

INVESTMENT COMMITTEE MEETING NOTES

NETWORK	DATE	TIME	LOCATION
Lumley Associates	19.02.2025	10:00 – 12:00	MitonOptimal office

ATTENDEES	
Sean Lumley	Lumley Associates
Roeloff Horne	MitonOptimal
Deon Engelke	MitonOptimal
Jacques de Kock	MitonOptimal
George Dell	MitonOptimal
Riaan Maartens	MitonOptimal
Kayla Munnik	MitonOptimal

APOLOGIES	

MEETING CONTENT	
Recording	2025.02.19
Presentation	

KEY TAKEAWAYS

- Portfolio performance has been strong, with 11% returns over 4 years
- Considering increasing exposure to Chinese tech and gold miners
- Positive outlook on private investment in South African SOEs, but political risks remain
- Budget speech may avoid tax hikes due to DA opposition

TOPICS

Portfolio Performance Review

- Flagship portfolio has returned 11% over 4 years, outperforming benchmarks
- Global exposure at 56%, potentially breaching Reg 28 limits temporarily
- Good diversification across sectors, with slight overweight in real estate
- Strong performance from underlying fund managers like Granite and 91

Market Trends and Opportunities

- Positive outlook for US tech and growth stocks
- Emerging markets, especially China, seen as attractive
- Gold miners viewed as potential opportunity due to supply constraints
- Considering increasing exposure to Chinese tech via ETFs or local proxies
- Monitoring South African political developments and potential privatisation of SOEs

Investment Strategy Discussion

- Debated merits of increasing risk exposure given positive equity momentum
- Considered rotating from broad market exposure into more targeted bets like Chinese tech or gold miners
- Discussed cash levels and upcoming inflows to fund new positions
- Reviewed specific stocks like Rolls-Royce (benefiting from defense spending) and Naspers

SA Economic & Political Outlook

- Potential for increased private investment in SOEs, particularly in rail sector
- Upcoming budget speech may avoid tax hikes due to opposition from DA
- Concerns about recent legislation and impact on foreign investment
- Debate on government's true intentions and political maneuvering

Next steps

- Research Chinese tech ETF options (e.g. Satrix China ETF as other options require due diligence)
- Monitor upcoming budget speech for policy signals
- Review cash levels and consider funding sources for new positions
- Continue evaluating gold miner and Chinese tech opportunities
- Prepare for potential rebalancing to maintain Reg 28 compliance

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