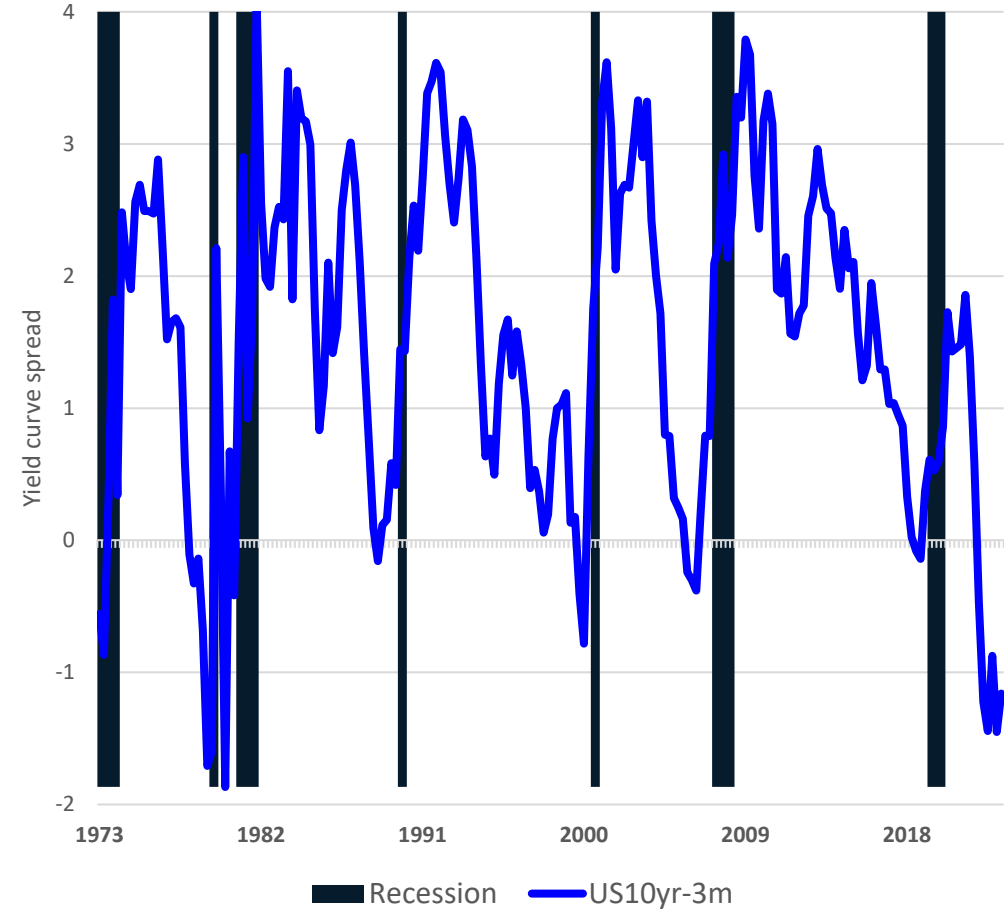


CHALLENGING TIMES IN THE MARKET

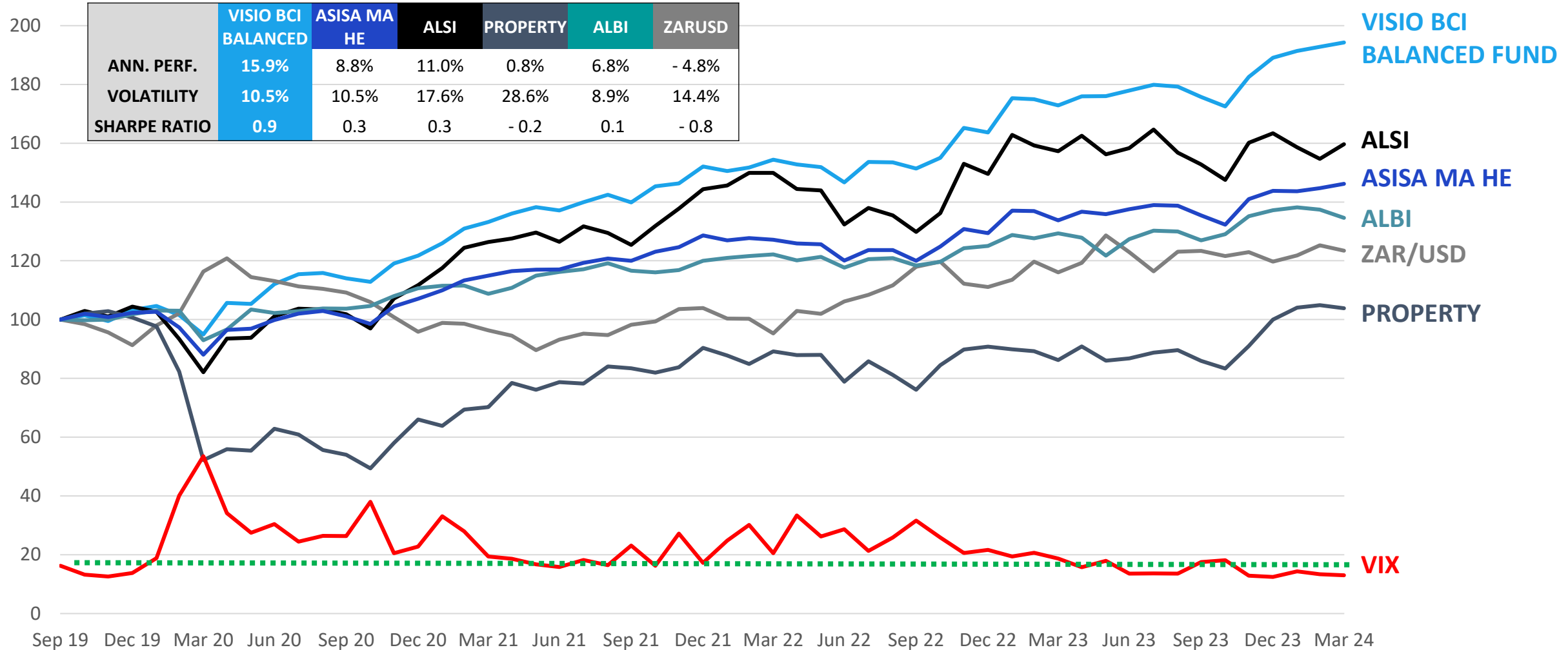
Inflation and policy rates



Shape of the yield curve

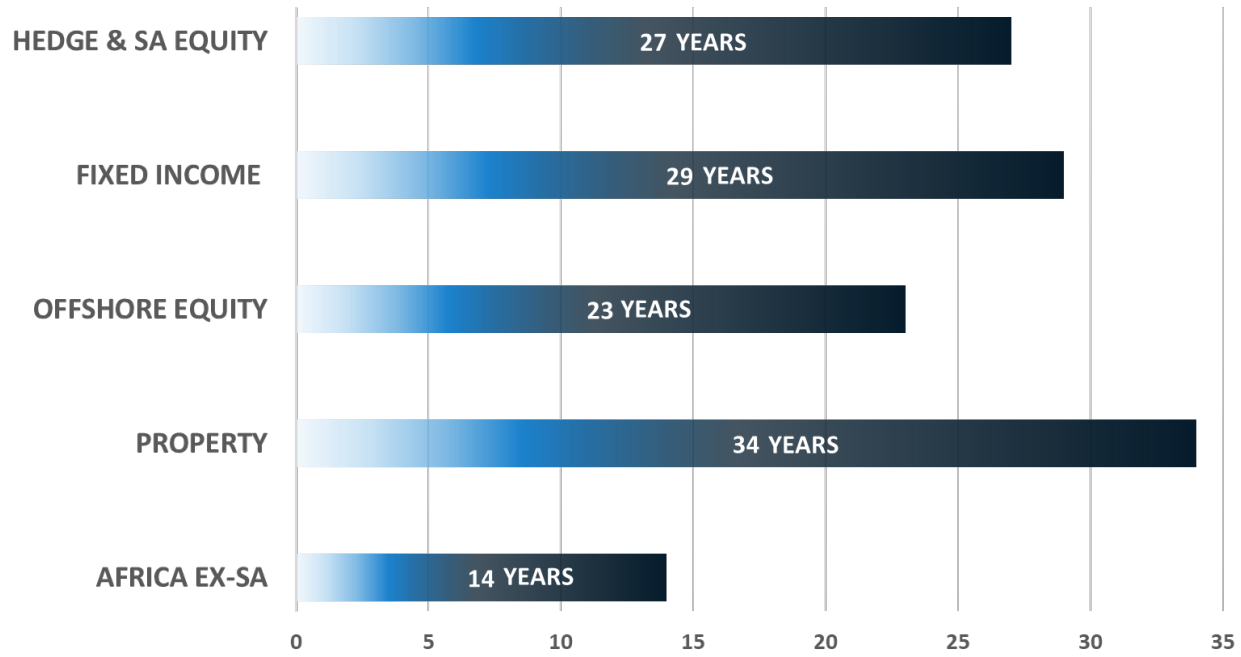


VISIO BCI BALANCED FUND / 'LIFE' IN A VOLATILE WORLD

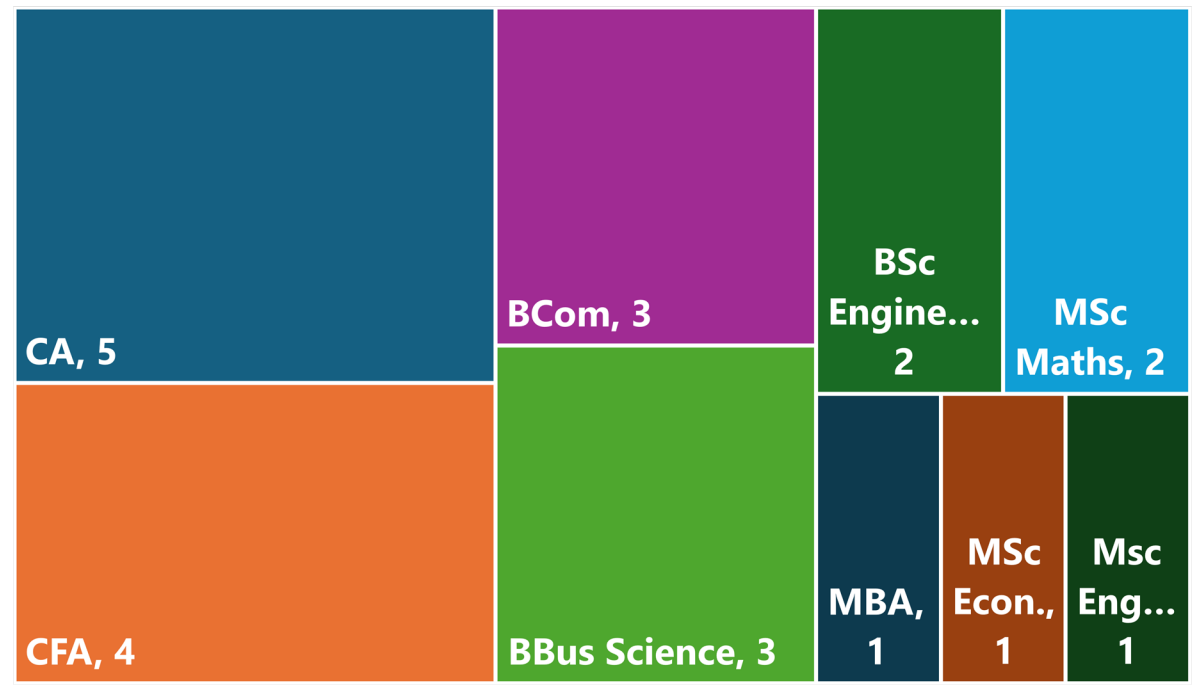


EXPERIENCE – VISIO INVESTMENT TEAM

ASSET CLASSES YEARS

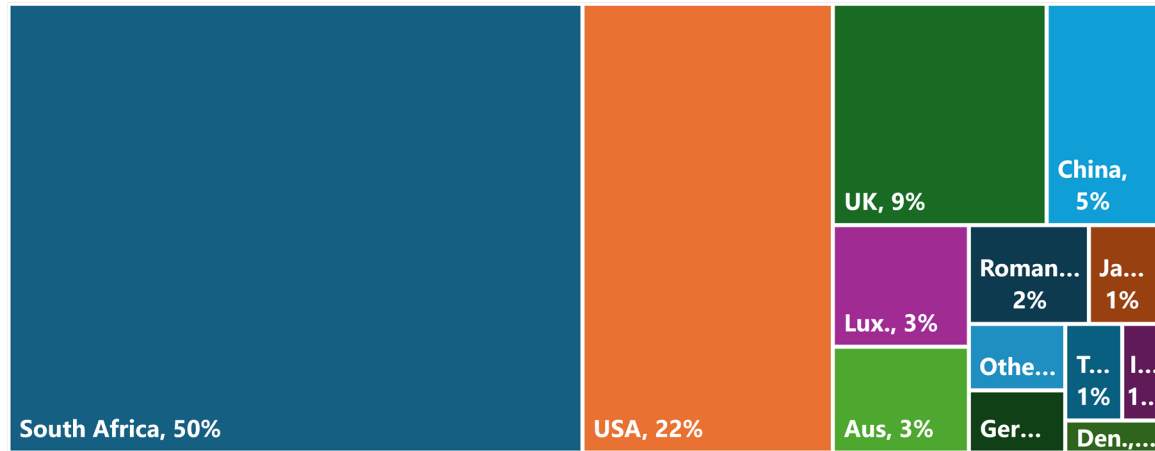


QUALIFICATIONS

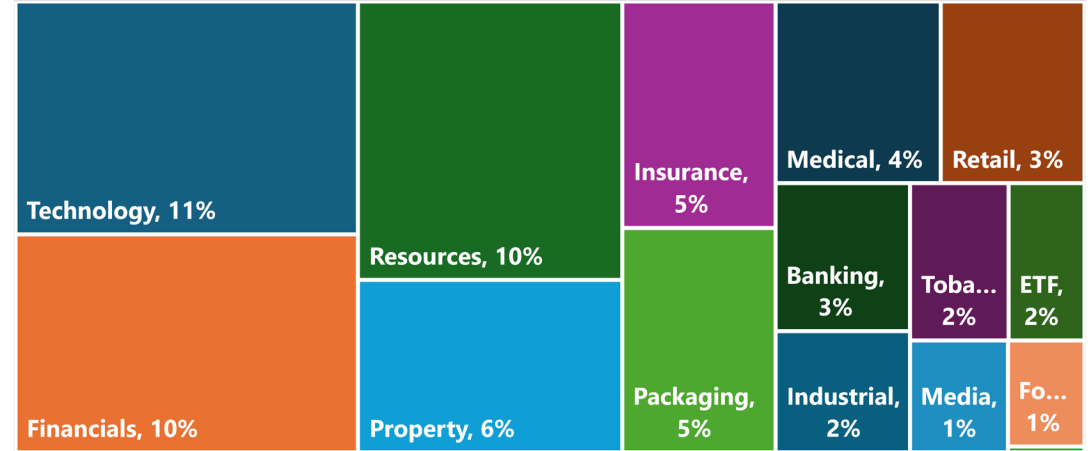


DIVERSIFICATION – GEOGRAPHIC AND ASSET CLASS

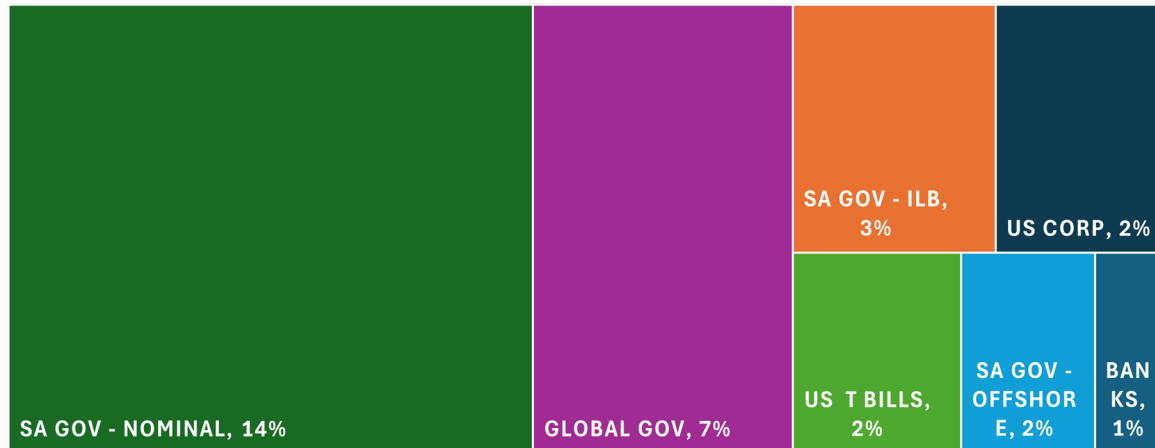
COUNTRY EXPOSURE



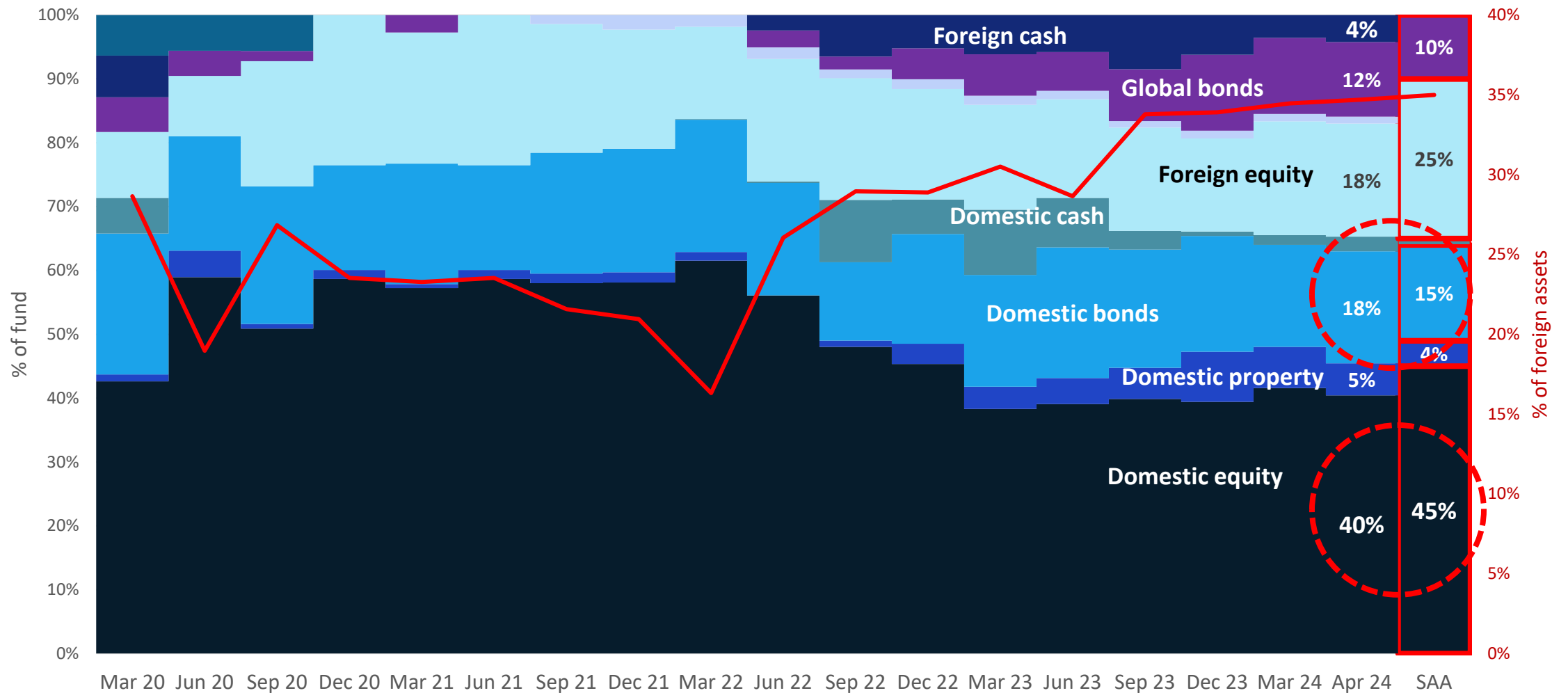
SECTOR EXPOSURE



FIXED INCOME

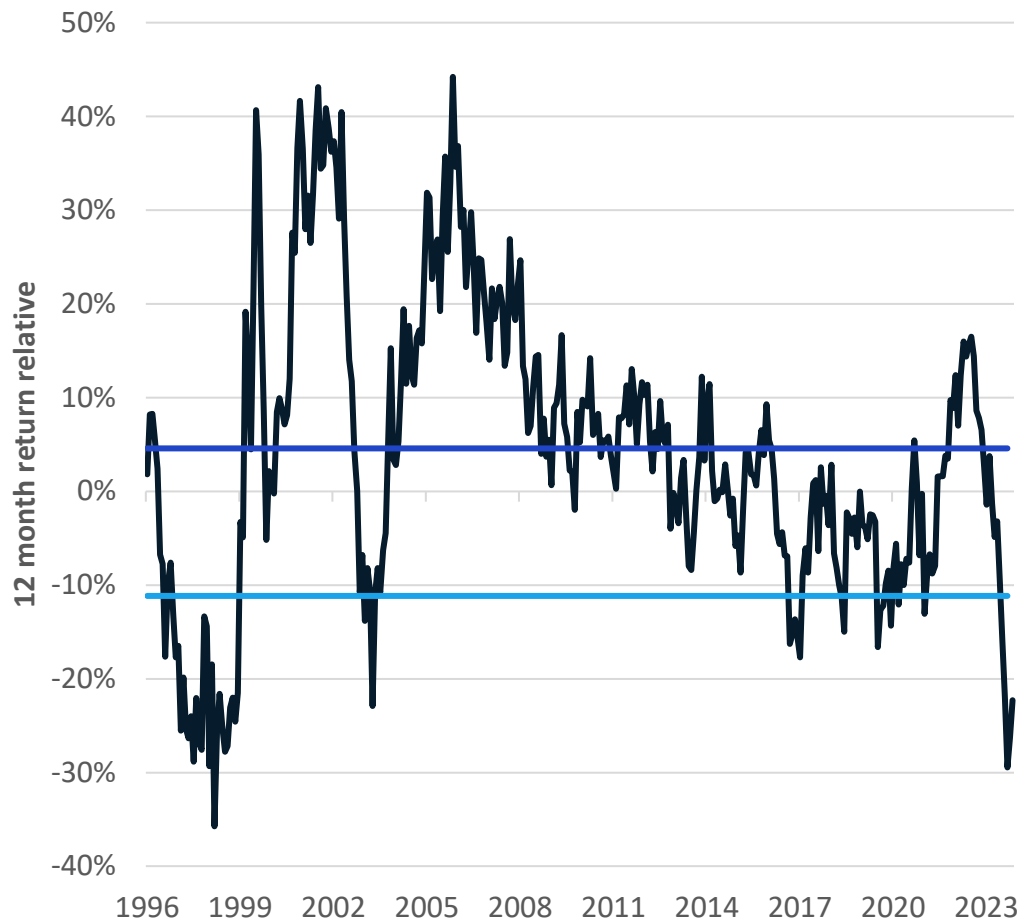


FLEXIBILITY - ACTIVE ASSET ALLOCATION

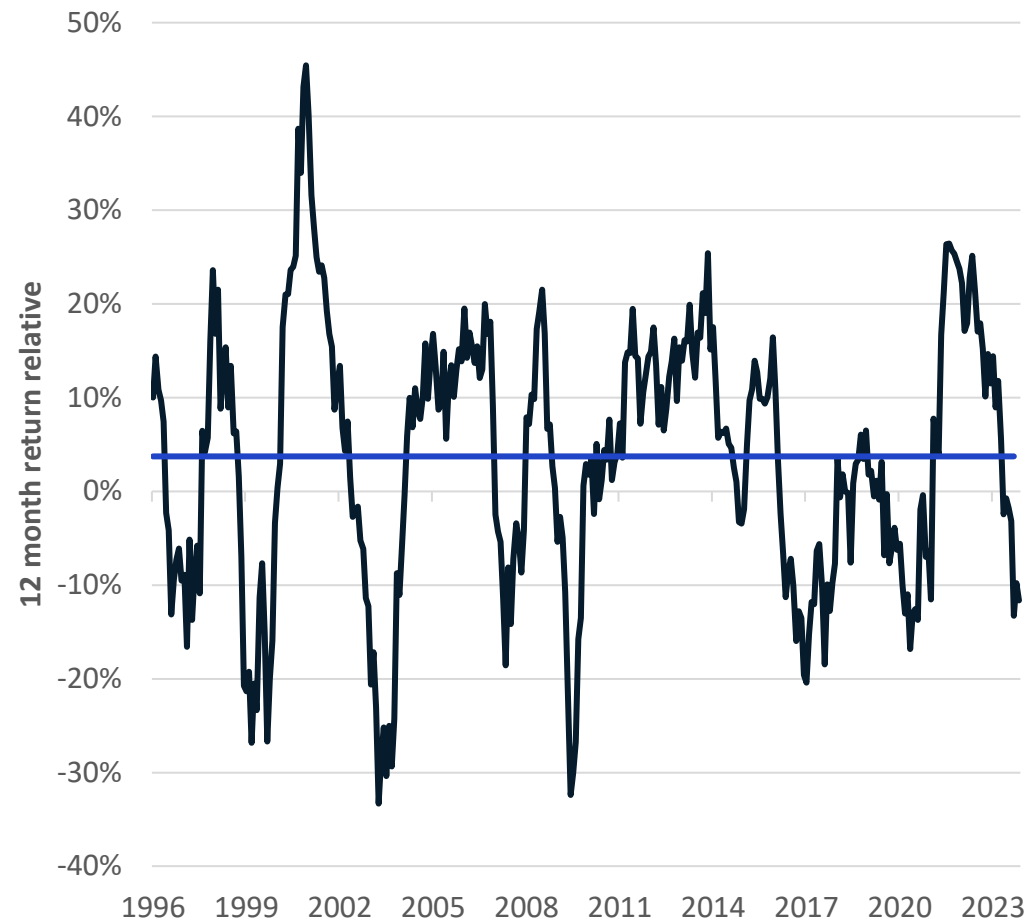


SA EQUITIES CHEAP...?

South Africa vs Developed Markets



South Africa vs Emerging Markets

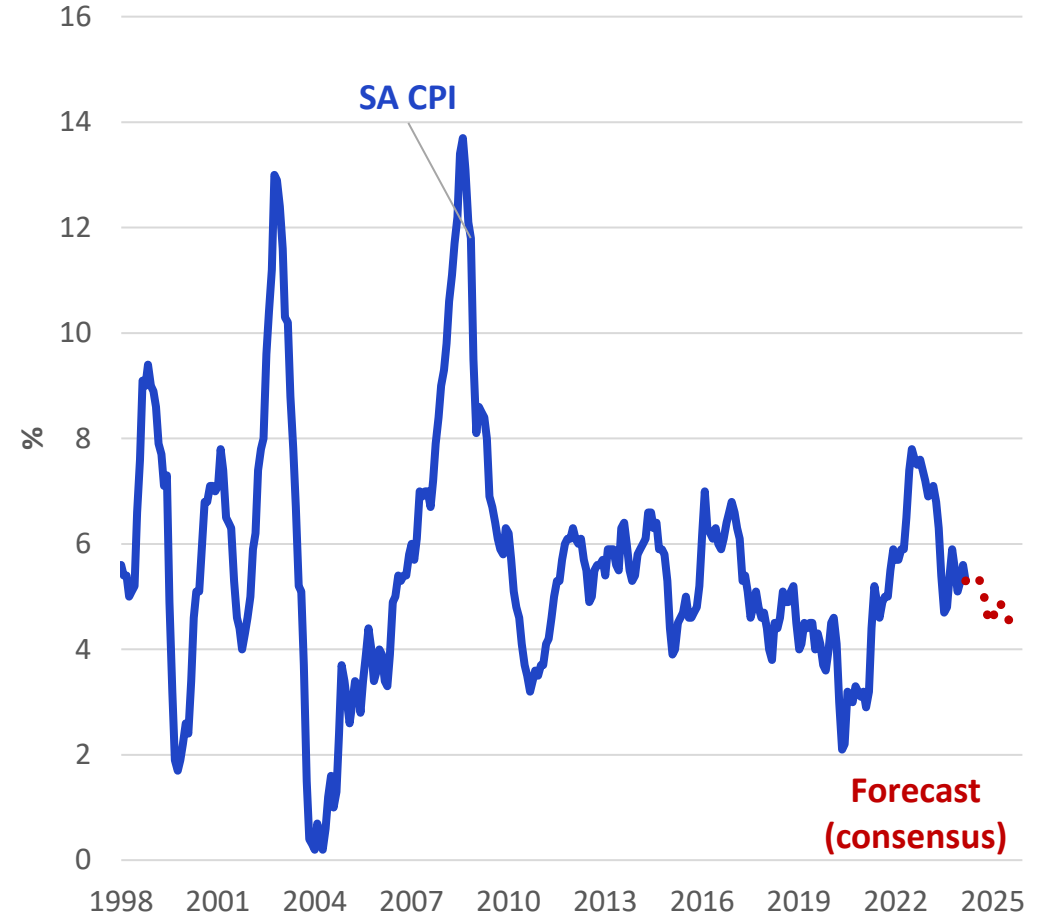


YIELDS ARE HIGH...BUT INFLATION IS MODERATING

SA 10yr yield

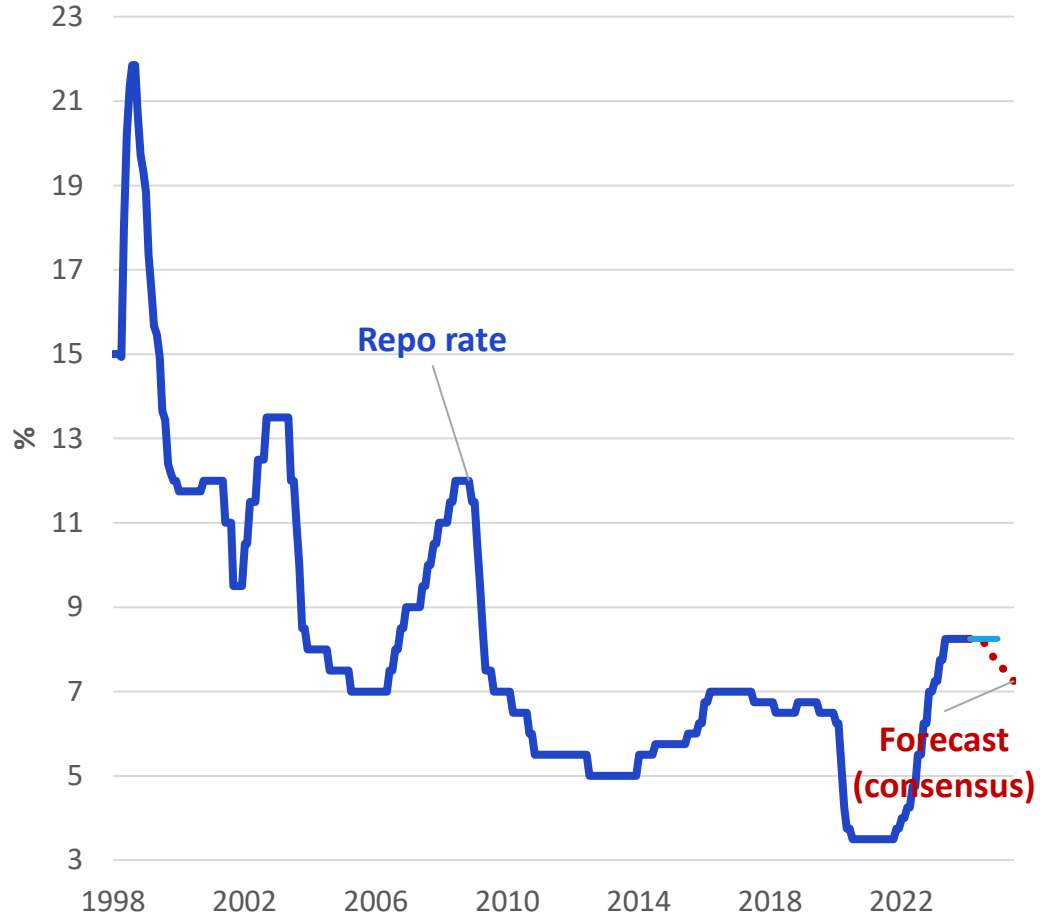


SA Inflation

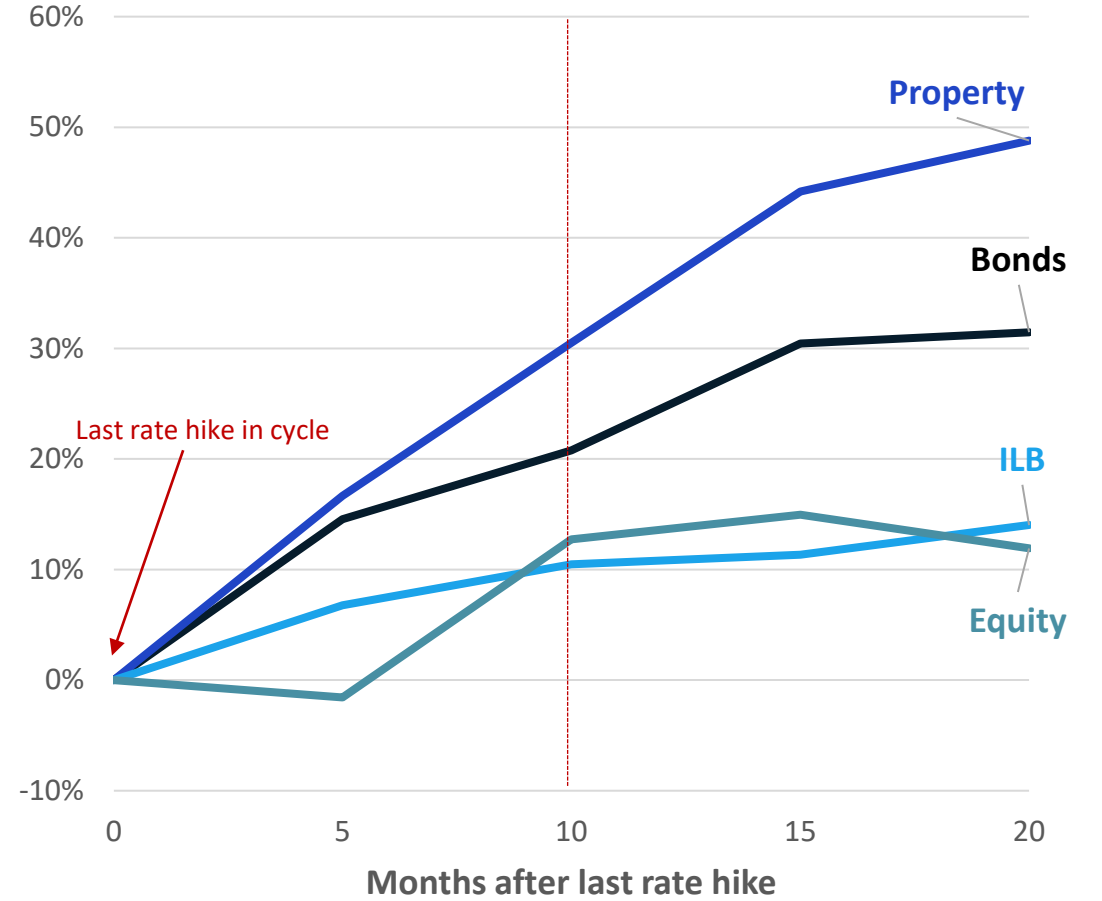


...SO, THE SARB'S NEXT MOVE IS LIKELY TO BE CUTS...

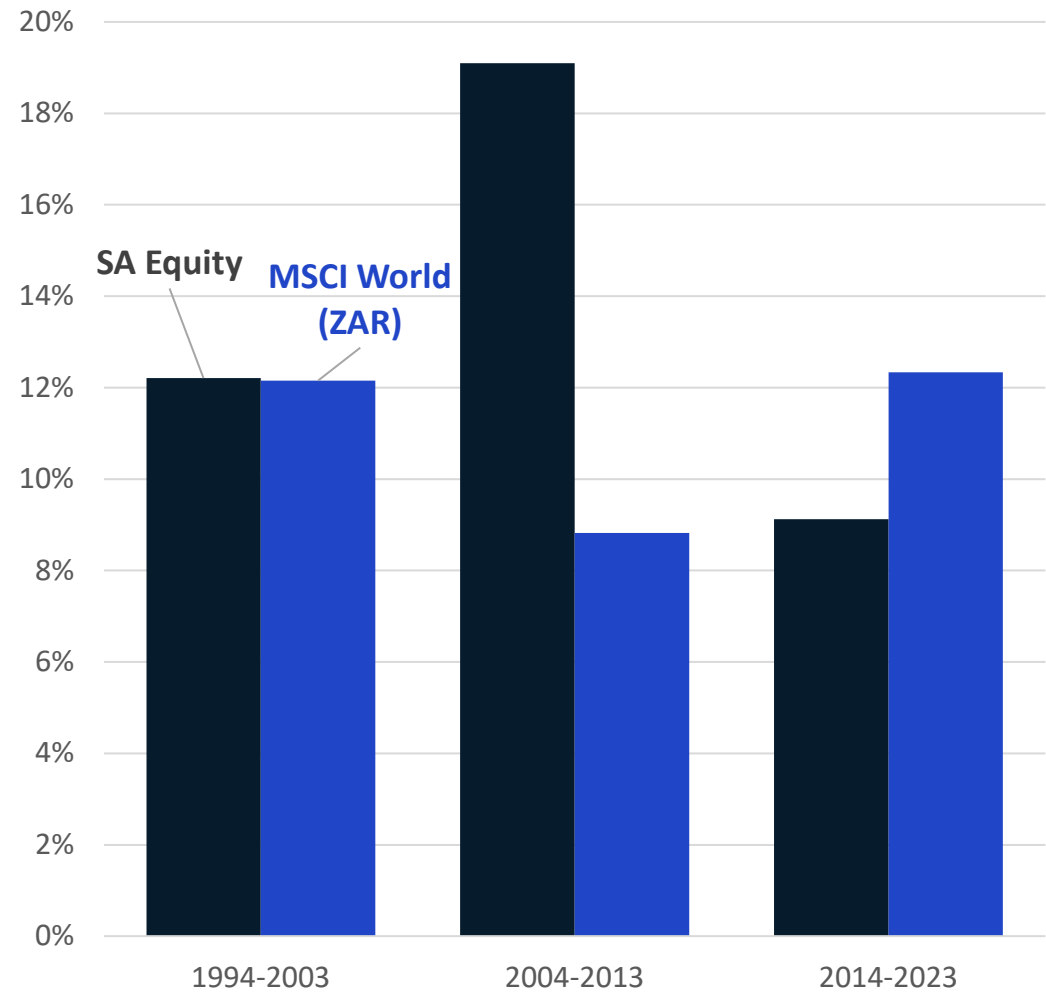
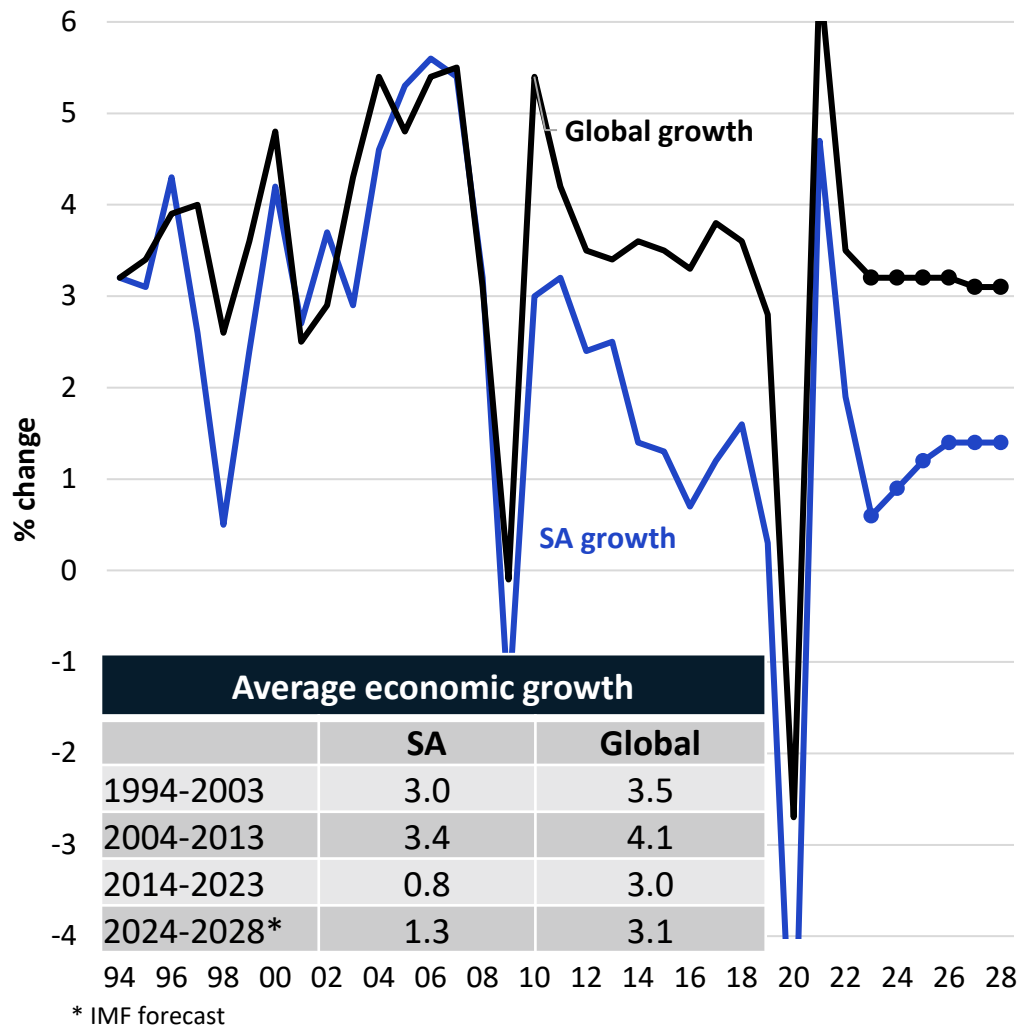
SA Repo rate



Average Asset Class Performance after last rate hike

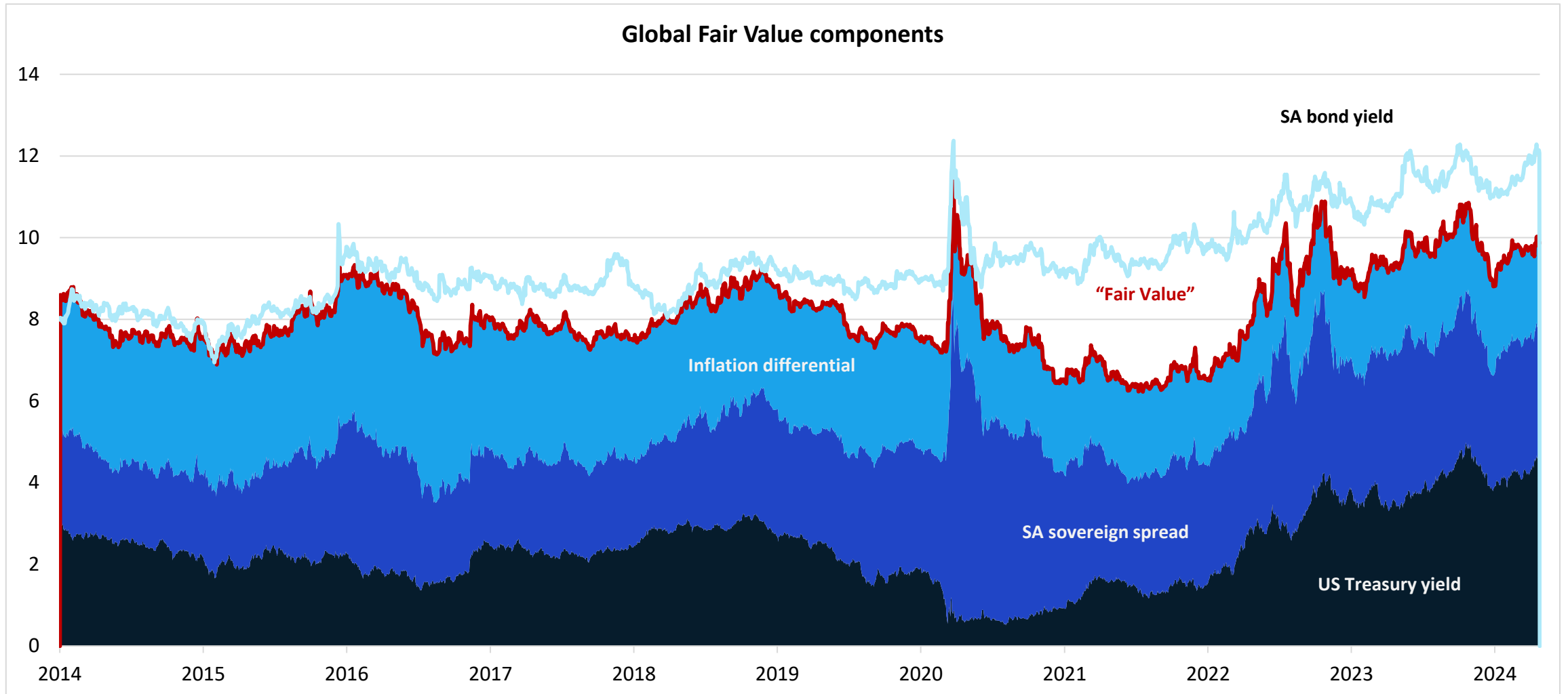


BUT ...IT IS GROWTH THAT IS THE PROBLEM



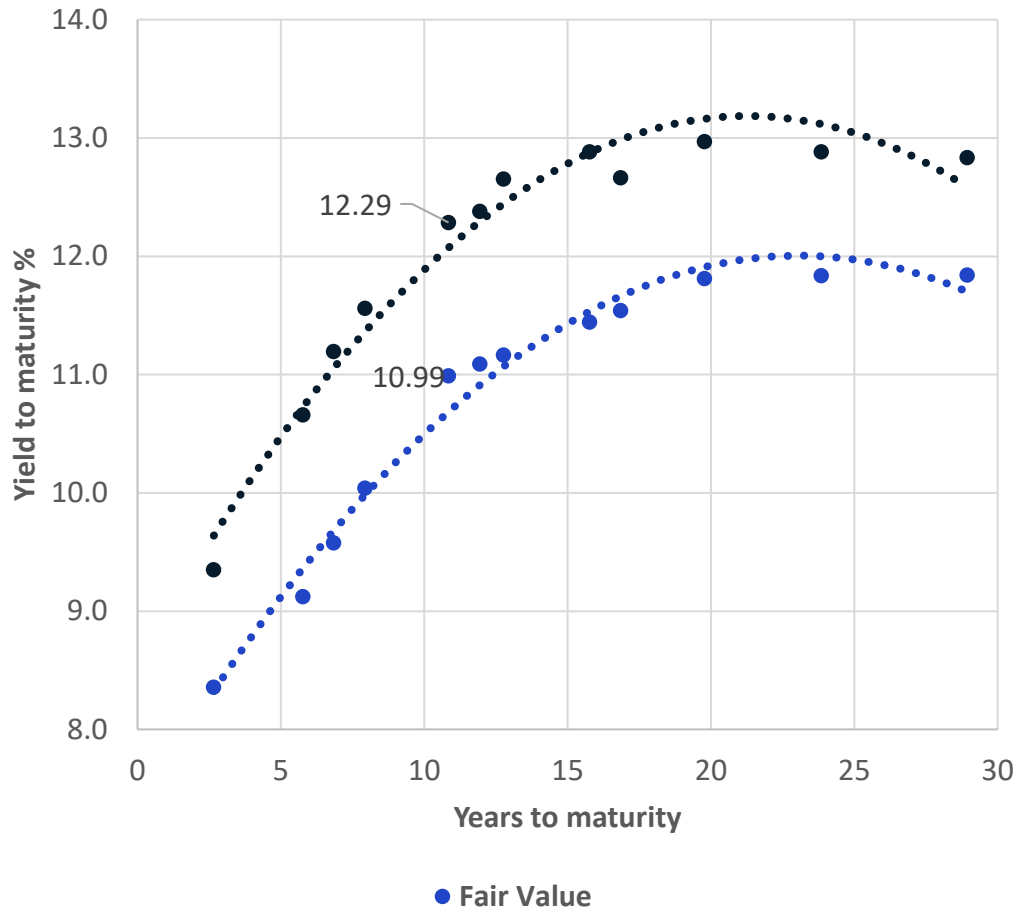
Source: Bloomberg and VFM calculations

SOUTH AFRICAN BONDS – LOOKING ATTRACTIVE

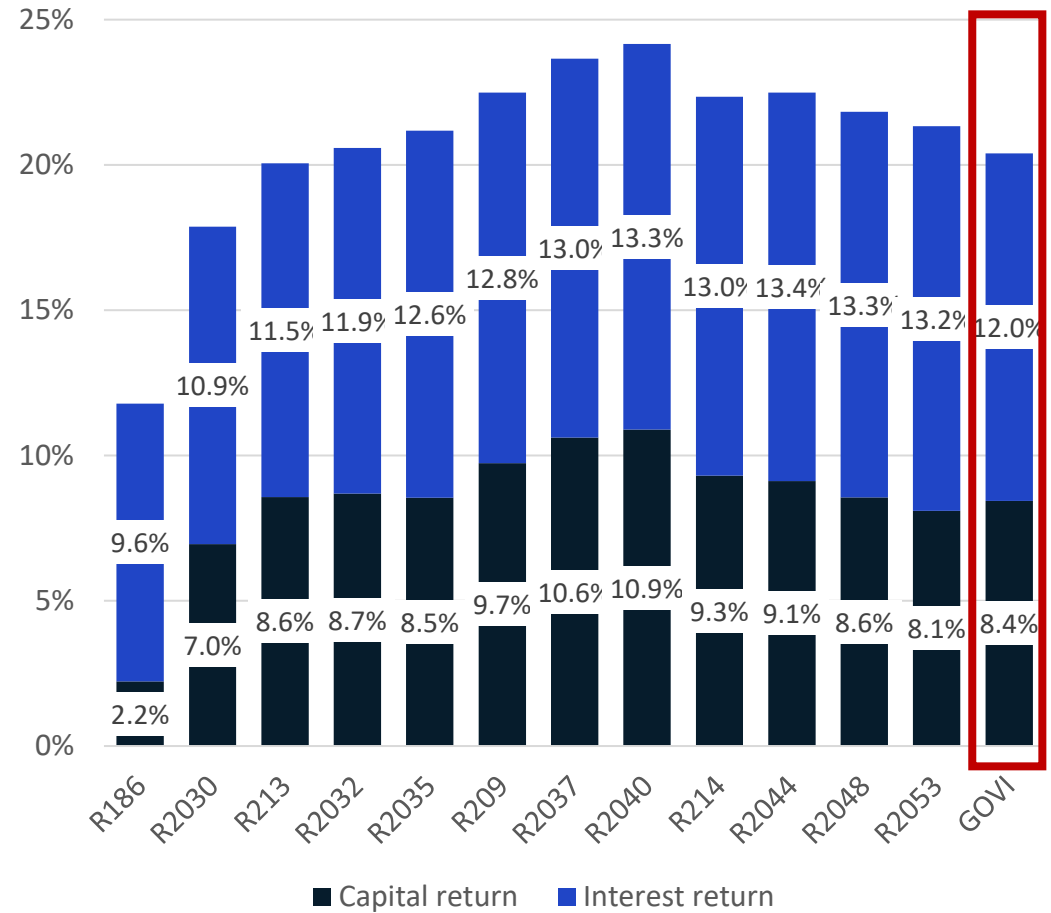


...EVEN IF YIELDS DON'T DECLINE

"Fair Value curve"

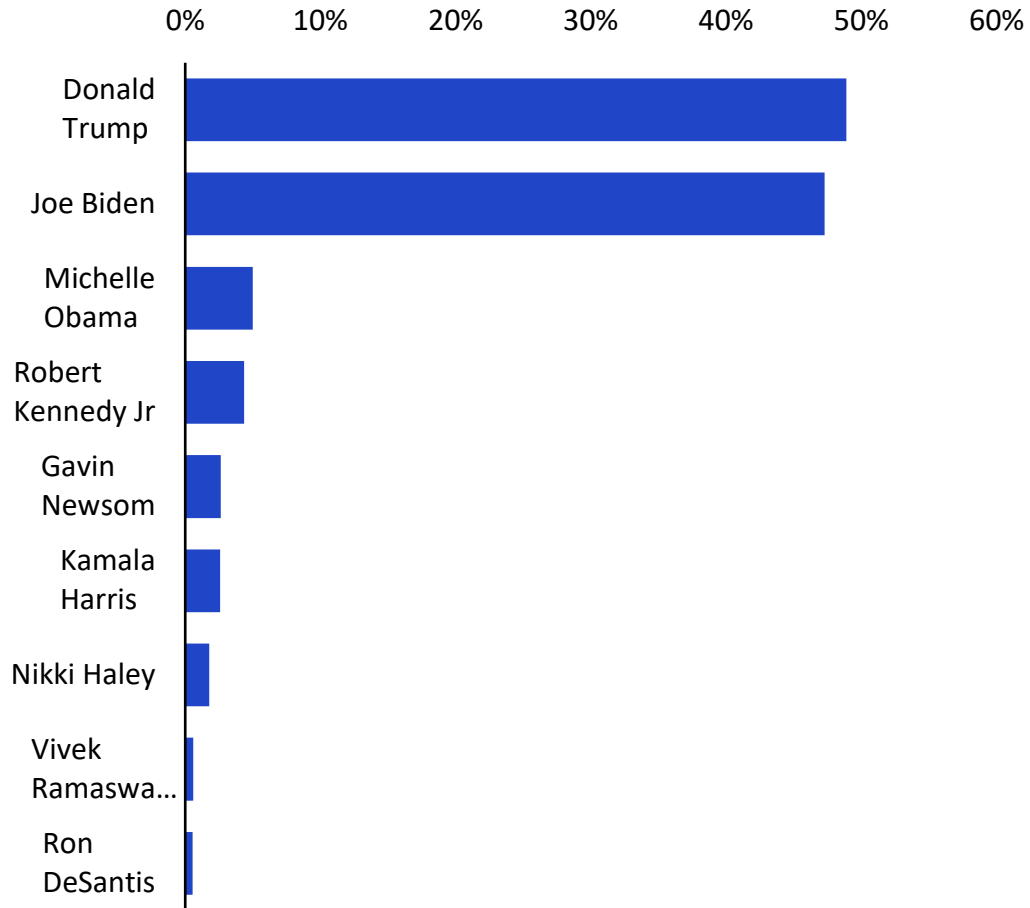


Total return



US ELECTIONS AND MARKETS

“Bookie” probability of US election



Asset class performance during election years



ASSET CLASS EXPOSURE AND THEMES

	DOMESTIC	GLOBAL
Equity	<p>Underweight, SA equities cheap vs history but:</p> <ul style="list-style-type: none"> - Uncertain local growth outlook - Expect increased global macro volatility in '24 	<p>Underweight, headwinds for corporate earnings:</p> <ul style="list-style-type: none"> - Tightening corporate credit markets - Concerns about global demand & possible recession
Property	<p>Neutral, operating metrics improved during 2023</p> <ul style="list-style-type: none"> - Expect vacancies & escalations to be stable in 2024 - Reversions should improve 	<p>Overweight, rate cuts in H2 24 bode well for global property</p> <ul style="list-style-type: none"> - Interest rate declines favour property from a cyclical perspective
Fixed Interest	<p>Overweight, high yields and cyclical factors supportive and yields pricing in fiscal headwinds</p> <ul style="list-style-type: none"> - Prefer shorter dated ILB's and medium-term nominals 	<p>Overweight, bond markets adjusted to the prospects that inflation will be more elevated than pre COVID</p> <ul style="list-style-type: none"> - DM bonds offer attractive yield and defensive characteristics
Cash/money market	<p>Overweight, policy rate cuts starting in 2H24</p> <ul style="list-style-type: none"> - Real yields elevated 	<p>Overweight, policy rate cuts starting in 2H24</p> <ul style="list-style-type: none"> - Real yields elevated

Thank you



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