



Quarterly Investment Update - April 2025

HW | Hewett
Wealth



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Market Performance Review

LOCAL MARKET PERFORMANCE (2025/03/31)

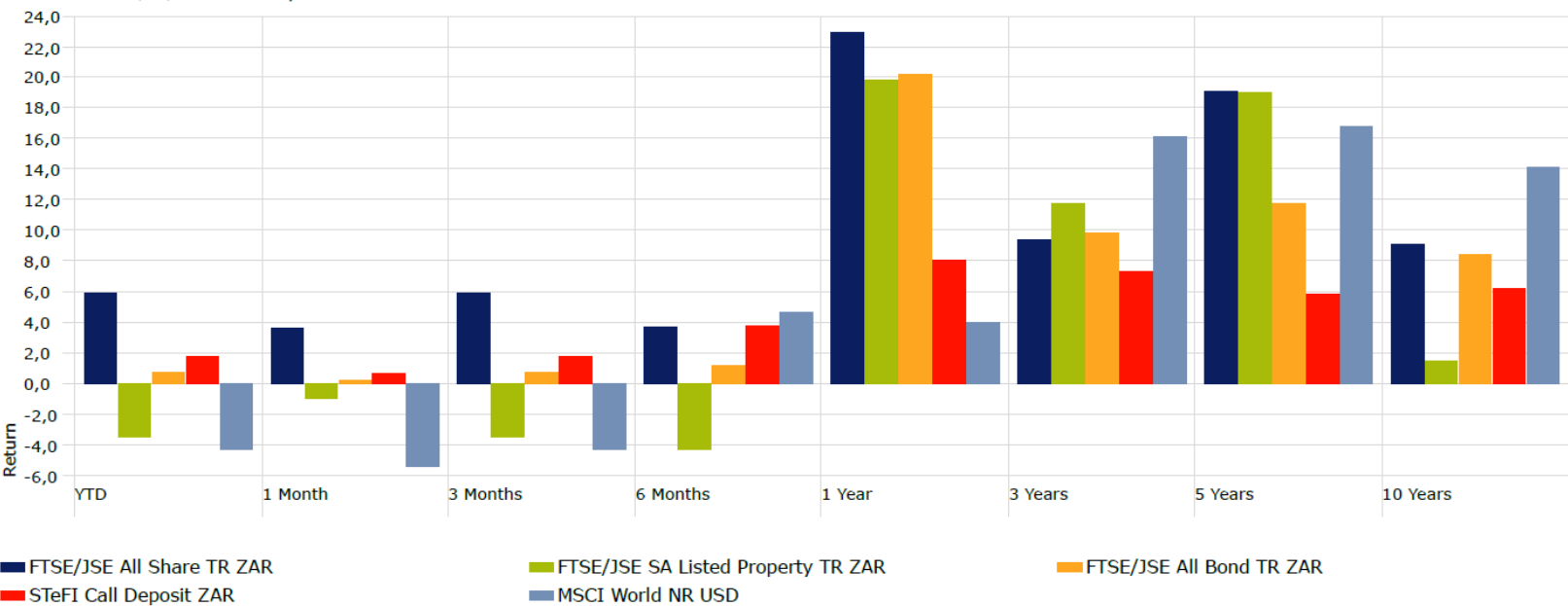
Calendar Year Returns

Data Point: Return

	YTD	1 Month	3 Month	6 Month	1 Year	3 Years	5 Years	10 Years
FTSE/JSE All Share TR ZAR	5,94	3,55	5,94	3,68	22,95	9,41	19,06	9,04
FTSE/JSE SA Listed Property TR ZAR	-3,51	-0,90	-3,51	-4,31	19,83	11,74	18,97	1,44
FTSE/JSE All Bond TR ZAR	0,70	0,19	0,70	1,13	20,16	9,83	11,73	8,41
STeFI Call Deposit ZAR	1,82	0,61	1,82	3,80	7,98	7,26	5,83	6,20
MSCI World NR ZAR	-4,28	-5,38	-4,28	4,65	3,96	16,15	16,81	14,16

South African Market Returns (ZAR)

As of Date: 2025/03/31 Currency: Rand



GLOBAL MARKET PERFORMANCE (2025/03/31)

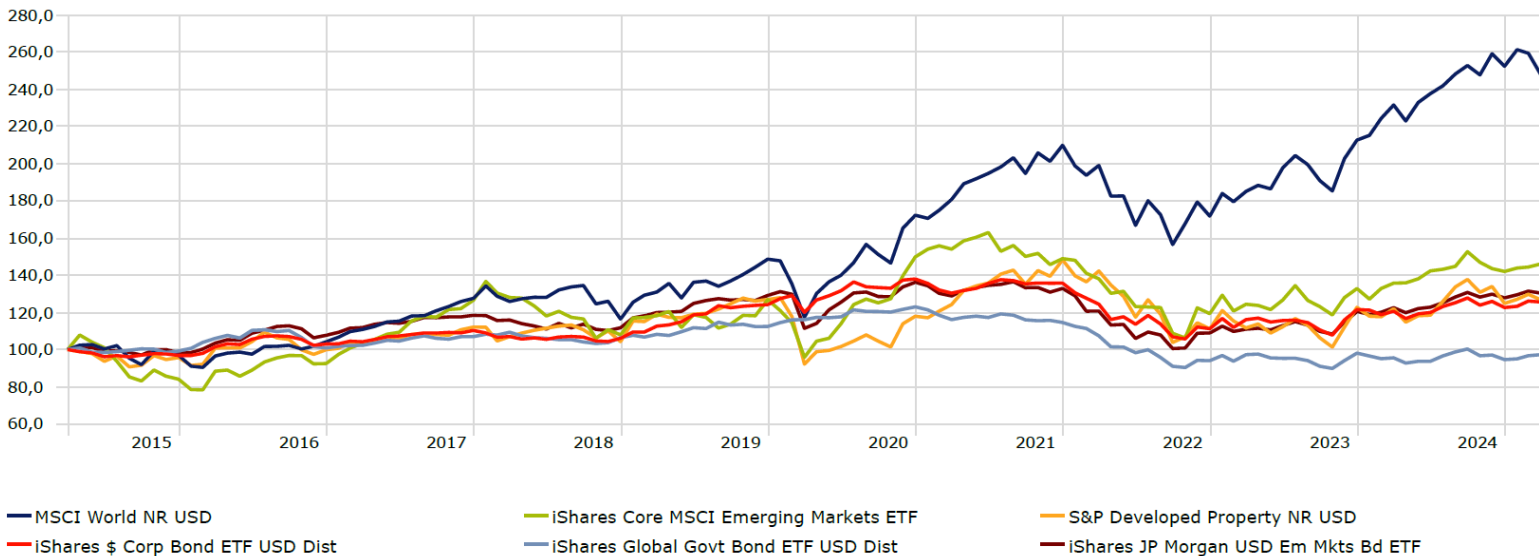
International Market Returns

Data Point: Return

	YTD	1 Month	3 Month	6 Month	1 Year	3 Years	5 Years	10 Years
MSCI World NR USD	-1,79	-4,45	-1,79	-1,95	7,04	7,58	16,13	9,50
iShares Core MSCI Emerging Markets ETF	2,85	1,16	2,85	-4,31	7,61	1,89	8,78	3,86
S&P Developed Property NR USD	1,52	-2,31	1,52	-7,97	3,95	-3,78	6,57	2,39
iShares \$ Corp Bond ETF USD Dist	2,43	-0,39	2,43	-1,69	4,14	0,31	0,90	2,30
iShares Global Govt Bond ETF USD Dist	2,78	0,55	2,78	-3,05	1,78	-3,25	-3,47	-0,28
iShares JP Morgan USD Em Mkts Bd ETF	2,00	-0,81	2,00	-0,29	6,39	2,60	3,19	2,68
USTREAS T-Bill Auction Ave 3 Mon	1,09	0,36	1,09	2,25	4,99	4,61	2,79	1,97

Investment Growth

Time Period: 2015/04/01 to 2025/03/31





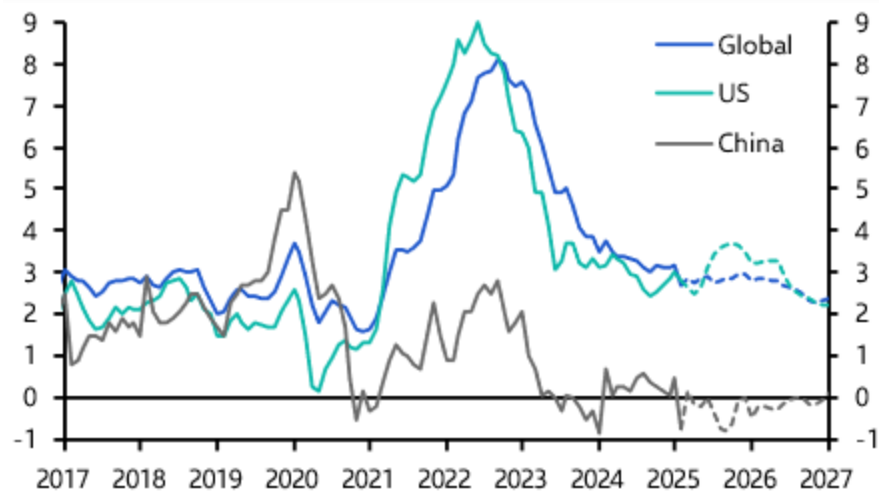
Market Outlook

RATE CUTS

Meanwhile, the global trend of disinflation will be less broad this year. A 10%-pt hike in the average US tariff rate will boost inflation there by a little under 1%-pt, though this price level change should drop out of the year-on-year comparison in 2026. Further falls in headline inflation in the euro-zone and Japan are likely to be matched by slight increases in inflation in many EMs outside Asia. China will remain the global outlier, with excess capacity keeping inflation stuck just below zero.

Slower disinflation and upside risks from tariff escalation and higher defence spending will mean that central banks tread carefully. Most will continue cutting rates, but the depth of the rate cuts will be reduced compared to 2024. In fact, the Fed will refrain from cuts until price pressures subside in 2026. And sustained 2% core inflation will give the Bank of Japan the green light to continue hiking.

Headline CPI Inflation (%)



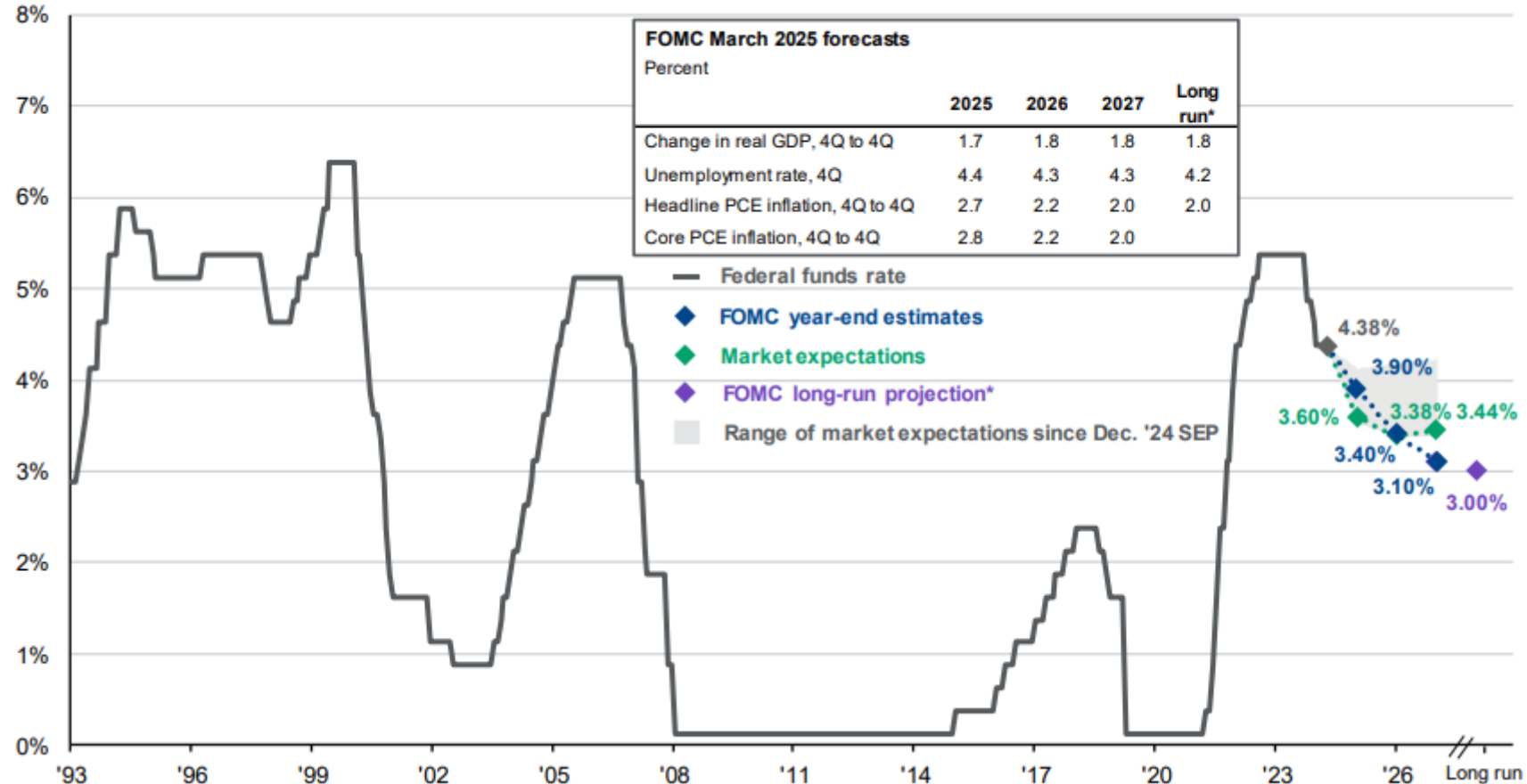
Policy Interest Rates (%)



RATE CUTS

Federal funds rate expectations

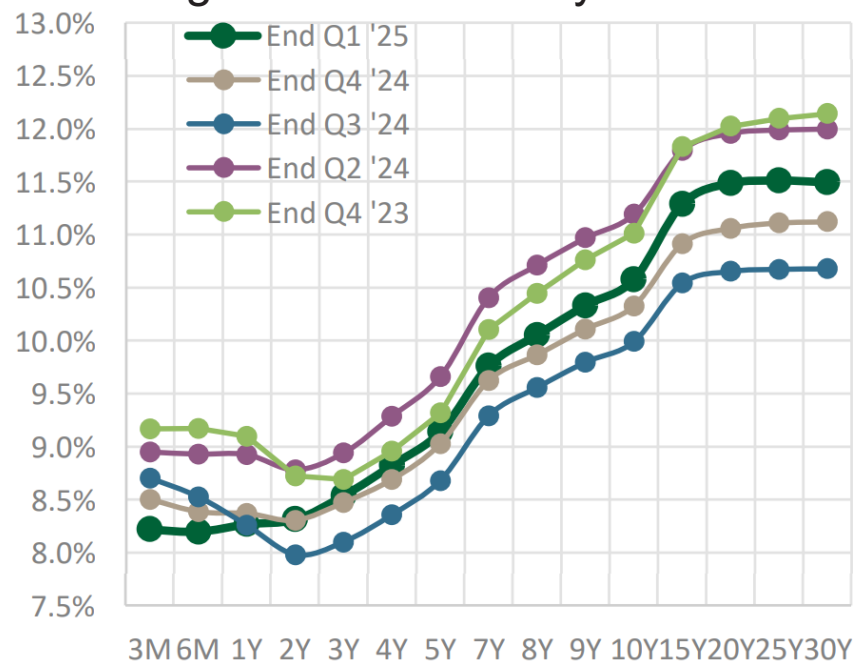
FOMC and market expectations for the federal funds rate



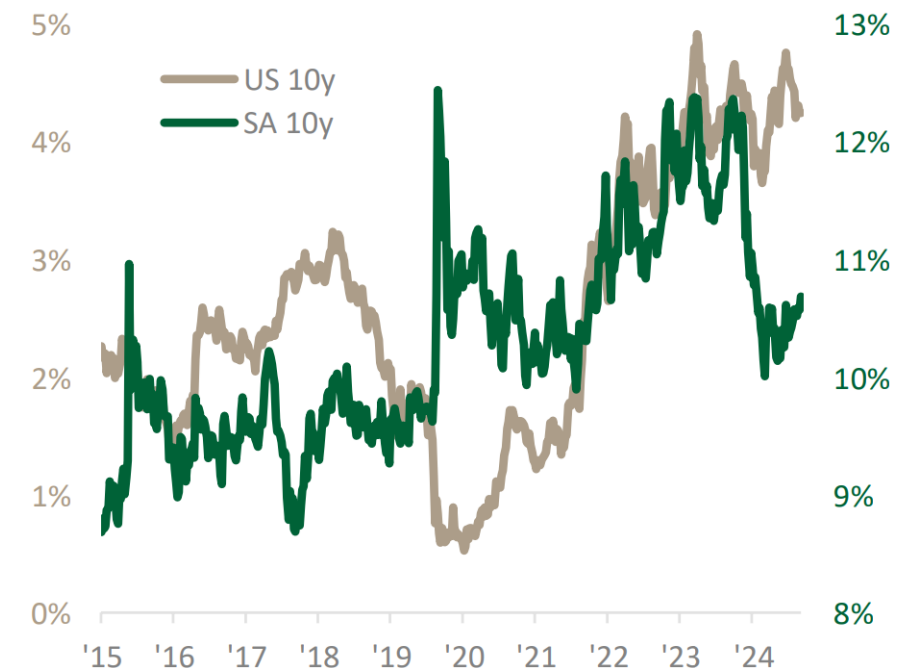
SOUTH AFRICA BONDS

SA bonds returned +0.7% this quarter, lagging SA cash at +1.8% amid geopolitical volatility. The SA 10-year bond yield closed at 10.6%, offering a strong real return versus 3.2% inflation. Cash remains attractive, with 12-month NCDs yielding 8.1%—a 4.9% real return. We continue to favour cash and money markets while maintaining some long-duration exposure. SA bonds appear fairly valued, but political risks (e.g., potential GNU instability) could push yields higher. Yield curve shifts reflect rising long-end yields on budget concerns and falling short-end rates after the repo cut.

SA government bond yield curve



US & SA 10-year government bond yields

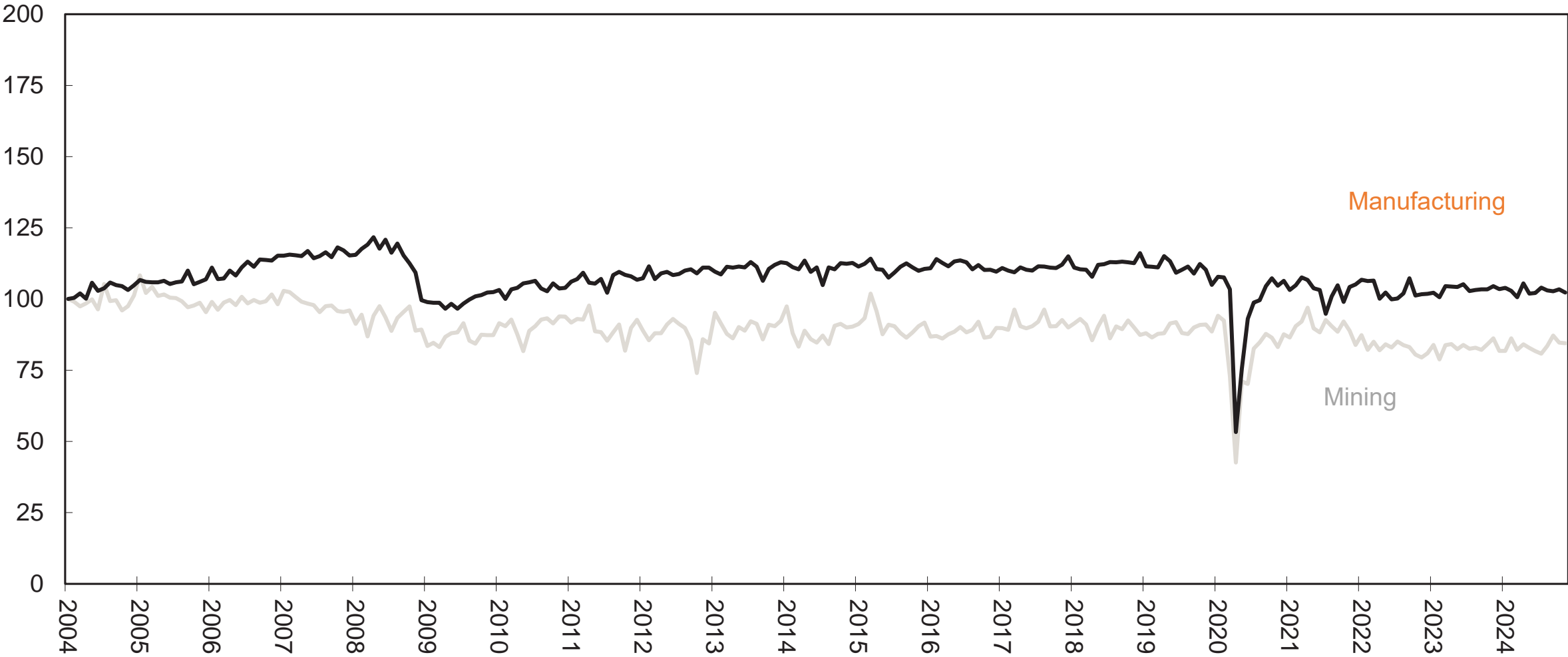


SOUTH AFRICA EQUITY

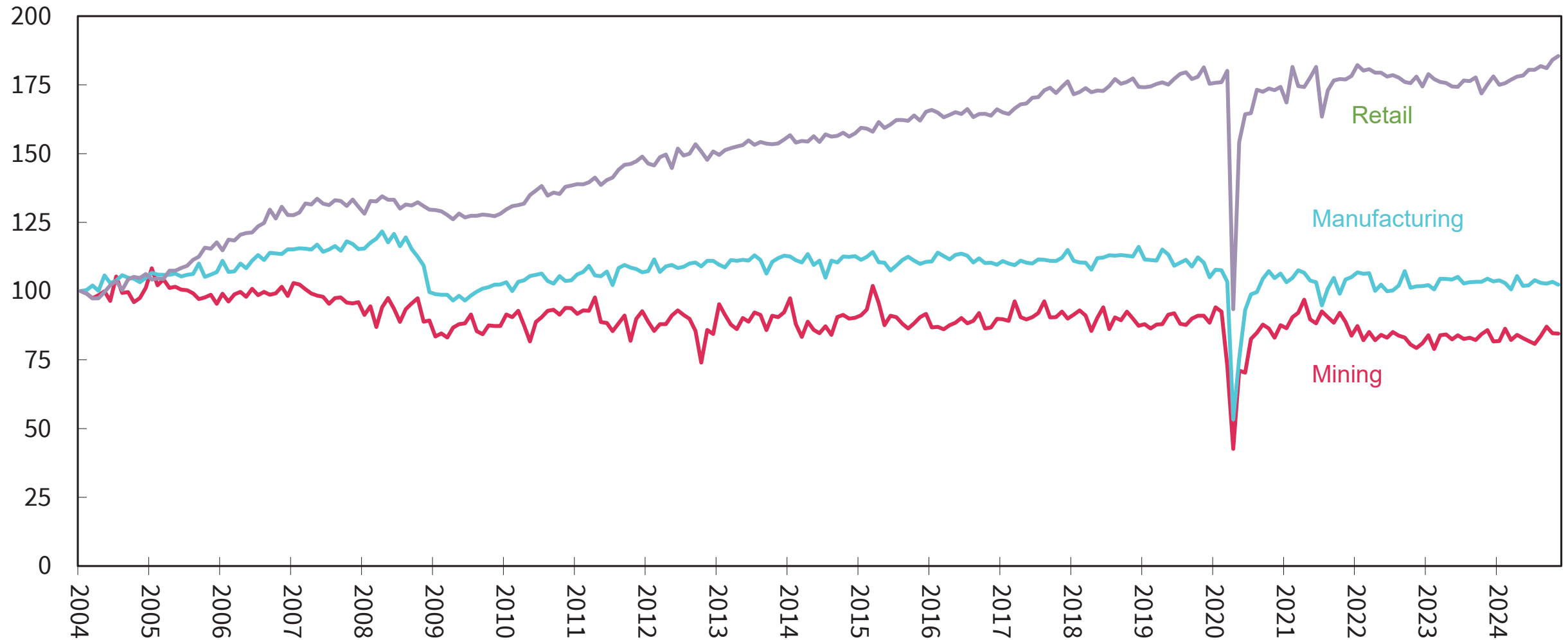
While mid- and small-cap SA stocks rallied last year, large caps have led in 2025, returning +8.5% vs. -7.1% for small caps and +0.1% for mid-caps. The JSE All Share Index returned 5.9% for the quarter, driven largely by precious metals miners—especially gold stocks—boosted by higher gold prices. Excluding this sector, the broader market delivered negative returns. Global assets within domestic portfolios have detracted year-to-date amid US tariff-driven selloffs. **Three key risks to SA equity outlook: 1) rising geopolitical tensions, 2) Trump-era policy volatility and SA-US trade strain, and 3) domestic coalition instability.** The latter two materialised recently, weighing on equity performance. Despite global growth concerns, SA companies remain resilient—supported by strong balance sheets, experienced management, low valuations, and solid cash returns to shareholders.



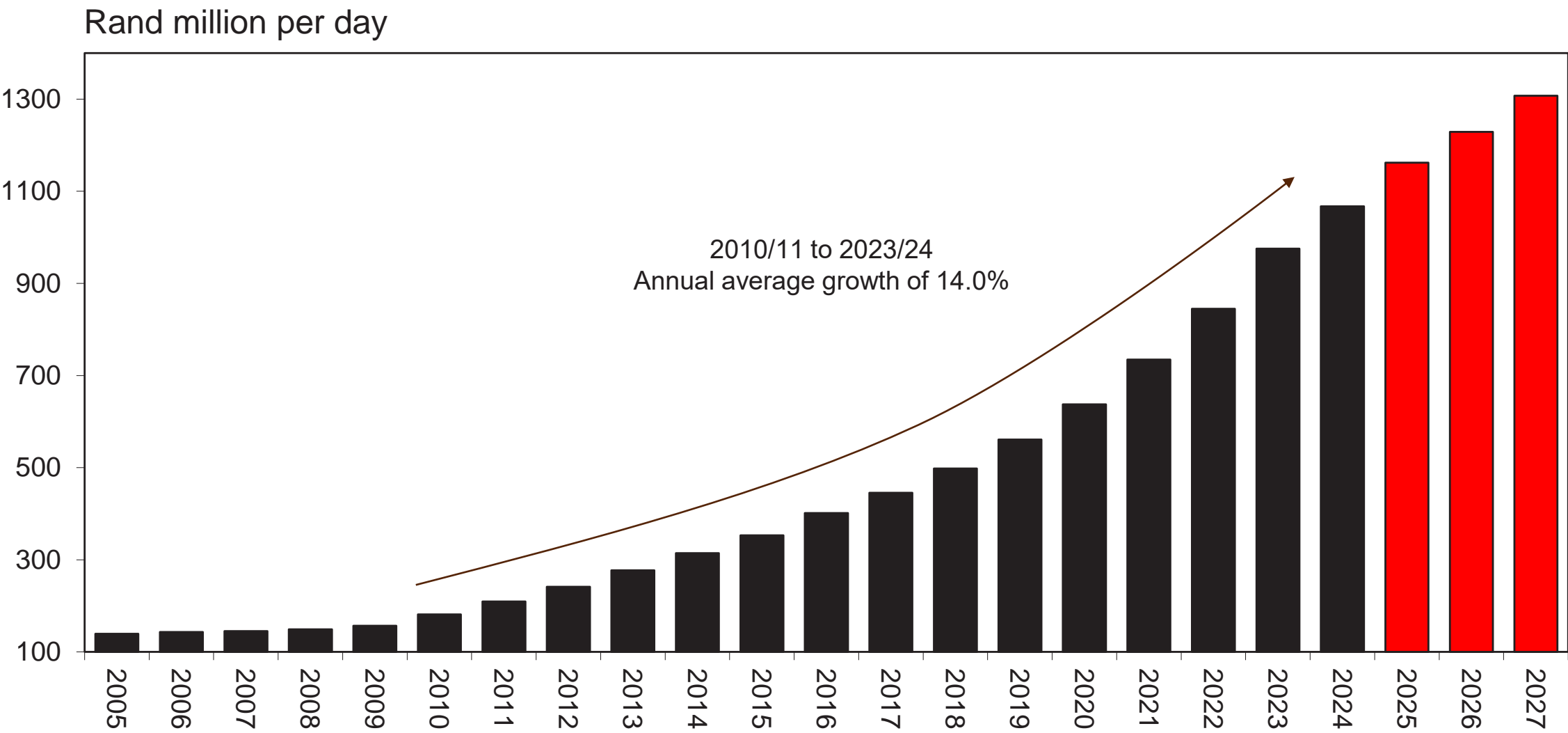
SA MINING AND MANUFACTURING PRODUCTION INDEX



SA MINING, MANUFACTURING AND RETAIL ACTIVITY

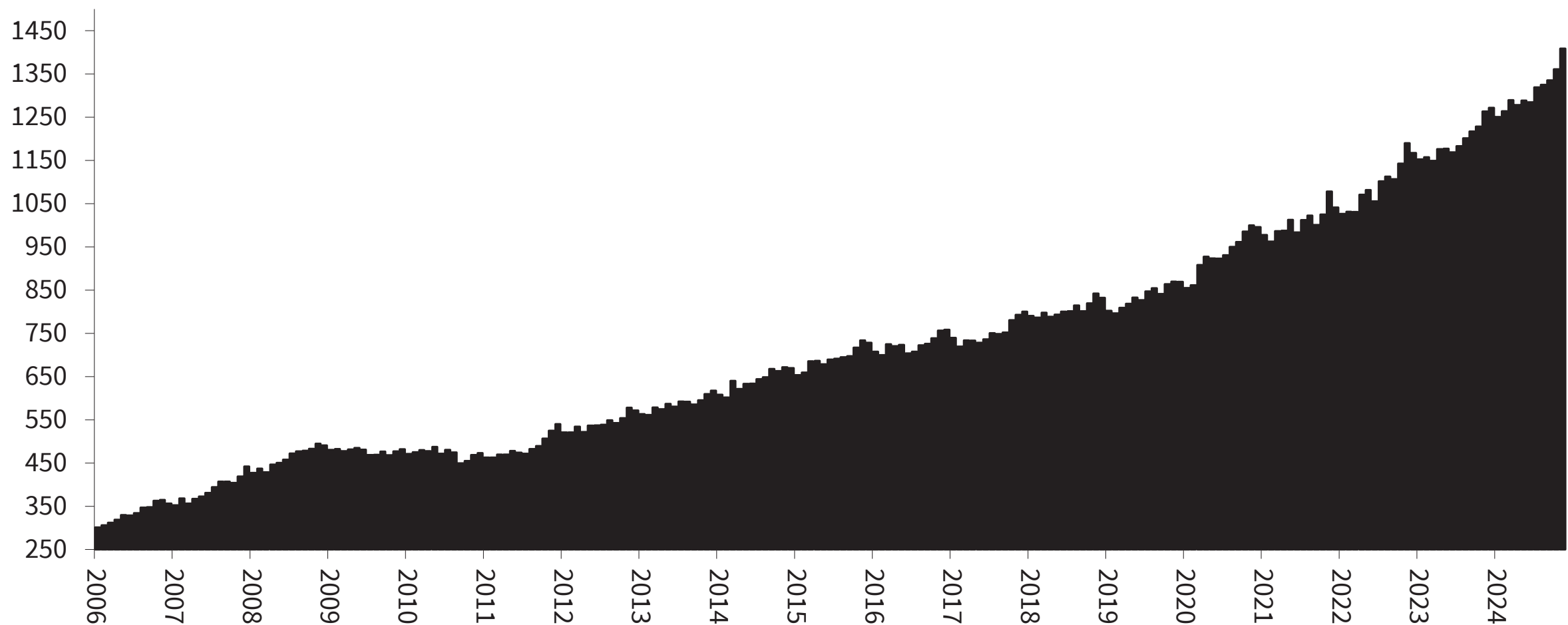


DAILY INTEREST COST OF SA GOVERNMENT DEBT



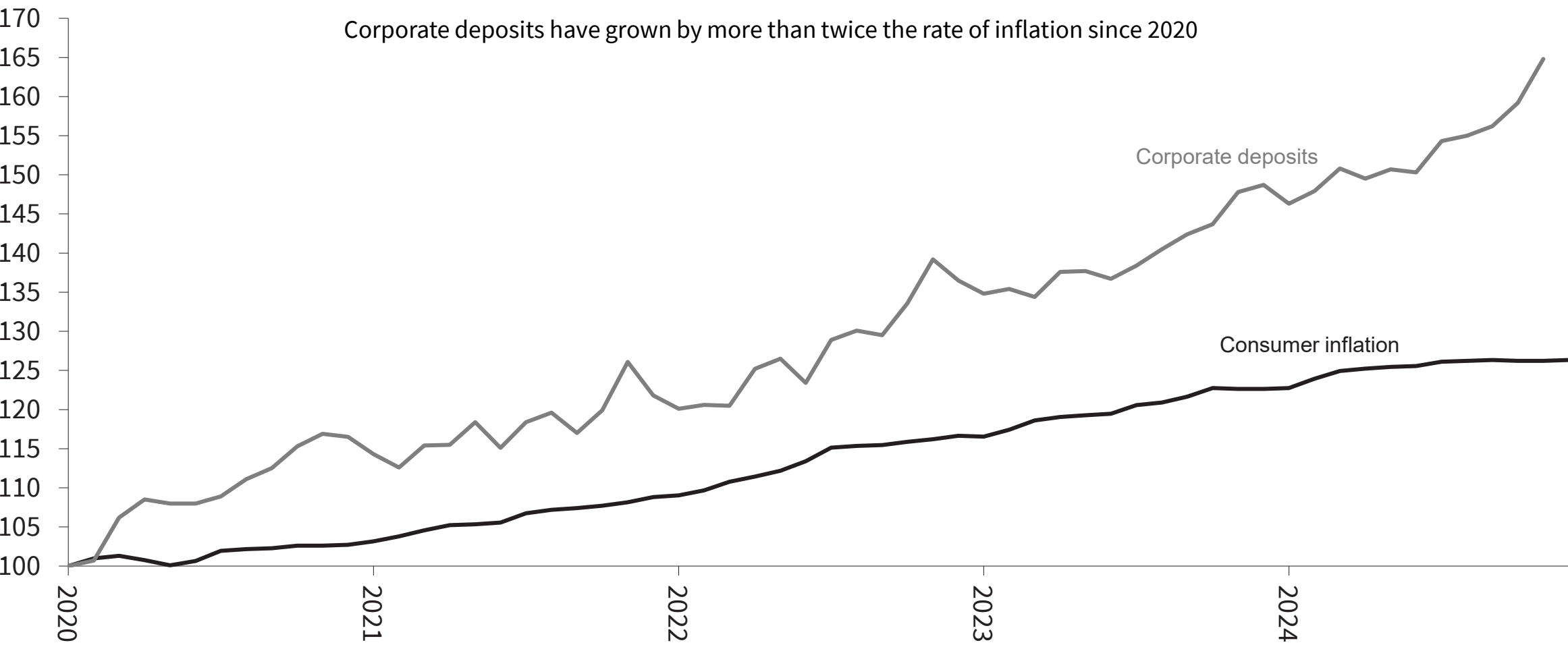
SOUTH AFRICA CORPORATE (NON-FINANCIAL) DEPOSITS

R billion

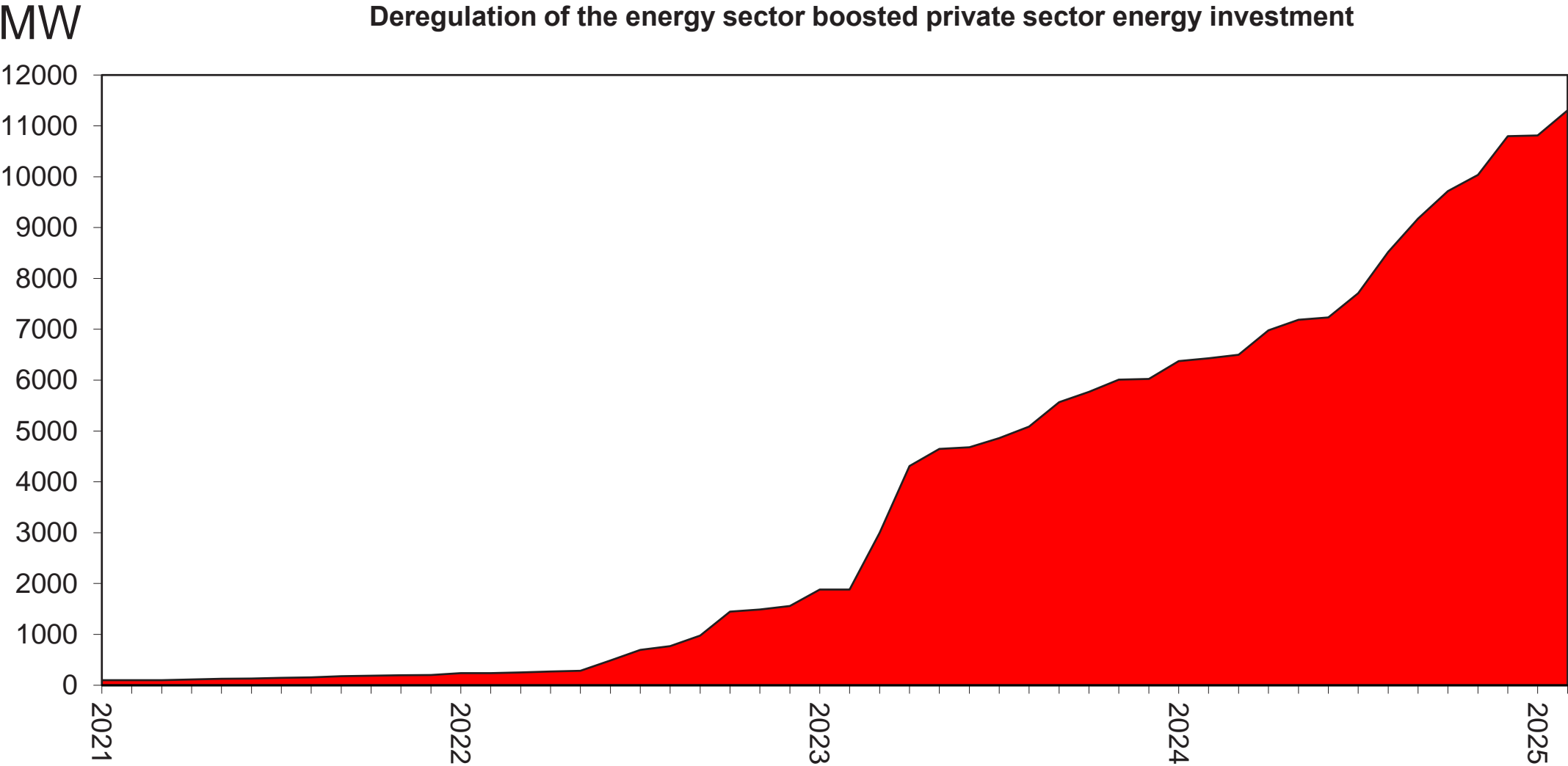


SOUTH AFRICA CORPORATE DEPOSIT (NON-FINANCIAL) VS INFLATION

Index, Jan 2020 = 100

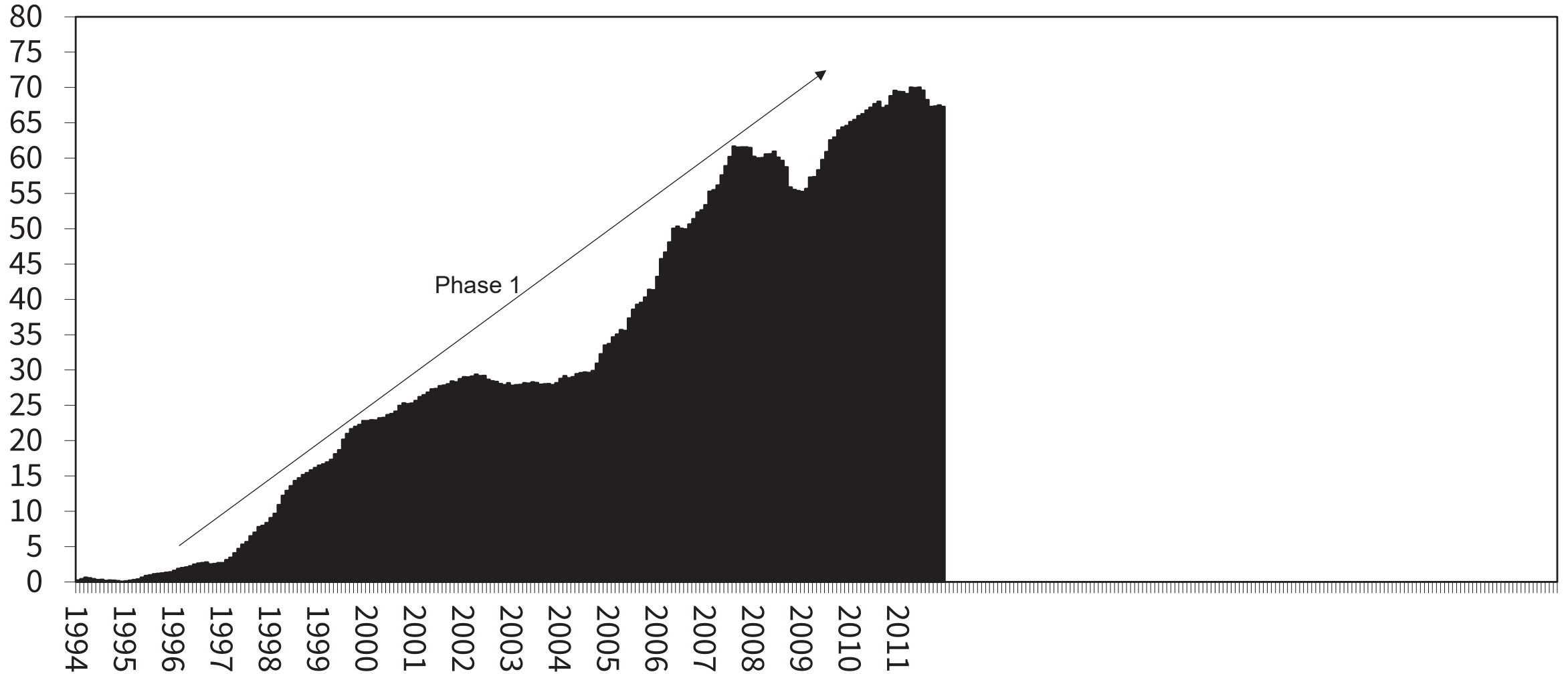


SA PRIVATE SECTOR ELECTRICITY PRODUCTION (MOSTLY SOLAR ENERGY)

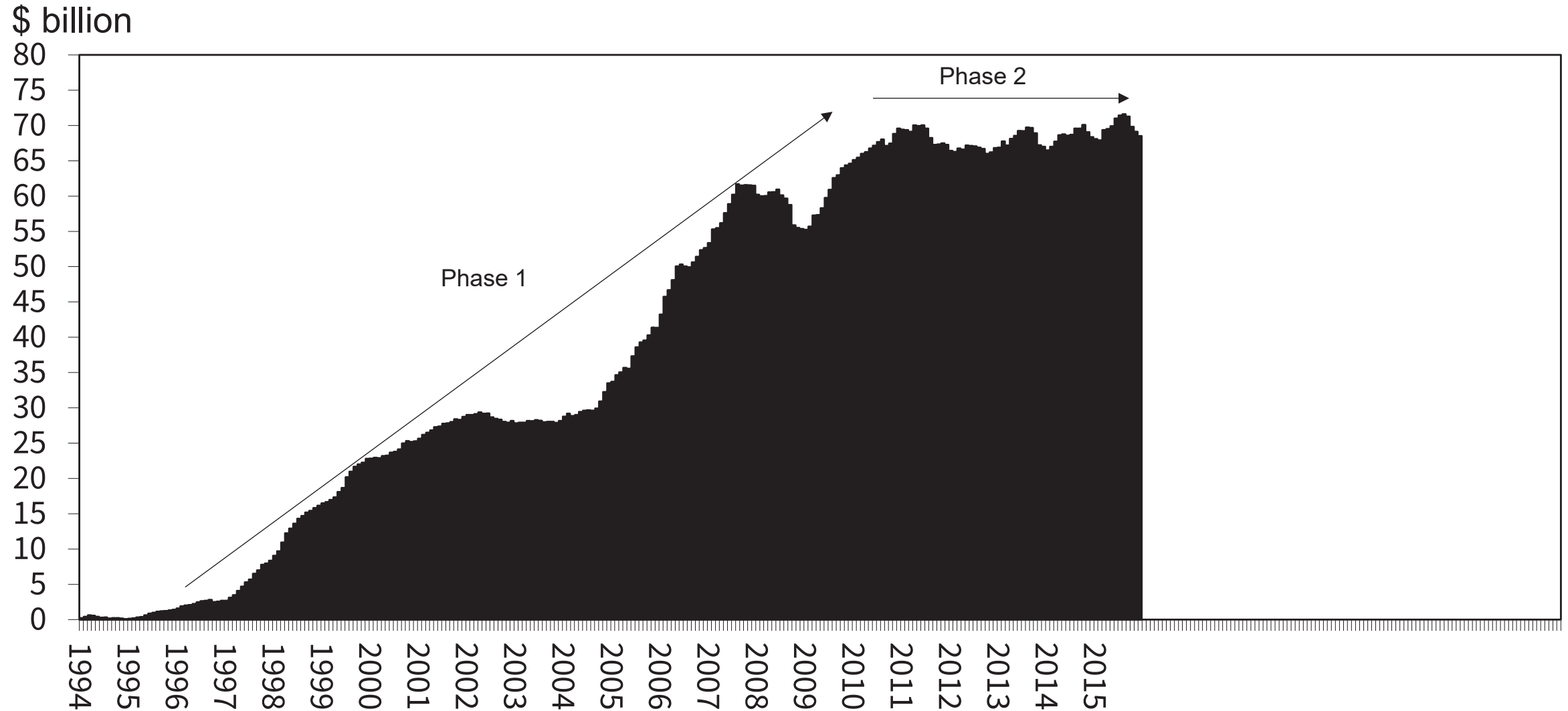


NET CUMULATIVE FOREIGN BUYING OF SA EQUITIES

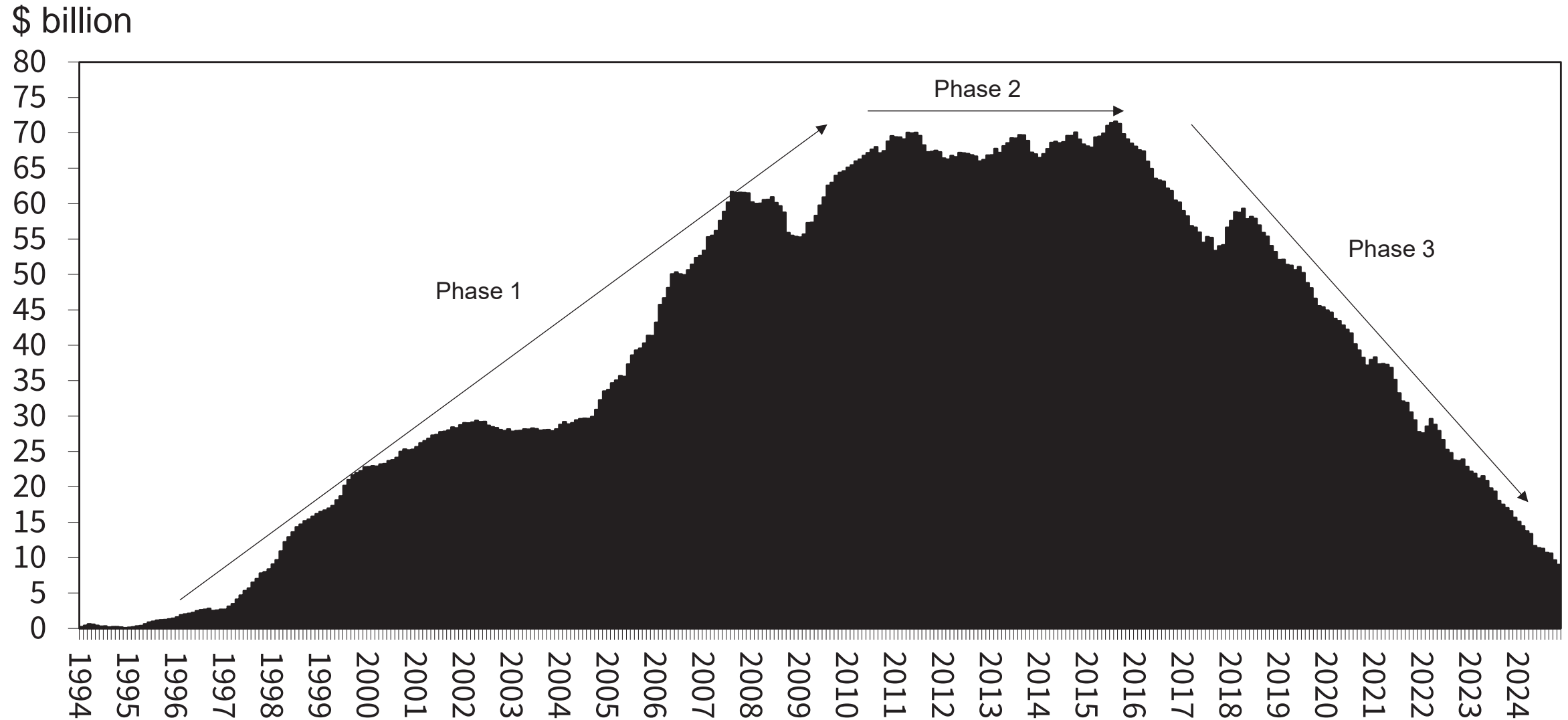
\$ billion



NET CUMULATIVE FOREIGN BUYING OF SA EQUITIES

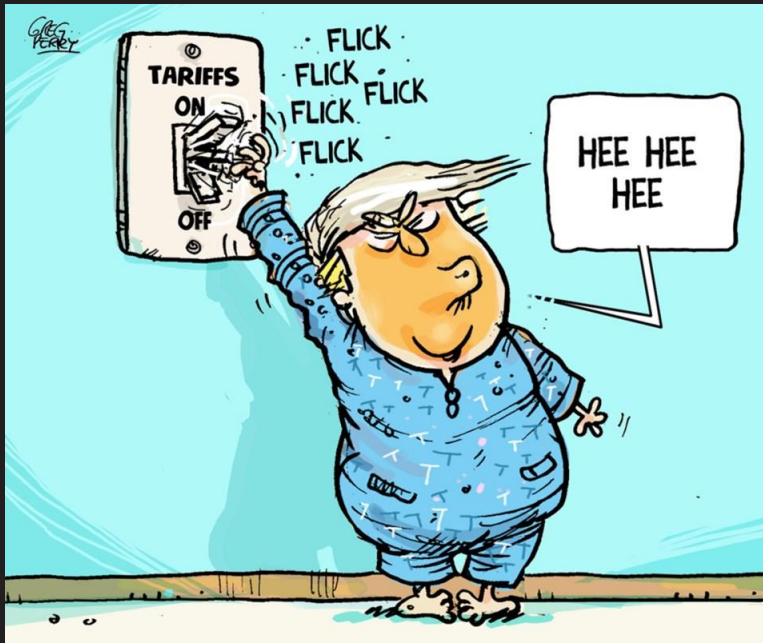


NET CUMULATIVE FOREIGN BUYING OF SA EQUITIES





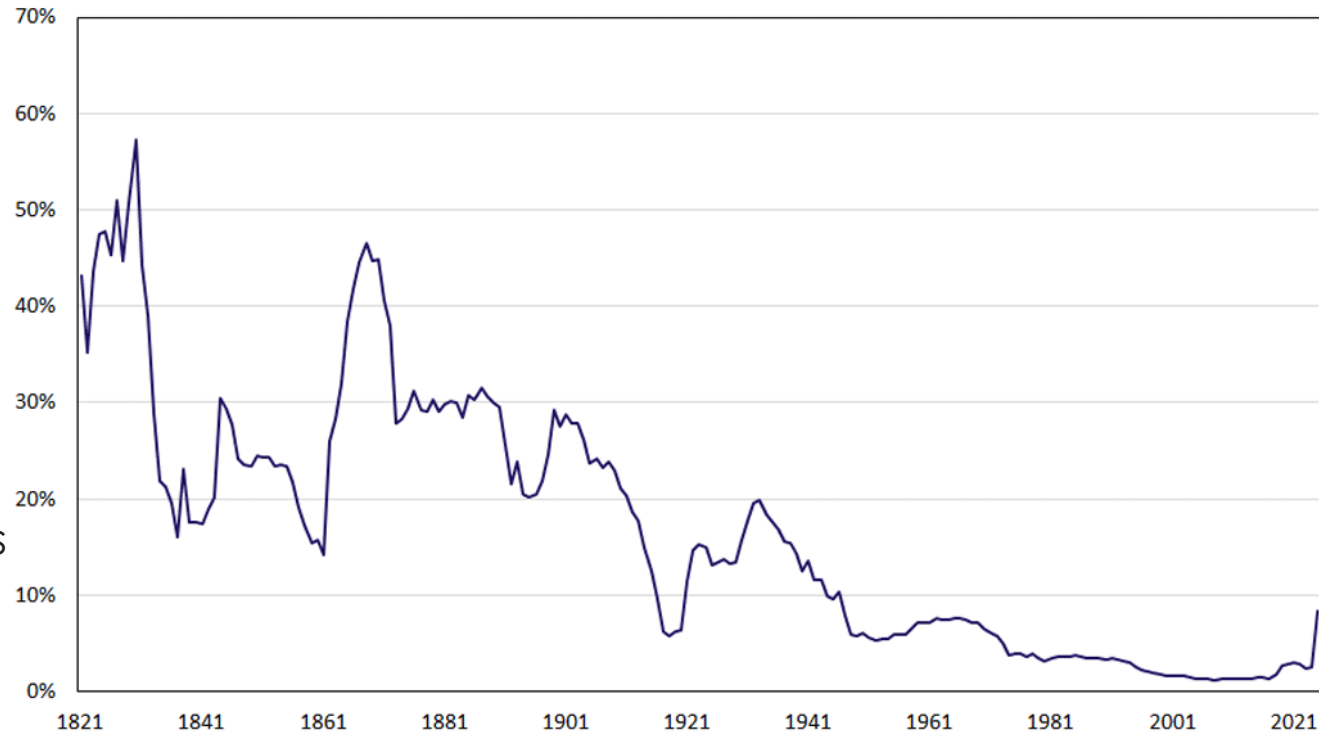
TRUMP TARIFFS



A BIT OF HISTORY ON TARIFFS

Historically, the U.S. relied heavily on tariffs — often exceeding 30 percent — as its primary source of federal revenue from the nation's founding until the introduction of income taxes in 1913. During this early period, these high tariffs also served to protect emerging industries through a strategy called import substitution. After World War II, international trade agreements like the General Agreement on Tariffs and Trade significantly reduced tariffs globally from an average of around 20 percent in 1947 to below 5 percent following the Uruguay Round in 1994. The globalization movement of the 1980s and 1990s further accelerated tariff reductions, culminating in the establishment of the World Trade Organization (WTO) in 1995. Since then, tariffs among WTO member countries have generally remained around 2.5 percent, reinforcing greater global economic interconnectedness.

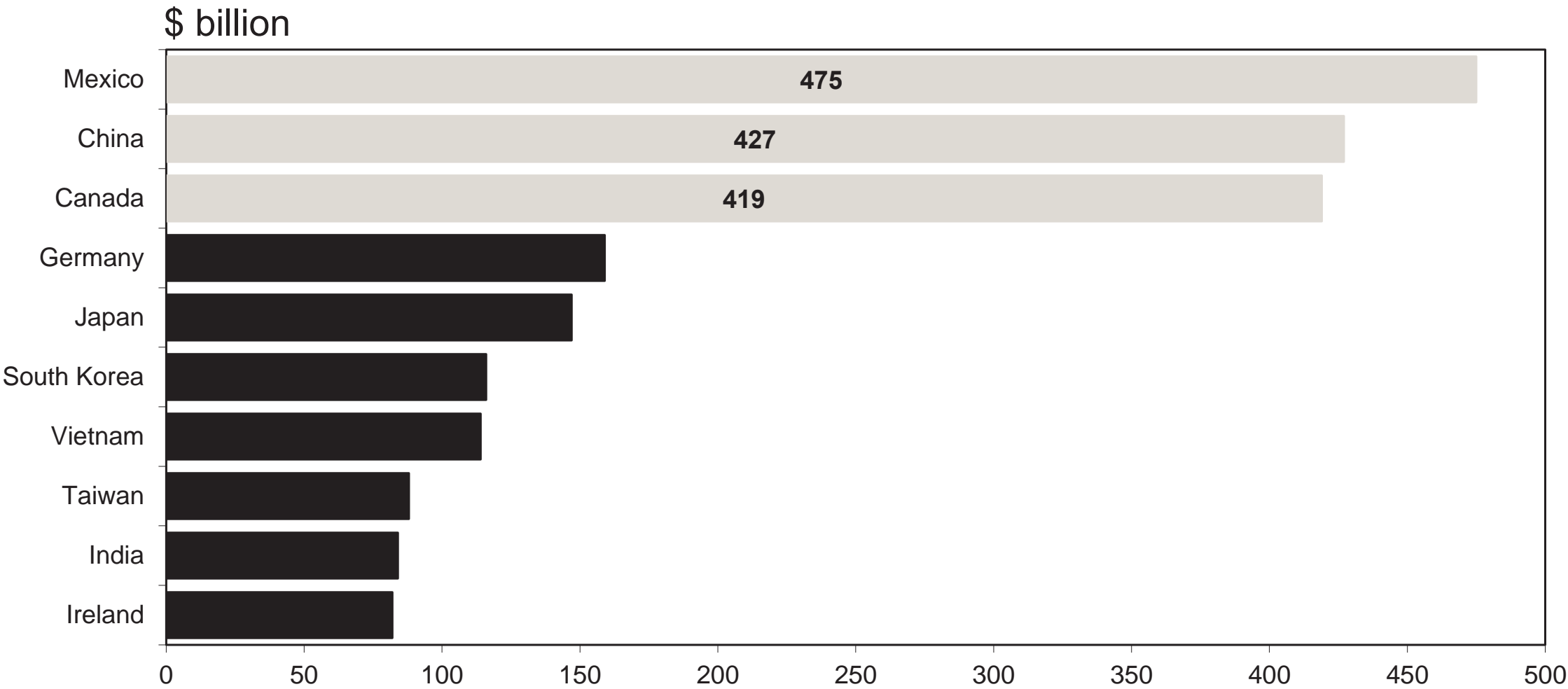
Figure 2: Historical Tariff Rates



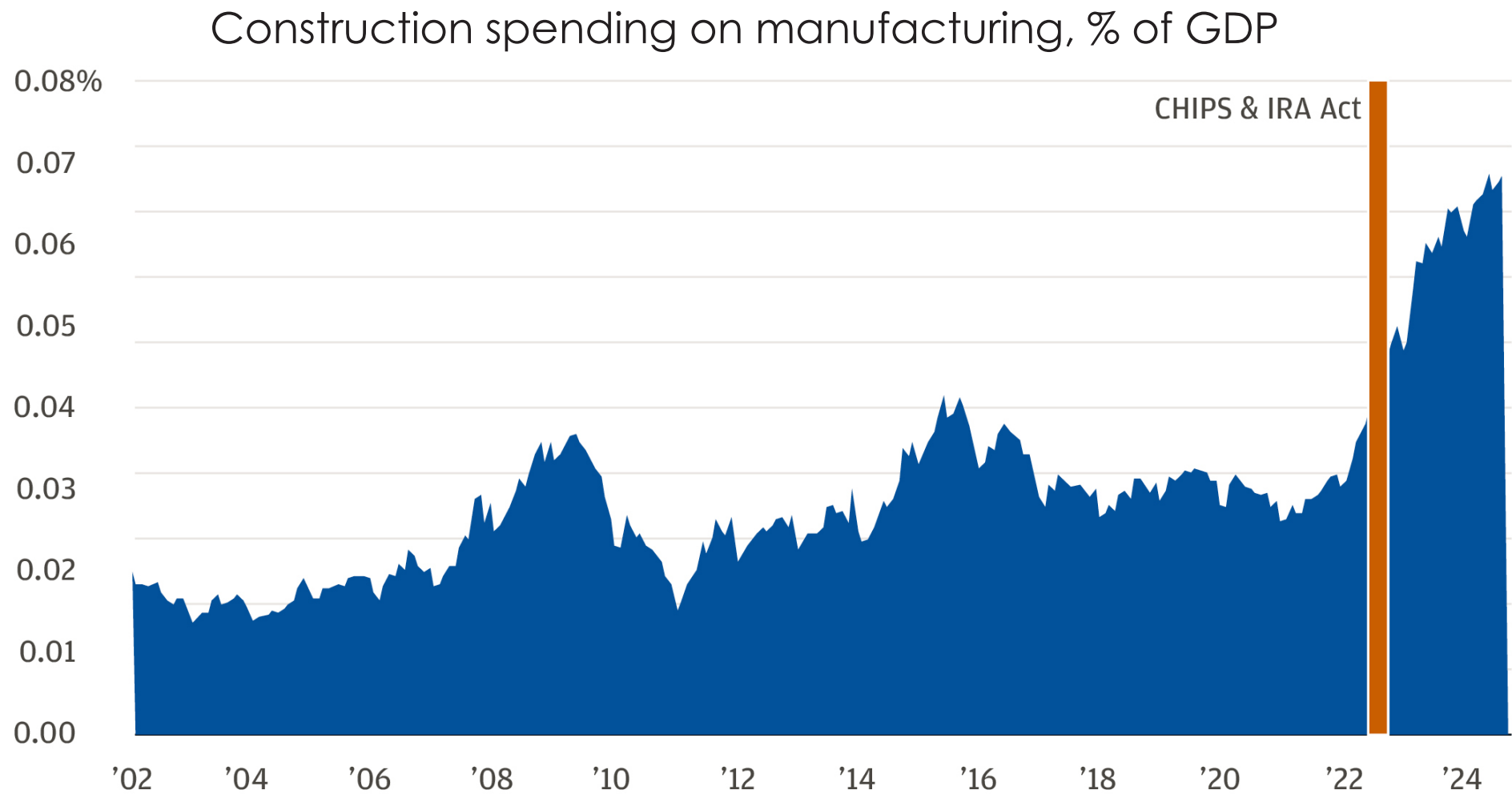
Notes: This figure uses data made publicly available for download from the Tax Foundation. Shown are the average tariff rates for the period 1890-2023, the projected rate for 2024 and the estimated rate for 2025 under currently imposed tariffs. Tariff revenue estimate uses an elasticity of -0.997 and a noncompliance rate of 8 percent.

Sources: Census Bureau's *Historical Statistics of the United States, Colonial Times to 1970, Part II*; US Trade Commission, "U.S. imports for consumption, duties collected, and ratio of duties to values, 1891-2023, (Table 1); and Tax Foundation calculations via the March 25, 2025 article "Trump Tariffs: Tracking the Economic Impact of the Trump Trade War."

US IMPORTS BY COUNTRY IN 2023



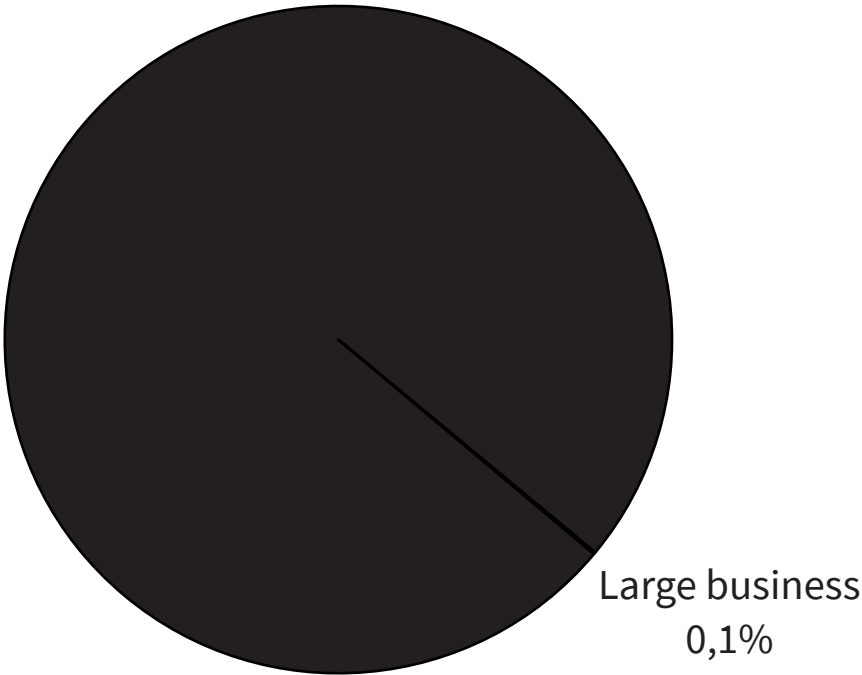
SPENDING ON U.S. MANUFACTURING PLANTS HAS MORE THAN DOUBLED SINCE 2019



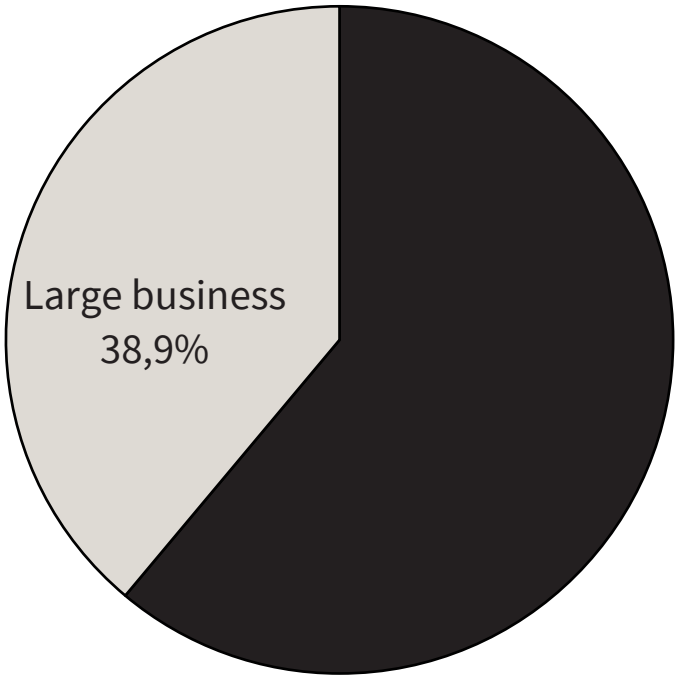
BREAKDOWN OF US BUSINESS: SMALL VS LARGE BUSINESS

Percent

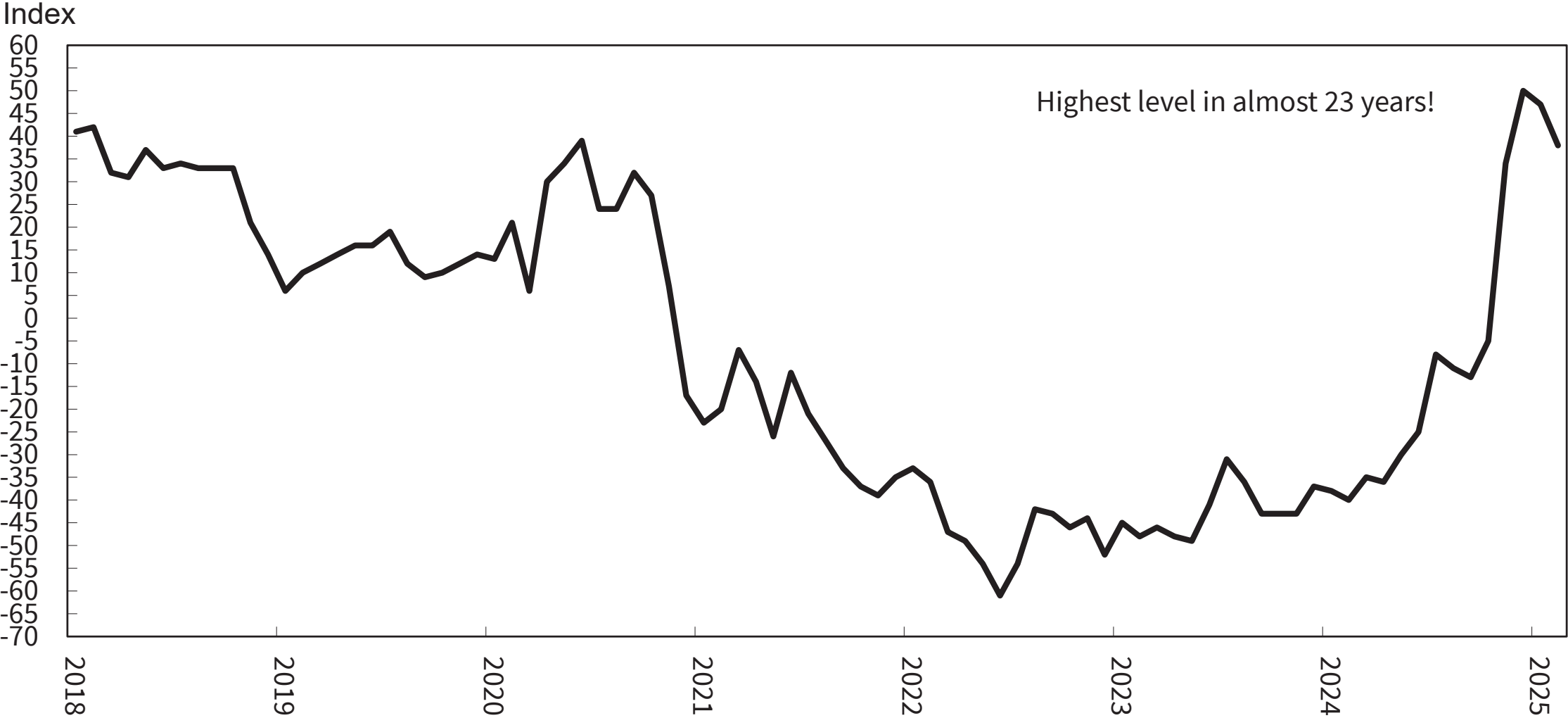
Number of businesses
34.8 million small business vs 19 688 large businesses



Job growth since 1995
Since 1995 small business has created 61.1% of US jobs

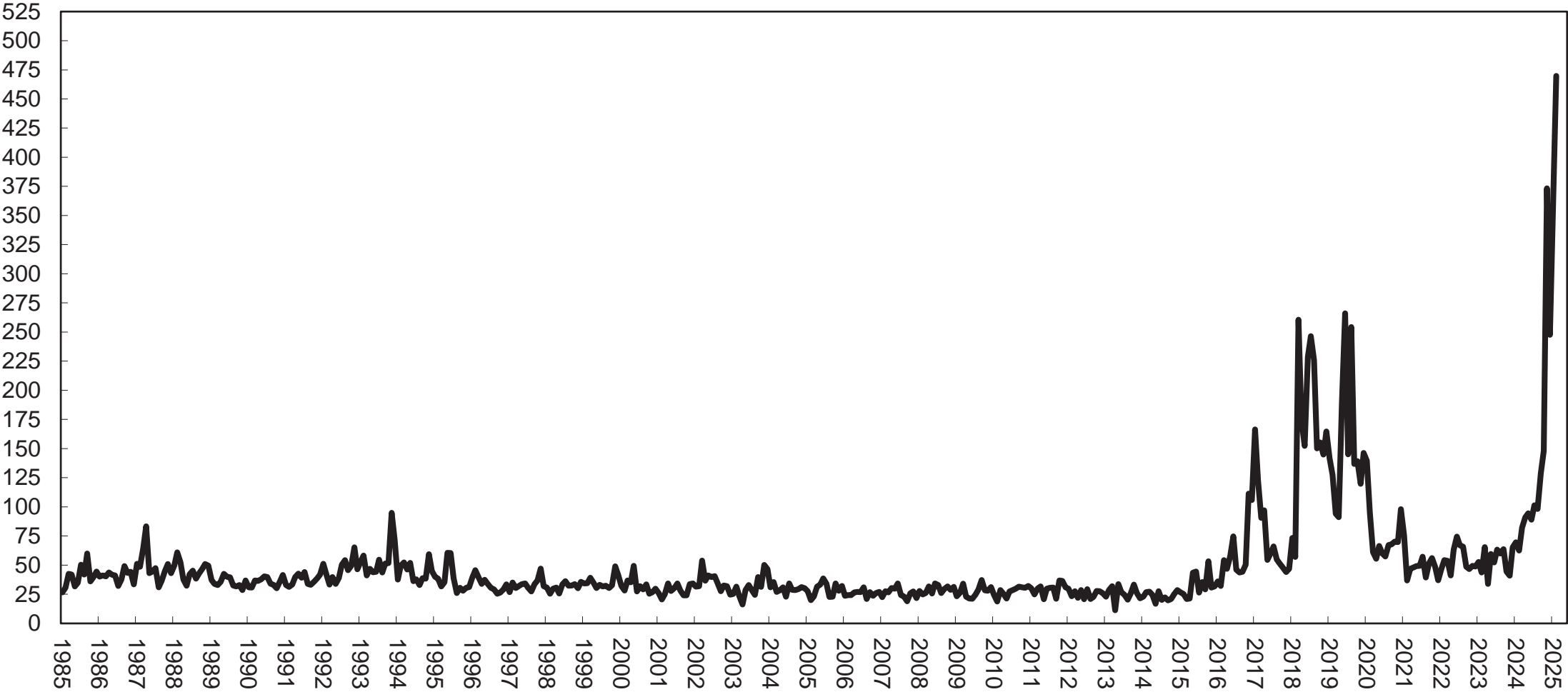


US SMALL BUSINESS CONFIDENCE: BUSINESS CONDITIONS NEXT 6 MONTHS



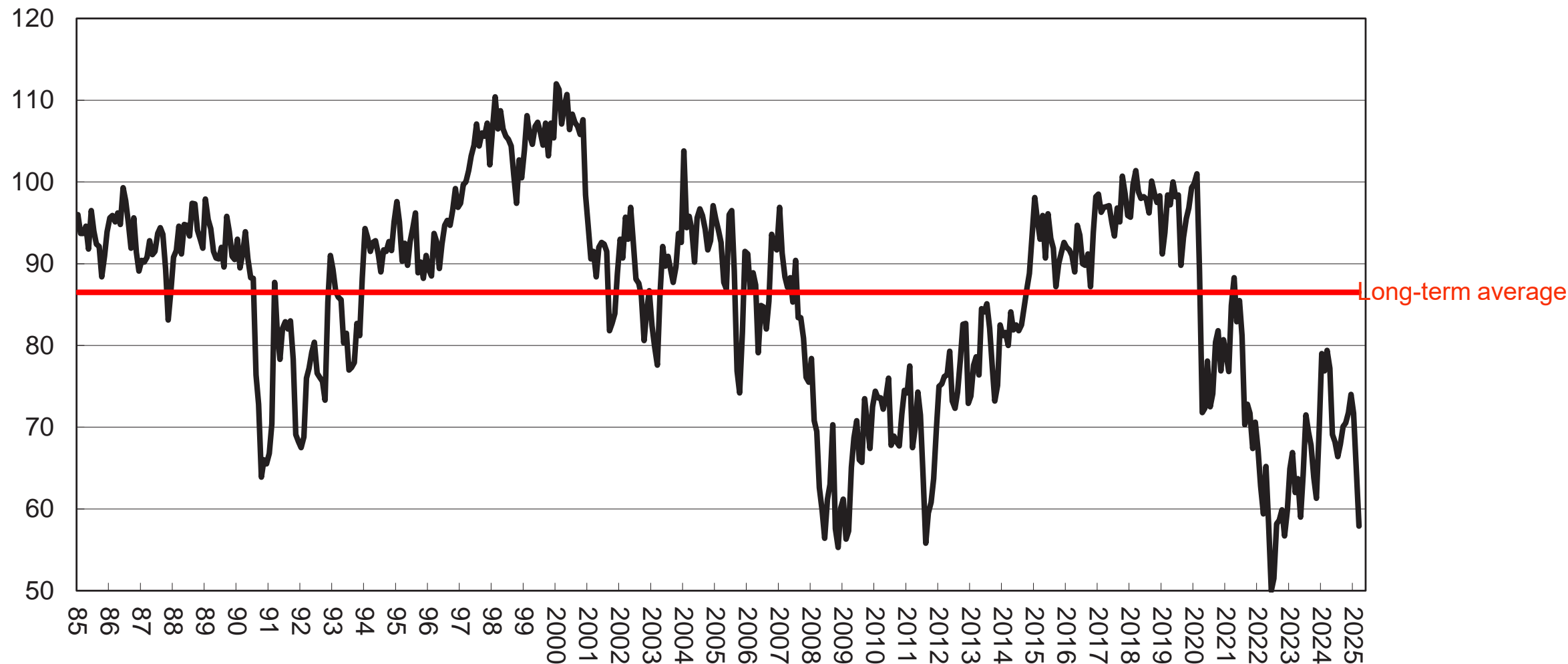
US TRADE POLICY UNCERTAINTY (MONTHLY DATA)

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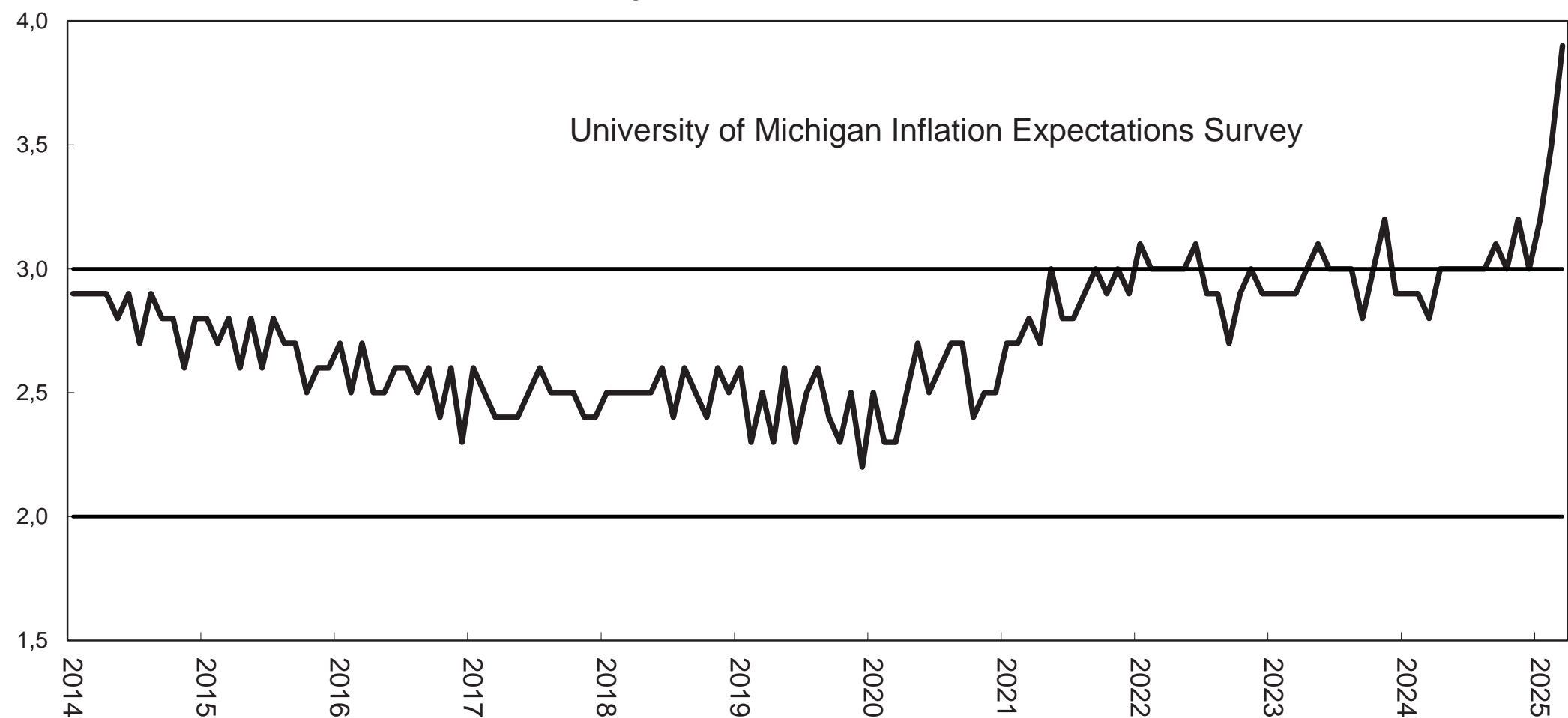
US CONSUMER CONFIDENCE (UNIVERSITY OF MICHIGAN)

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US HOUSEHOLD INFLATION EXPECTATIONS IN 5 TO 10 YEARS

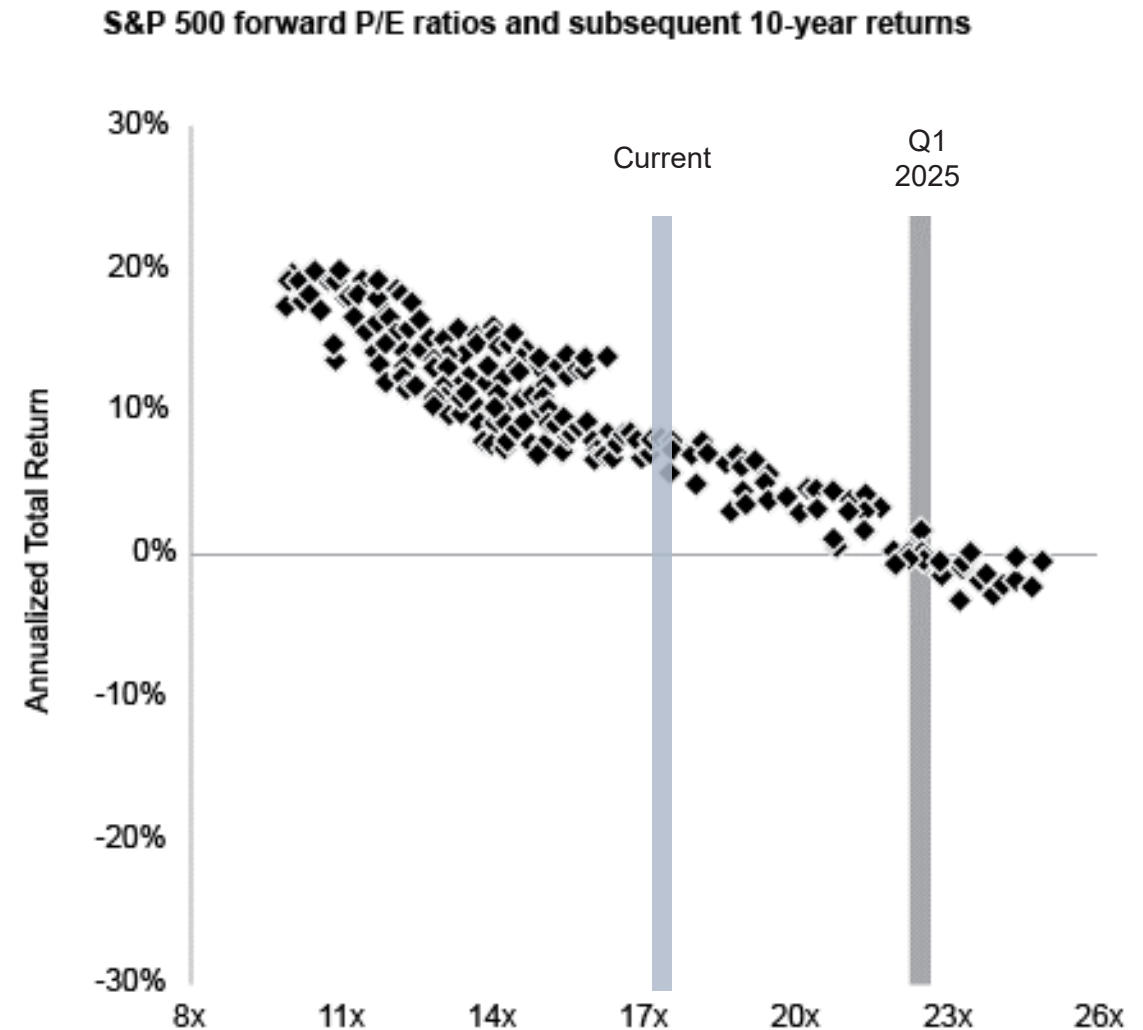
Inflation rate in 5 to 10 years



EXPECTED EQUITY RETURNS

S&P FWD. P/E is elevated by historical standards.

History suggests the US Equity market will deliver low total returns over the next decade.





Asset Allocation

NAVIGATING UNCERTAINTY WITH A DEFENSIVE TILT

Asset Classes	Tactical View Q1 2025	Tactical View Q2 2025
SA Income		
SA Equity		
SA Property		
SA Bonds		
DM Equity		
EM Equity		
Global Bonds		
Global Cash		
ZAR/USD		



NAVIGATING UNCERTAINTY WITH A DEFENSIVE TILT

Asset Classes	Tactical View Q1 2025	Tactical View Q2 2025
SA Income	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SA Equity	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SA Property	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SA Bonds	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
DM Equity	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
EM Equity	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Global Bonds	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
Global Cash	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
ZAR/USD	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>



NAVIGATING UNCERTAINTY WITH A DEFENSIVE TILT

Asset Classes	Tactical View Q1 2025	Tactical View Q2 2025
SA Income		
SA Equity		
SA Property		
SA Bonds		
DM Equity		
EM Equity		
Global Bonds		
Global Cash		
ZAR/USD		

Defensive Positioning



Rafael Nadal (left) sent Roger Federer packing in their first career match.

On March 28, 2004, a 17-year-old Spaniard named Rafael Nadal introduced himself to the world by defeating No. 1 Roger Federer 6-3, 6-3 in the third round of the NASDAQ-100 Open. The surprising 70-minute victory for the 34th-ranked player in the world kick-started a 10-year rivalry that has spanned 33 meetings, including eight Grand Slam finals and perhaps the greatest match of all time, the 2008 Wimbledon final.

NAVIGATING UNCERTAINTY WITH A DEFENSIVE TILT

Asset Classes	Tactical View Q1 2025	Tactical View Q2 2025
SA Income	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SA Equity	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SA Property	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
SA Bonds	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
DM Equity	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>
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Defensive Positioning



Fund Allocation	Rewighted Allocation	Passive\Active	Fund Name
16,50%	62,26%	62,26%	Satrix MSCI World Index
5,00%	18,87%	37,74%	Fairtree Global Equity Prescient Feedr
5,00%	18,87%		BCI Ranmore Global Value Equity Fund
26,50%	100,00%	100,00%	



Solution Process

SOLUTION PROCESS

Your Expert **Fund Selection Specialist!**

Unlock the Power of Diversification



SOLUTION PROCESS

Methodical Systematic
Fund Selection
Specialist



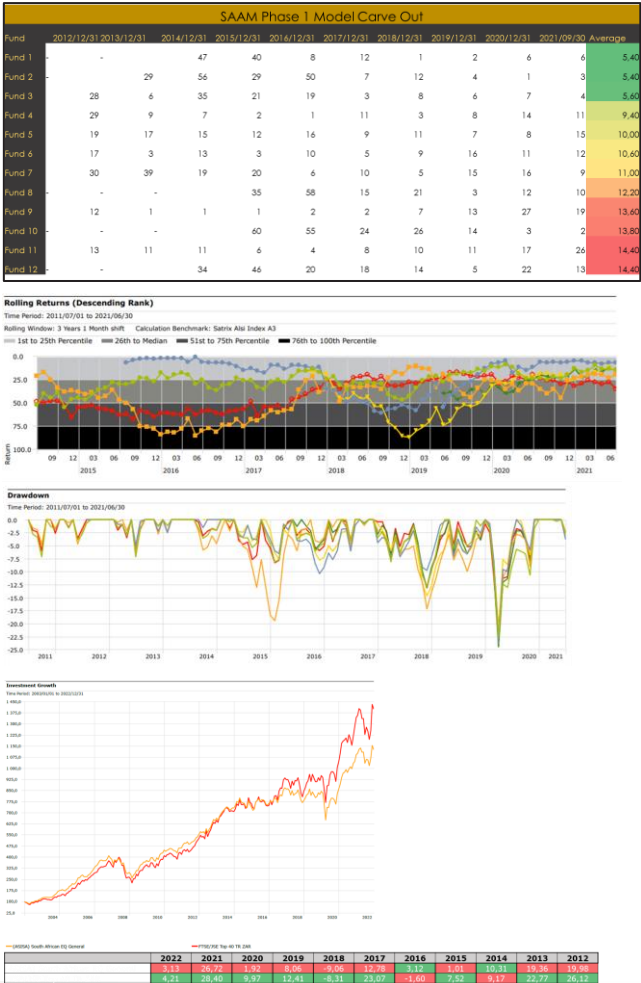
Three Phase Process



Passive & Active
Selection Blend

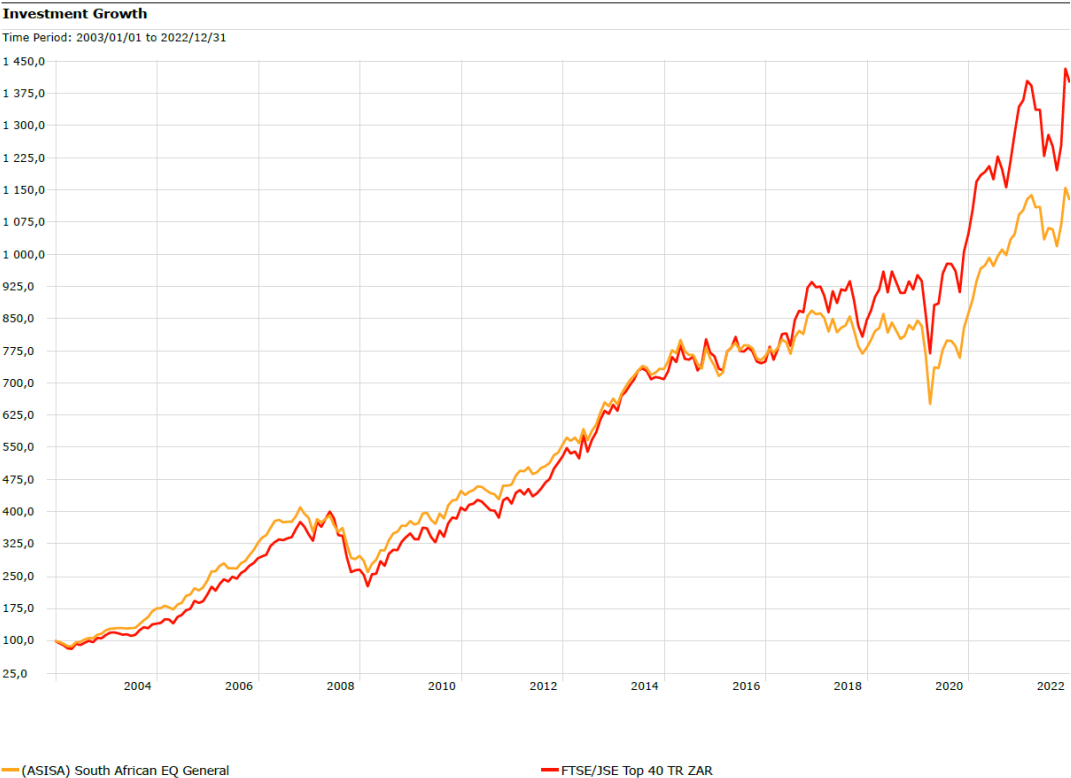


PROCESS



SOLUTION PROCESS

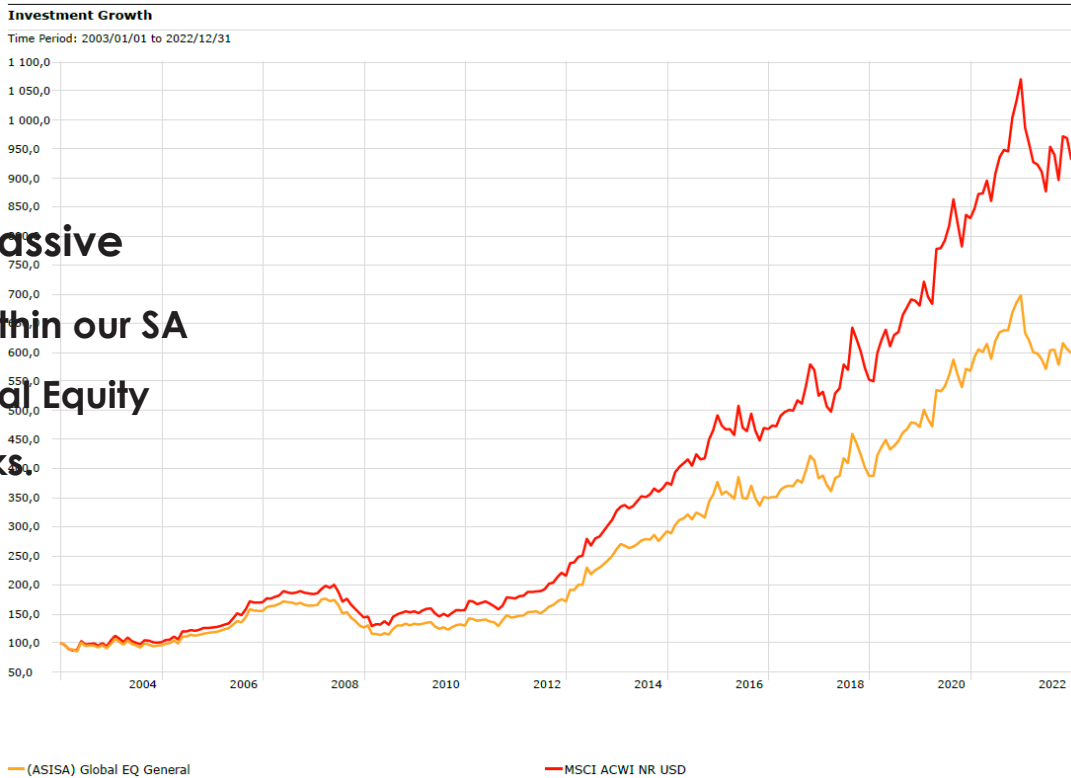
SA Equity Passive Selection



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
(ASISA) South African EQ General	3,13	26,72	1,92	8,06	-9,06	12,78	3,12	1,01	10,31	19,36	19,98
FTSE/JSE Top 40 TR ZAR	4,21	28,40	9,97	12,41	-8,31	23,07	-1,60	7,52	9,17	22,77	26,12

Hold 70% passive exposure within our SA Equity & Global Equity Building Blocks.

Global Equity Passive

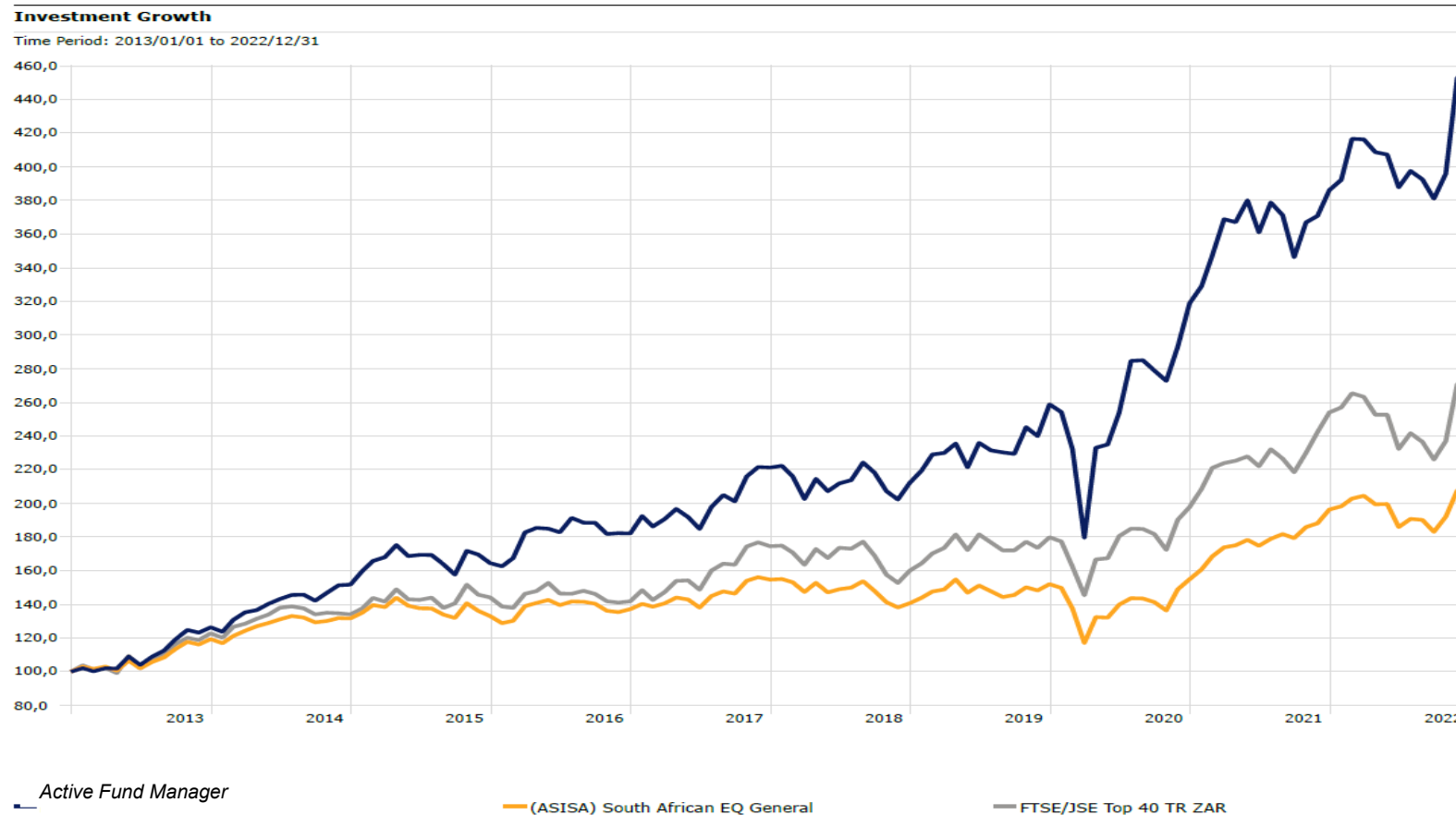


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
(ASISA) Global EQ General	-14,21	22,85	20,45	21,75	1,13	9,74	-7,43	29,13	11,88	52,17	18,59
MSCI ACWI NR USD	-12,97	28,80	22,12	23,06	5,26	12,23	-4,81	30,78	15,05	51,60	22,04

SOLUTION PROCESS

SA Active Selection

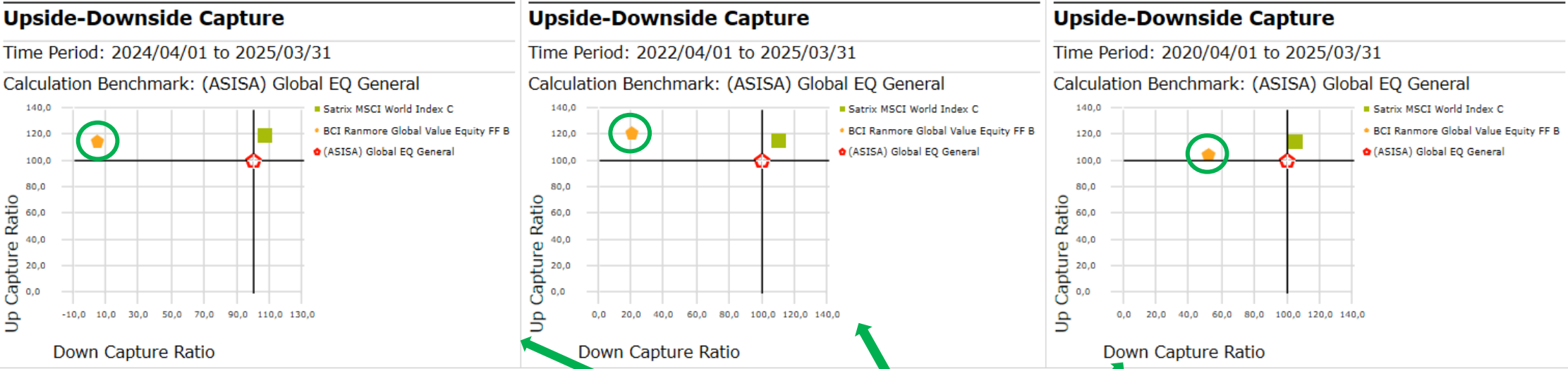
Why invest 30% in active managers when Passive funds perform better?



REDUCED GLOBAL EQUITY EXPOSURE WITH AN INCREASED TILT TOWARD VALUE

Ranmore Global Equity fund

✔ Less drawdown than the MSCI ACWI



Drawdown

Calculation Benchmark: (ASISA) Global EQ General

	Max Drawdown
Satrix MSCI World Index C	-17,37
BCI Ranmore Global Value Equity FF B	-12,46
(ASISA) Global EQ General	-18,13

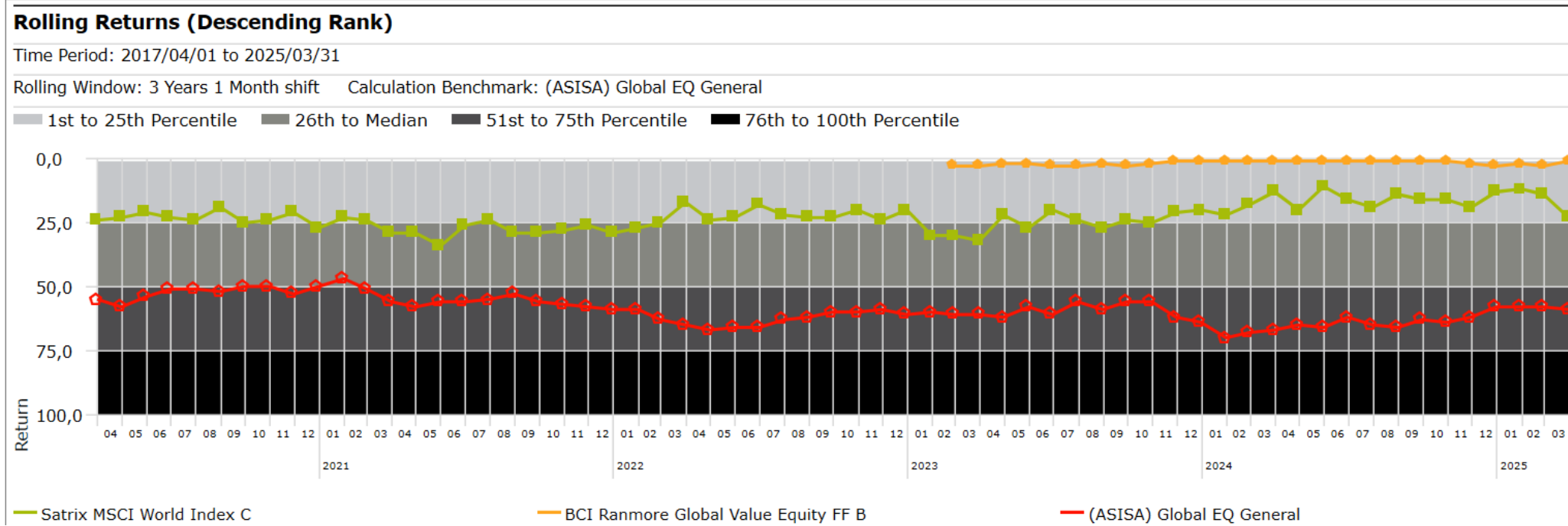
PROVIDES PROTECTION

REDUCED GLOBAL EQUITY EXPOSURE WITH AN INCREASED TILT TOWARD VALUE

Ranmore Global Equity fund



Top Quartile performance compared to the MSCI ACWI and ASISA Global Equity Category



Calendar Year Returns

Data Point: Return Calculation Benchmark: (ASISA) Global EQ General

	YTD	2024	2023	2022	2021	2020	2015	2014	2013	2012	2011
Satrix MSCI World Index C	-4,25	22,36	33,00	-12,74	32,13	20,71	23,85	5,06	10,49	-5,73	31,91
BCI Ranmore Global Value Equity FF B	9,38	15,39	39,39	8,94	33,89	—	—	—	—	—	—
(ASISA) Global EQ General	-2,61	15,96	27,64	-14,20	22,85	20,45	21,75	1,13	9,74	-7,43	29,13

REDUCED GLOBAL EQUITY EXPOSURE WITH AN INCREASED TILT TOWARD VALUE

Ranmore Global Equity fund



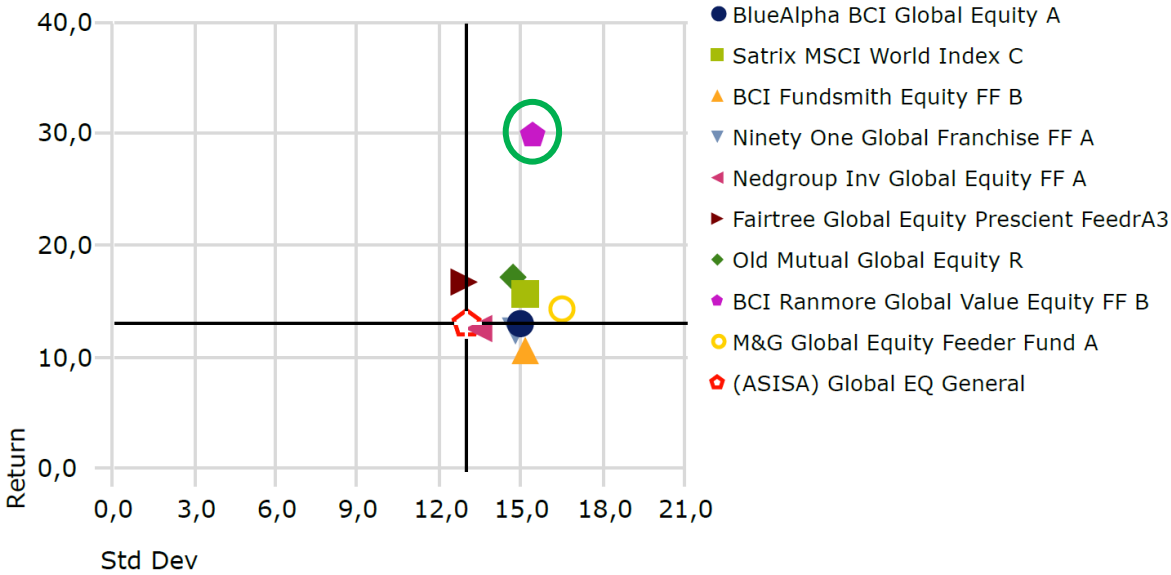
The same degree of risk compared to growth funds but provides higher returns

3 Years

Risk-Reward

Time Period: 2022/04/01 to 2025/03/31

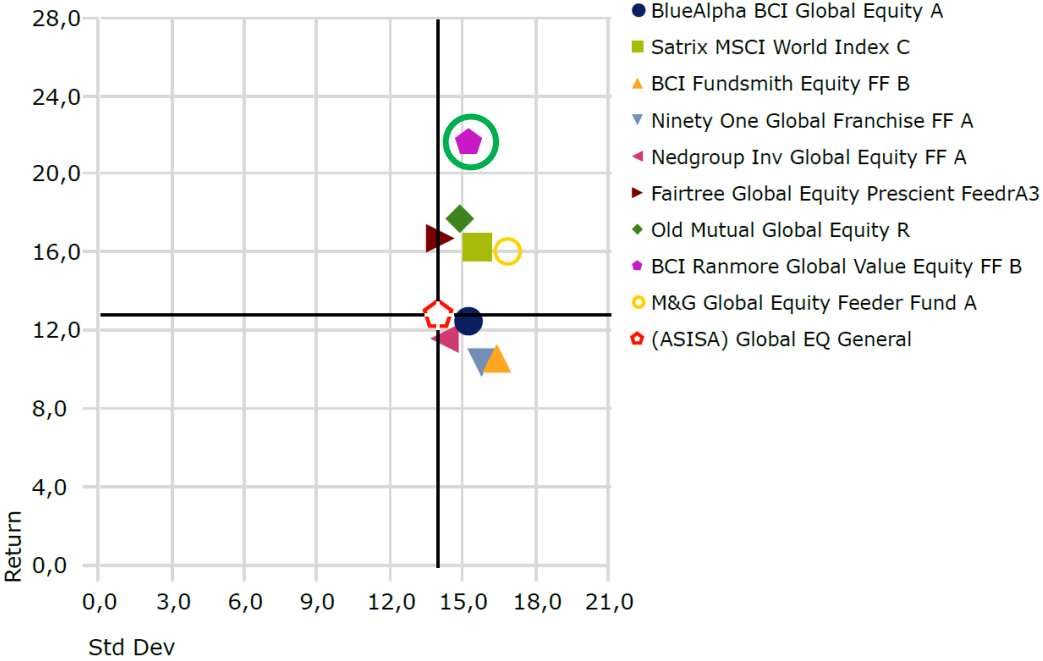
Calculation Benchmark: (ASISA) Global EQ General



5 Years

Risk-Reward

Calculation Benchmark: (ASISA) Global EQ General



REDUCED GLOBAL EQUITY EXPOSURE WITH AN INCREASED TILT TOWARD VALUE

Ranmore Global Equity fund

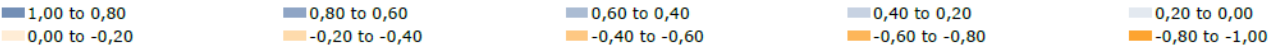


The Least Correlated to growth fund manages – Diversification Benefits

Correlation Matrix

Time Period: 2022/04/01 to 2025/03/31

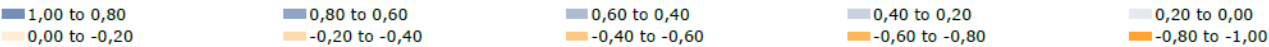
	BlueAlpha BCI Global Equity A	Satrix MSCI World Index C	BCI Fundsmith Equity FF B	Ninety One Global Franchise FF A	Nedgroup Inv Global Equity FF A	Fairtree Global Equity Prescient FeedrA3	Old Mutual Global Equity R	BCI Ranmore Global Value Equity FF B	M&G Global Equity Feeder Fund A	(ASISA) Global EQ General
BlueAlpha BCI Global Equity A	1,00									
Satrix MSCI World Index C	0,92	1,00								
BCI Fundsmith Equity FF B	0,86	0,86	1,00							
Ninety One Global Franchise FF A	0,89	0,91	0,87	1,00						
Nedgroup Inv Global Equity FF A	0,92	0,87	0,83	0,88	1,00					
Fairtree Global Equity Prescient FeedrA3	0,87	0,86	0,76	0,83	0,84	1,00				
Old Mutual Global Equity R	0,95	0,95	0,81	0,91	0,89	0,88	1,00			
BCI Ranmore Global Value Equity FF B	0,71	0,74	0,57	0,72	0,72	0,82	0,77	1,00		
M&G Global Equity Feeder Fund A	0,95	0,93	0,80	0,88	0,89	0,87	0,96	0,73	1,00	
(ASISA) Global EQ General	0,95	0,96	0,86	0,93	0,91	0,94	0,96	0,79	0,95	1,00



Correlation Matrix

Time Period: 2020/04/01 to 2025/03/31

	BlueAlpha BCI Global Equity A	Satrix MSCI World Index C	BCI Fundsmith Equity FF B	Ninety One Global Franchise FF A	Nedgroup Inv Global Equity FF A	Fairtree Global Equity Prescient FeedrA3	Old Mutual Global Equity R	BCI Ranmore Global Value Equity FF B	M&G Global Equity Feeder Fund A	(ASISA) Global EQ General
BlueAlpha BCI Global Equity A	1,00									
Satrix MSCI World Index C	0,91	1,00								
BCI Fundsmith Equity FF B	0,89	0,90	1,00							
Ninety One Global Franchise FF A	0,91	0,92	0,91	1,00						
Nedgroup Inv Global Equity FF A	0,89	0,92	0,87	0,90	1,00					
Fairtree Global Equity Prescient FeedrA3	0,89	0,90	0,84	0,89	0,89	1,00				
Old Mutual Global Equity R	0,94	0,95	0,86	0,92	0,91	0,93	1,00			
BCI Ranmore Global Value Equity FF B	0,66	0,68	0,54	0,67	0,68	0,77	0,72	1,00		
M&G Global Equity Feeder Fund A	0,91	0,91	0,83	0,88	0,88	0,87	0,94	0,64	1,00	
(ASISA) Global EQ General	0,93	0,97	0,89	0,93	0,93	0,96	0,96	0,72	0,94	1,00



REDUCED GLOBAL EQUITY EXPOSURE WITH AN INCREASED TILT TOWARD VALUE

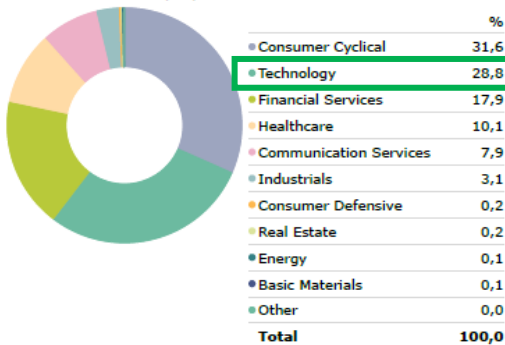
Ranmore Global Equity fund



The Least Technology exposure – Ranmore was less impacted by the technology stock pull back compared to growth managers.

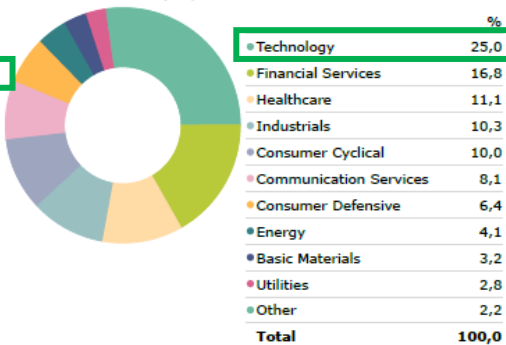
Equity Sectors (Morningstar) - BlueAlpha BCI G

Portfolio Date: 2025/02/28



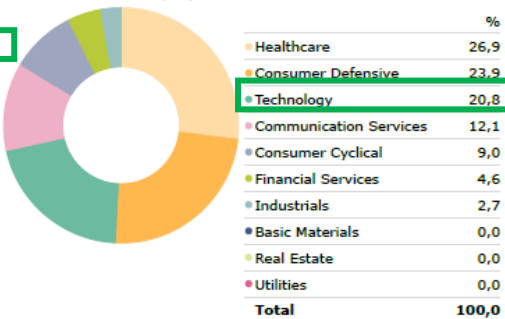
Equity Sectors (Morningstar) - Satrix MSCI Wor

Portfolio Date: 2025/03/31



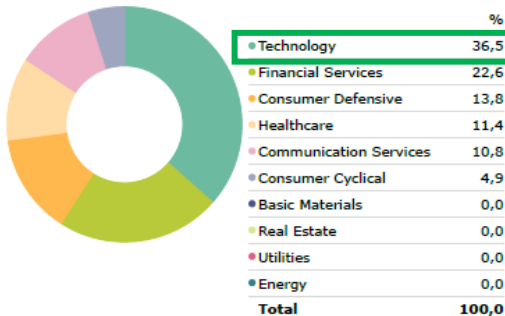
Equity Sectors (Morningstar) - BCI Fundsmith E

Portfolio Date: 2025/02/28



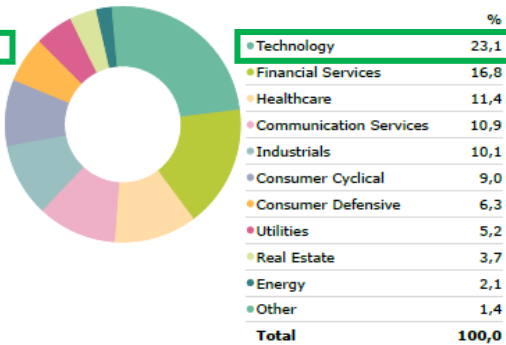
Equity Sectors (Morningstar) - Ninety One Glob

Portfolio Date: 2025/02/28



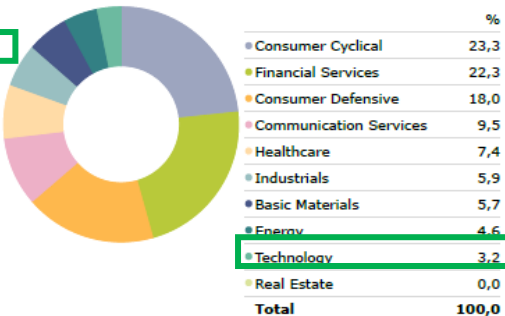
Equity Sectors (Morningstar) - Old Mutual Globi

Portfolio Date: 2025/03/31



Equity Sectors (Morningstar) - BCI Ranmore Gl

Portfolio Date: 2025/02/28





Solution Returns

LOCAL PERFORMANCE

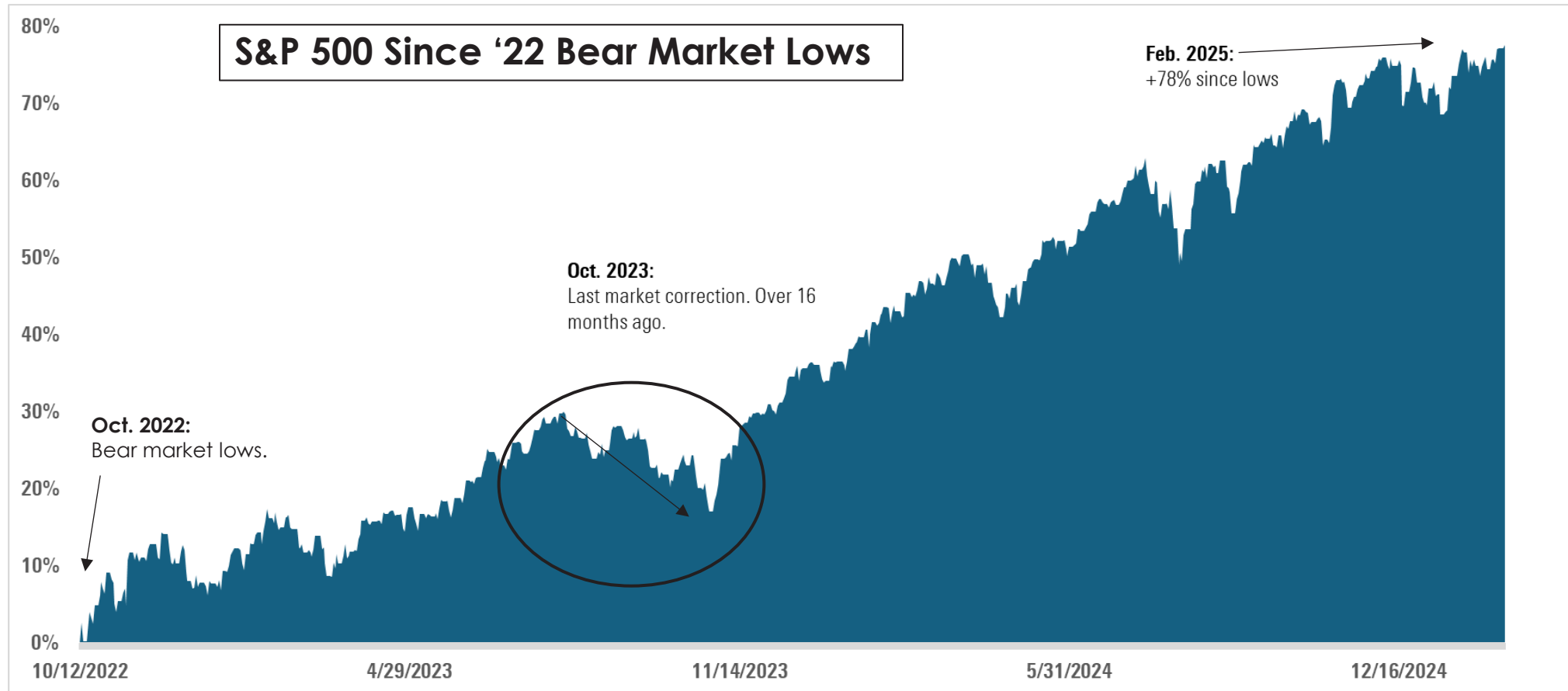
Performance - 2025/03/31	3 Months	6 Months	1 Year	3 Year	5 Year
i² Income Solution	1,21%	2,92%	11,77%	9,47%	8,54%
<i>(ASISA) South African MA Income</i>	<i>1,57%</i>	<i>3,12%</i>	<i>10,95%</i>	<i>8,52%</i>	<i>8,17%</i>
i² Cautious Solution	1,37%	2,84%	12,77%	9,63%	12,35%
<i>(ASISA) South African MA Low Equity</i>	<i>0,97%</i>	<i>2,66%</i>	<i>11,85%</i>	<i>8,79%</i>	<i>10,41%</i>
i² Moderate Solution	2,25%	3,32%	16,35%	10,35%	15,30%
<i>(ASISA) South African MA High Equity</i>	<i>0,68%</i>	<i>2,15%</i>	<i>12,38%</i>	<i>8,90%</i>	<i>13,38%</i>
i² Growth Solution	3,86%	3,42%	19,58%	10,40%	19,46%
i² TFSA Solution	3,86%	3,42%	19,58%	10,57%	19,92%
<i>(ASISA) South African EQ General</i>	<i>1,91%</i>	<i>0,83%</i>	<i>17,74%</i>	<i>7,09%</i>	<i>16,50%</i>
i² Global Feeder Solution	-0,48%	4,58%	2,46%	10,43%	6,87%
<i>(ASISA) Global MA High Equity</i>	<i>-1,89%</i>	<i>5,49%</i>	<i>3,65%</i>	<i>10,97%</i>	<i>9,15%</i>

A stylized globe with a network of glowing orange lines and dots representing global trade or communication. The globe is centered on the Atlantic Ocean, with North and South America on the left and Europe and Africa on the right. The network lines are composed of many small dots connected by thin lines, creating a web-like structure that covers the entire globe. The background is a dark blue gradient.

Never Trade In Panic

CORRECTIONS ARE NORMAL

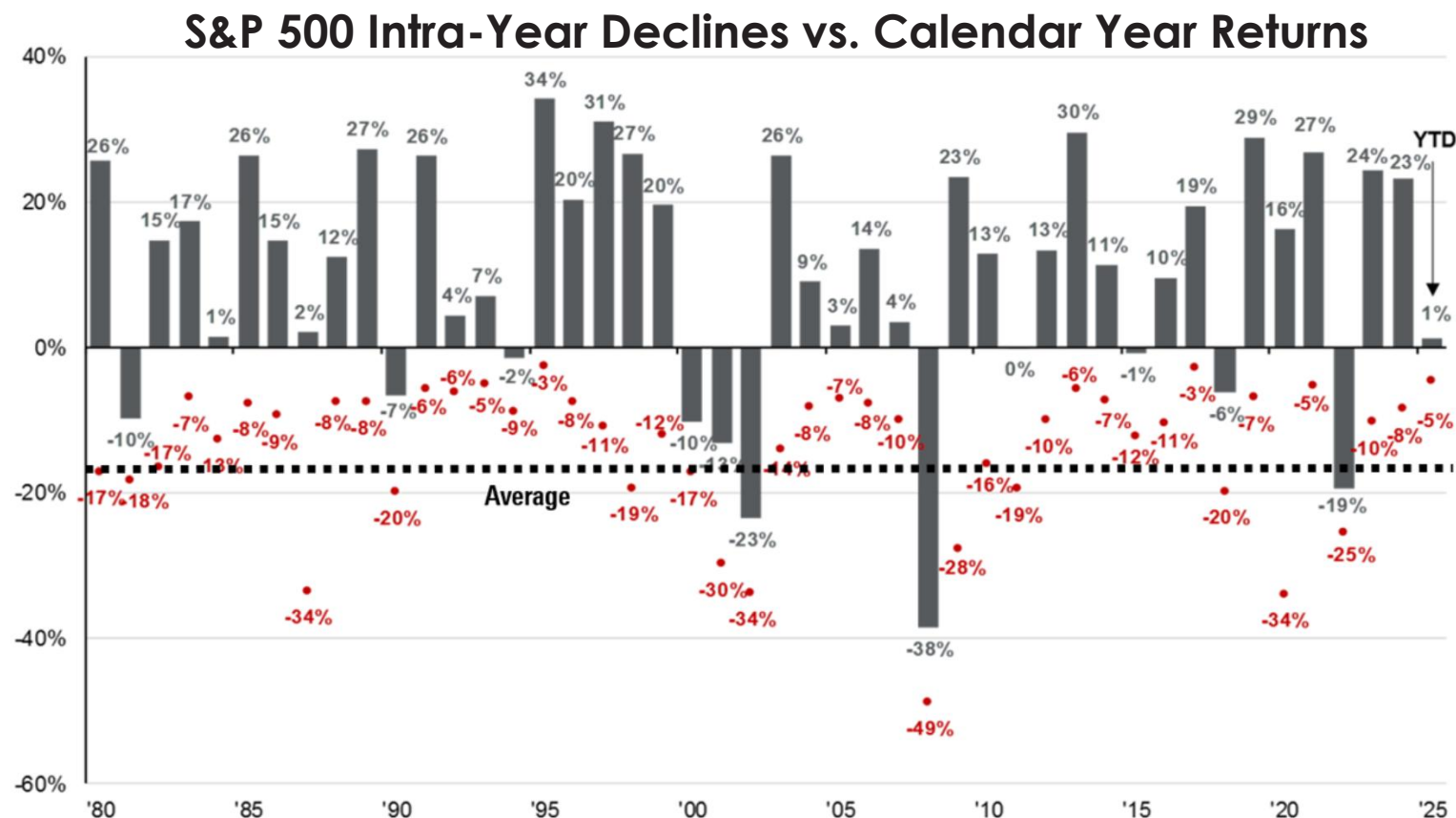
US stocks have gained nearly 80% since the October 2022 lows, and a true market correction hasn't occurred since October 2023—over 16 months ago.



CORRECTIONS ARE NORMAL

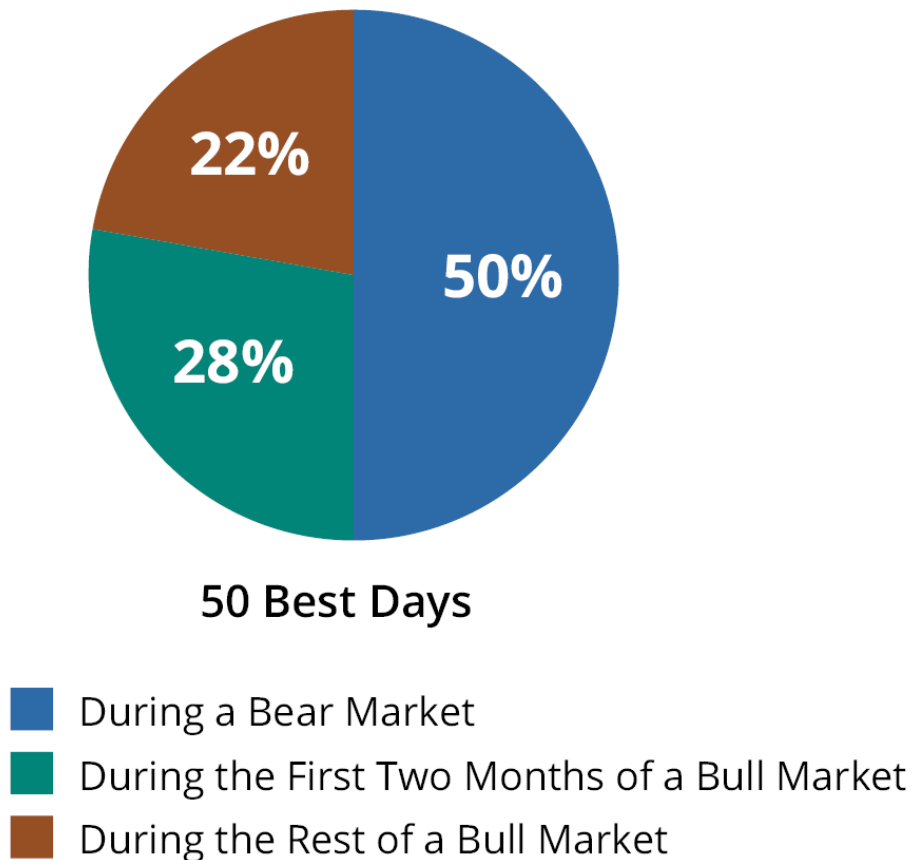
A contrarian takeaway? This is normal—there will always be problems that pop up.

- In some ways, US equity investors have been spoiled in recent years.
- Market declines are inevitable, even if their timing and causes are unpredictable.
- **Since 1980, the average intra-year decline has exceeded 14%. Despite these declines, history shows that the market finished positive in 34 of the past 45 years (76% of the time).**
- Nobody can predict market corrections—at least not reliably—but you can manage through them. Trying to anticipate every correction and sell ahead of it often leads to worse outcomes than simply staying the course.

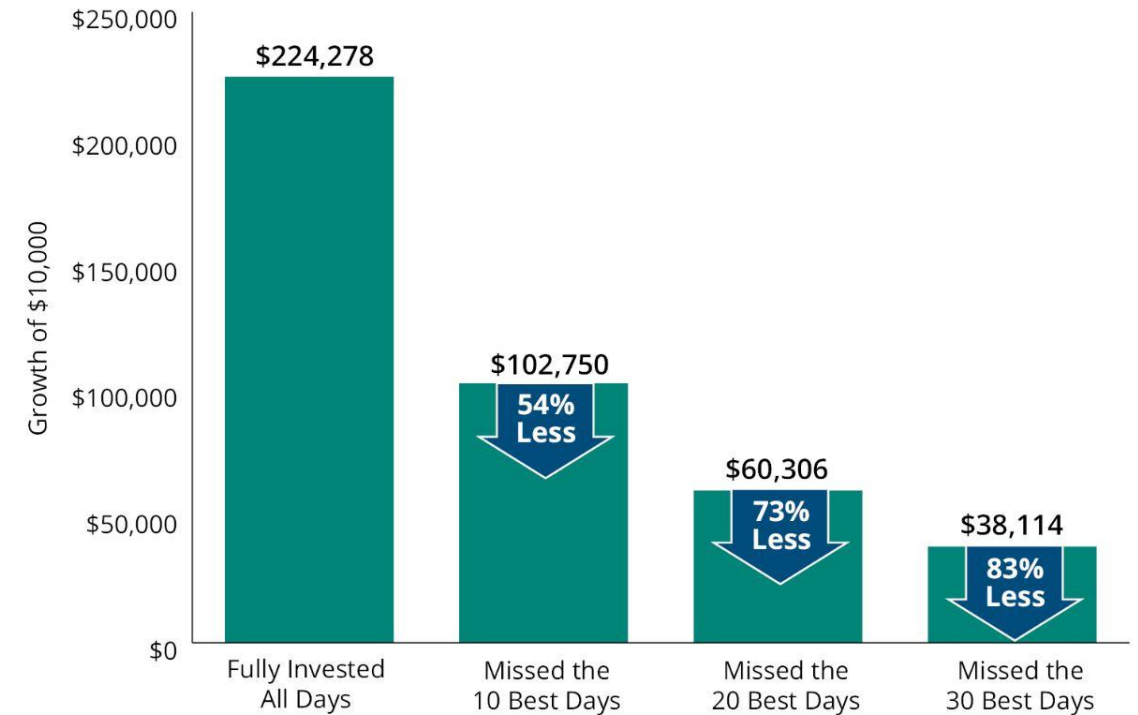


TIMING THE MARKET IS IMPOSSIBLE

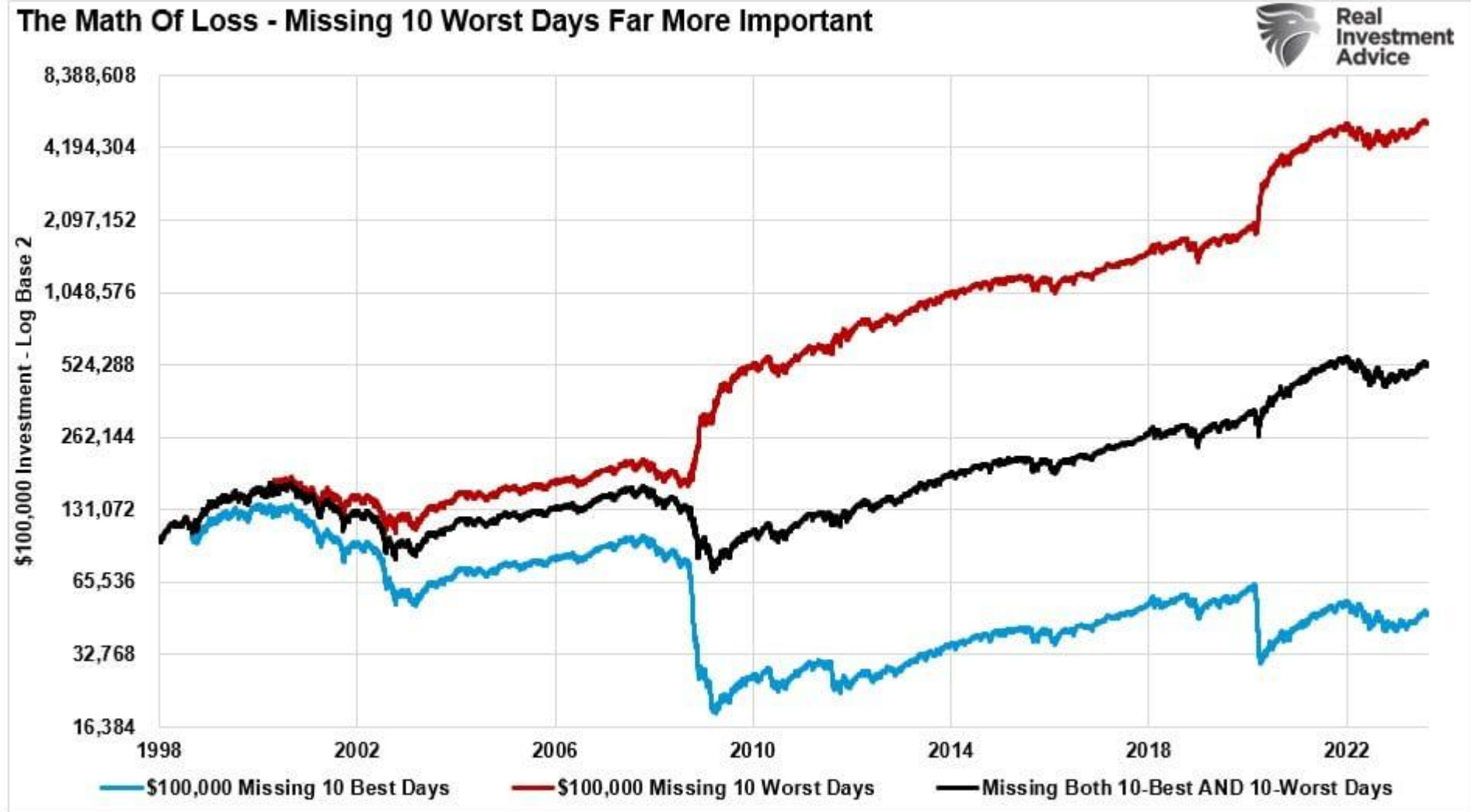
Good Days Happen in Bad Markets
S&P 500 Index Best Days: 1995–2024



Missing the Market's Best Days Has Been Costly
S&P 500 Index Average Annual Total Returns: 1995–2024



MISSING THE 10-WORST DAYS





Tax Efficiency - After Tax Returns Are Important

CASH VS EQUITIES RETURNS

More Detailed Version (if you have multiple tax components):

If you want to split it (for example: interest, dividends, and capital gains taxed differently), you can use:

$$\text{After-Tax Return} = (R_i \times (1 - T_i)) + (R_d \times (1 - T_d)) + (R_{cg} \times (1 - T_{cg}))$$

Where:

- R_i = Portion of return from interest
- T_i = Tax rate on interest
- R_d = Portion of return from dividends
- T_d = Tax rate on dividends
- R_{cg} = Portion of return from capital gains
- T_{cg} = Tax rate on capital gains

CASH VS EQUITIES RETURNS

More Detailed Version (if you have multiple tax components):

If you want to split it (for example: interest, dividends, and capital gains taxed differently), you can use:

$$\text{After-Tax Return} = (R_i \times (1 - T_i)) + (R_d \times (1 - T_d)) + (R_{cg} \times (1 - T_{cg}))$$

Where:

- R_i = Portion of return from interest
- T_i = Tax rate on interest
- R_d = Portion of return from dividends
- T_d = Tax rate on dividends
- R_{cg} = Portion of return from capital gains
- T_{cg} = Tax rate on capital gains

CASH VS EQUITIES RETURNS

Years	Investment In Income Product	Interest	Tax on Interest	After Tax return
0		7%	45%	
1	R 100 000,00	R 7 000,00	R 3 150,00	R 103 850,00
2	R 103 850,00	R 7 269,50	R 3 271,28	R 107 848,23
3	R 107 848,23	R 7 549,38	R 3 397,22	R 112 000,38
4	R 112 000,38	R 7 840,03	R 3 528,01	R 116 312,40
5	R 116 312,40	R 8 141,87	R 3 663,84	R 120 790,42
6	R 120 790,42	R 8 455,33	R 3 804,90	R 125 440,85
7	R 125 440,85	R 8 780,86	R 3 951,39	R 130 270,33
8	R 130 270,33	R 9 118,92	R 4 103,52	R 135 285,74
9	R 135 285,74	R 9 470,00	R 4 261,50	R 140 494,24
10	R 140 494,24	R 9 834,60	R 4 425,57	R 145 903,26
	Annualized Return	3,85%		

VS

Years	Investment In Equity Product	Growth	Tax on gain	After Tax return
0		4,69%	18%	
1	R 100 000,00	R 4 695,12	R 845,12	R 103 850,00
2	R 103 850,00	R 4 875,88	R 877,66	R 107 848,23
3	R 107 848,23	R 5 063,61	R 911,45	R 112 000,38
4	R 112 000,38	R 5 258,55	R 946,54	R 116 312,40
5	R 116 312,40	R 5 461,01	R 982,98	R 120 790,42
6	R 120 790,42	R 5 671,26	R 1 020,83	R 125 440,85
7	R 125 440,85	R 5 889,60	R 1 060,13	R 130 270,33
8	R 130 270,33	R 6 116,35	R 1 100,94	R 135 285,74
9	R 135 285,74	R 6 351,83	R 1 143,33	R 140 494,24
10	R 140 494,24	R 6 596,38	R 1 187,35	R 145 903,26
	Annulized Return	3,85%		

CASH VS EQUITIES ROLLING RETURNS



How many times does the equity indexes outperform cash in a rolling 1 Month period?

- FTSE/JSE All Share TR ZAR = **81%**
- MSCI ACWI NR ZAR = **71%**



Fairtree Equity

Independent Investment Solutions

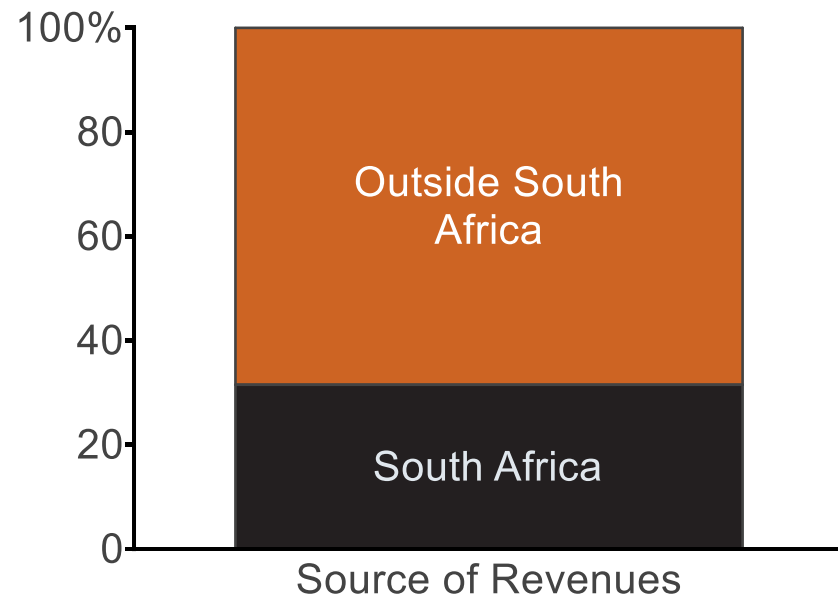
Portfolio Manager - Chantelle Baptiste
Distribution – Nico van Heerden

22 April 2025



SA Economy ≠ All Share Index

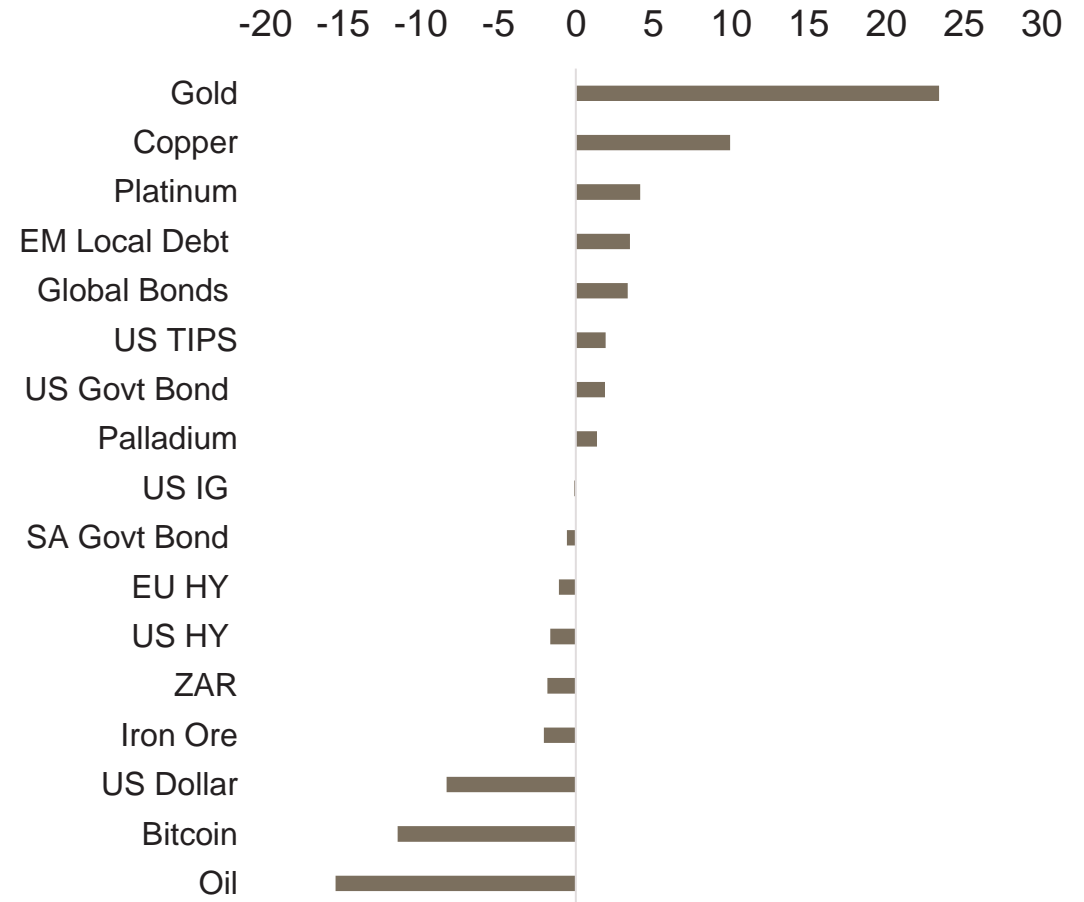
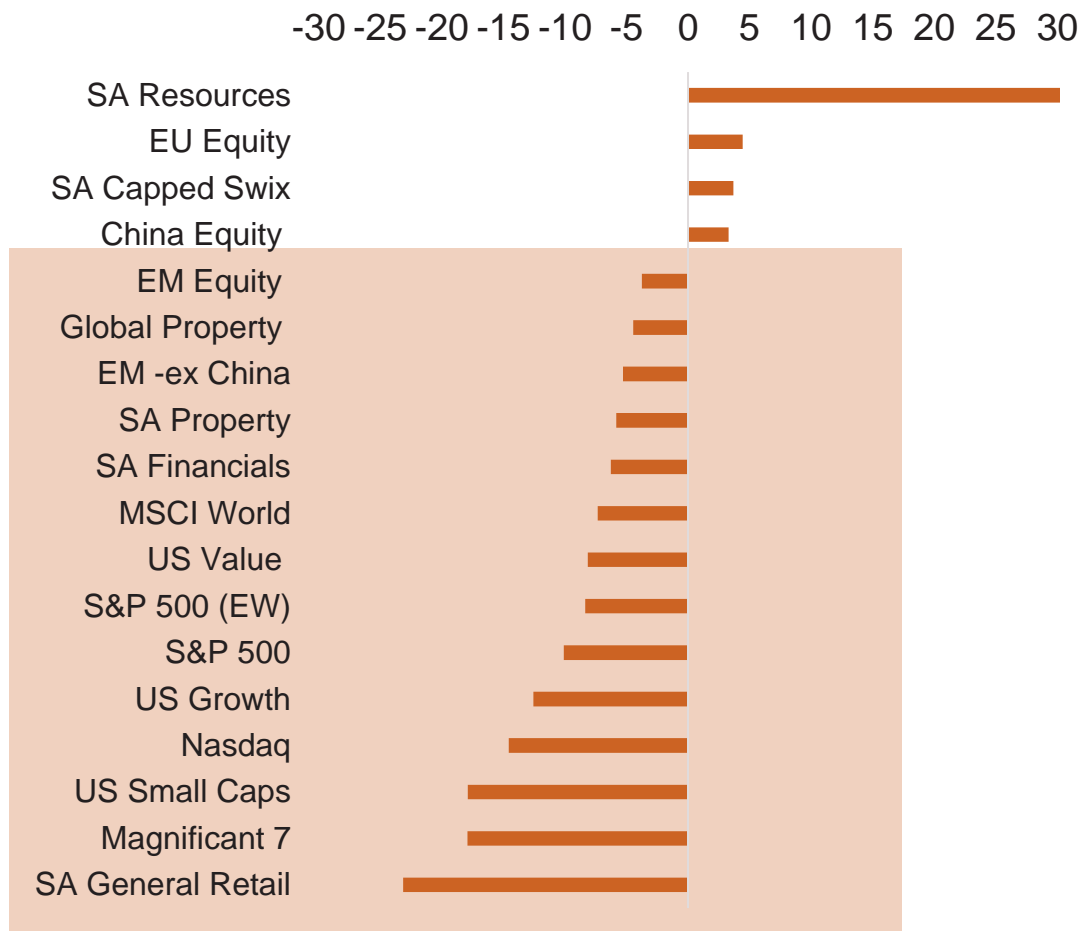
~70% of revenues generated outside South Africa



Note: Top 50 companies represent 87.7% of the ALSI Index in 2013
Source: Bloomberg, Company Reports

Market Movements

Performance across asset classes (%) - YTD



Source: Bloomberg, Fairtree, * YTD is 11 April 2025

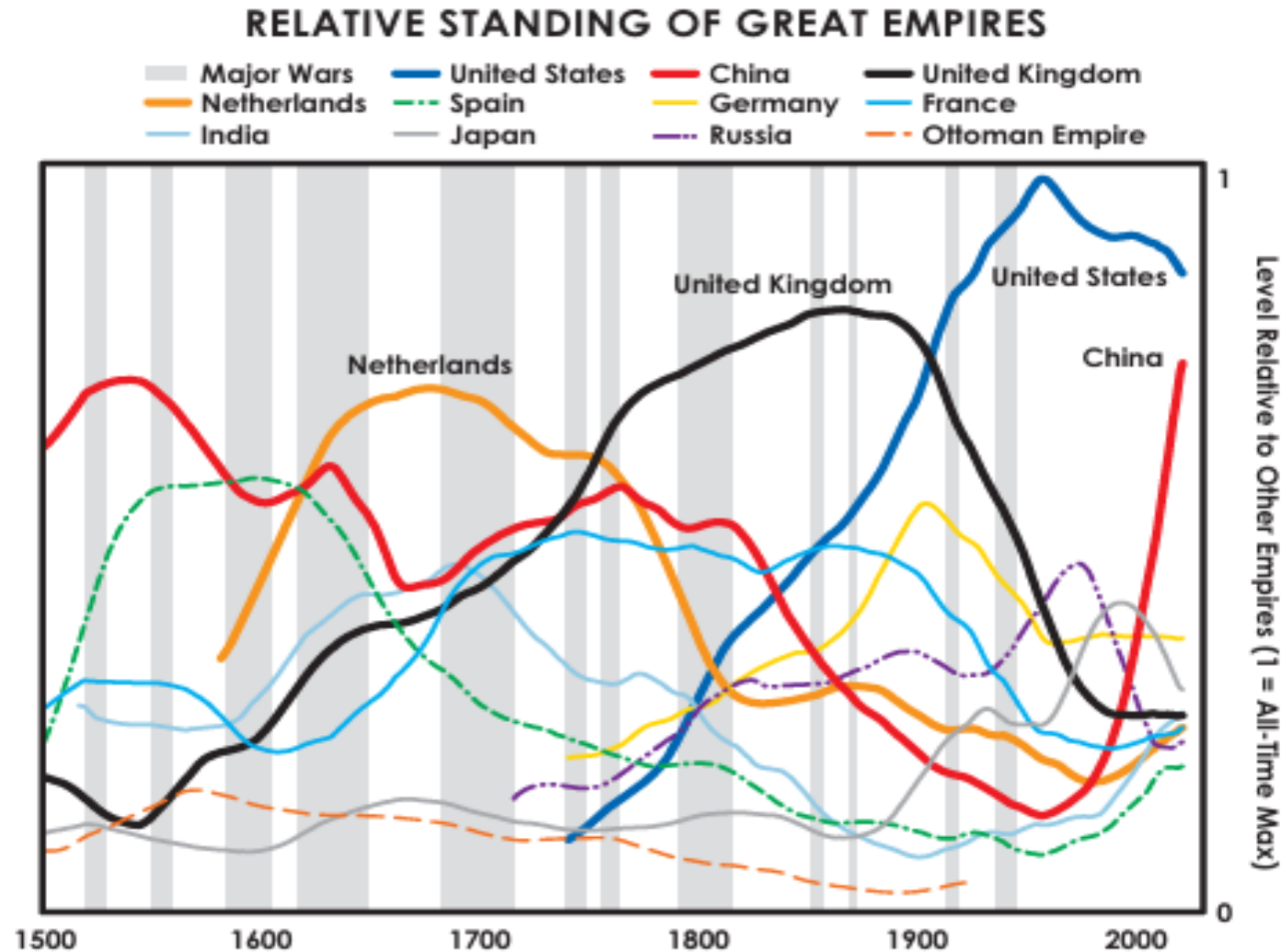
The World in Pictures



Source: Bloomberg, Fairtree, * YTD is 11 April 2025

The Changing World Order

We are in a global power shift, which may come with disruption

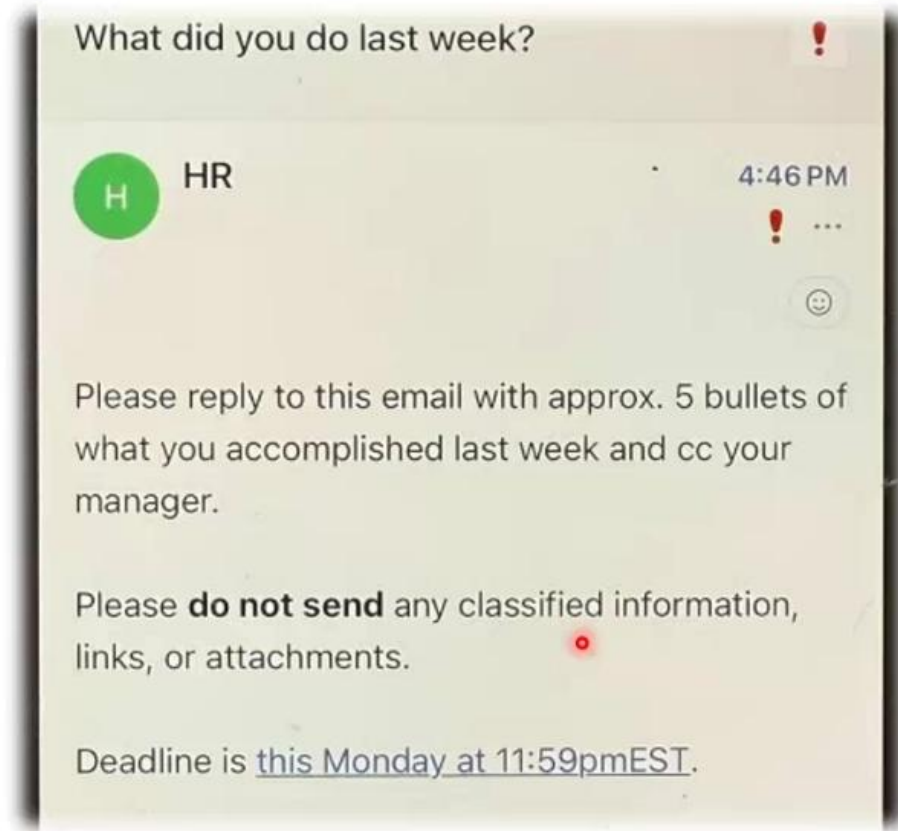


Source: Ray Dalio's Changing World Order Book, Fairtree,



US DOGE Impact

Uncertainty will lead to global economic paralysis



Trump administration scraps over 80% of USAID programs, top diplomat Rubio says

The New York Times

[Africa Received Billions in U.S. Aid. Here's What It Will Lose.](#)

17 hours ago



The Guardian

[Trump's USAid cuts will have huge impact on global climate finance, data shows](#)

4 hours ago



NBC News

[WHO warns of possible tuberculosis surge because of USAID cuts](#)

1 day ago



AP News

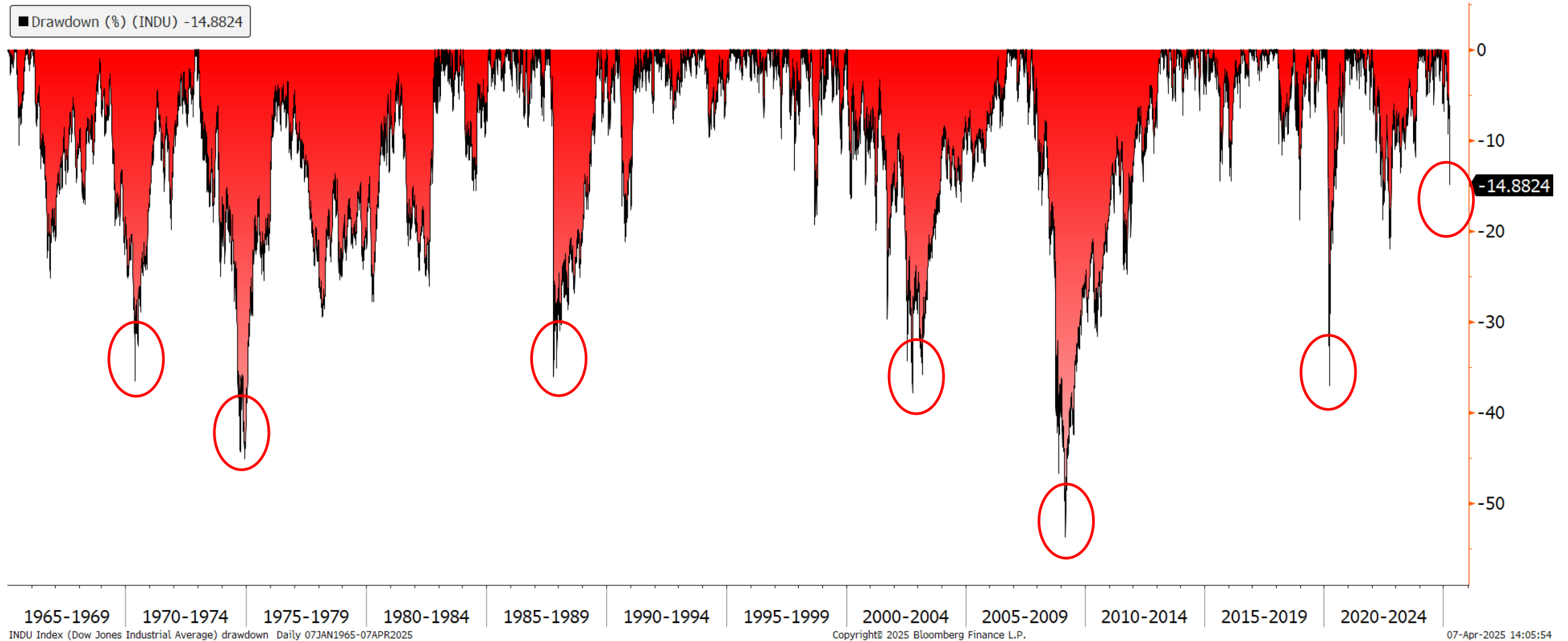
[US foreign aid cuts leave a funding gap that private donors are unlikely to fill](#)

3 days ago



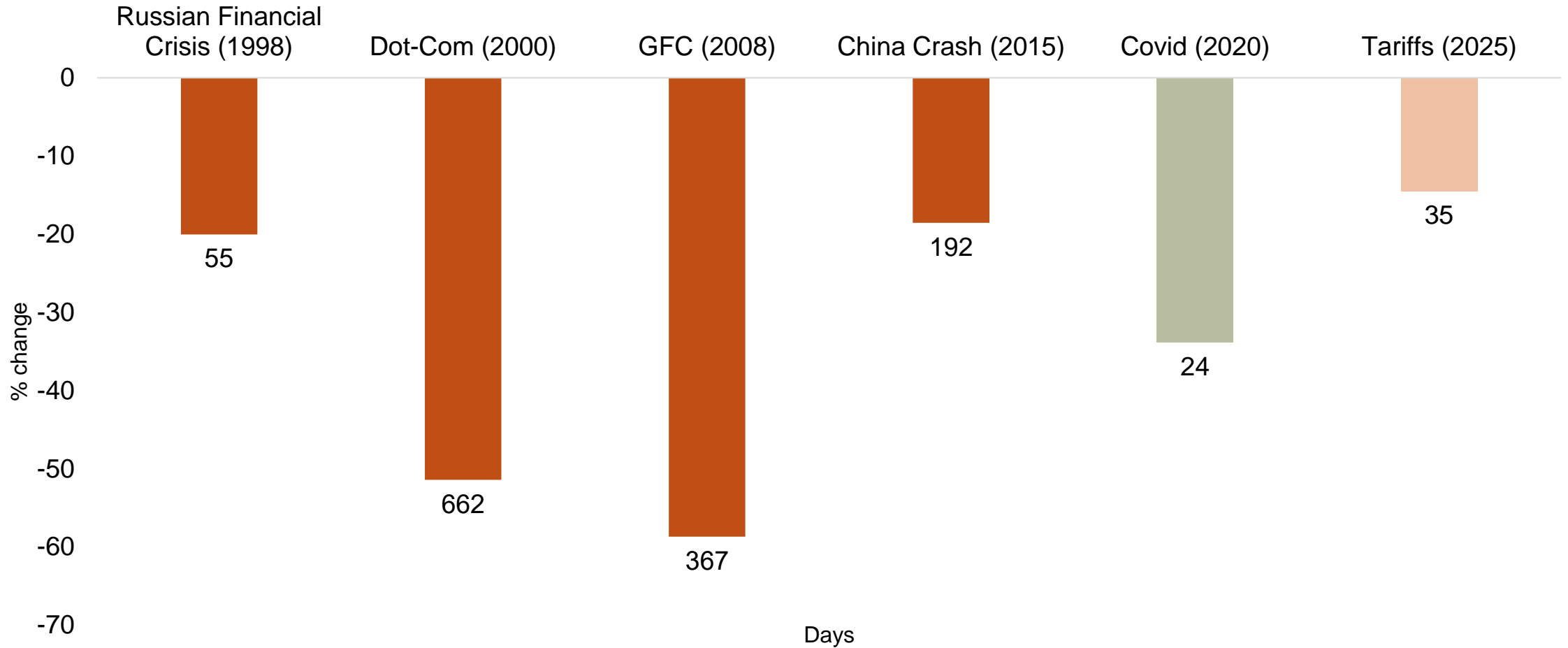
One of the most severe drawdown in history

US equity drawdown over last 60 years



A Dip Or An Ursus Magnus?

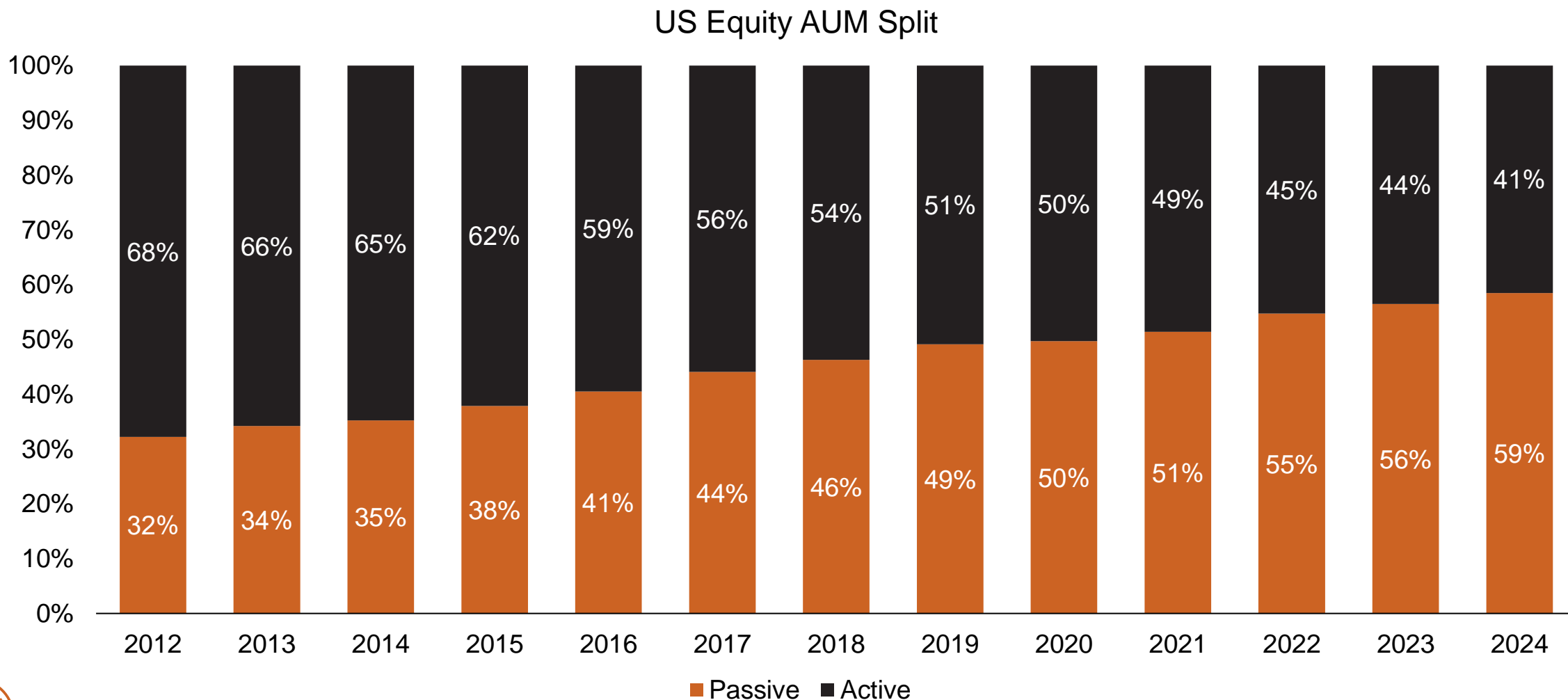
The 2020 market drawdown has been the most rapid bear market in history



Source: Fairtree, Bloomberg

Impact of Passive Investments

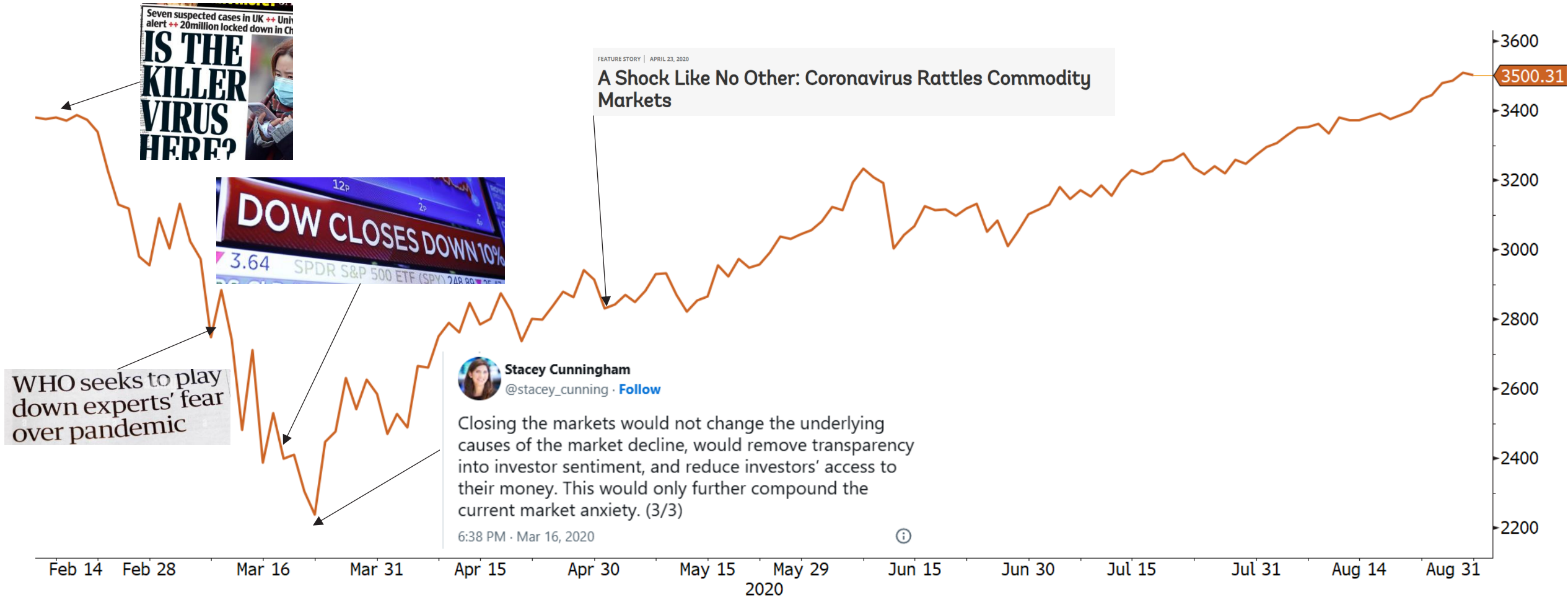
Passive investment flows have become increasingly influential in equity market performance



Source: Fairtree, Bloomberg

Lessons from the Covid Crisis

News-flow and sentiment is often worst around the market bottom



Lessons from the 2008 Financial Crisis

News-flow and sentiment is often worst around the market bottom



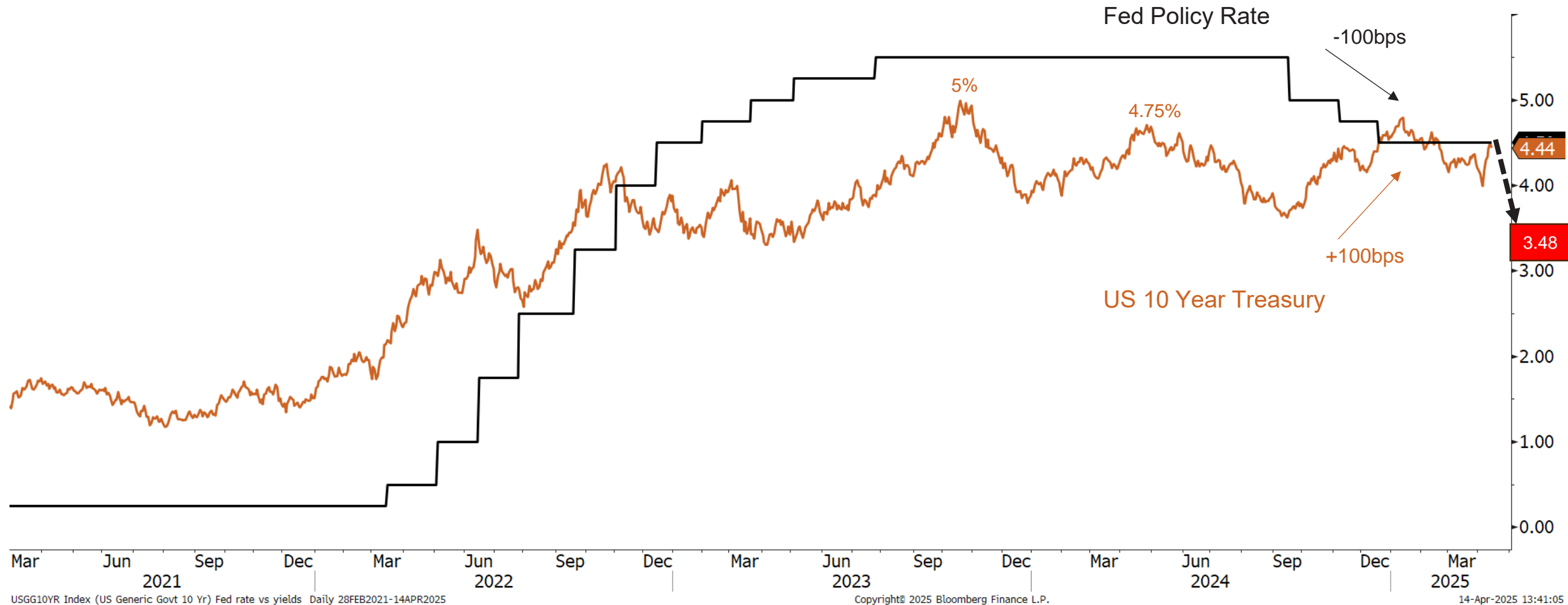
Copyright© 2025 Bloomberg Finance L.P.

07-Apr-2025 12:07:03



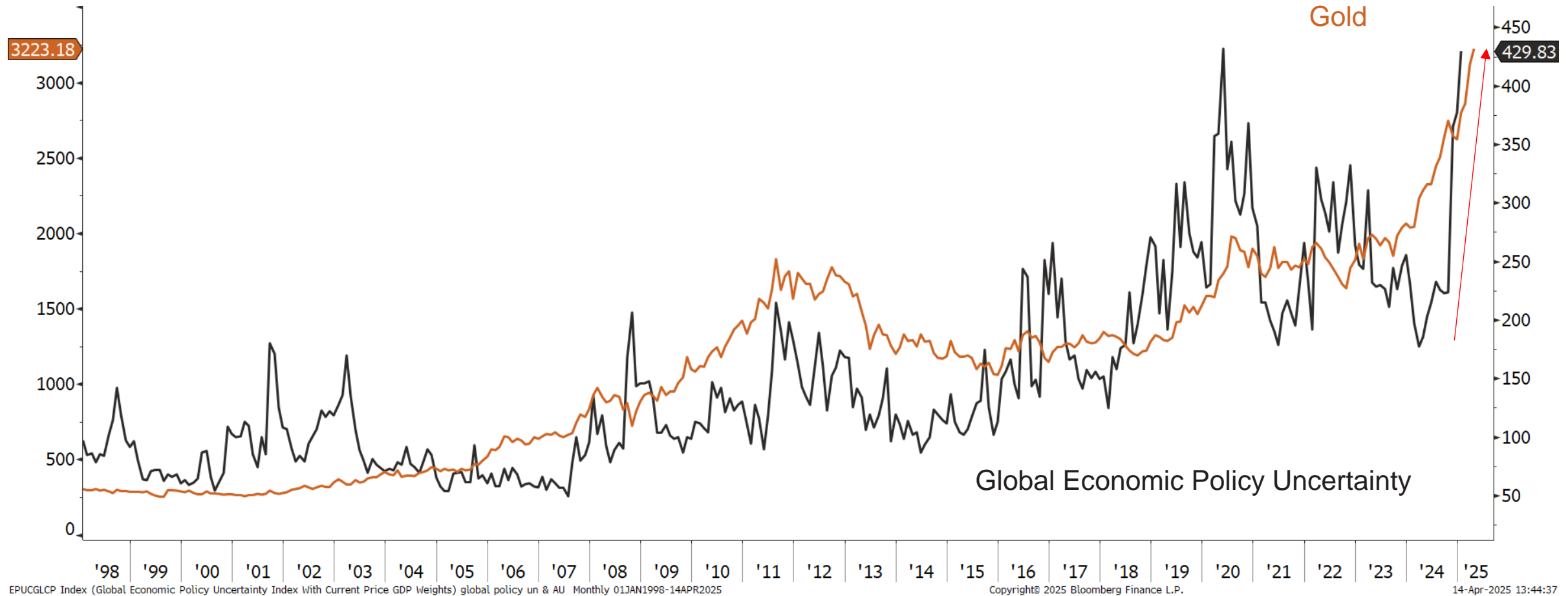
Fed Policy Rate vs US 10yr Bond Yields

Bond yields rising while the Fed is cutting rates is unprecedented



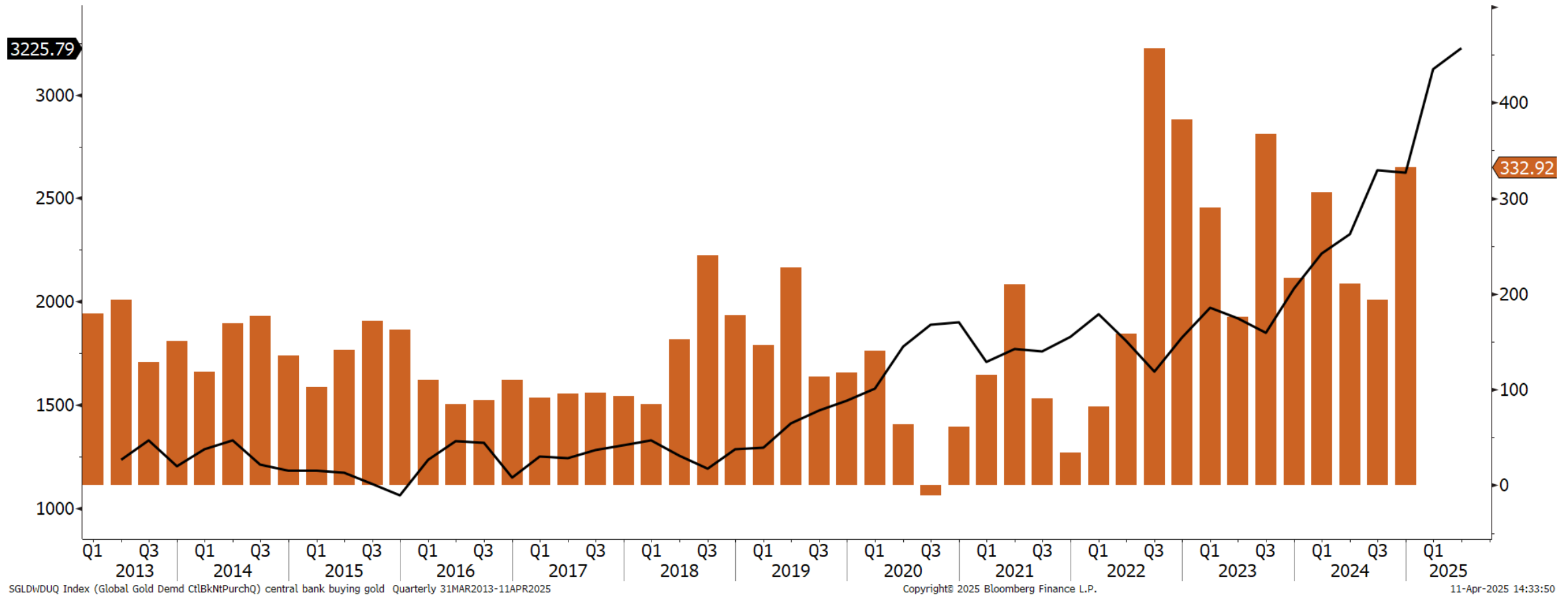
Trade War = Higher Gold

Global Policy Uncertainty Index & Gold



Central banks have increased their gold buying

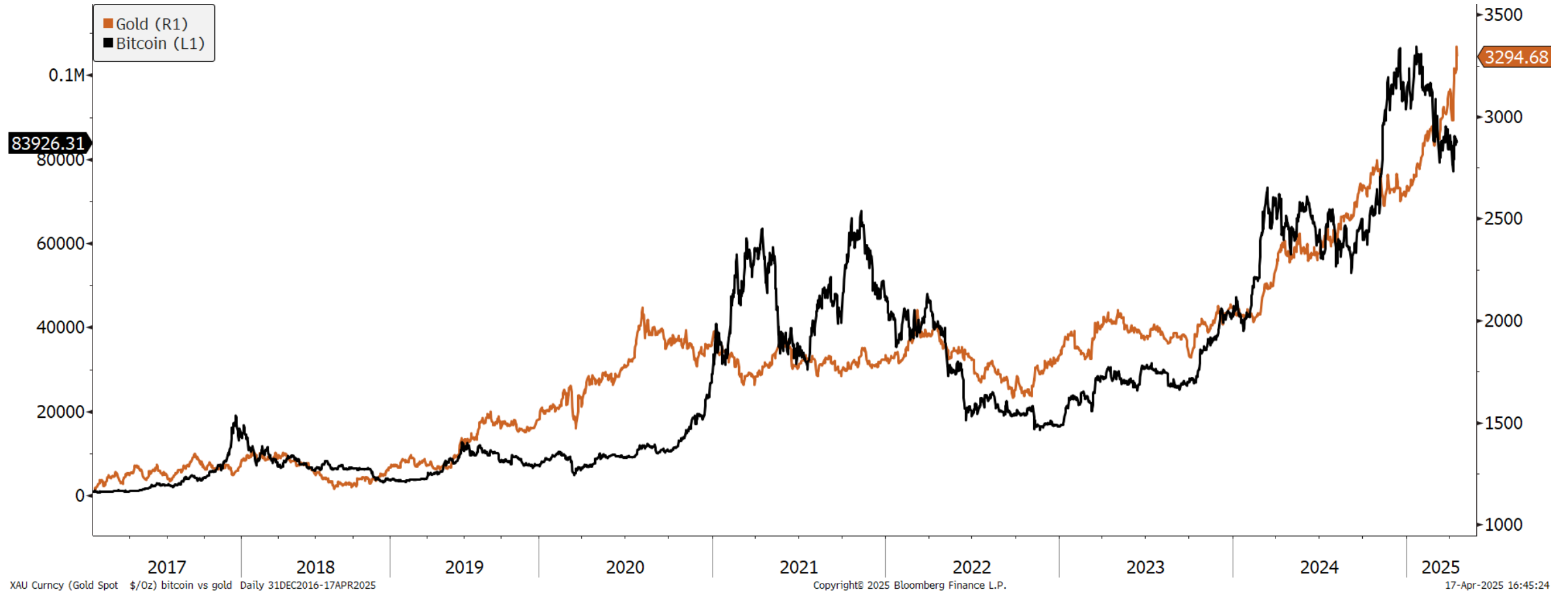
Central Bank Net Gold Purchases



Source: Fairtree, Bloomberg

Where to hide?

Bitcoin's one yr volatility is 50%, which is more than double that of Gold's

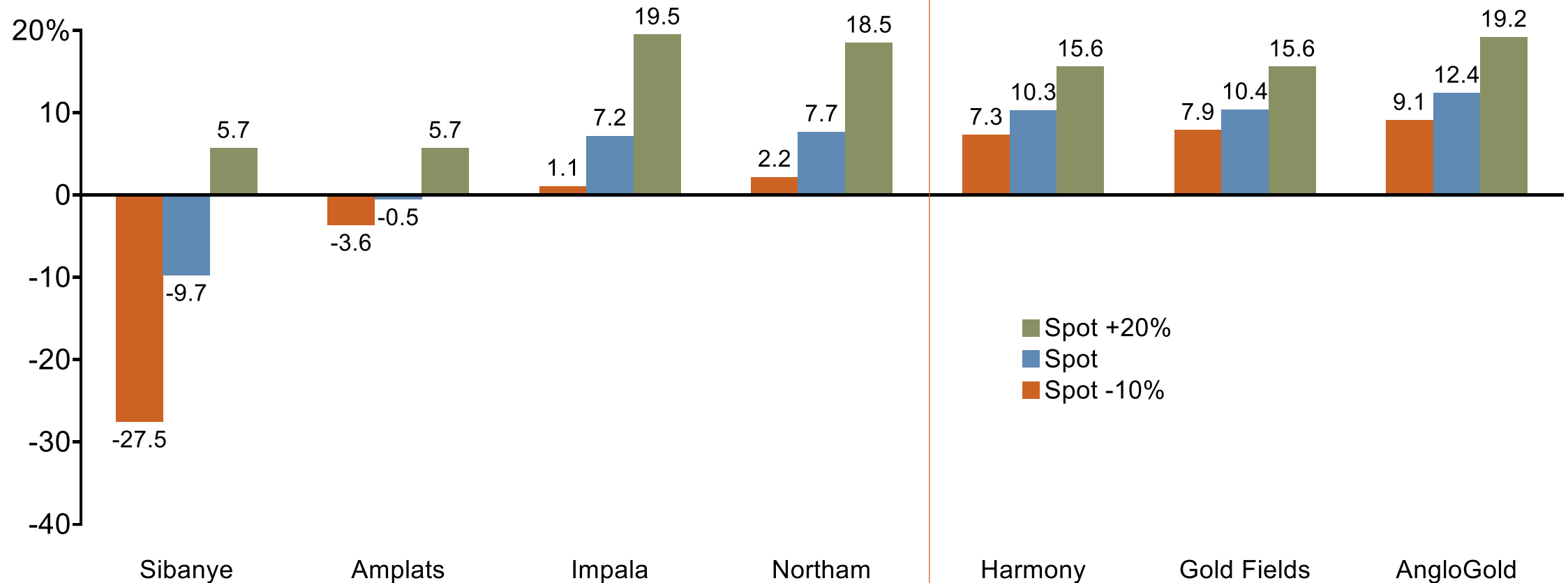


Source: Fairtree, Bloomberg

Precious Metal Miners FCF Yield %

Gold Miners offer better risk/reward profile

Free Cashflow Yields



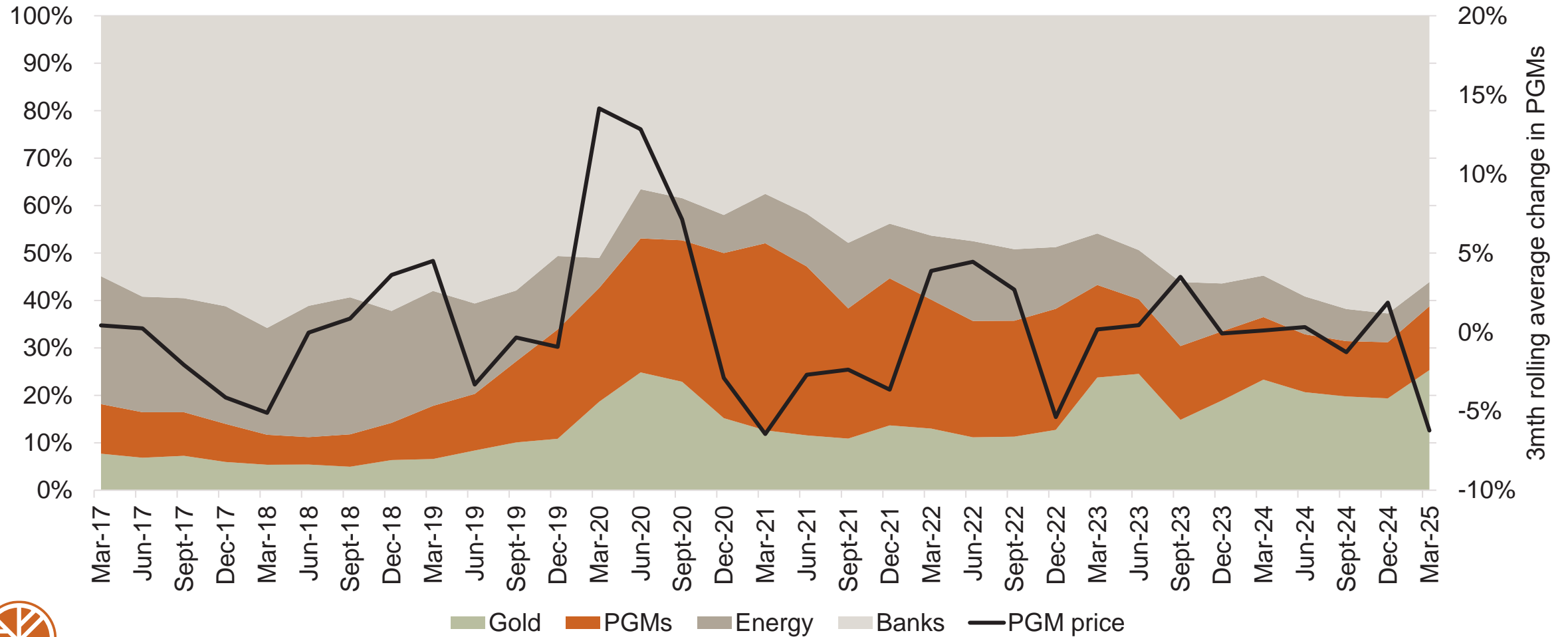
Source: Source: Bloomberg, Fairtree: 10 April 2025

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Advantage of Active Management

The cycle opportunities can be captured by active managers

Benchmark Weighting Capped Swix

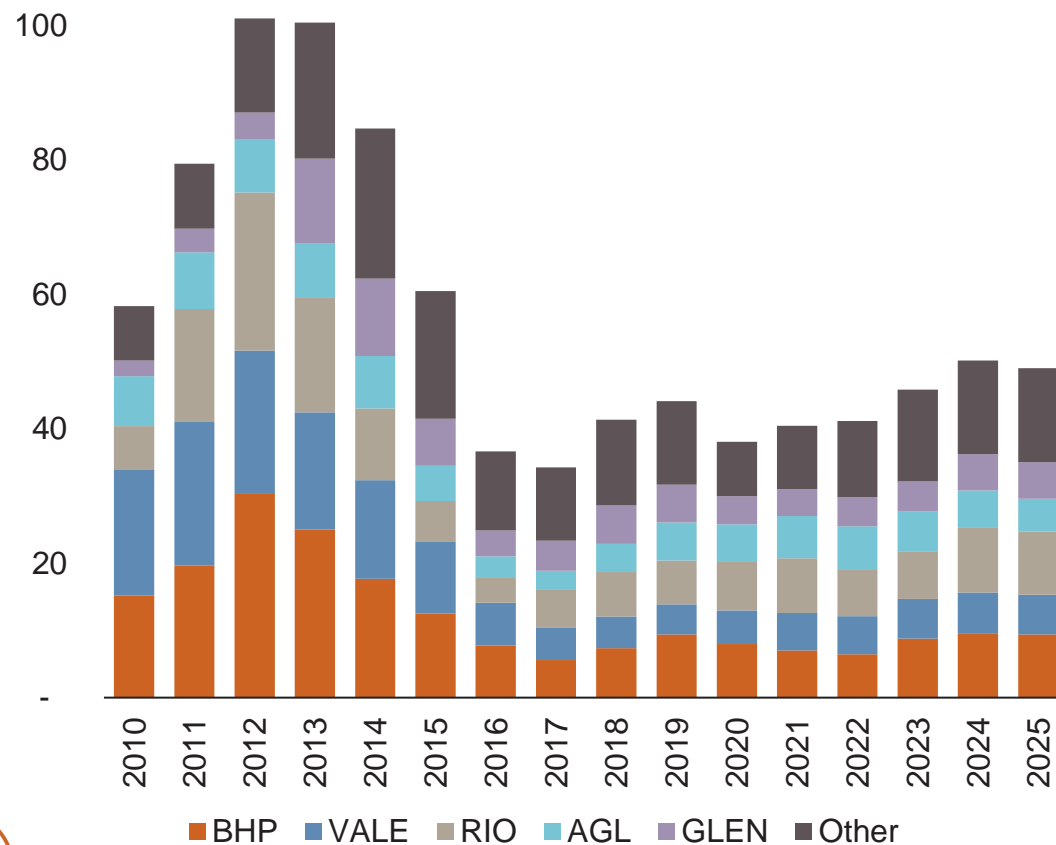


Source: Bloomberg, Fairtree

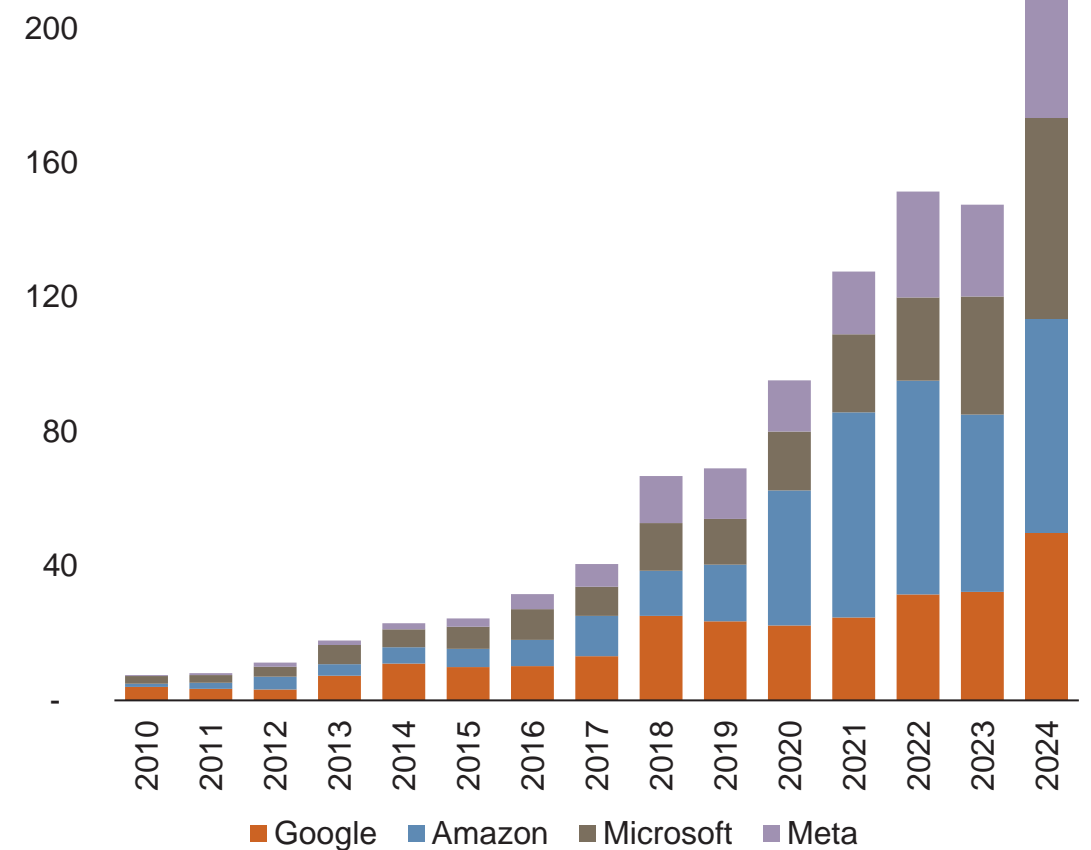
Growing Commodity Demand

... will come up against significant supply constraints

Major Global Miner Capex
US\$b [Real 2023]

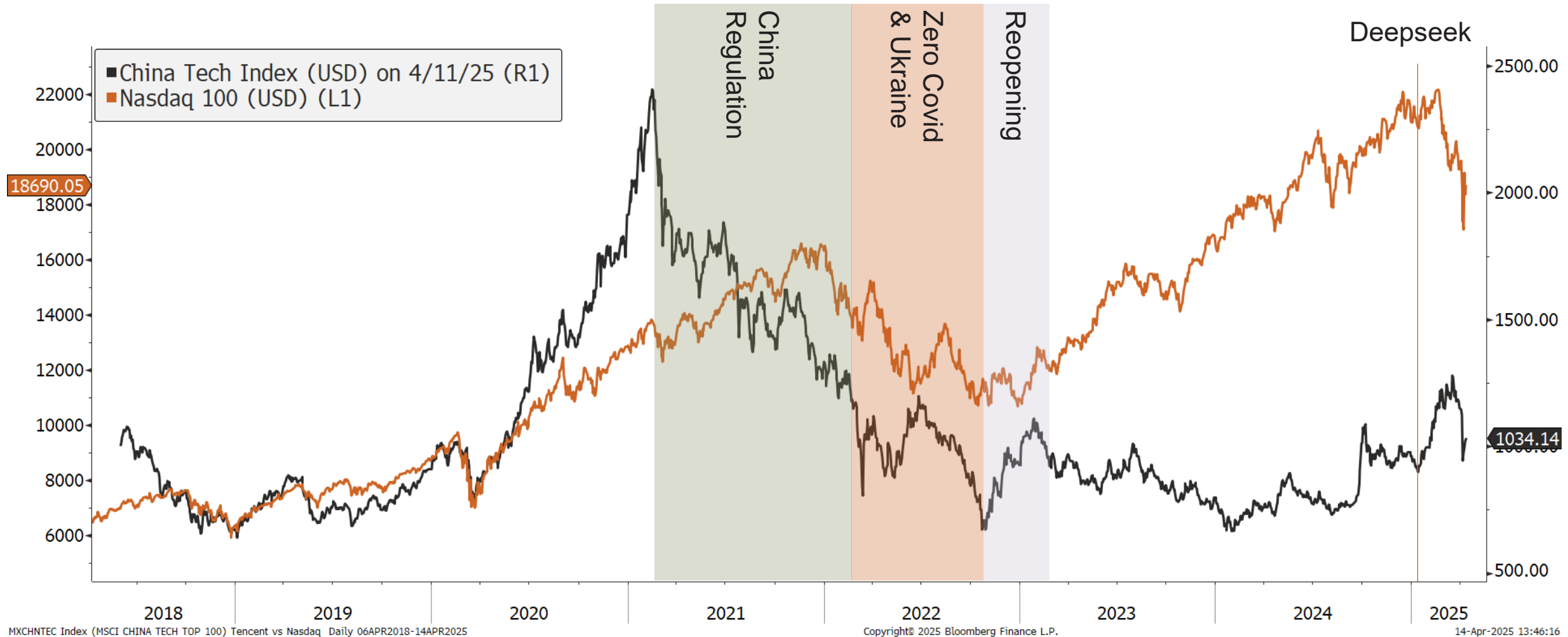


Big Tech. Company Capex
US\$b



US vs China Tech

China tech recovery was underway, but the bifurcation remains wide

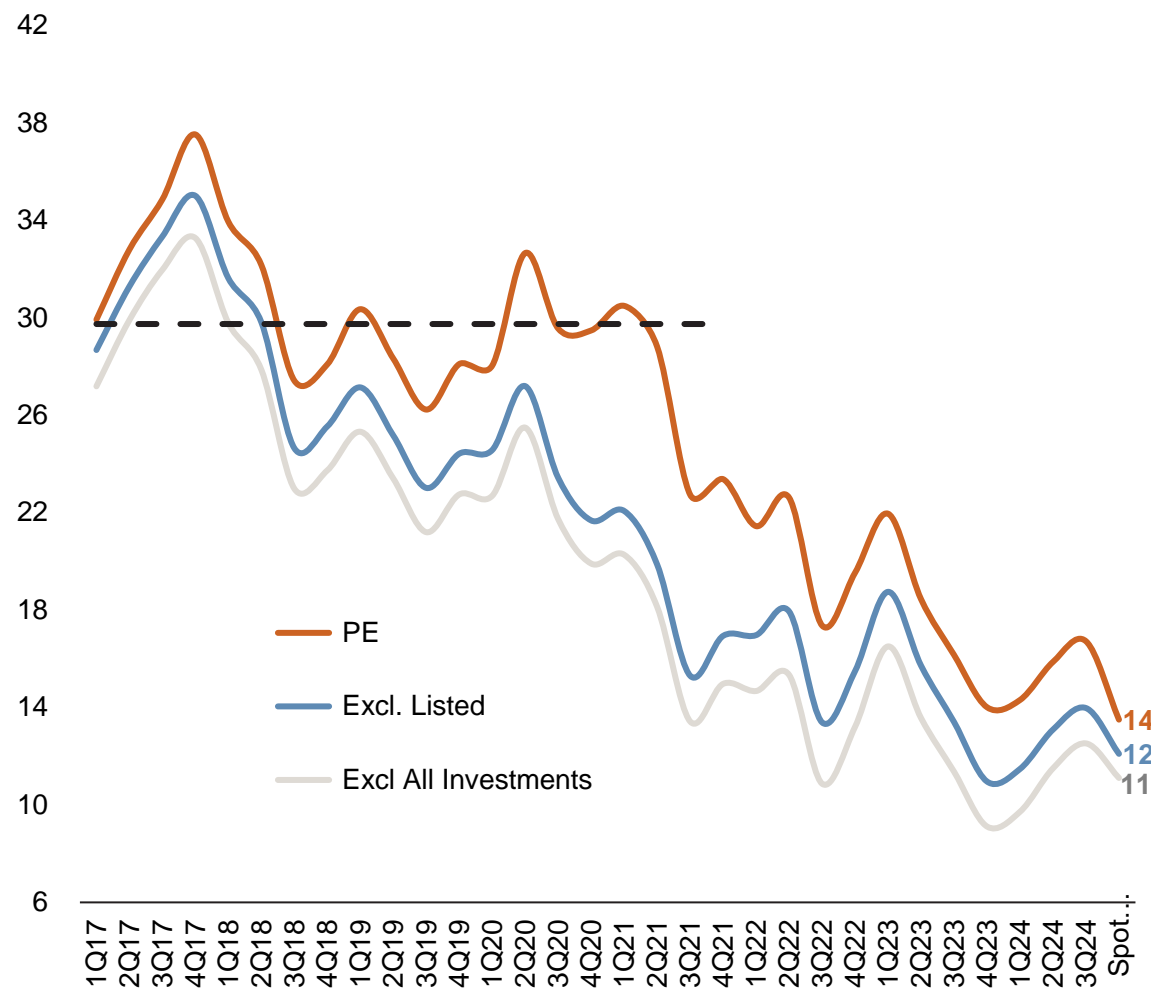


Source: Fairtree, Bloomberg

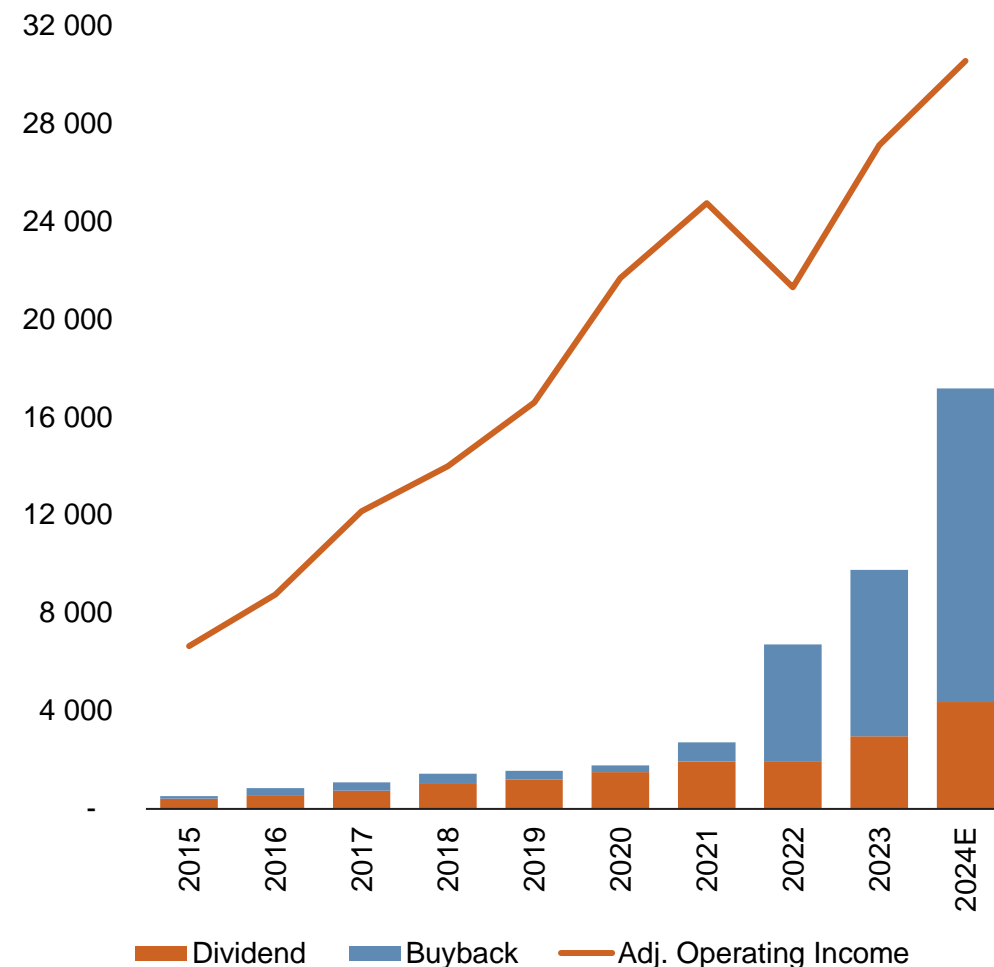
Tencent & Prosus

Prosus remains an attractive way to get exposure to Tencent

Tencent Fwd PE Ratio



Tencent Profitability and Cash Allocation US\$m

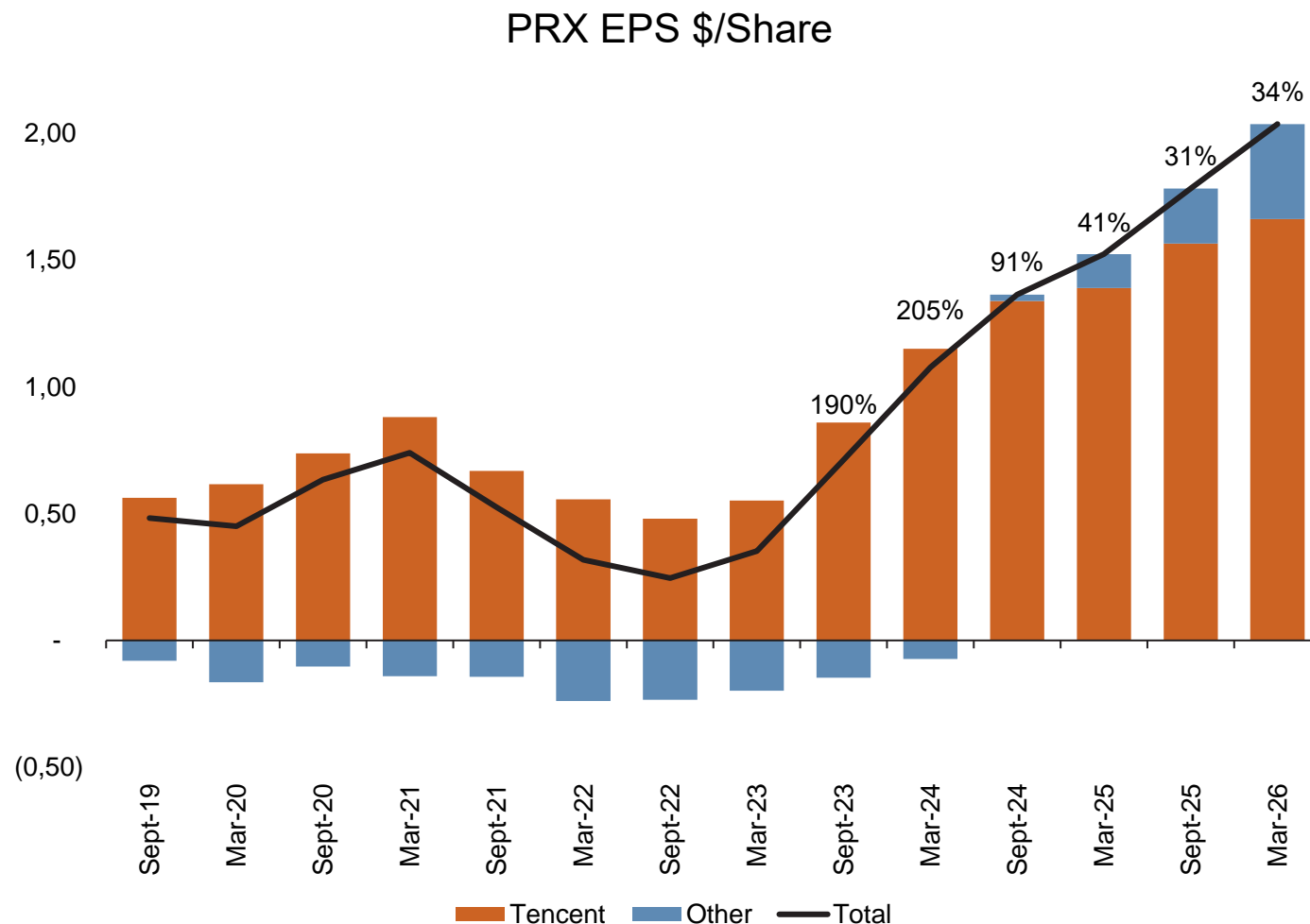
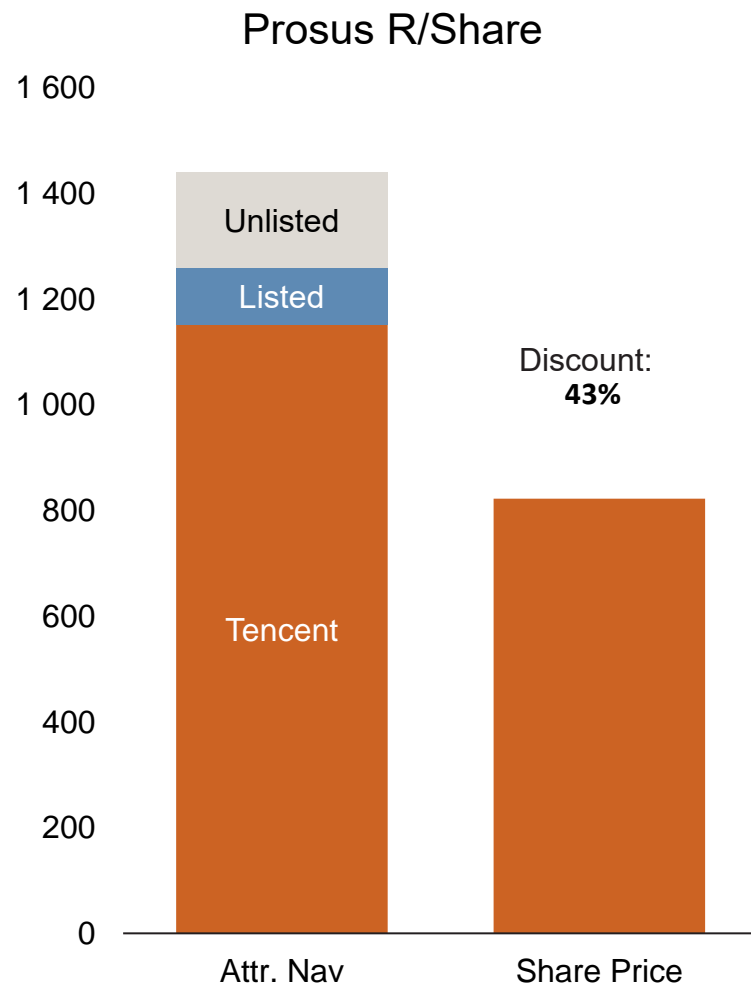


Source: Source: Bloomberg, Fairtree: 24 Feb 2025

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Tencent & Prosus

Prosus remains an attractive way to get exposure to Tencent

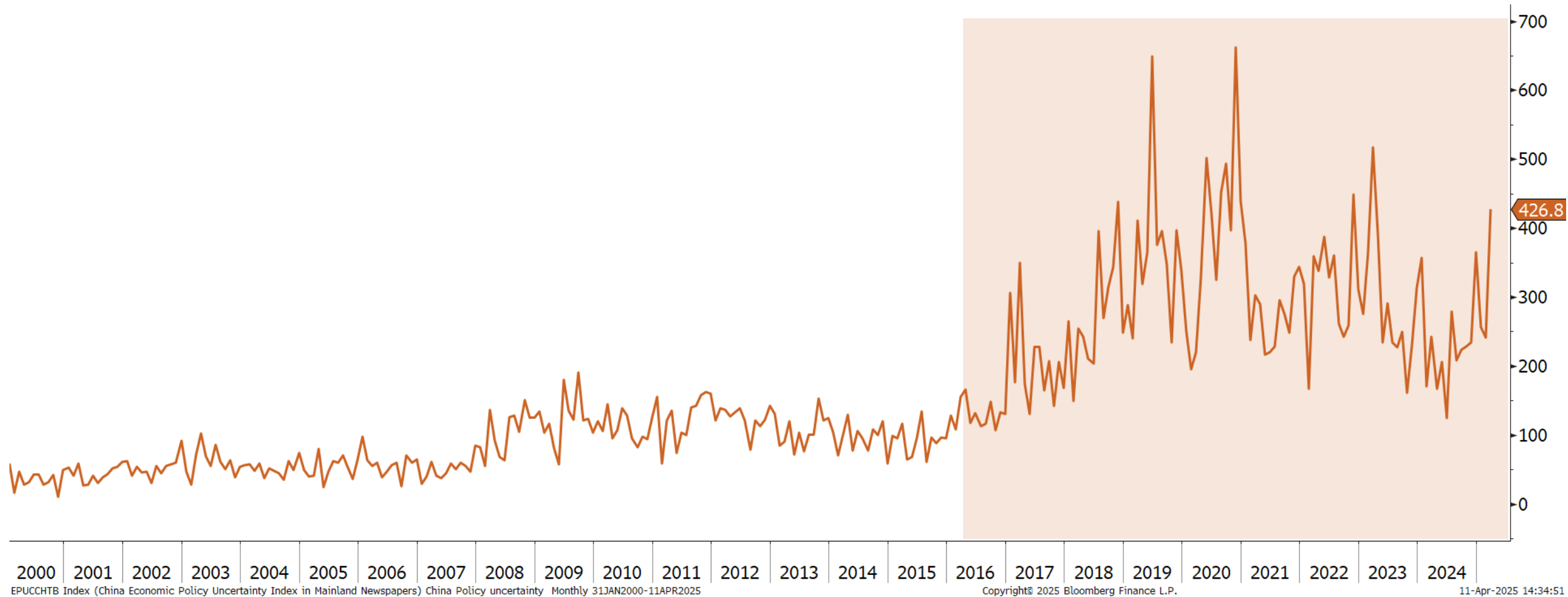


Source: Source: Bloomberg, Fairtree: 24 Feb 2025

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Chinese Policy uncertainty

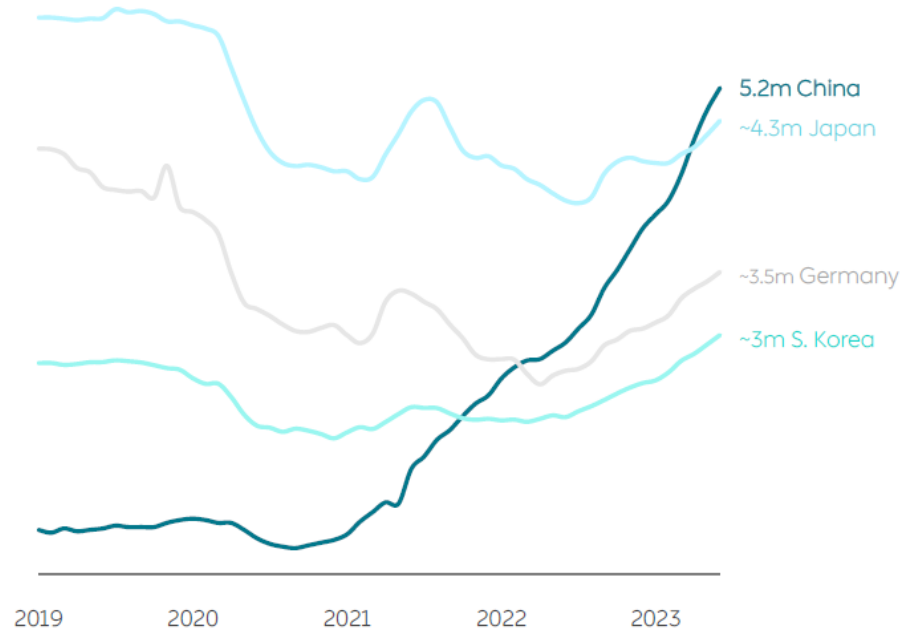
Xi Jinping's policy direction appears to be clearer



China Becomes Global No.1 Auto Exporter

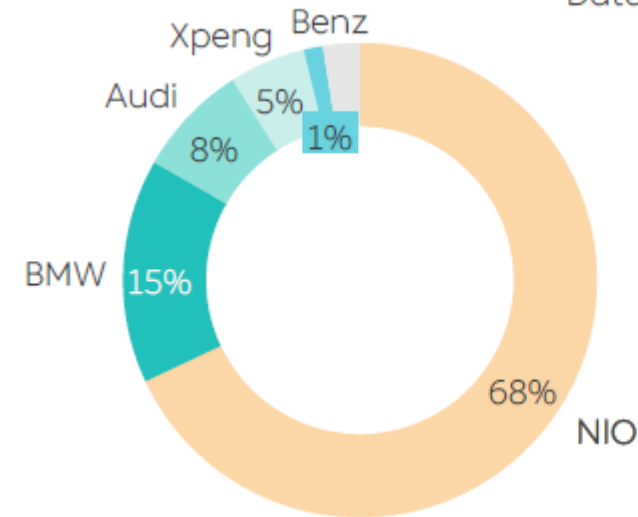
Chinese Auto Presence in the Global Market

Monthly car exports, 12mth moving average



NIO's Market Share in Premium BEV 300-400k RMB
(750-990k ZAR)






Data as of August 2024



Source: Wind, National Bureau of Statistics of China, Fairtree, Nio Results Presentation 2024

Metal Basket Content by Light Vehicle Type

We need more, not less, green metals

	 Gasoline	 Diesel	 Hybrid <small>incl. PHEV ⁽¹⁾</small>	 BEV ⁽²⁾	 FCEV ⁽³⁾
Ni	Stainless Steel & Parts		+Batteries		2-3 kg
	2-4 kg	2-4 kg	5-15 kg	30-110 kg	
Cu	Wires & Parts		+Electric Motor, Generator Winding		
	20-25 kg	20-25 kg	45-50 kg	75-80 ⁽⁵⁾ kg	70-75 kg
PGM	Catalysts				Fuel Cell
	2-5 g	3-6 g	2-6 g	-	25-35 g
Pt:Pd ratio	1:4	8:1	1:4		
Metal value per vehicle, US\$	370-890	250-480	610-1,180	Up to 1,500	Up to 1,600

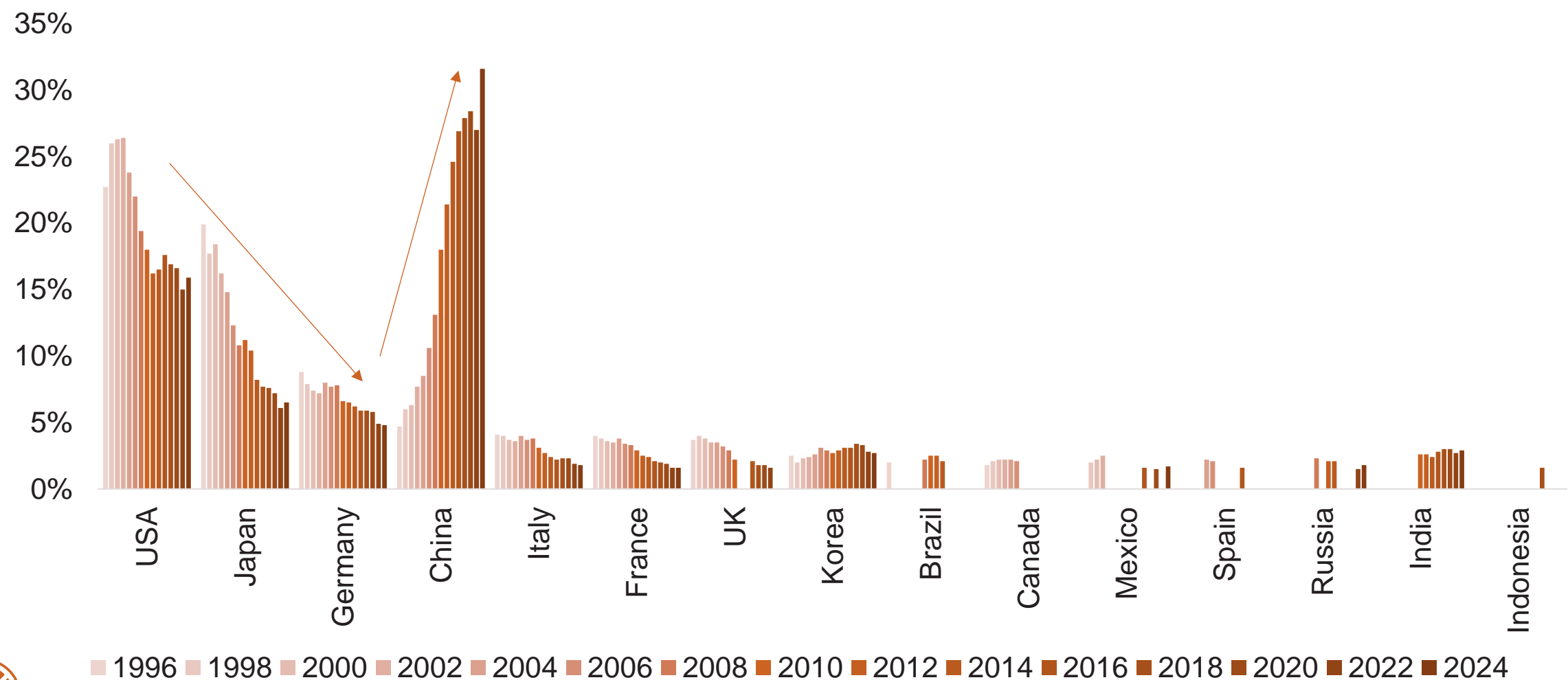
Sources: Company estimates, LMC Automotive, Bloomberg

Notes: 1. Plug-in hybrid electric vehicles, 2. Battery electric vehicles, 3. Fuel cell electric vehicles



Share of World Manufacturing Output

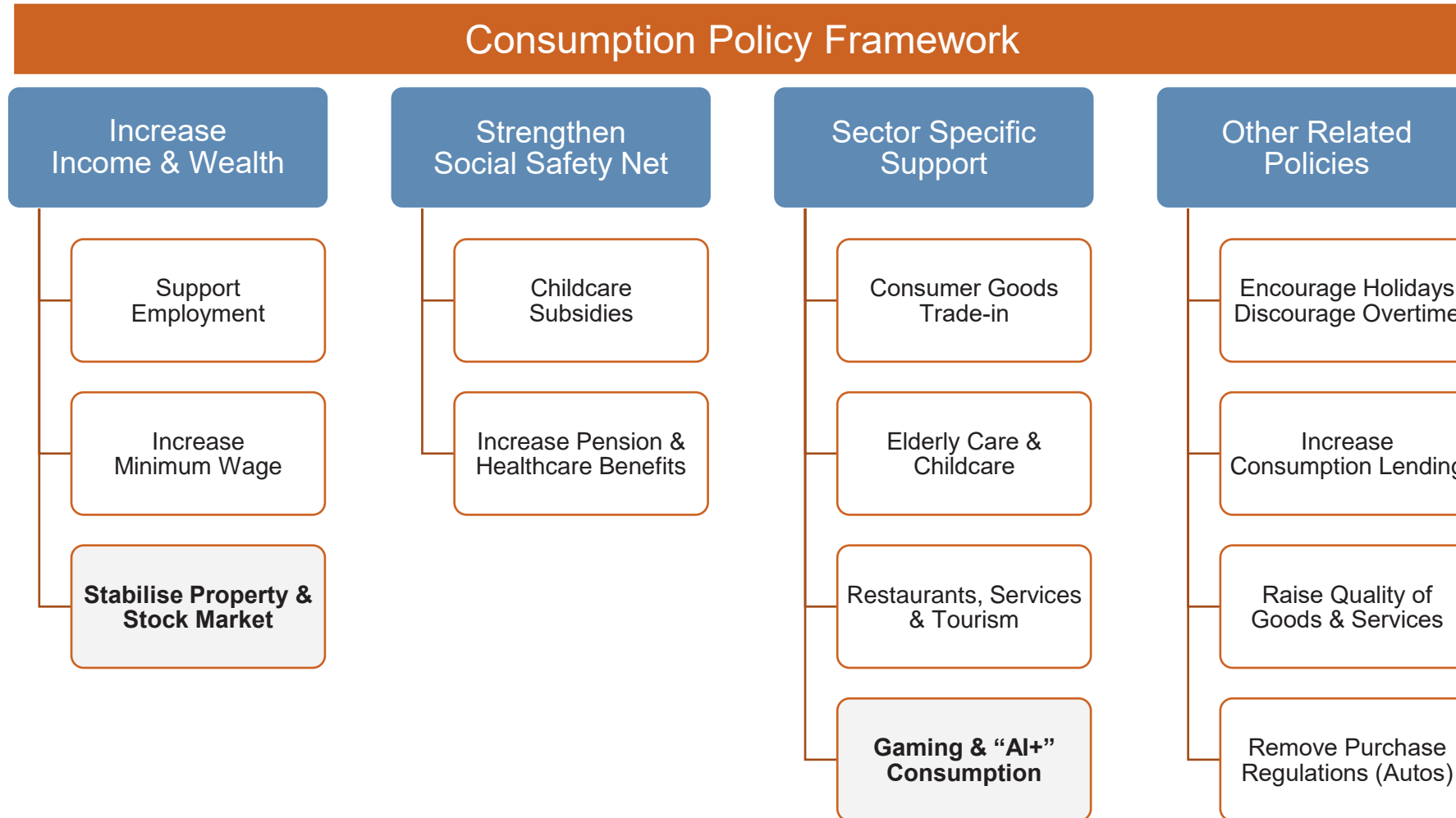
G7 contribution to share has reduced significantly



Source: OECD, Fairtree

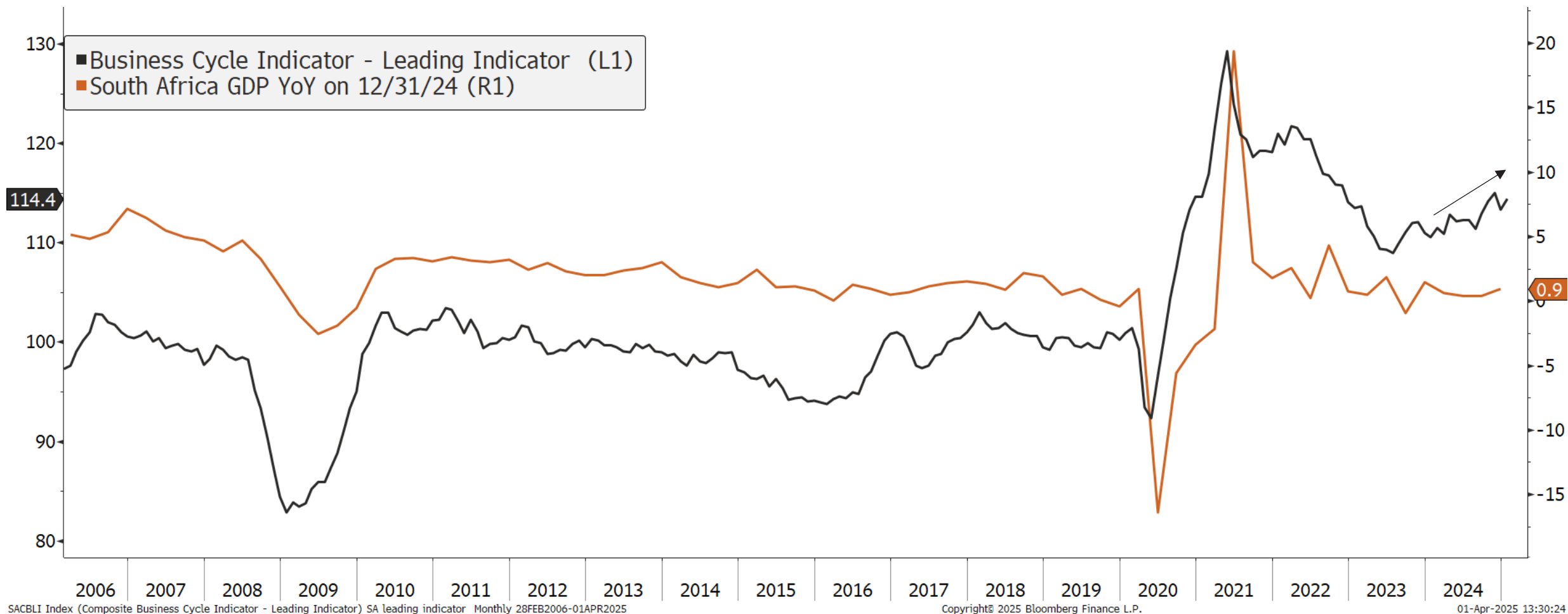
China Policy Tilt

China's State Council “special action plan” to boost domestic consumption



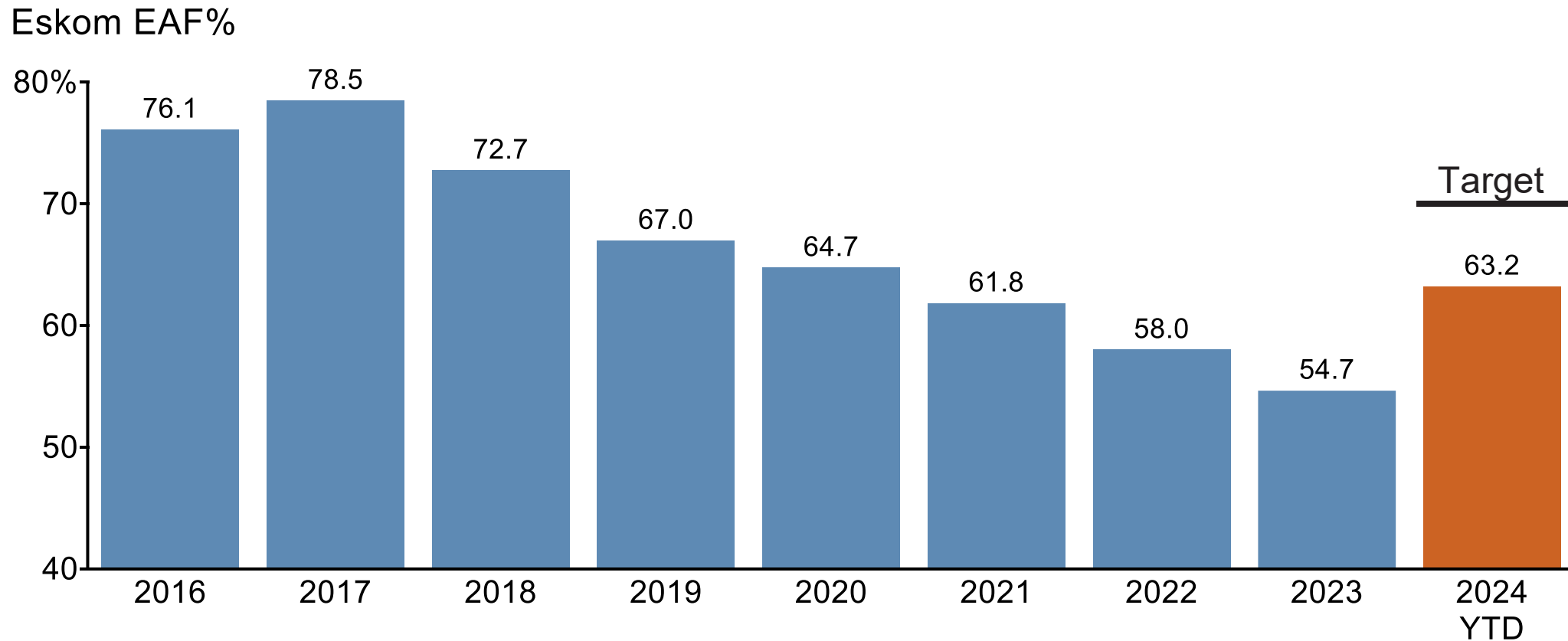
SA Leading Indicators

Leading business cycle indicator continued to rise, led by new passenger vehicles



SA Infrastructure Reform: 1. Electricity

Eskom has not implemented loadshedding for 9 months

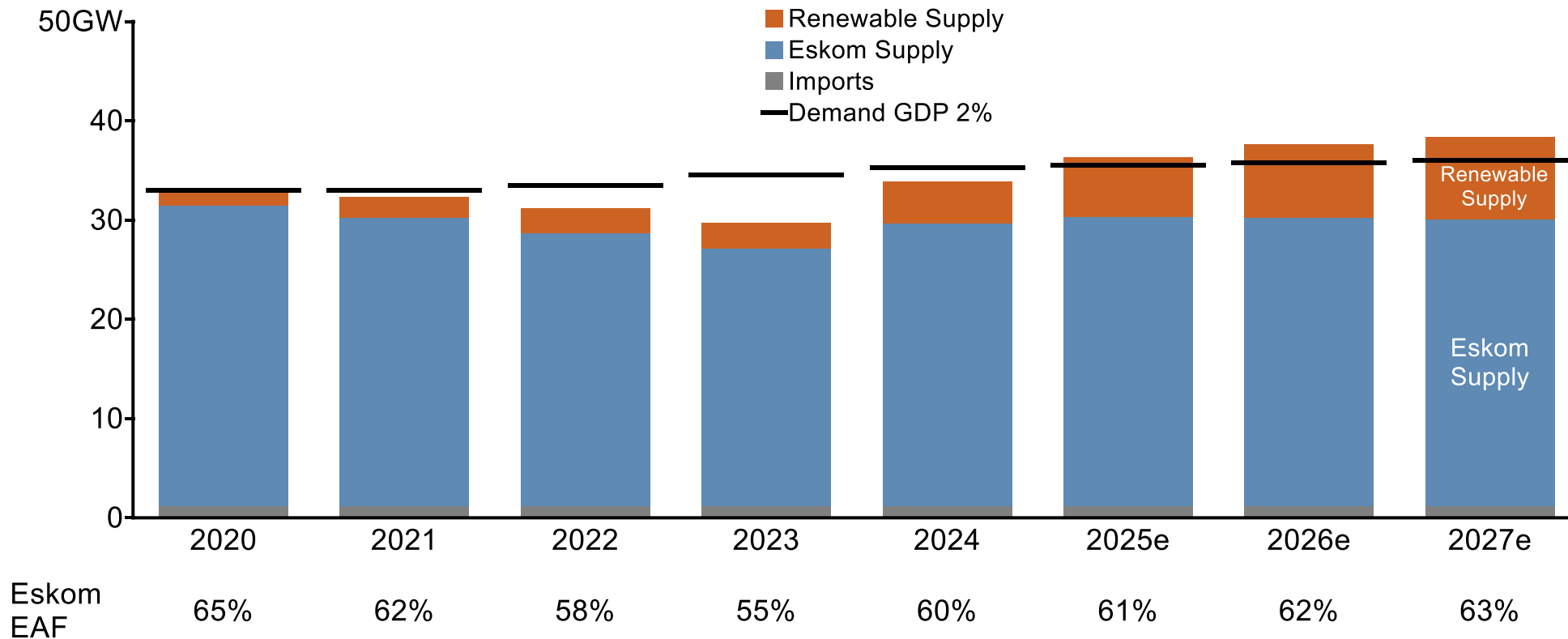


Source: Eskom, January 2024

SA Energy Supply Growth

The private sector will add significantly to supply, with moderate Eskom operational improvement

Energy Supply Demand

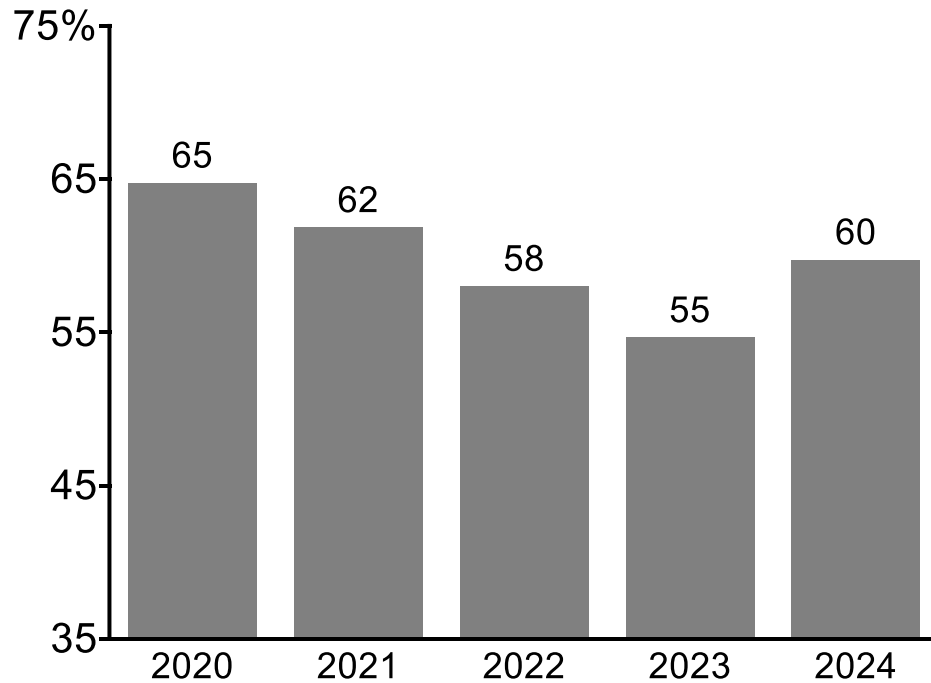


Source Eskom, Fairtree

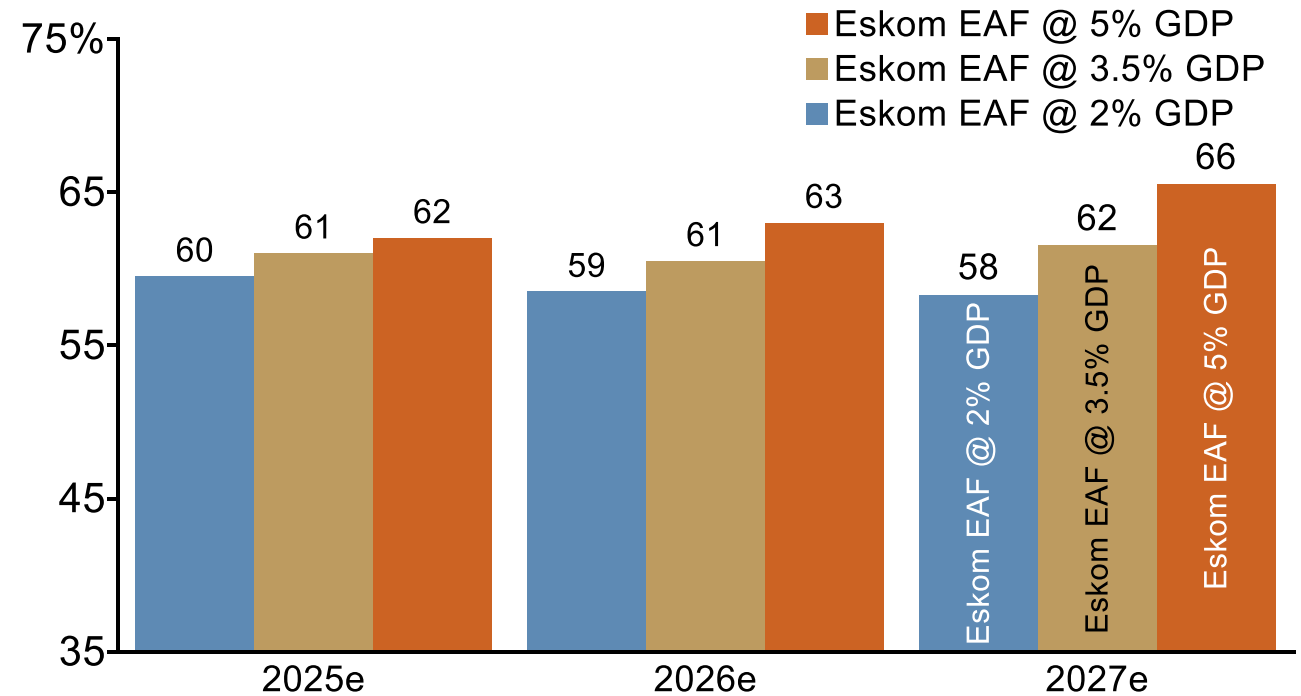
Energy Constraints to SA Growth

Blue sky 5% GDP growth is attainable if Eskom EAF improve to 66%

Historic Eskom EAF

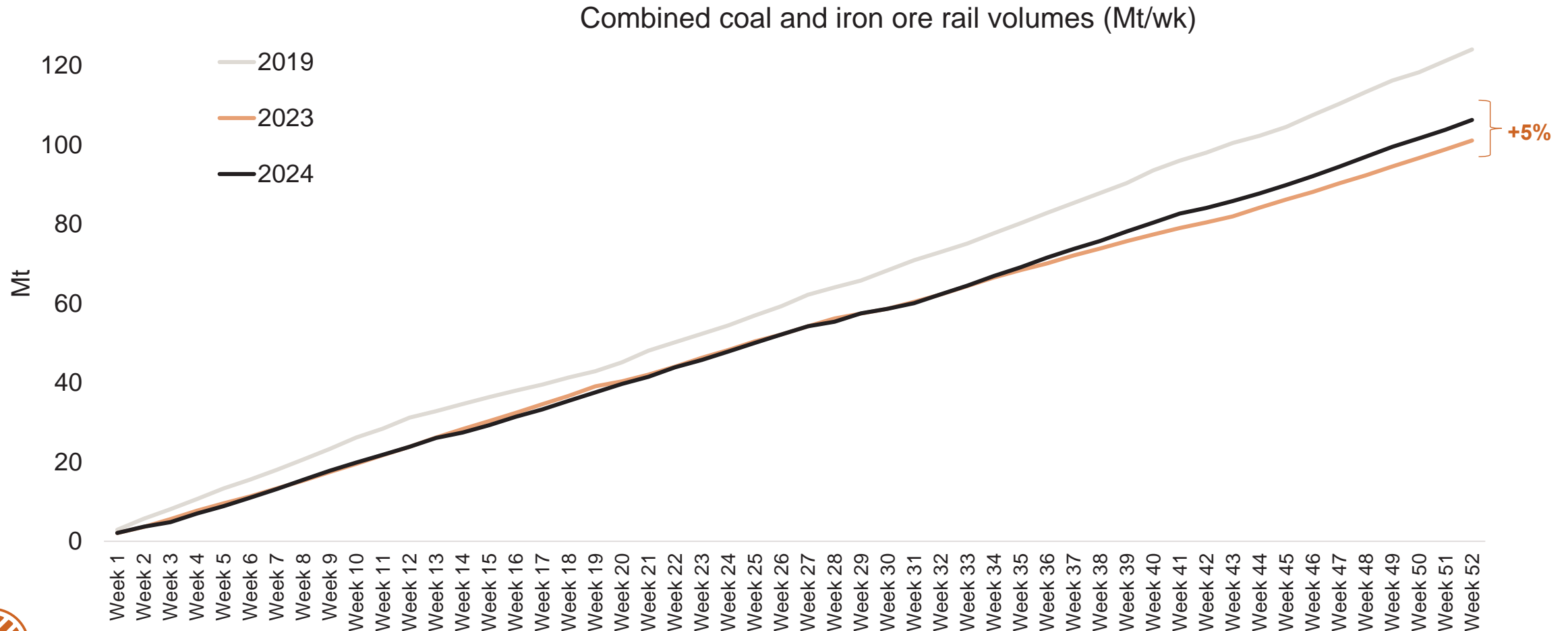


Required Eskom EAF vs GDP Growth



SA Infrastructure Reform: 2. Transnet

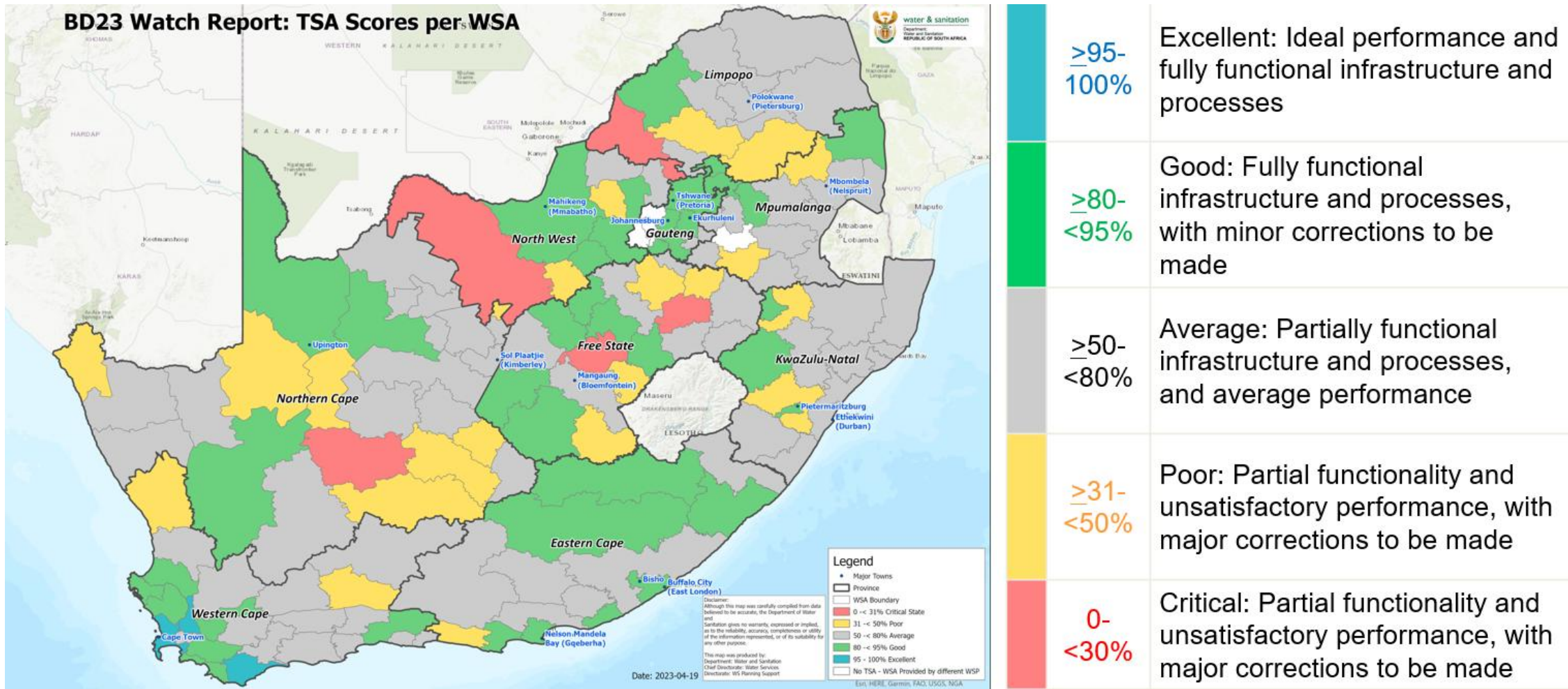
The private sector will add significantly to supply, with moderate Eskom operational improvement



Source Eskom, Fairtree

SA Infrastructure Reform: 3. Water

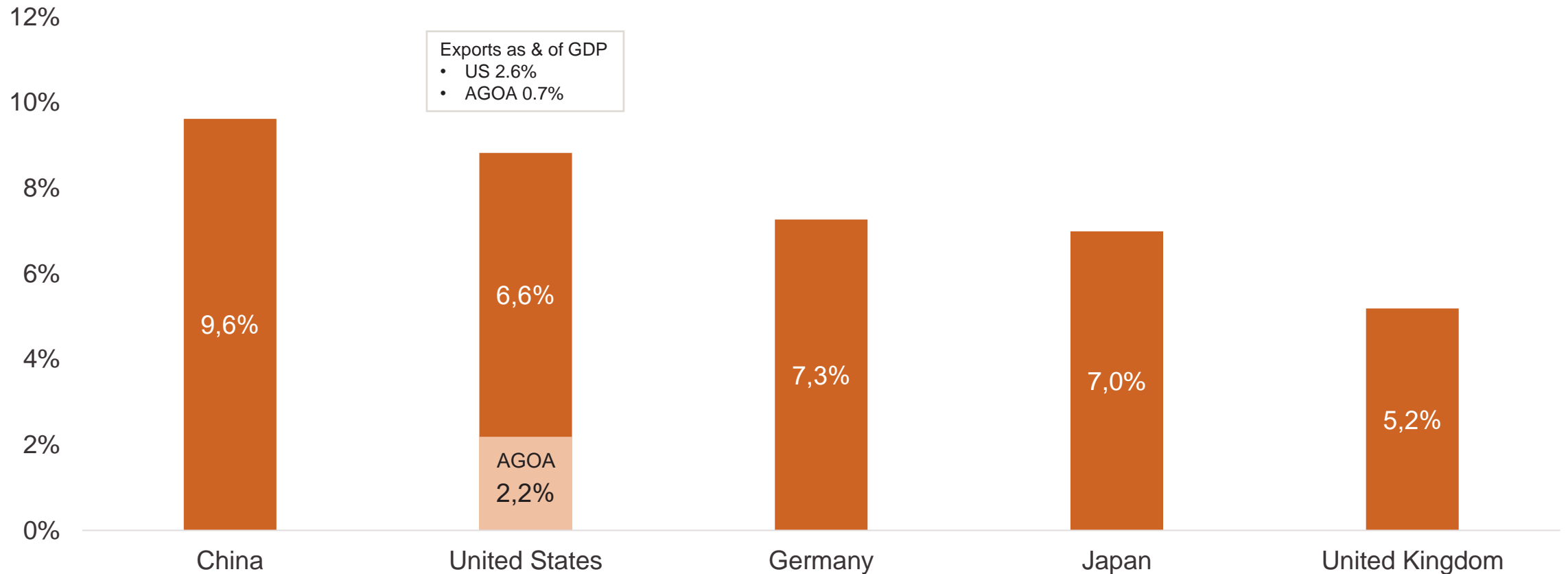
Drinking water infrastructure condition status is poor across NW, N Cape, FS and Limpopo



Trump 2.0

The US is a key trading partner of South Africa

South Africa main exports partners (% of total exports)

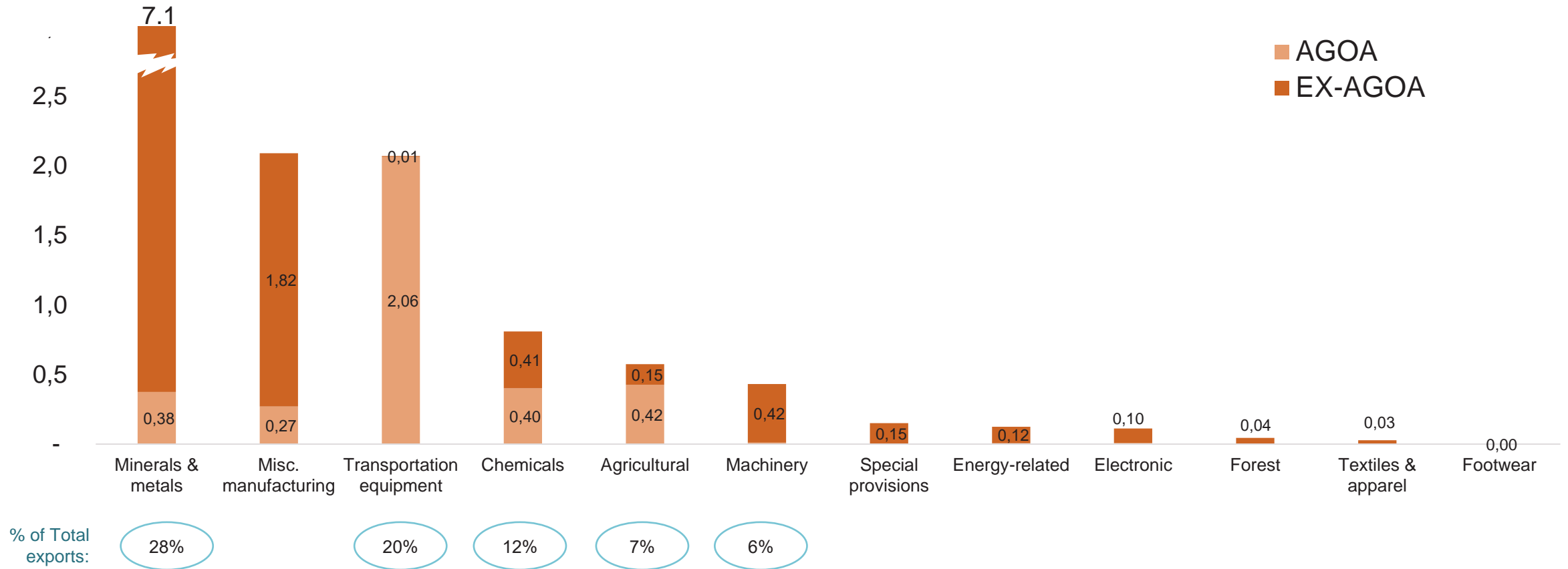


Source: World Integrated Trade Solutions, US Department of commerce, Fairtree.

Exports to US by sector

US exports under AGOA vs outside AGOA

SA exports to US by sector – 2023 (\$bn)

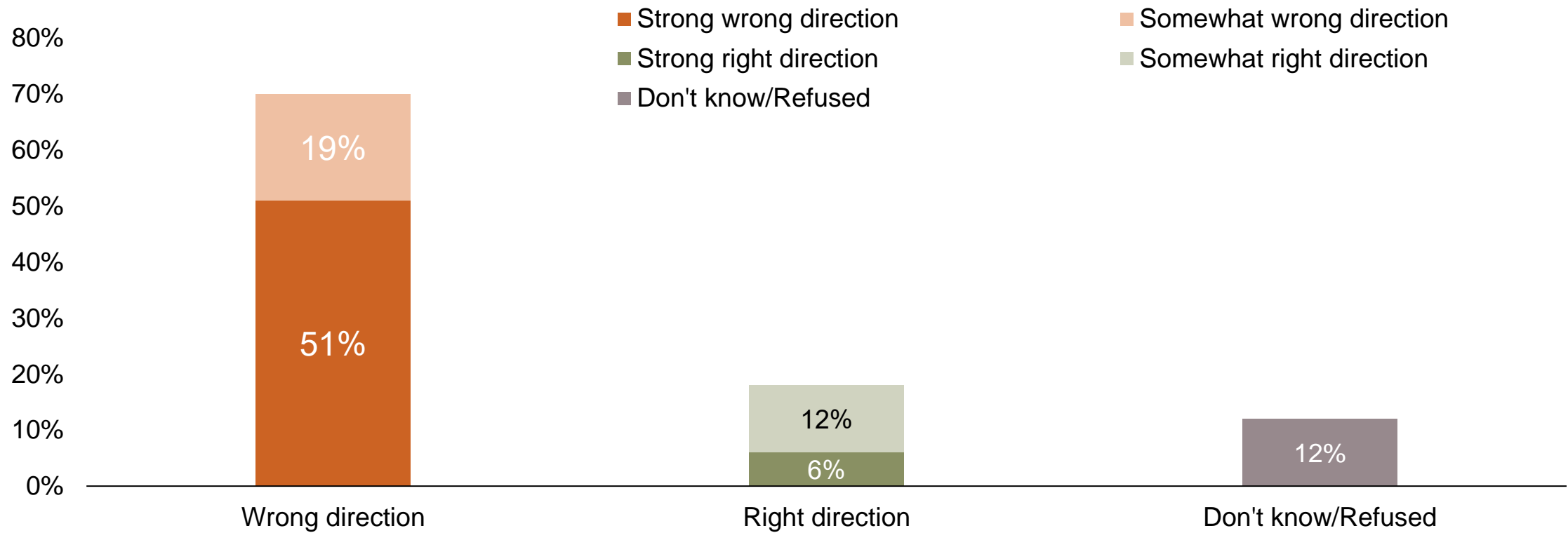


Source: US Department of Commerce, Fairtree.

70% believe SA is going in the wrong direction

Brenthurst Survey

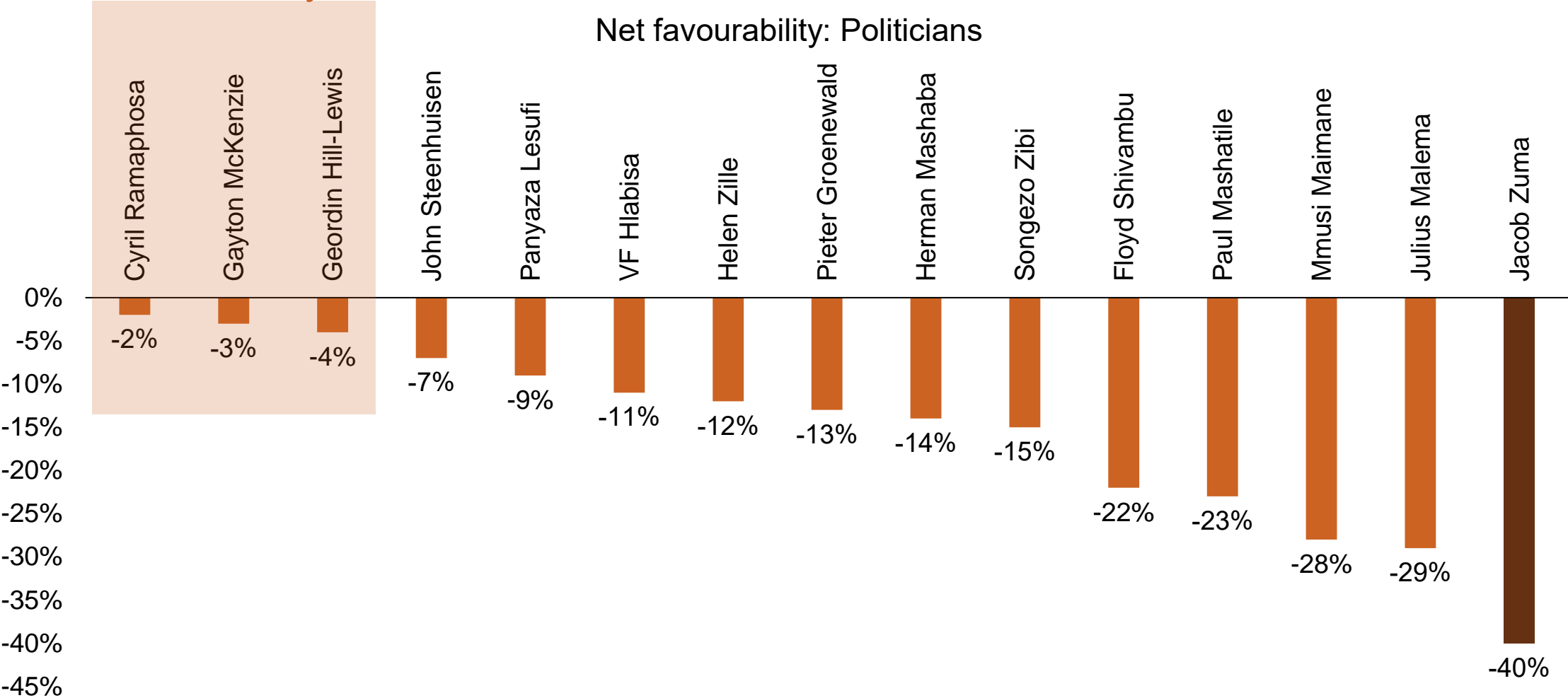
In general, are things in South Africa going in the right direction or in the wrong direction?



Source: Nationally Representative Survey of South African Voter Opinion April 2025, Brenthurst Foundation

No SA politician has a positive net favourability

Brenthurst Survey

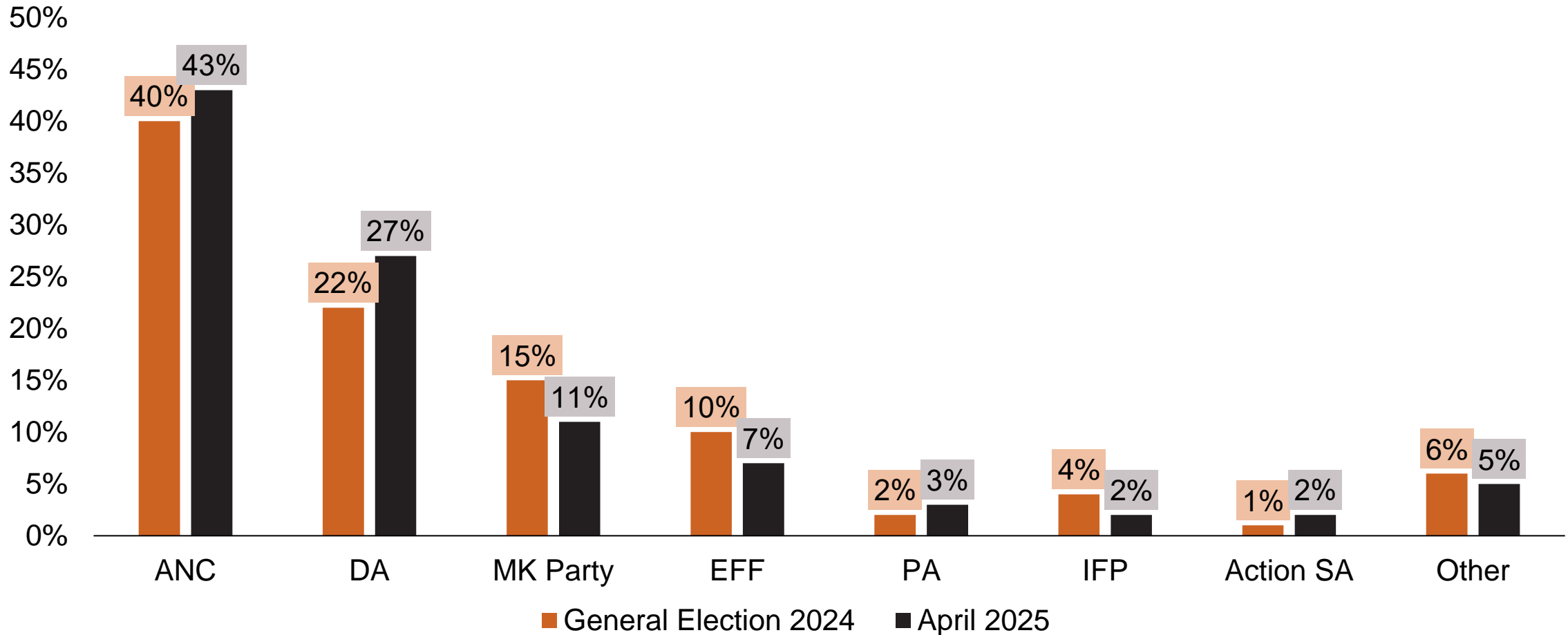


Source: Nationally Representative Survey of South African Voter Opinion April 2025, Brenthurst Foundation

ANC wins 43% (up 3% from 2024); DA wins 27% (up 5%)

Brenthurst Survey

If an election was held today, which party would you vote for?

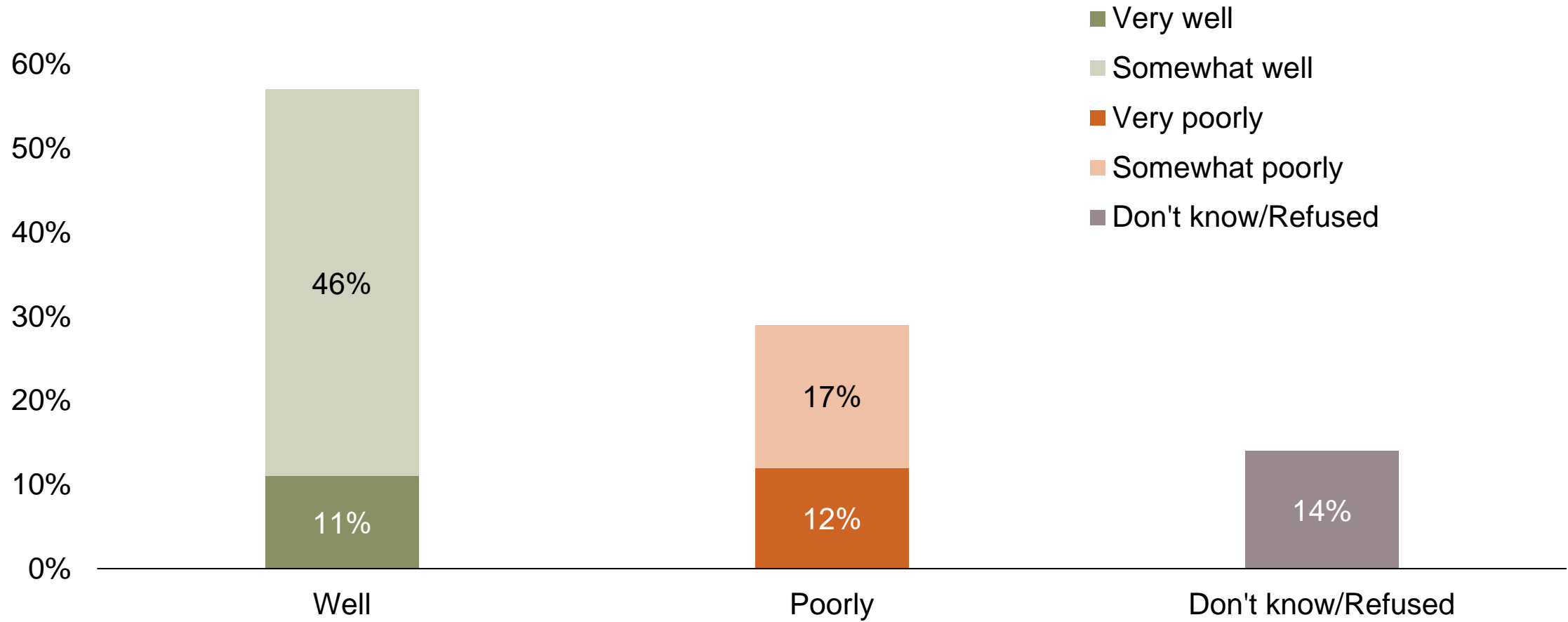


Source: Brenthurst

57% of voters believe the GNU is performing well

Brenthurst Survey

How would you say the GNU is currently performing?

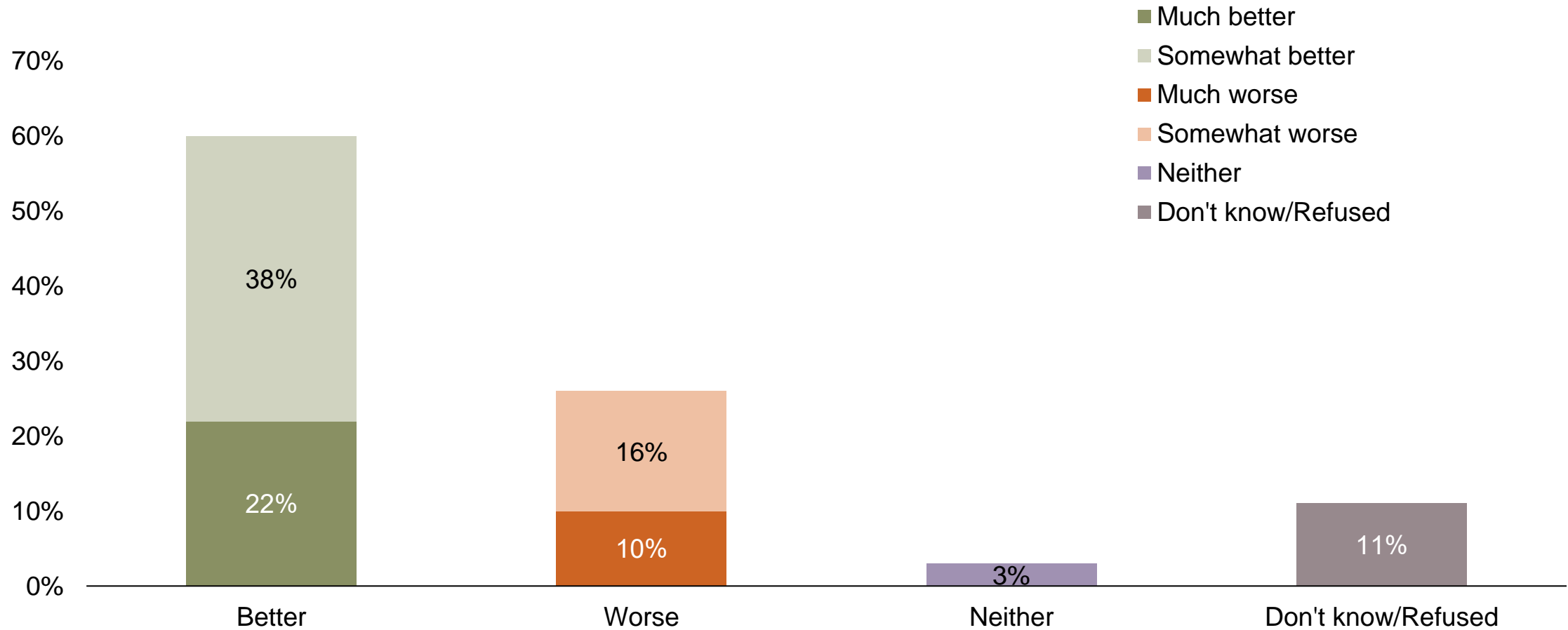


Source: Nationally Representative Survey of South African Voter Opinion April 2025, Brenthurst Foundation

60% of voters believe the GNU is better than the ANC

Brenthurst Survey

Do you think the GNU is performing better or worse than the last ANC government?

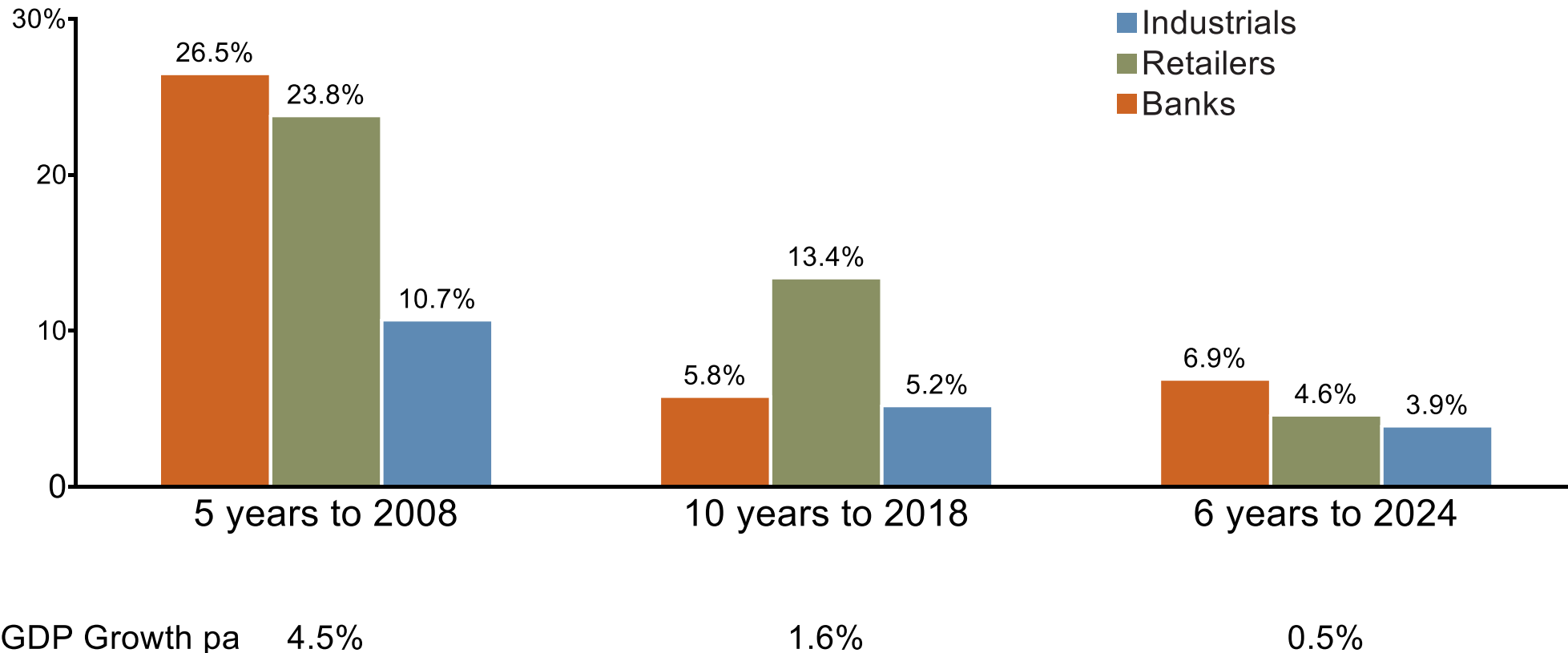


Source: Nationally Representative Survey of South African Voter Opinion April 2025, Brenthurst Foundation

SA Inc. Earnings Growth

Domestic Earnings Growth is highly correlated to SA GDP

Annualised Earnings Growth



Source: Bloomberg, Fairtree

Current Fund Positioning

The ability to be flexible is key to adapt to prevailing economic conditions

Detailed Fund Composition



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Collective Investment Schemes may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. The Manager does not provide any guarantee with respect to the capital or the return of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Commission and incentives may be paid, and if so, are included in the overall costs. Investors should note that the value of an investment is dependent on numerous factors which may include, but are not limited to, share price fluctuations, interest and exchange rates and other economic factors. Performance is further affected by uncertainties such as changes in government policy, taxation and other legal or regulatory developments.

The performance of a portfolio is dependent on making correct assessments of the price movements of securities and other investment instruments. Financial markets have historically exhibited high levels of volatility and negative movements that have affected the price of all assets within a specific class and accordingly, a portfolio's investments will be subject to market risk. Through financial gearing via the long/short process, the portfolio may be leveraged. This will mean enhanced positive gains but conversely may mean magnified losses. No taxation has been deducted in the computation of returns. The taxation treatment of returns is the investor's responsibility. All returns are disclosed net of performance fees



An aerial photograph of a city skyline, likely Johannesburg, South Africa, featuring several prominent skyscrapers and a dense urban landscape. A semi-transparent grey rectangular box is overlaid on the upper portion of the image, containing the text "THANK YOU" in white, all-caps, sans-serif font.

THANK YOU

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