

INVESTMENT COMMITTEE MEETING NOTES

NETWORK	DATE	TIME	LOCATION
Optimal	04.09.2025	16:00 – 18:00	MS Teams

ATTENDEES

Sean Lumley	Lumely Associates
Roeloff Horne	MitonOptimal
George Dell	MitonOptimal

MEETING CONTENT

Recording	20250904
Presentation	

KEY TAKEAWAYS

- Agreed to sell DRD Gold position (2.5% of portfolio) at \$36.45, capturing significant gains
- Plan to invest 10-15% of portfolio in structured note products for downside protection, pending currency risk confirmation
- Considering adding Coronation Capital Plus fund (10%) to Alan Gray model portfolio for diversification
- Reviewing potential overexposure to certain managers (e.g. Old Mutual Global Equity) across fund and model portfolios

TOPICS

Worldwide Growth Fund Asset Allocation

- Currently underweight global and local equities, very overweight commodities (19% including spot and equity exposure)
- Top holdings: Basic Materials 19.5%, Real Estate overweight, Technology slightly underweight, Industrials overweight
- Considering increasing SA equity to 33%, DM equity slightly higher, EM equity to 10%
- Debating merits of 10-15% allocation to structured note products for downside protection

Structured Note Products

- Discussing potential 10-15% allocation to structured notes for downside protection
- Concerns raised about currency risk exposure in global basket note
- Agreement to get clarification on how currency movements are factored into returns
- More comfort with Top 40 note due to rand denomination and gearing

Model Portfolio Reviews

- Allan Gray CPI+4 model: Considering adding Coronation Capital Plus (10%) and reducing fixed interest/property
- Ninety One CPI+4-5 model: Similar recommendations to Allan Gray model
- Managed Growth model: Strong historical performance but limited AUM, considering closing

Fund Manager Updates

- Positive feedback on Coronation's global emerging markets capabilities and stock selection process
- Interest in upcoming Janus Henderson Global Technology feeder fund for potential inclusion

Trading Activity

- Sold Sibanye at peak (43.12 on July 24th)
- Partial sale of DRD Gold position executed during meeting at \$36.4

Market Outlook

- Cautious on South African political risks and potential leftward shift
- Seeing opportunities in luxury/retail stocks in India despite high overall valuations
- Monitoring gold price and miners closely, balancing conviction with need to take profits

Next steps

- Get clarification on currency risk handling in global basket structured note
- Test Reg 28 compliance for proposed model portfolio changes
- Execute sale of Satrix Bond Index in CPI+6 portfolio and switch to Worldwide Growth Fund
- Consider closing Managed Growth model portfolio if unable to grow AUM
- Monitor short-term technicals on gold positions for potential further profit-taking
- Research Janus Henderson Global Technology fund when feeder becomes available

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