



CUSTODIAN
Investment Managers

South African Large Manager Model [SALM]

May 2025 Feedback

Market Commentary

Asset Class	Index used as Benchmark	Returns [ZAR]
SA Equity	FTSE/JSE Capped SWIX All Share TR ZAR	+ 3.03%
SA Bonds	FTSE/JSE All Bond TR ZAR	+ 2.73%
SA Property	FTSE/JSE SA Listed Property TR ZAR	+ 2.32%
SA Cash	STeFI Composite ZAR	+ 0.63%
Non-SA Equity	MSCI ACWI All Cap GR USD	+ 2.73%
Non-SA Bonds	Bloomberg Global Aggregate TR USD	- 3.29%
Non-SA Property	DJ Global World Real Estate TR USD	- 1.52%
Non-SA Cash	USTREAS T-Bill Auction Ave 3 Mon	- 2.59%
Currency	South African Rand vs US \$	+ 3.04%

In May 2025, South Africa's economy remained weak, with Q1 GDP at 0.1% and the SARB cutting rates by 25 bps to 7.25% as inflation eased to 2.8%. Growth forecasts were revised down to 1.2%, while manufacturing and employment deteriorated. Despite this, the FTSE/JSE All Share rose 3.14%, led by Industrials (+3.98%).

Globally, the OECD cut its growth forecast to 2.9% amid rising US tariffs, which disrupted trade and dampened sentiment. US growth is expected to slow to 1.6%, while China and the eurozone face similar headwinds. Still, equity markets rallied: the S&P 500 and Nasdaq gained 6.29% and 9.13%, while the FTSE 100, DAX, and CAC 40 also posted strong returns, extending year-to-date gains.

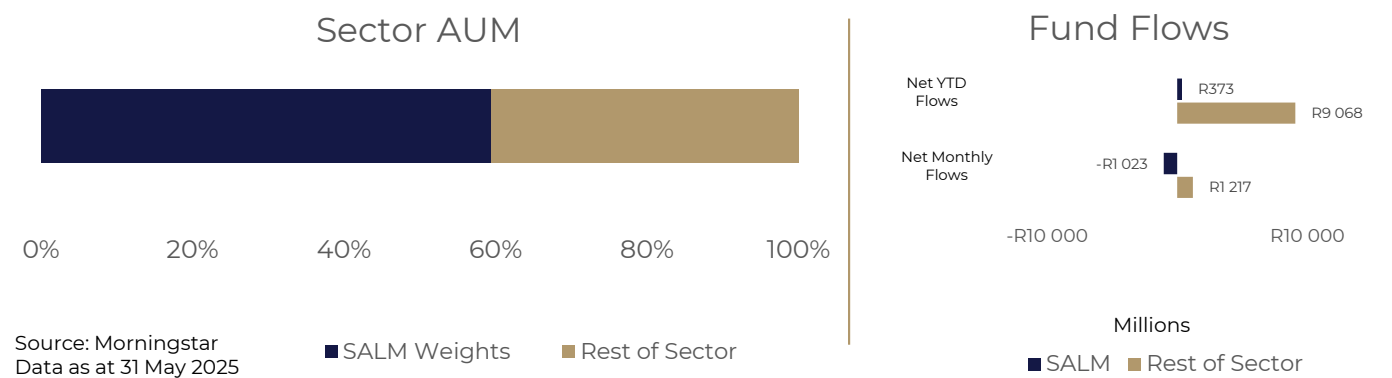
The SALM Model Allocation Changes:

	30-Apr-25	31-May-25	Managers Action
SA Equity	39.14%	38.76%	-0.65%
SA Bonds	14.03%	14.00%	-0.08%
SA Property	2.45%	2.43%	-0.02%
SA Cash	7.32%	6.85%	-0.35%
Non-SA Equity	30.84%	31.61%	0.65%
Non-SA Bonds	5.37%	4.29%	-0.78%
Non-SA Property	0.46%	0.45%	0.01%
Non-SA Cash	0.40%	1.59%	1.21%
Total Equity	69.98%	70.38%	0.00%
Total Bonds	19.39%	18.30%	-0.86%
Total Property	2.91%	2.88%	0.00%
Total Cash	7.72%	8.44%	0.86%
Total SA	62.94%	62.05%	-1.10%
Total Non-SA	37.06%	37.95%	1.10%

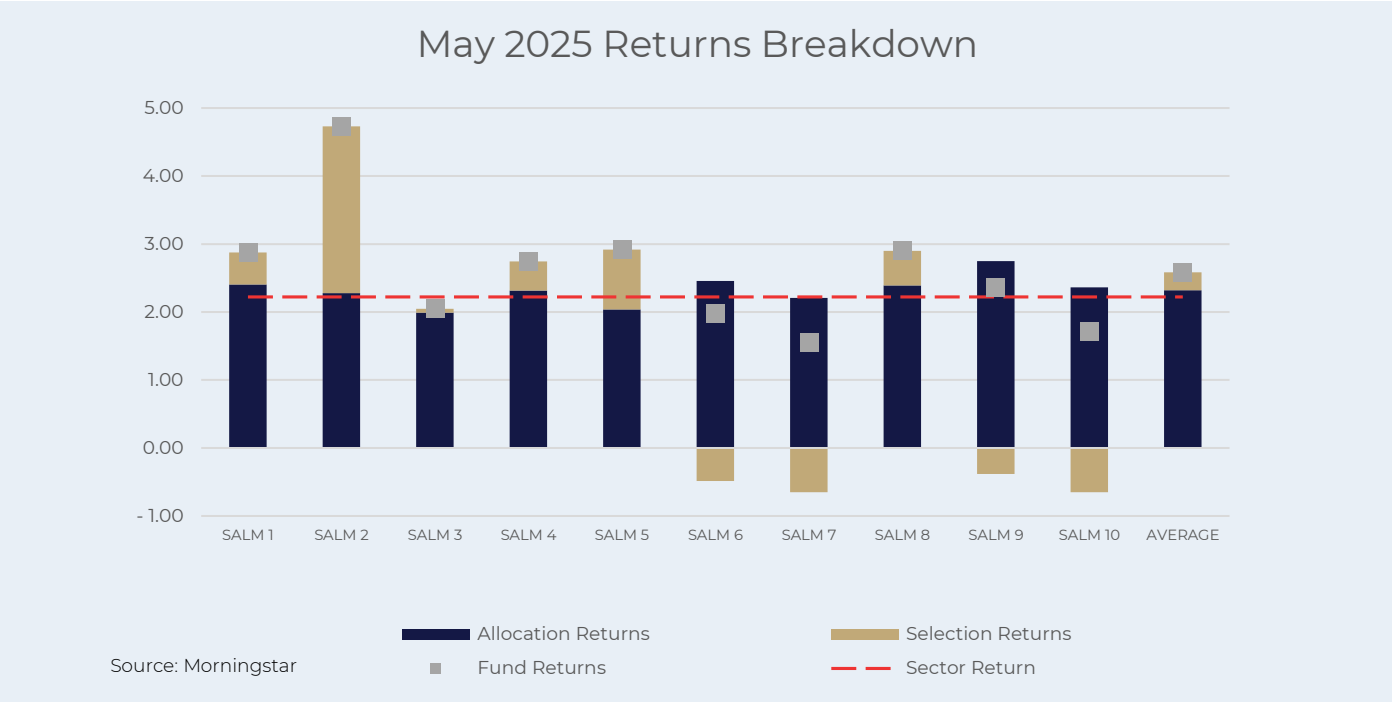
Manager Action: Theoretical change implemented by the managers on month-to-month basis.



SALM AUM Weight in Sector and SALM Flows



Selection + Allocation



In May, all SALM managers produced solid allocation returns of around 2%. Six outperformed the sector average on total fund returns, and six also added value through selection. Breaking down the drivers, managers with higher equity allocations benefited most, as equities were strong. Meanwhile, offshore equity was the only offshore asset class with positive rand returns, so managers with lower offshore exposure also fared better. The stronger rand negatively impacted those with greater offshore allocations, especially in non-equity assets.

	Sector Beaten - May 2025	% Months Beating Sector [5 Years]
SALM 1	Yes	53.33%
SALM 2	Yes	55.00%
SALM 3	No	46.67%
SALM 4	Yes	55.00%
SALM 5	Yes	48.33%
SALM 6	No	48.33%
SALM 7	No	48.33%
SALM 8	Yes	61.67%
SALM 9	Yes	41.67%
SALM 10	No	40.00%

Sentiment Index for May

	Total Equity	Total Bonds	Total Property	Total Cash
# Of Managers Increasing Exposure	3	3	2	7
# Of Managers Reducing Exposure	7	7	5	3

Columns not totaling 10 indicate managers that made no changes. Does not account for market movements.

Learn more about the **SALM (SA Large Manager model)**

(To Request a Copy of the Theory & Definitions, click [HERE](#) ; or contact admin@custodian.co.za)



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Custodian BCI Balanced Fund - Where Consistency Transforms Average into Excellent.