OAKHAVEN CAPITAL

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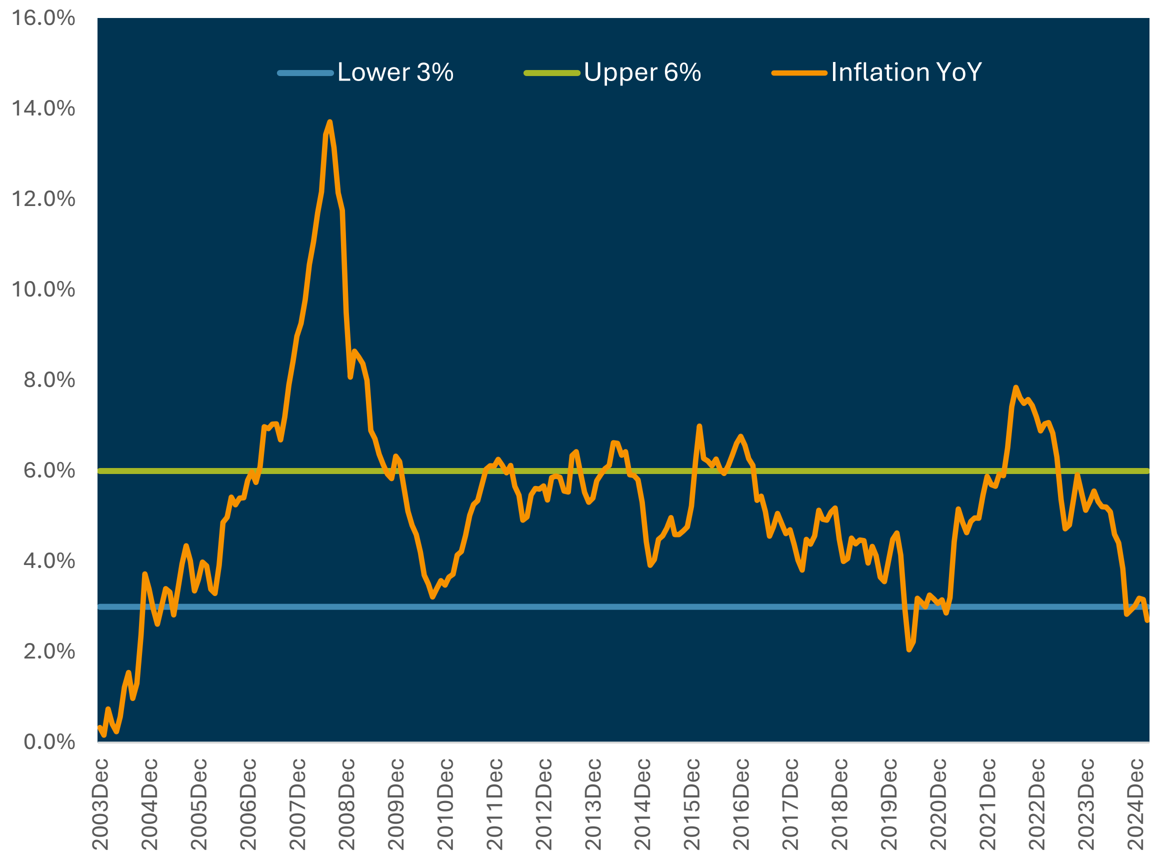
CAN AN INCOME FUND GIVE YOU LONG DATED INFLATION BEATING RETURNS?

- Inflation targeting adopted in January 2000
- Lower inflation volatility has been achieved
- SARB would like a new lower target
- INFLATION CONSIDERATIONS:
  - Inflation erodes purchasing power
  - Investors want to preserve and grow real wealth
  - Even modest inflation compounds the loss of value over time
  - Real returns sustain purchasing power



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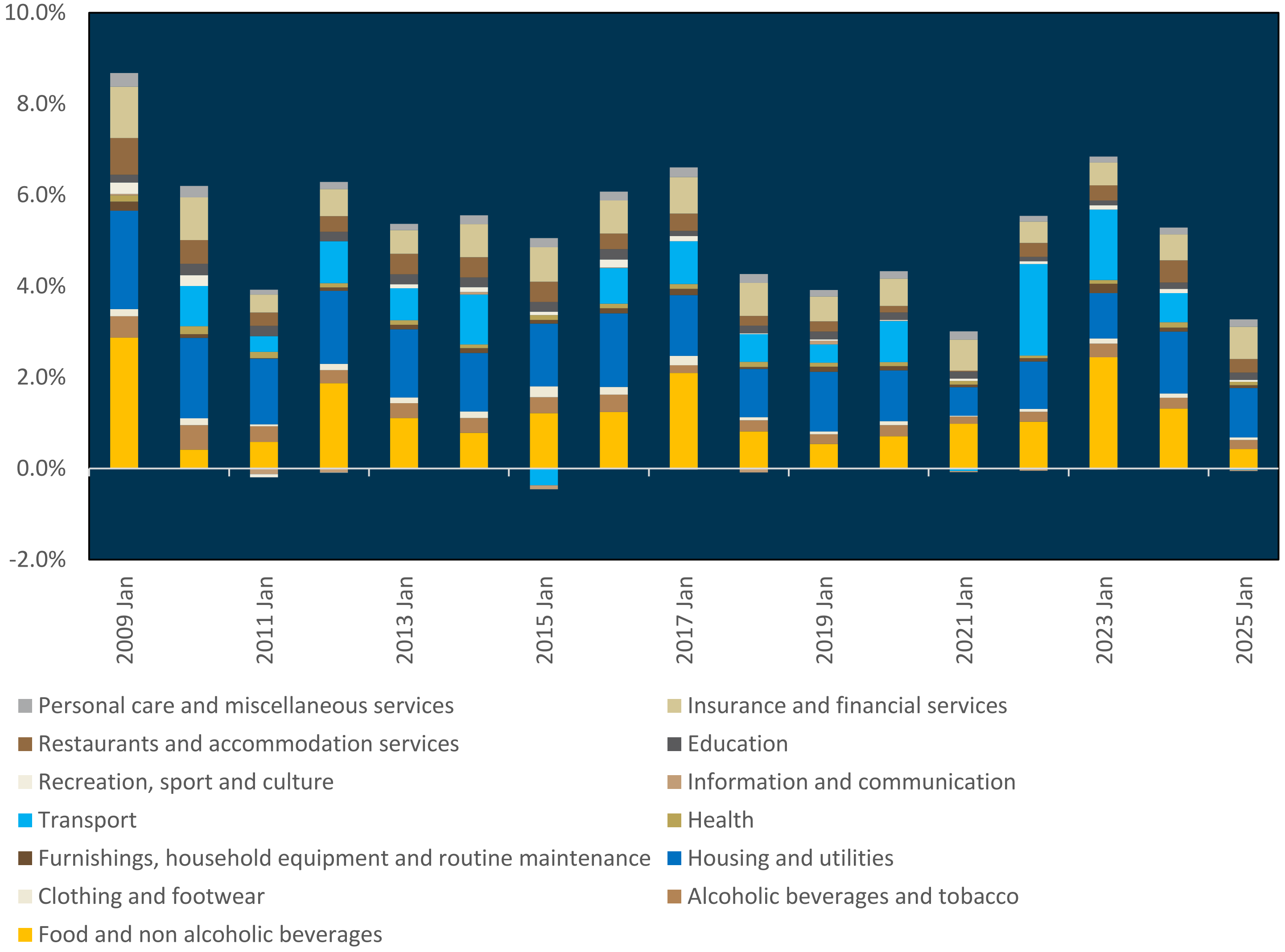
INFLATION BASKET: MAIN DRIVERS



LARGE BASKET IMPACT AND **VOLATILE**:

- Food
- Oil
- ZAR

LARGE BASKET IMPACT AND **STABLE**:

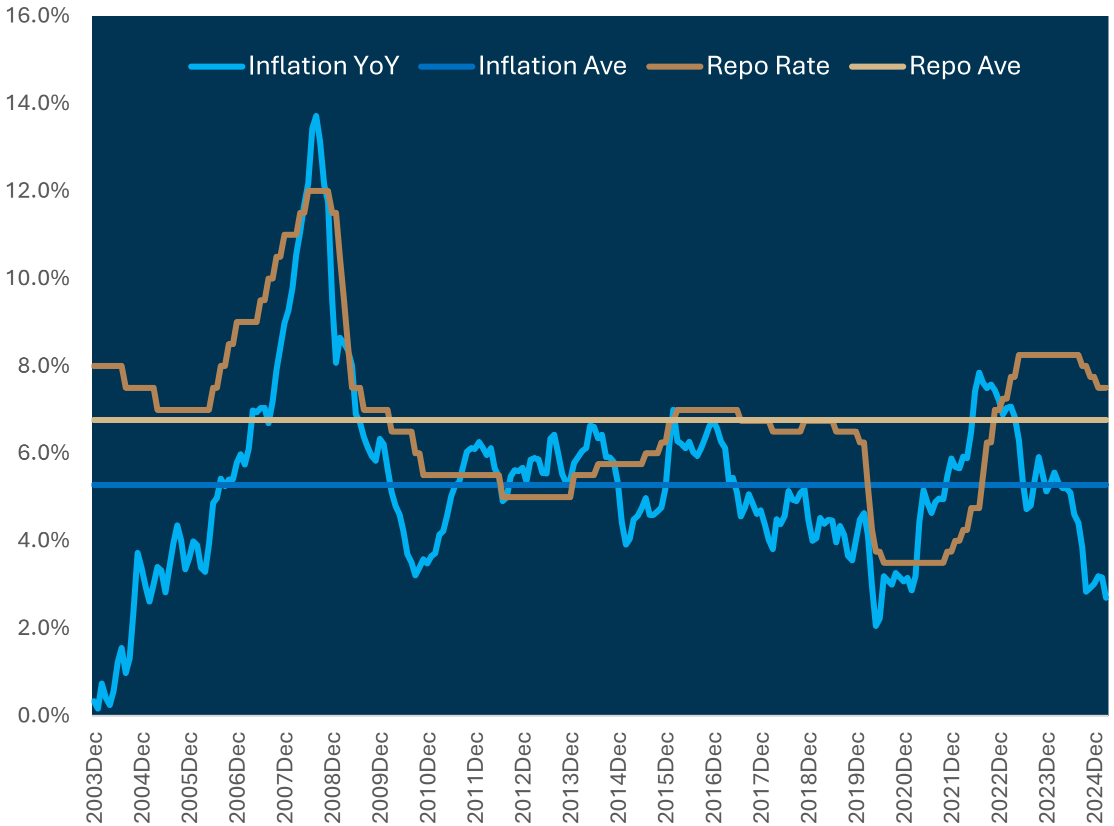
- Administered prices
- Housing

WORLD WIDE ECONOMISTS HAVE **STAGFLATION** ON THEIR MINDS

- Lower growth
- Higher inflation

REPO RATE vs R*

- The Repo rate
  - Base rate for short dated term rates
  - Foundation rate on which income funds build a return
- SARB's targeted real rate of return is called R*
- SARB's targeted R* is 2.5%
- R* = Repo – CPI
- Inflation has averaged 5.3%
- Repo rate has average 6.8%
- Historically the REAL_R* has been 1.5%
- Currently R* is 4.8% (7.5%-2.7%)



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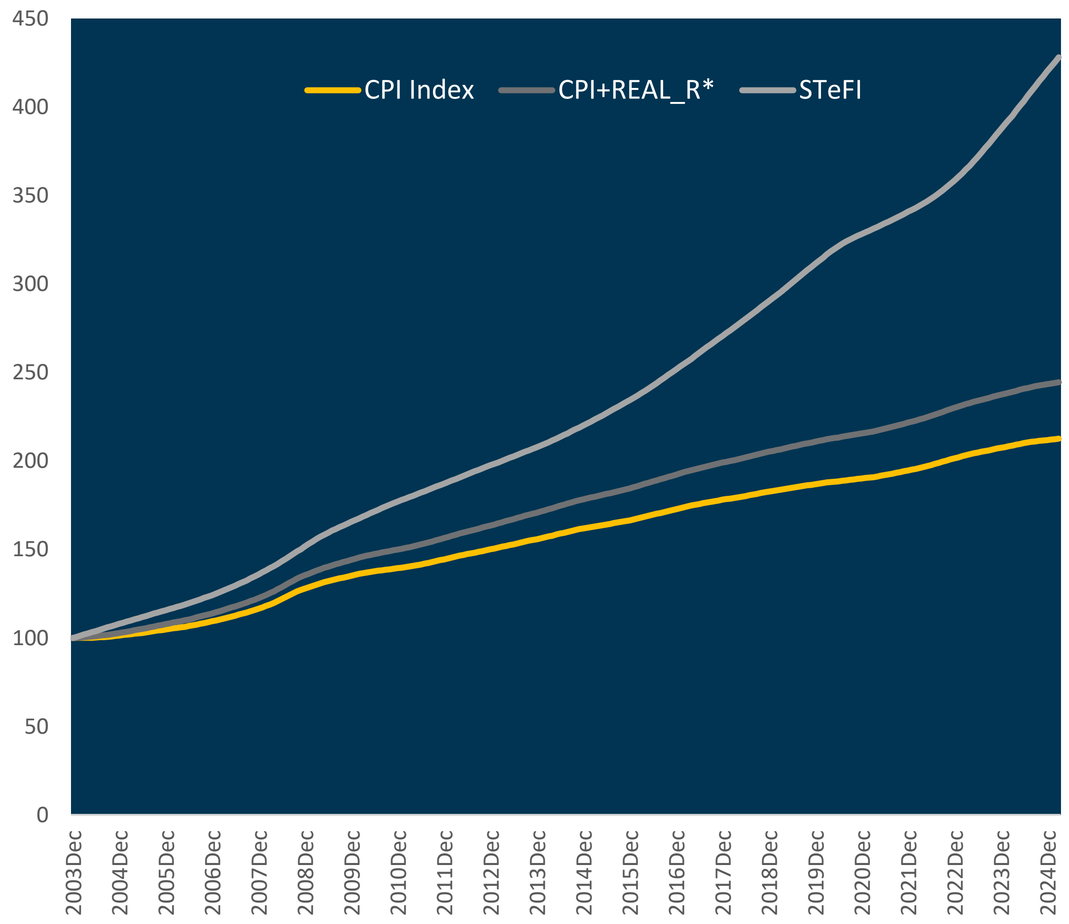
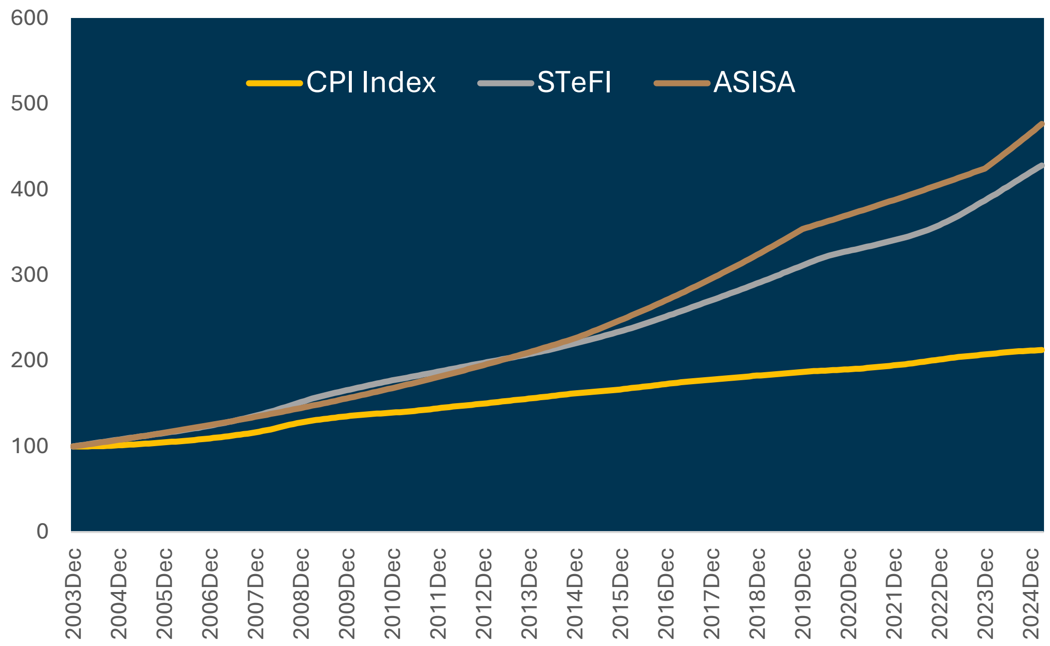
STeFI as a BENCHMARK

- Short Term Fixed Interest Index (STeFI)
  - 15% SABOR
  - 30% 3m Jibar less 10bps
  - 35% 6m Jibar less 10bps
  - 20% 12m Jibar less 10bps
- Income funds benchmark to STeFI + return
- Performance *should* always be higher as income funds are able to invest further out
  - Income funds can have a weighted average interest rate risk of up to 2 years
  - Yield and spread curves are upward sloping pricing for additional risk and liquidity further out



CPI vs STeFI vs ASISA (SA-interest bearing-short term)

- ASISA ***average*** performance is STeFI + 0.5%
- Funds have outperformed CPI by 2.2%
- Current outperformance is 5.3%
  - Repo less inflation is currently 4.8%
- Mean reversion means this arbitrage will not last
  - CPI will revert to 4.5% (midpoint)
  - SARB neutral rate is 7.0% (CPI+R* i.e. 4.5%+2.5%)
- We believe inflation linked bonds (ILB) are a good place to position your portfolio over the next several years, extending this pricing anomaly over and above the short term windfall



Annually Compounded Rates						
Years	CPI	STeFI	ASISA	STeFI-CPI	ASISA-STeFI	ASISA-CPI
20yr	5.4%	7.1%	7.6%	1.7%	0.5%	2.2%
10yr	4.9%	6.6%	7.5%	1.7%	0.9%	2.6%
5yr	4.9%	6.1%	7.1%	1.2%	1.0%	2.2%
1yr	4.4%	7.7%	9.7%	3.3%	2.0%	5.3%

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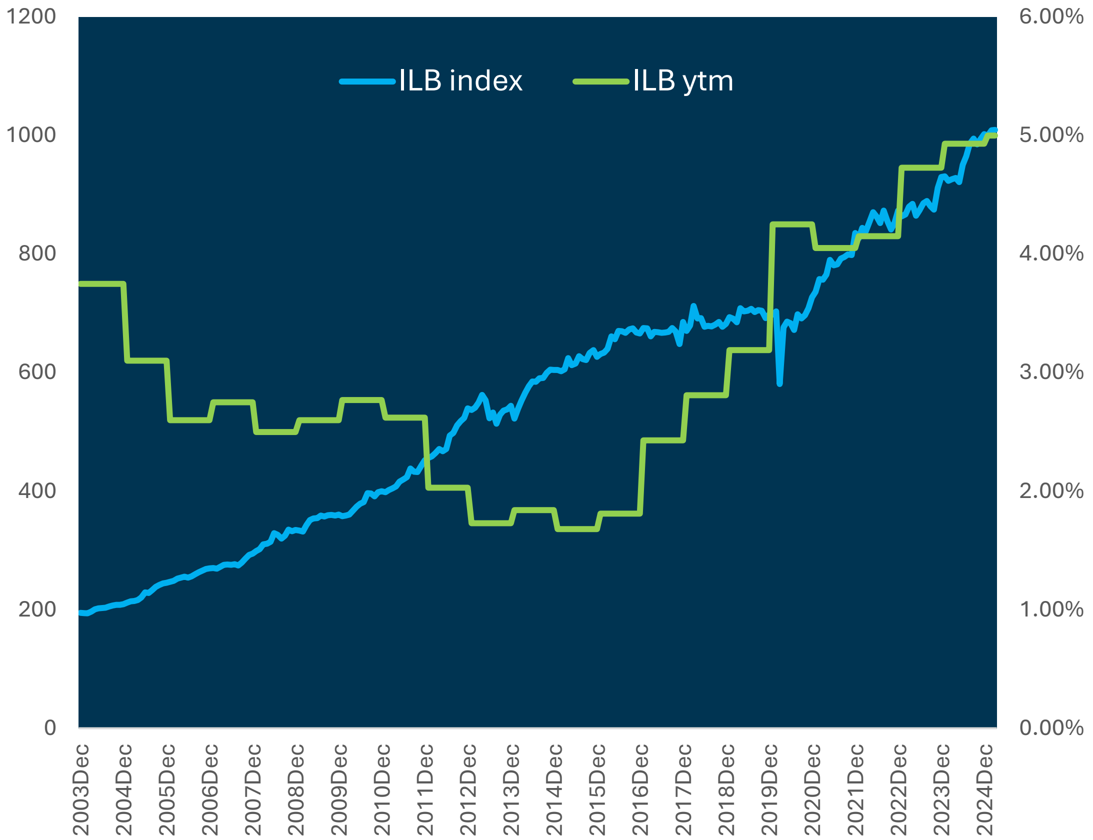
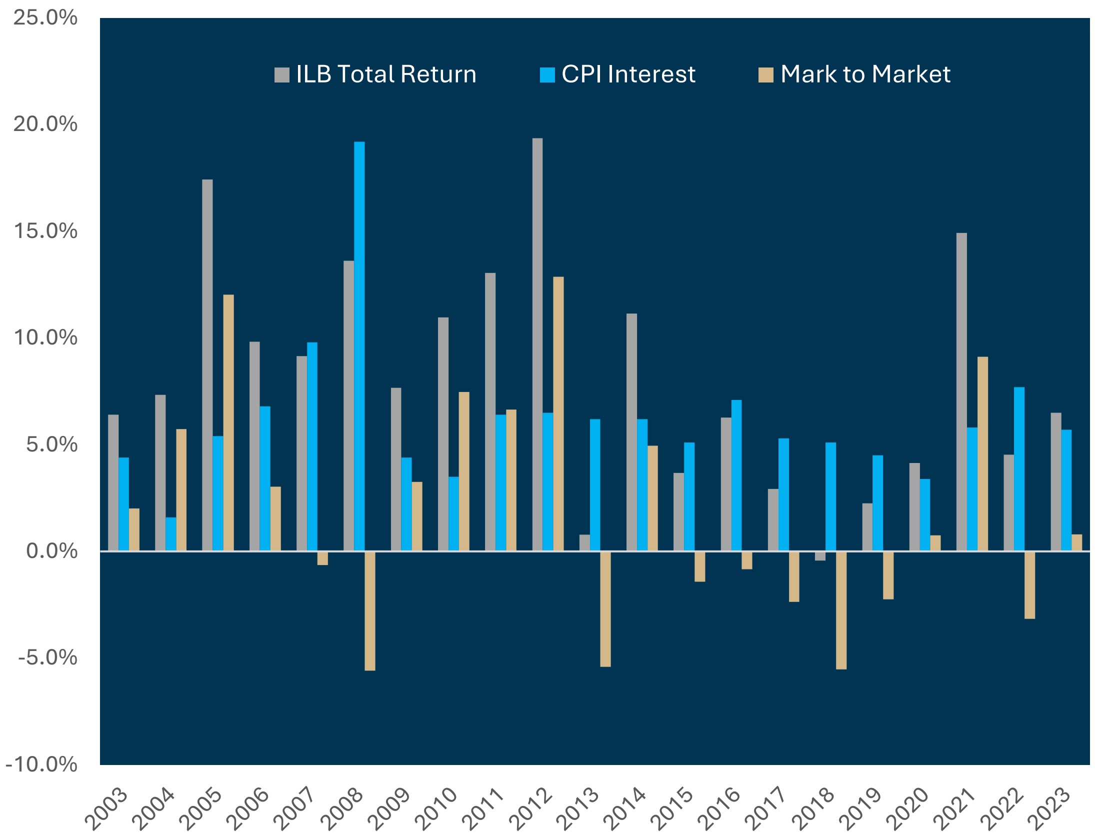
ILB TRADE at a YIELD TO MATURITY

- A good capital protection hedge
- Diversify your income investment strategy
- Relatively low risk, linked to a monthly index, and trade at a yield to maturity over and above the monthly CPI accrual
- Inflation maybe declining, but mean reversion could result in good mark to market gains over the STeFI composite
- ***<u>Entry is key</u>***: current yields are CPI + 5.0%
- On a held to maturity basis, this would imply a return of CPI + 5.0% vs ASISA category returns of CPI +2.2%



SA ILB YEARLY RETURNS

- Fiscal pressure has resulted in higher ILB issuance, doubling since 2016/17
- Resulted in a sustained rise in the revaluation of ILB debt, making up 21% of National Treasury debt
- Nominal bonds are under the same pressure however, the yield to maturity is fixed resulting in higher volatility
- ILB are good protection in a Turkey/Argentina blowoff, where hyper inflation is experienced but overnight rates are only increased to approximately half the inflation experienced



OAKHAVEN CORE INCOME FR Fund

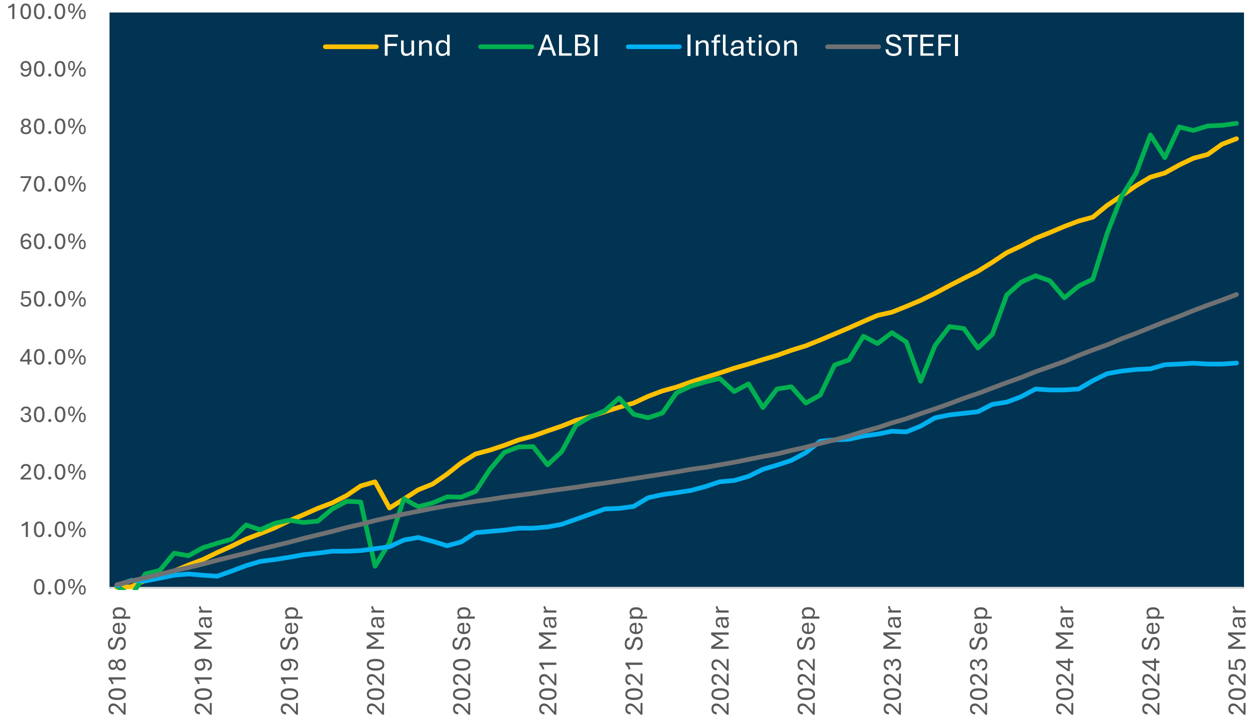
	Fund	ALBI	Inflation	STEFI
PERFORMANCE COMPARISON				
Inception date	Sep-18	Sep-18	Sep-18	Sep-18
Current month	Mar-25	Mar-25	Mar-25	Mar-25
Total months	79	79	79	79
Analysis currency	ZAR	ZAR	ZAR	ZAR
RETURN ANALYSIS				
Current month	0.5%	0.2%	0.1%	0.6%
1 Year	9.4%	20.2%	3.4%	8.4%
3 Year (annualised)	9.0%	9.8%	5.5%	7.5%
5 Year (annualised)	8.5%	11.7%	5.4%	6.2%
Since Inception (annualised)	9.2%	9.4%	5.1%	6.5%
Total return (si)	78.1%	80.7%	39.0%	51.0%
Highest 12m rolling return	13.2%	26.1%	8.5%	8.6%
Lowest 12m rolling return	7.3%	-3.0%	2.3%	3.8%
CONSISTENCY ANALYSIS				
% Up months (si)	98.7%	70.9%	89.9%	100.0%
% Up months (last 12m)	100.0%	83.3%	91.7%	100.0%
Standard Deviation (si - annualised)+	2.1%	8.5%	1.5%	0.5%
RISK ANALYSIS (NET OF RISK FREE RATE)				
Downside deviation (si - annualised)+	1.5%	4.9%	0.4%	n/a
Largest monthly drawdown	-3.8%	-9.7%	-0.7%	n/a
Average monthly drawdown	-3.8%	-1.8%	-0.3%	n/a
Largest cumulative drawdown	-3.8%	-9.8%	-1.3%	n/a
RISK/RETURN ANALYSIS				
Toal month gain/total month loss	16.15	2.52	16.76	n/a
Average gain/largest loss	0.2%	0.2%	0.7%	n/a
Average gain/average loss	0.2%	1.0%	1.9%	n/a
Sharpe ratio (si - annualised)+*	1.38	0.33	(0.53)	n/a
Sortino ratio (si - annualised)+*	1.95	0.58	(2.27)	n/a

Raging Bull Award: 2024

*Best South African interest-bearing short-term fund on a 5-year risk-adjusted basis

CityWire: 2024

* Best South African Fund in the bond category on a 7-year risk-adjusted performance



Source: Apex

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. The full details and basis of the award are available from the manager.

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