

Optimal CPI + 6% Discretionary Growth Portfolio



Lumley Associates
Authorised Financial Services Provider
Building Wealth Since 1987

As of 2024/03/31

Suitable Investor

Suitable for investors who have a high volatility investment profile.

Investment Strategy

This investment strategy includes a diversification of asset classes, managed by some of the most talented fund managers. The strategy aims to outperform SA inflation by 6% p.a. (6% real return) net of fund management fees over a rolling 7 year period. The strategy aims to provide investors with capital growth over the long term within acceptable risk parameters. The strategy invests in asset allocation, target return, equity and international unit trust funds. The strategy is expressly flexible to accommodate all approved asset classes. It will actively rotate international and local assets.

Suitable Products

Suitable products would include Endowments and Discretionary investment vehicles.

Risk Profile



Model Portfolio Details

Lead Manager	Roeloff Horne, MitonOptimal
Co-Manager	Jacques de Kock, MitonOptimal
Inception Date	2011/11/01
Reg 28 Compliant	No
Benchmark	(ASISA) Wwide MA Flexible
Return Objective	RSA CPI +6%
Annual Mandate Fee (%)	0,35
Model TER (%)	1,23

Monthly Market & Portfolio Commentary

The global market landscape witnessed significant shifts in March 2024, largely influenced by the Monetary Policies of major Central Banks and various economic indicators. In a year where election results of half the world could change the landscape in an instant, it is important to keep focus on what is relevant and try to cut out the noise of the market.

In March, Central Banks emerged as key drivers of market sentiment. The US Federal Reserve's release of its quarterly "dot plot," formally known as the Summary of Economic Projections, was a pivotal moment. This document detailed interest rate expectations, revealing anticipation for three rate cuts totalling 75 basis points within the year. Fed Governor Jerome Powell reinforced the expectation of lower rates, citing the trajectory of inflation towards the 2.0% target. Similarly, the European Central Bank signalled a potential rate cut at its June meeting, influencing market expectations. These announcements underscored Central Banks' commitment to supporting economic recovery amidst evolving global challenges.

Against the backdrop of Central Bank actions, the S&P 500 continued its upward trajectory, reaching new record highs by the end of March. The index's 3.1% gain for the month extended its year-to-date growth to 10.2%. This surge was underpinned by robust earnings growth, although valuations remained elevated. Expectations for positive earnings and revenue growth in Q1 2024 provided further support for market optimism. However, concerns lingered regarding the sustainability of the rally amid lingering uncertainties surrounding geopolitical tensions and potential shifts in Monetary Policy.

In South Africa, the FTSE/JSE All Share Index marked its first monthly gain of the year, showcasing resilience amidst global economic uncertainties. The index's performance was particularly buoyed by strong showings from mining companies, reflecting the country's significant presence in the mining sector.

Despite the relatively robust performance of the Rand against the US Dollar during the period, indicating some resilience in the currency markets, government borrowing rates climbed. This trend defied a relatively benign global interest rate environment and highlighted underlying economic challenges facing South Africa. The SA 10-year government borrowing rate advanced by 0.6% to end the month at 12.3%, signalling investor concerns over fiscal sustainability and sovereign risk.

The overall performance of the South African market and the ever-growing threat of an US correction and "reversion to the mean" underscored the importance of a diversified investment strategy tailored to flexibility. While certain sectors, such as mining, demonstrated strength, challenges in other areas, including inflation management and fiscal policy, underscored the need for cautious investment approaches. And with all the uncertainty surrounding local (and global) election outcomes, we feel that our funds and portfolios are well diversified, but positioned to take advantage of opportunities if inherent risks subside.

Source of all data Morningstar, unless otherwise stated.

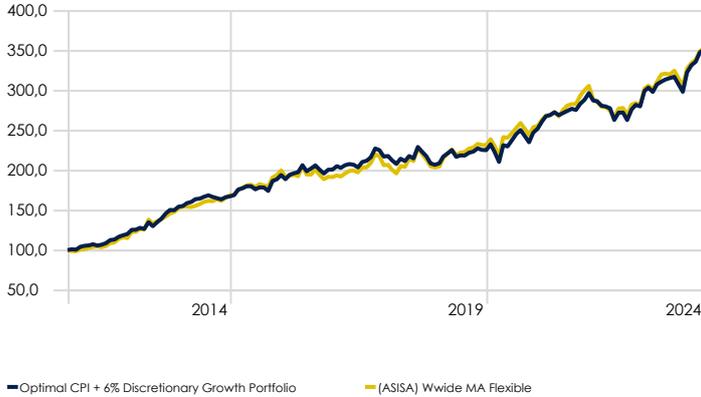
Optimal CPI + 6% Discretionary Growth Portfolio



Lumley Associates
 Authorised Financial Services Provider
 Building Wealth Since 1987

As of 2024/03/31

Investment Growth (Since Inception)



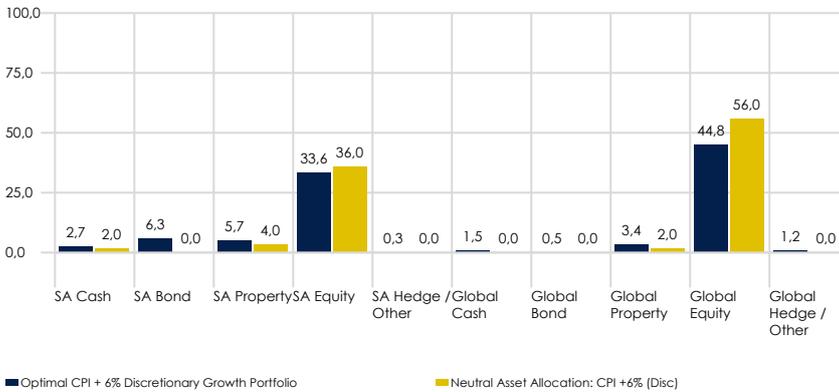
Discrete Calendar Performance (%)

	2020	2021	2022	2023	YTD
Optimal CPI + 6% Discretionary Growth Portfolio	11,95	17,73	-5,61	18,41	5,92
(ASISA) Wwide MA Flexible	10,42	19,78	-7,98	18,87	5,55

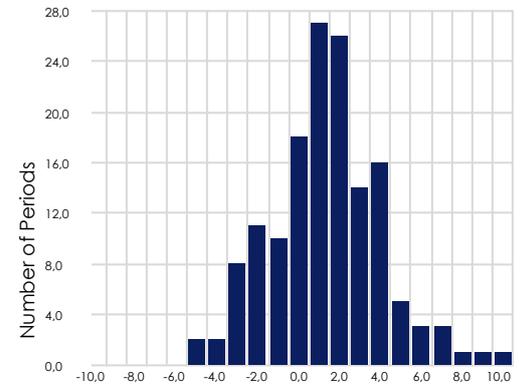
Annualised Performance (%)

	1 Year	3 Years	5 Years	Since Inception
Optimal CPI + 6% Discretionary Growth Portfolio	17,82	9,26	9,70	10,65
(ASISA) Wwide MA Flexible	17,23	9,51	9,83	10,91

Asset Allocation [Portfolio vs Neutral] (%)



Monthly Return Distribution



Model Portfolio Composition (%)

	Weight	Mgmt Fee	TER
IP Worldwide Active Beta	20,00	0,40	0,79
Granate BCI Flexible A	17,00	0,75	0,87
36ONE BCI Equity A	15,00	1,15	1,63
Allan Gray Equity A	12,00	1,15	1,55
BCI Fundsmith Equity FF A	11,00	0,46	1,40
Coronation Global Em Mkts Flex [ZAR] A	7,00	1,32	1,41
Old Mutual Global Equity A	5,00	2,01	2,05
Satrix Bond Index	5,00	0,52	0,50
Sesikile BCI Property	5,00	1,27	1,29
Reitway Global Property B1 USD	3,00	1,50	—

About MitonOptimal

MitonOptimal is an independent, owner-managed investment management business delivering focused investment solutions and support to enable advisers to meet their clients' investment objectives. As a Discretionary Fund Manager (DFM) we partner with advisers, sharing the investment decision-making and administration with them.

MitonOptimal South Africa (Pty) Limited and MitonOptimal Portfolio Management (Pty) Ltd are Authorised Financial Services Providers regulated by the Financial Sector Conduct Authority.



Data provided by Morningstar. Care has been taken to ensure that the information is correct but the suppliers neither warrant, represent nor guarantee the contents of the information, nor do they accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein. The Model TER (%) of the value of the financial product was incurred as expenses relating to the administration of the financial product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs. It should be considered in isolation as returns by many factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the investment decisions of the investment manager and the TER. All Fees are expressed ex VAT.

Collective Investments are generally medium to long-term investments. The value of participating interests may do down as well as up and past performance is not necessarily a guide to the future. Commission and incentives may be paid and, if so, are included in the overall cost. Performance figures are sourced by the data providers' systems for lump sum investments including income distribution, at Net Asset Value (NAV) to NAV basis. The performance figures do not include annual USP Administration fees. A Fund of Funds collective investment may invest in other collective investments, which levy their own charges. Collective investment prices are calculated on a NAV basis and auditors fees, bank charges, trustee and RSC levies are levied against the portfolio. MitonOptimal receive a Portfolio Manager fee of 0.35% p.a. 0.10% is payable to an approved FSP distribution partner to compensate for their contribution to the investment committee meetings, marketing and or distribution costs. The above fee is excluding vat. Lumley Associates CC, Registration number 1987/013908/23, is an authorised financial service provider FSP number 16017. Should you have any further queries or complaints, please contact Lumley Associates CC. For your information, the FAIS ombudsman provides an independent and objective advisory service. Should you not be satisfied with the outcome of a complaint handled by Lumley Associates CC, please write to: The Ombudsman, PO Box 74571, Lynnwoodridge, 0040. Telephone (012) 470 9080/99. Fax (012) 348 3447. Email: info@faisombud.co.za.