

# ALL WEATHER

INVESTING IN POSITIVE OUTCOMES

HOW'S IT GNU-ING?

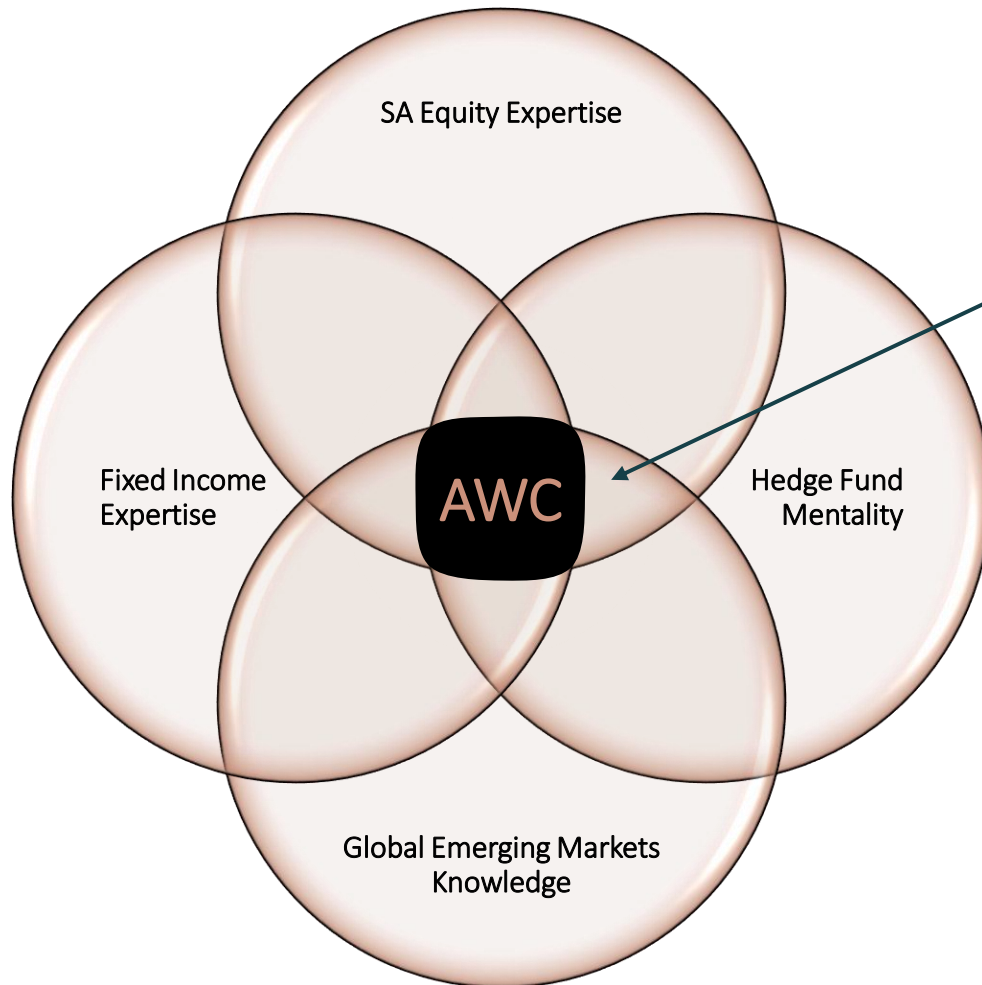
MAY 2025

# FUND EVOLUTION ON THE RISK/RETURN CONTINUUM



# OUR UNIQUE COMPETITIVE ADVANTAGE

PRODUCT SYNERGIES = SUPERIOR PERFORMANCE



## All Weather Capital “secret sauce”

- ✦ **Small team** Effective and efficient decision-making process
- ✦ **Flat structure** Rigorous debate. No silo mentality. All positions open for debate
- ✦ **Continuous assessment** Mitigates blind spots and group-think
- ✦ **Continuous improvement** Learning from past experiences
- ✦ **Discipline** Buying and selling linked to margin of safety
- ✦ **Alignment** Staff invested alongside clients

# LOCAL DASHBOARD FROM OUR STRATEGIST - 2023

## SA EQUITY LANDSCAPE NEGATIVE TO MORE POSITIVE INTO THE ELECTION

SA Investment dashboard	2023												2024		
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Load-shedding															
Rate cycle															
Earnings															
Consumer spend															
SA risk premium															
Reg 28															
Dollar															
Geopolitical risk															
EM ex China															
EM flow															
BOJ policy															

SA Investment dashboard	2024												2025		
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Load-shedding															
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Reg 28															
Dollar															
Geopolitical risk											05-Nov				
EM ex China															
EM flow															
BOJ policy															

# SA INVESTMENT DASHBOARD – 2024/2025

## LOCAL AND GLOBAL FORK IN THE ROAD

SA Investment dashboard	2024			2025 - If trade escalation & <b>GNU HOLDS</b>								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Load-shedding												
Rate cycle												
Earnings												
Consumer spend												
SA risk premium												
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Dollar												
Geopolitical risk												
EM ex China												
EM flow												
BOJ policy												

SA Investment dashboard	2024			2025 - If trade escalation & <b>GNU ENDS</b>								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Load-shedding												
Rate cycle												
Earnings												
Consumer spend												
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# SA MACRO OUTLOOK

## GNU OUTCOMES – ALL WEATHER CAPITAL VIEWS

### Our assumption is that the GNU holds

- ✦ ZAR should strengthen to 18 or below, based in current Dollar weakness
- ✦ Rate cuts back on the table, low CPI, lower fuel prices
- ✦ Country risk premium lower
- ✦ SA equities could rally, within the context of elevated global recession risk
- ✦ If US-China trade deal progress would boost Emerging Markets

### But if the GNU fails

- ✦ ZAR should weaken as foreigners likely to sell SA bonds, ZAR
- ✦ Rate cuts off the table
- ✦ Country risk premium rises
- ✦ SA equities have further downside within the context of elevated global recession risk

*“The GNU remains popular with the public”*  
Frans Cronje

# TRADE WARS ARE CAPITAL WARS

OVER \$20 TRILLION FLOWED INTO THE US SINCE 2009. ITS LIKELY TO REVERSE

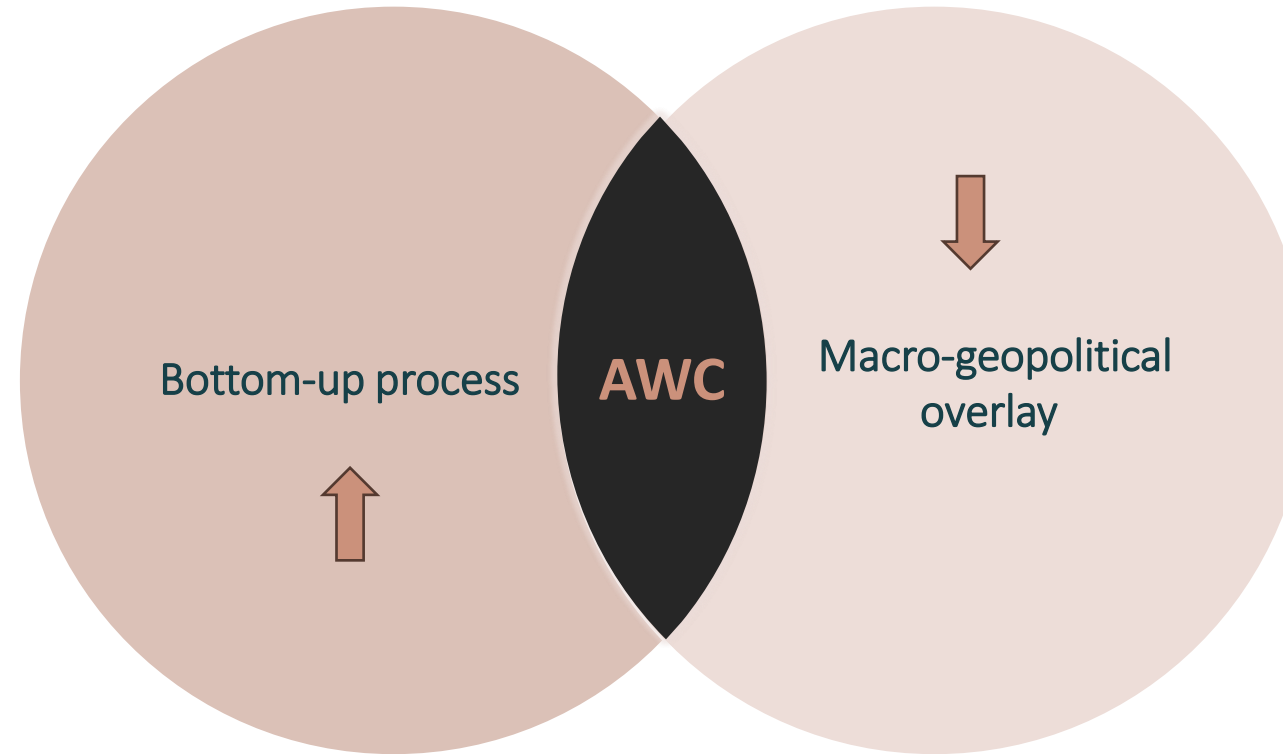


## The end of US exceptionalism?

- ✂ From US fiscal stimulus to **DOGE** austerity
- ✂ From austerity to **EU & China** fiscal stimulus
- ✂ ChatGPT to **DeepSeek, Qwen**
- ✂ US as global stabilizer to **US as global destabilizer**
- ✂ US premium valuations vs **Rest of World value**

# INVESTMENT PROCESS

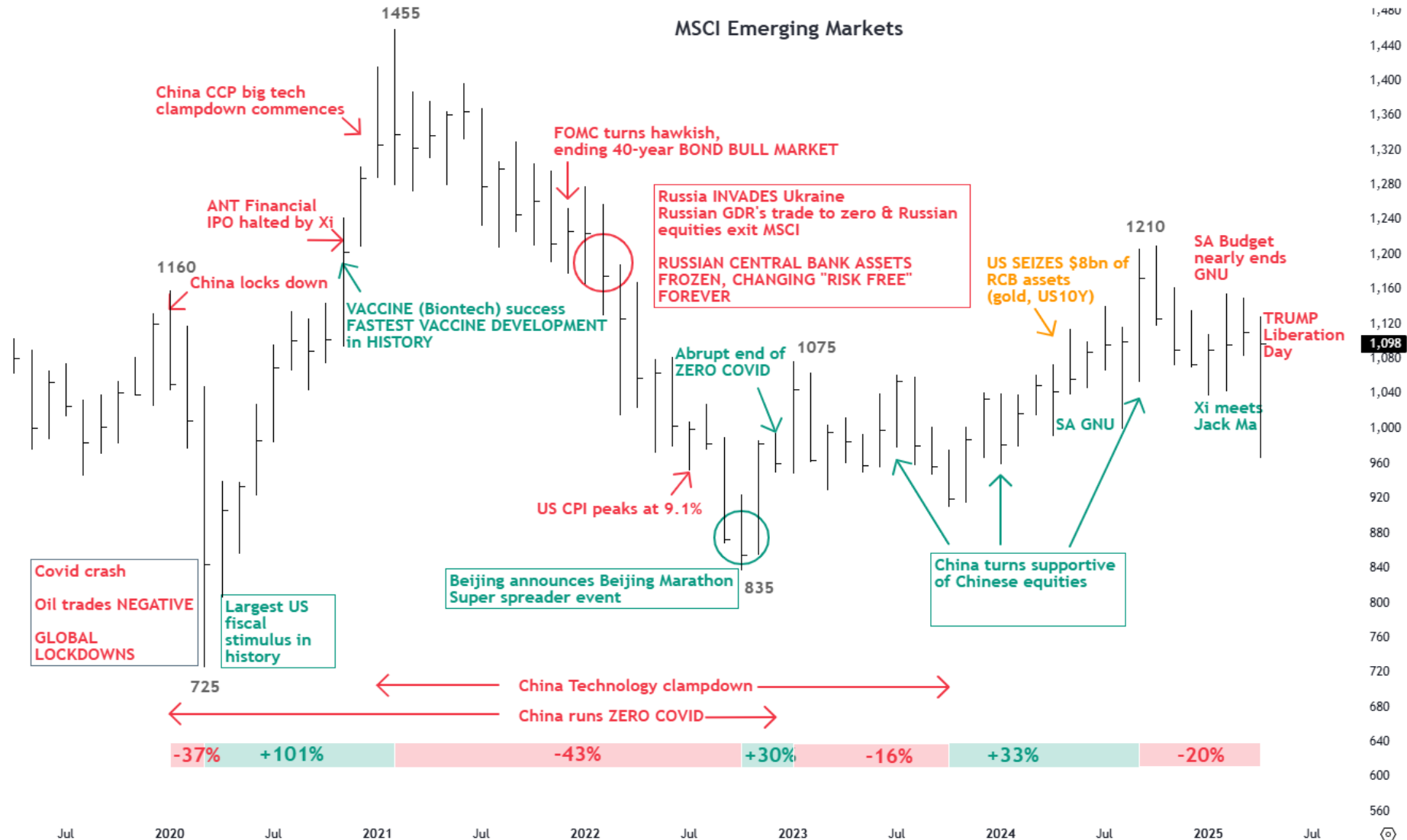
MACRO AND GEOPOLITICS HAVE BECOME SIGNIFICANT MARKET DISRUPTORS



Geopolitics have become a larger driver of markets in the current multipolar order, compared to the previous unipolar order



# GEOPOLITICAL EVENTS HAPPEN MORE OFTEN



# THE RAND AND SA BONDS RECOVERING FROM SHOCKS

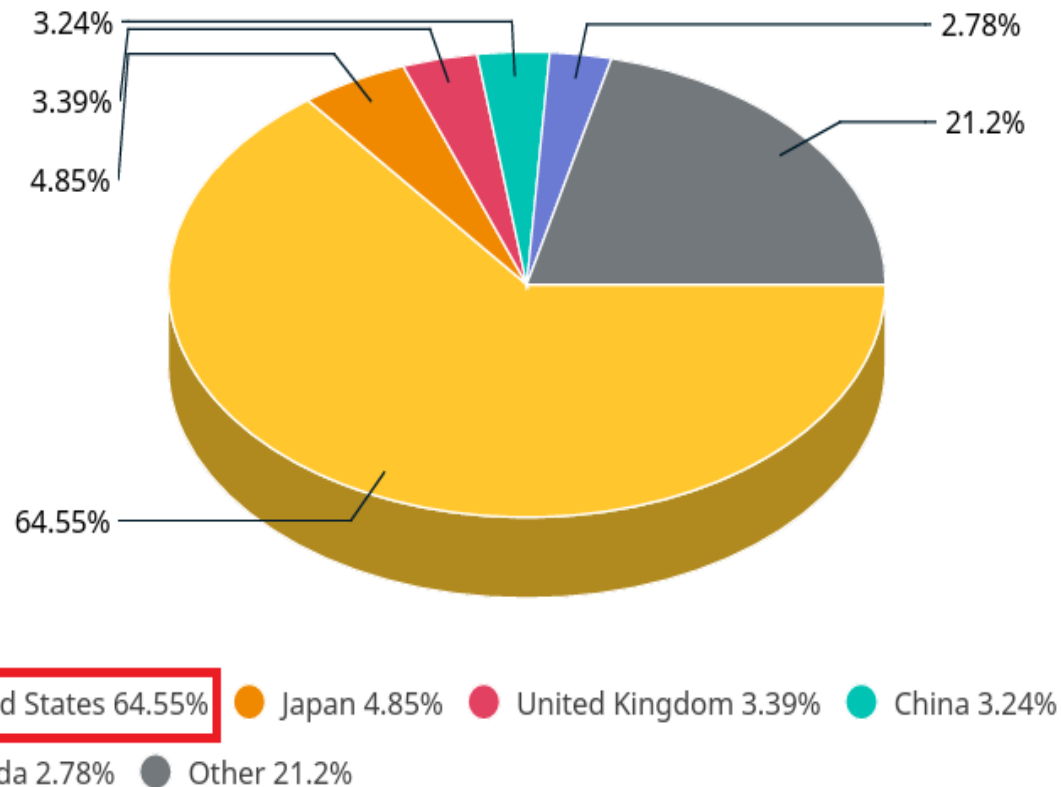
FROM JAN 2024 TO DATE: RAND MARGINALLY STRONGER BY 0,60% BOND YIELDS LOWER BY 0,54%



# IF THE FLOW REVERSES...

## YOU WOULD NEED TO BE PRE-POSITIONED

Allocating from the very big, to the small



✦ US is 64% of global equity market value

✦ Europe is 14%

✦ Emerging markets are 10%

✦ South Africa is 3% of Emerging Markets

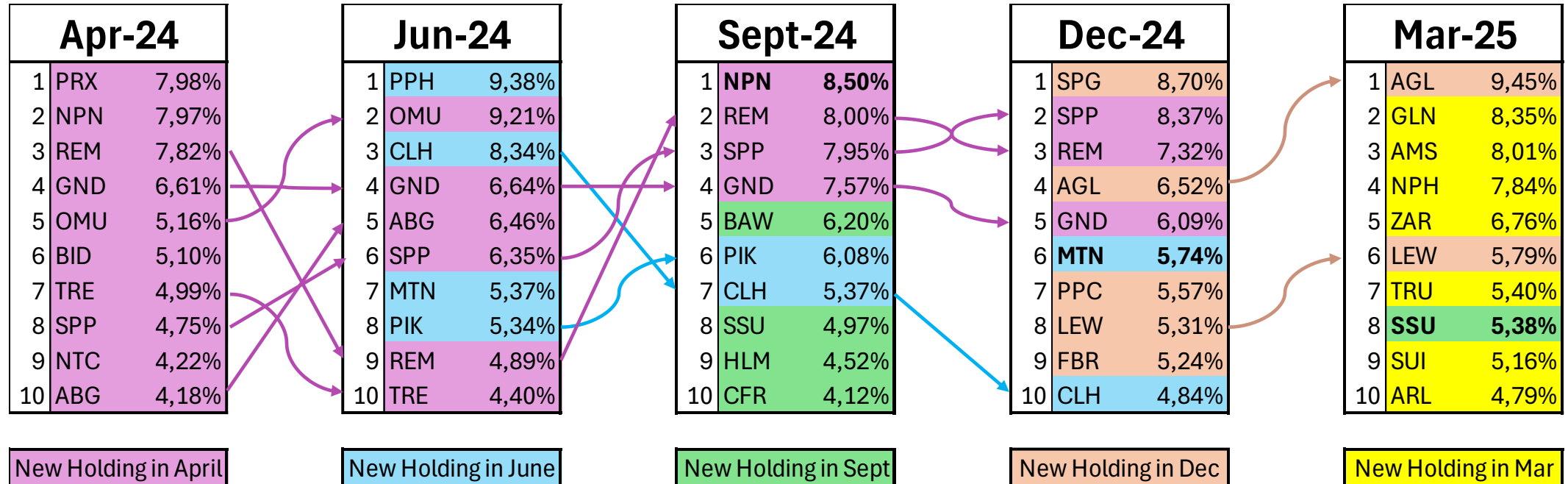
✦ You want to hear something crazy?

✦ Apple's market cap is 25% larger than MSCI China

✦ Nvidia's market cap is 100% larger than MSCI Taiwan

# ACTIVELY INVOLVED EACH DAY IN FUND MANAGEMENT

TOP 10 POSITIONS OVER TIME (\*ALL WEATHER BCI BEST IDEAS EQUITY FUND)



## ALL WEATHER BCI BEST IDEAS EQUITY FUND

- ✧ Top 10 changes on an active basis
- ✧ Only top ideas make it into the fund
- ✧ Highly active, given maximum 25 investment ideas constraint

# UW EXAMPLE - PRIMARY RESEARCH

## JAN 2025 – CONCLUSION FROM RETAIL SITE VISITS



### Retail primary research in Jan 2025

- ✦ 14 investment professionals
- ✦ 32 malls/shopping centres and other areas
- ✦ 3 provinces, 395 stores visited
- ✦ Research on various categories, different listed companies.
- ✦ Mosaic theory in our primary research approach
- ✦ Main focus is on trends, expectations, variant perception

### Conclusions

- ✦ Food retail did better than Apparel
- ✦ Liquor trading did very well
- ✦ 2-pot money was spent very different than originally though
- ✦ Beauty did well
- ✦ Home category did not do well
- ✦ Apparel mixed (sneakers did well)

# CORPORATE ACTIVITY EXPECTED TO CONTINUE

## DEALS PREVIOUSLY ANNOUNCED



### Low probability

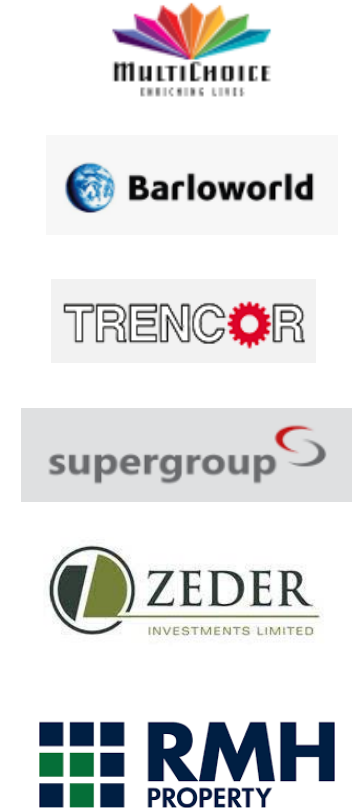


## FUTURE OPPORTUNITIES

### Medium probability



### High probability

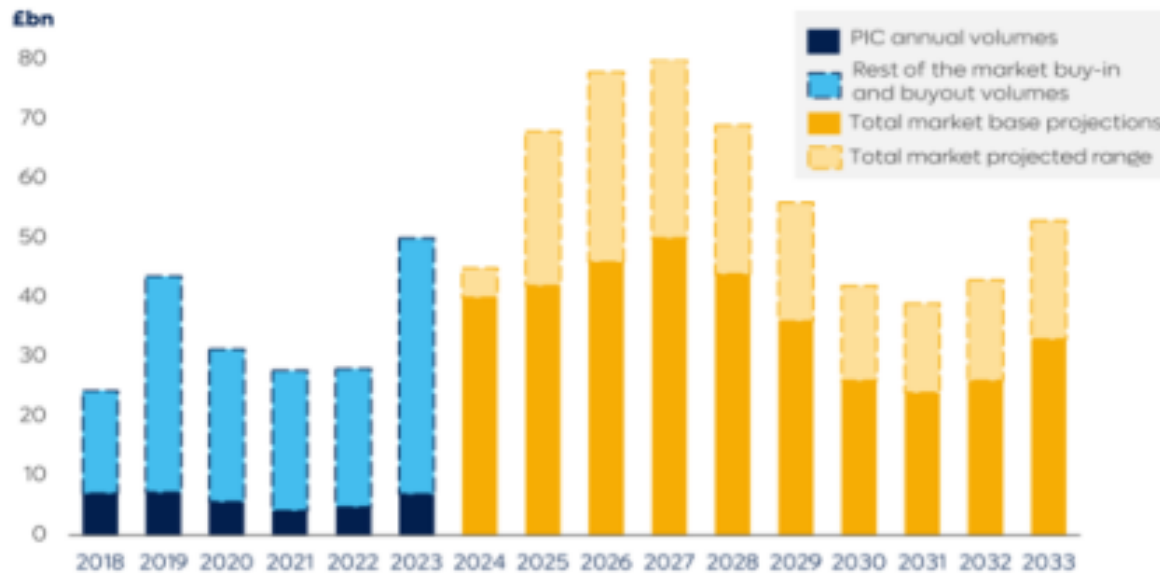


# UNIQUE EQUITY OPPORTUNITIES

## HIDDEN GEM COMING TO LIGHT 1/2

Figure 25: Potential size of risk transfer market (2024E-2033E)

Source: PICG



Annual risk transfers could average between GBP40bn-GBP50bn p.a. over the medium term

### Pension Insurance Corporation

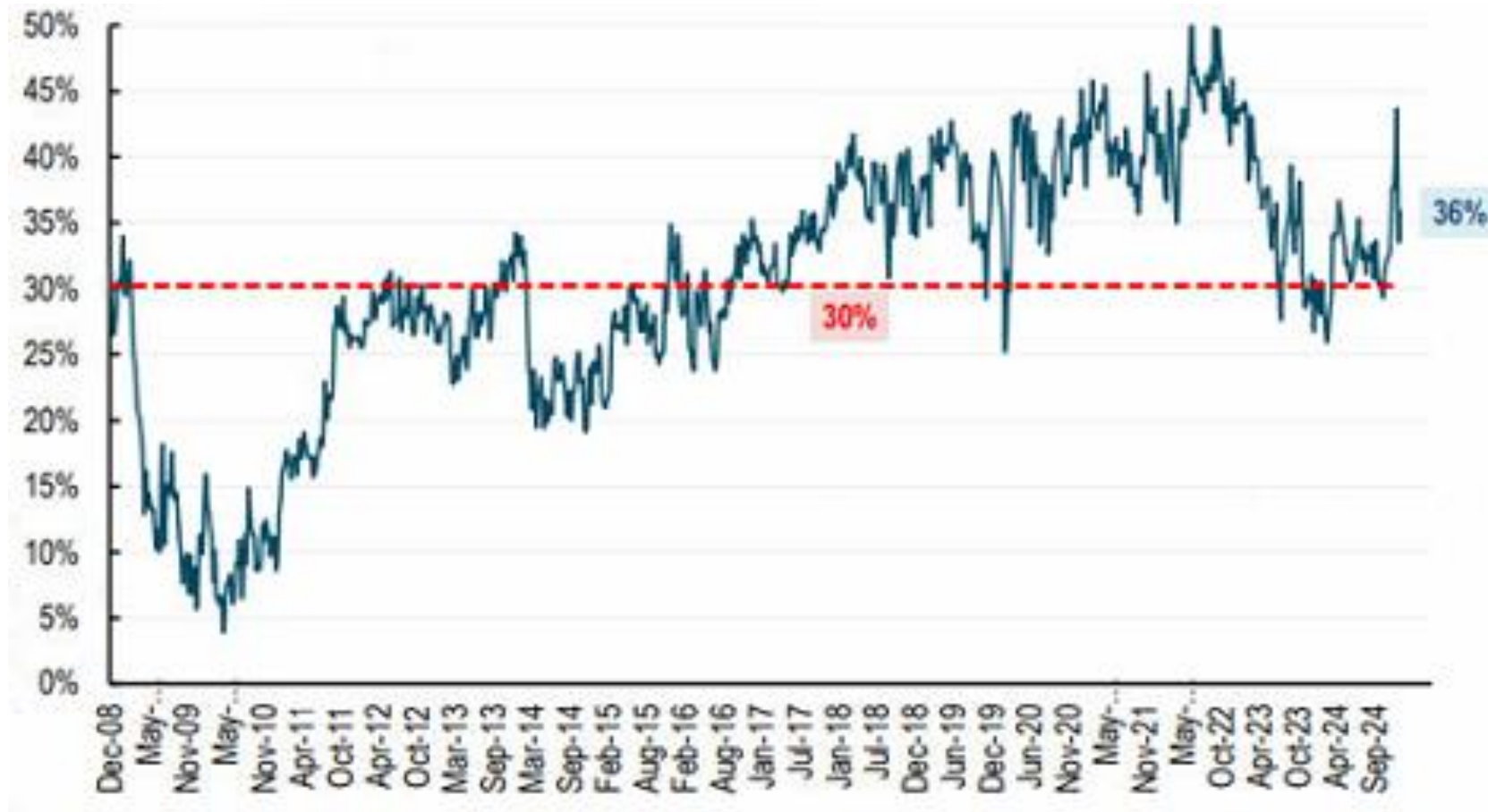
- ✧ Majority of NAV
- ✧ Leading UK DB bulk annuity provider
- ✧ Conservatively valued vs peers
- ✧ Highly capitalized (solvency > 200%)
- ✧ Market with structural tailwinds
  - ✧ GBP 40-50bn in transfer expected p.a. over next decade
- ✧ Barriers to entry are high
- ✧ Global players trying to access the space





# UNIQUE EQUITY OPPORTUNITIES

HIDDEN GEM COMING TO LIGHT 2/2



## Reinet Investments S.C.A.

- ✦ Elevated holdco discount to NAV vs history
- ✦ Sale of British American Tobacco
  - ✦ Over 40% of Reinet's market cap in net cash
- ✦ Ex Cash discount of >50%



# CONCLUSION: WHY INVEST WITH ALL WEATHER CAPITAL?



Excellent performance in hedge funds and long only equity



A clear process that has worked very well for over 10 years



Small team (owner managed) with effective and active decision making



Style agnostic with a key focus on downside protection and risk management



# ALL WEATHER

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## INVESTING IN POSITIVE OUTCOMES

A multi-award-winning South African  
asset management company with  
superior, sustainable long-term returns.



SA HEDGE FUNDS | SA EQUITY FUNDS  
GLOBAL EMERGING MARKETS FUND | GLOBAL HEDGE FUND  
[www.allweather.co.za](http://www.allweather.co.za)

## APPENDIX

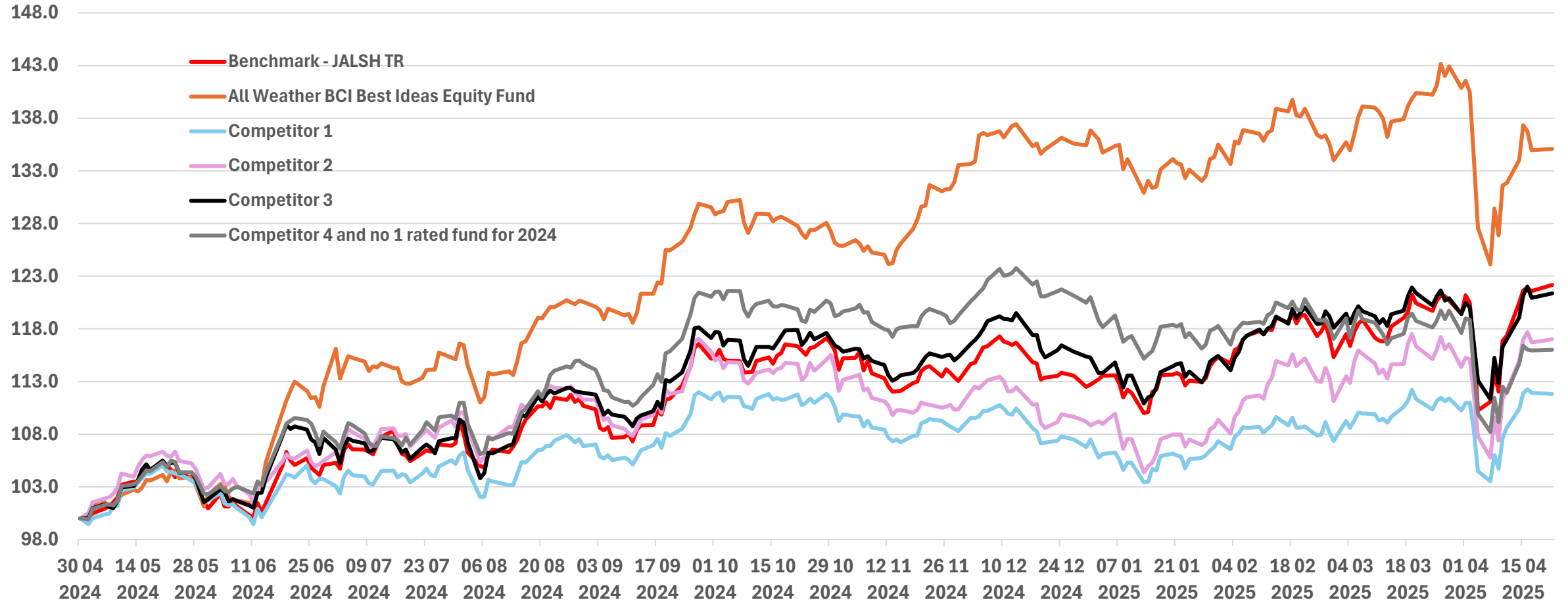
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# PERFORMANCE SINCE INCEPTION

## ALL WEATHER BCI BEST IDEAS EQUITY FUND – OUTPERFORMANCE



Source: All Weather Capital , BCI, Bloomberg \*Returns are Net of fees. Data as at: 22 April 2025.

Annualised since inception performance: All Weather BCI Best Ideas Equity Fund: 38%. FTSE JSE All Share Index: 25%  
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

# STRIVING FOR OUTPERFORMANCE

## UNIQUE VALUE PROPOSITION

### KEY ATTRIBUTES: ALL WEATHER BCI BEST IDEAS FUND

#### Benchmark



- ✎ Not Benchmark cognizant. High active weight (was 85% in Nov 2024)
- ✎ Will not have a position just because it is in the benchmark

#### Stock selection



- ✎ Mirror of Hedge fund longs in many cases, although very different weightings
- ✎ We have an investment view of all the relevant companies listed on the JSE

#### Idea generation



- ✎ Top Long ideas in Hedge fund good place to start
- ✎ Corporate Actions, Special Situations, variant perception, good macro themes
- ✎ Primary research, Good understanding of drivers of share prices

#### Investment themes



- ✎ Corporate actions, spin offs, unbundling, IPO's, Turnarounds
- ✎ Macro events that drive primary research efforts (retail example)
- ✎ Key sector beneficiaries of various events. E.g. Trump tariffs and two pot

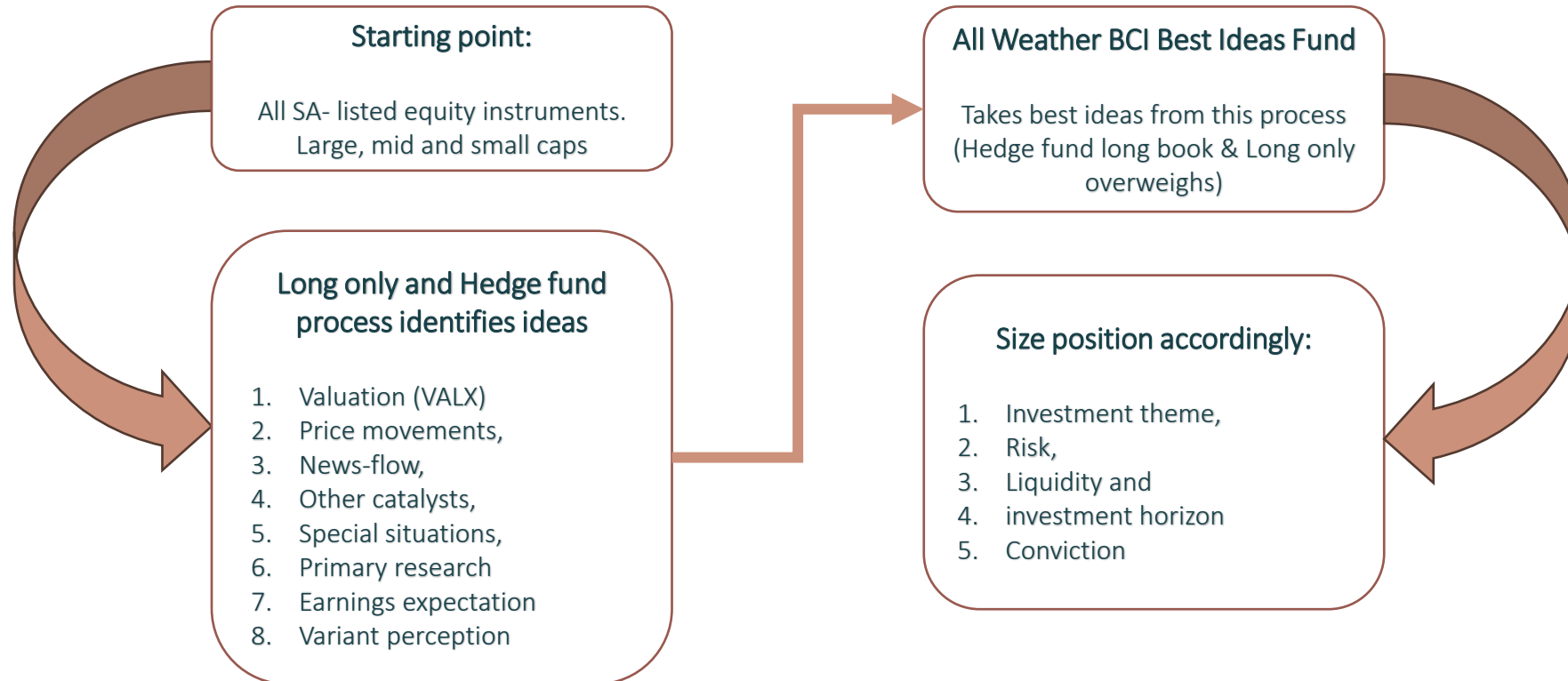
#### Position sizing



- ✎ Average size should be around 4-5%, given 25 max positions (c. 23 on average)
- ✎ Small position is 2%, average is 5%, large is 9%

# INVESTMENT PROCESS

## BEST LONG HEDGE FUND IDEAS, LONG ONLY STYLE AGNOSTIC



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*All Weather Capital BCI Equity Unit Trust: Calendar year performance since inception: High 32.54% | Low: -9.21%. Inception date: September 2017. Annualised return is the weighted compound growth rate over the period measured. Actual annual figures are available to the investor on request. Cumulative performance figures include the relevant annualised figures for the same period and are reflected with equal prominence as the cumulative figures. AWC Best Ideas Fund inception date: 11 April 2024. The investment performance is for illustrative purposes only; the investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown; and income is reinvested on the reinvestment date. Annualised since inception performance: All Weather BCI Best Ideas Equity Fund: 38%. FTSE JSE All Share Index: 25%*

*All Weather BCI Flexible Income Fund: a portfolio that derives its income primarily from interest-bearing instruments in accordance with section 100(2) of the Act, whether the yield is historic as well as the date of calculation of the yield. AWC Long-Short Fund: Calendar year performance since inception: High 38.32% | Low: -5.87%. Inception date: May 2014. AWC Market Neutral Fund: Calendar year performance since inception: High 38.12% | Low: 2.99%. Inception date: September 2017. For full details on the HedgeNews Africa and ABSIP awards please contact us on [info@allweather.co.za](mailto:info@allweather.co.za). The All Weather Prescient Global Emerging Markets Fund is a Section 65 approved fund under the Collective Investment Schemes Control Act 45, 2002 (CISCA). All Weather is the South African Representative Office for this fund.*

*Returns are Net of fees \*The Benchmark of the fund was changed from the Shareholder Weighted Index to the 10% capped Shareholder Weighted Index on the 01/12/2020 and as such is reflected in the performance table. All Weather is an authorised Financial Service Provider FSP 63711*