## Hollard Investment Managers

# *Hollard BCI Yield Plus Fund*

*BCI Boutiques on Wednesday Webinar*

October 2024

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# Who we are | Our *Purple* spirit

1. **Purpose** driven
2. **Partnership** DNA
3. **Proudly** Mzansi
4. **Privately** owned


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# Who we are | Business structure

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- Implemented Portfolio Solutions
- Core Unit Trust Solutions

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| | |
|---|---|
| **Ownership** | Hollard Group |
| **Licences** | FSCA Category I (Advice) and II (Discretionary Management) Licences |
| **Track record** | 9 Unit Trusts, 10 Year history, 8/8 Outperforming respective benchmarks |

# Management Team | Investments & Support Services

CEO

Shawn Smith

CIO

Ashveena Teeluckdharry-Khusial

Head: Platform & Business Enablement

Jessica Swart

Head: Operations & Client Servicing

Shannon Zietsman

Head: Distribution & Marketing

Denay Valjee

Head: Implemented Portfolio Solutions

Conlias Mancuveni

Head: Balance Sheet Investments

Robert Hughes

Head: Legal and Compliance

Natilia Pillay

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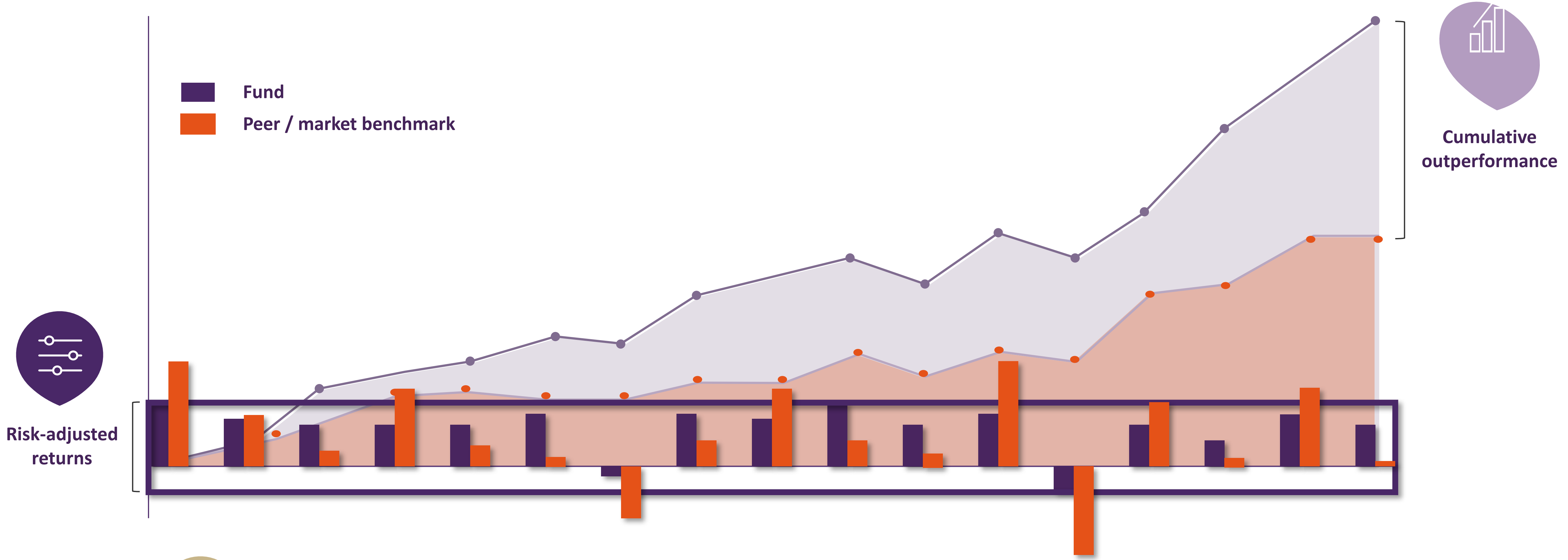
# Compound *incremental outperformance* over time at a lower risk than the market




**Consistent risk adjusted returns reduce exposure to unnecessary volatility.**
**We outperform by limiting exposure to this Volatility Tax.**

*Source: Hollard Investment Managers*

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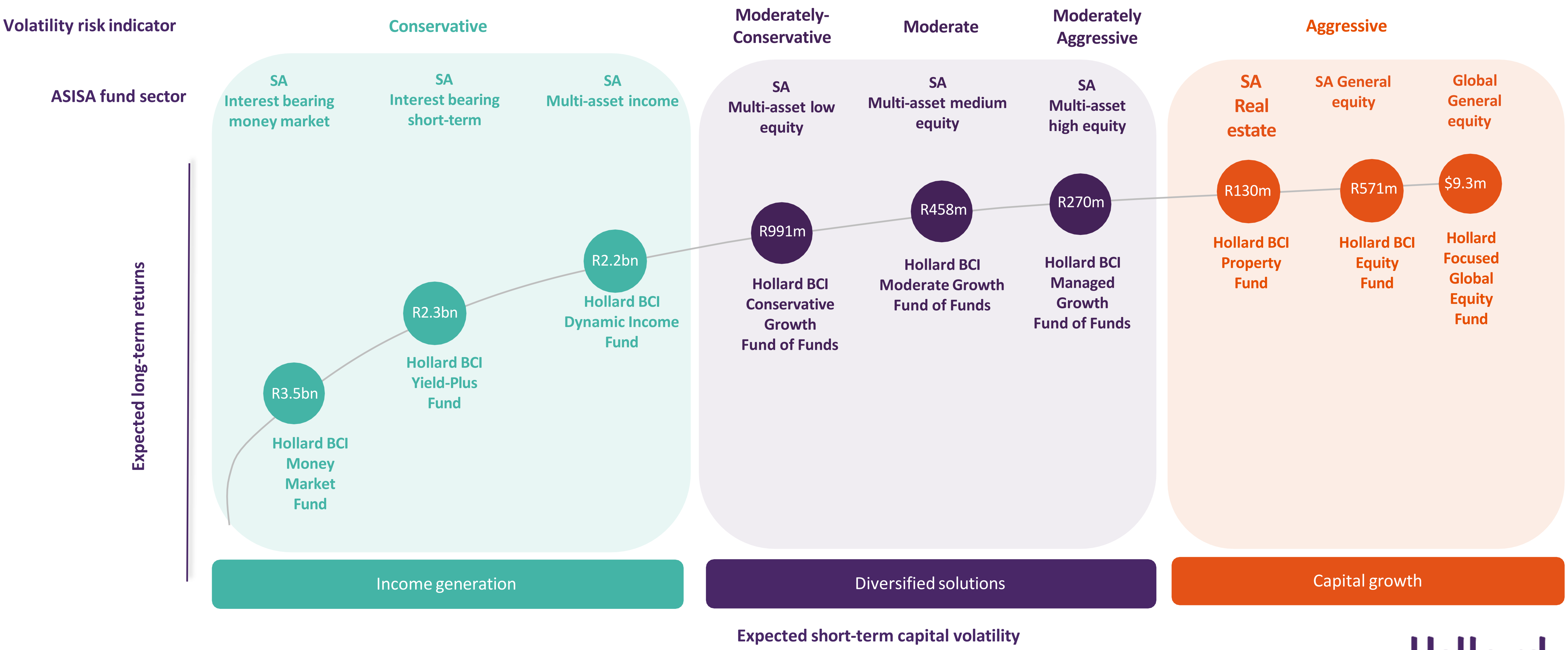
# Hollard BCI fund range | Expected return and risk

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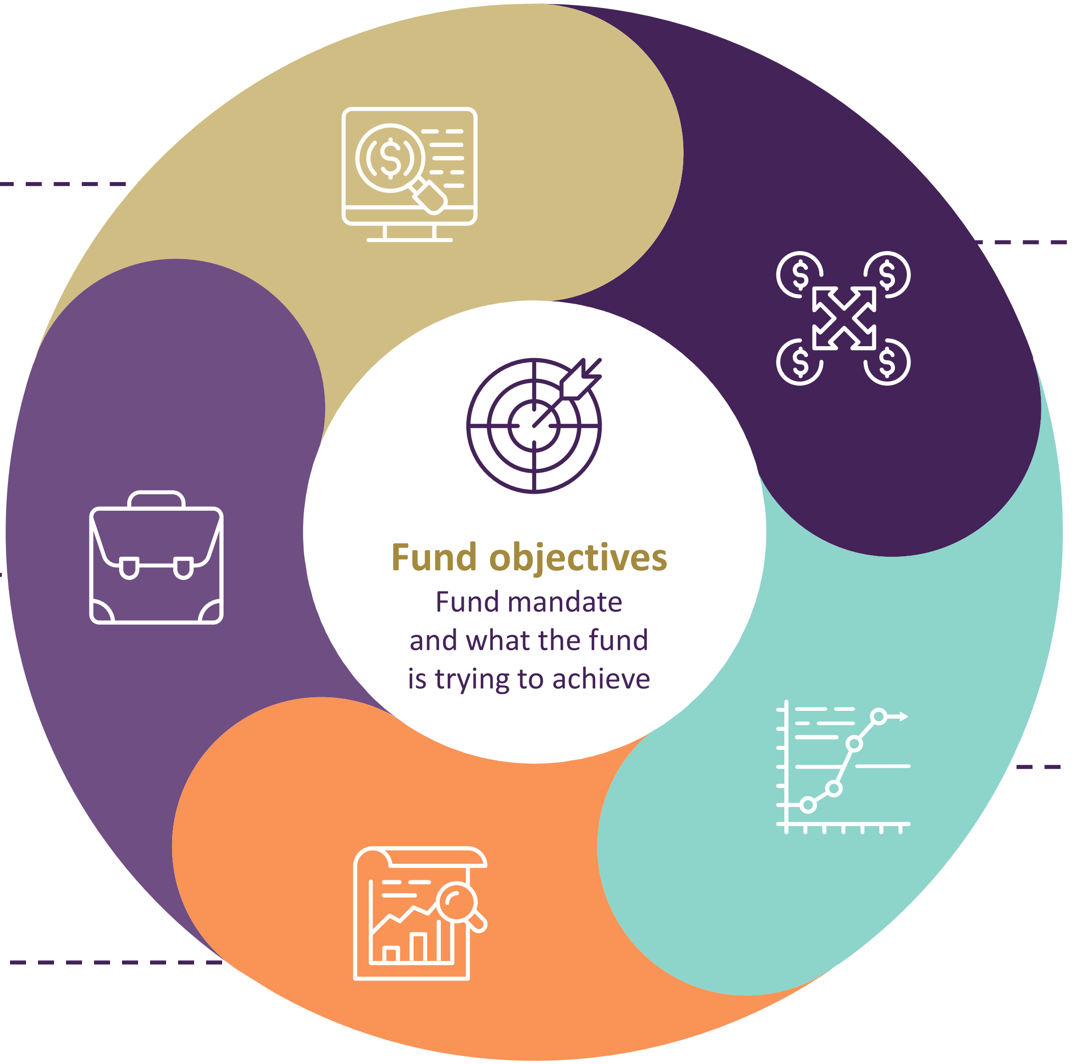
**AUM numbers are as at Aug'24*

*Source: Hollard Investment Managers*

# Investments Process |
# Disciplined, Active and Quantifiable Approach

**Implementation, monitoring and reporting**

**Strategic asset allocation, Asset liability modelling & tactical asset allocation**
Determine benchmark's asset allocation and tactically deviate based on returns (valuations), regime and risk




**Portfolio construction**
Optimising the outcomes from Asset Allocation and Manager Selection within the framework identified in Market Analysis

**Market analysis**
Analysing the market environment and identifying drivers of returns

**Manager research and selection**
In-depth analysis and selection of appropriate specialist managers within building blocks

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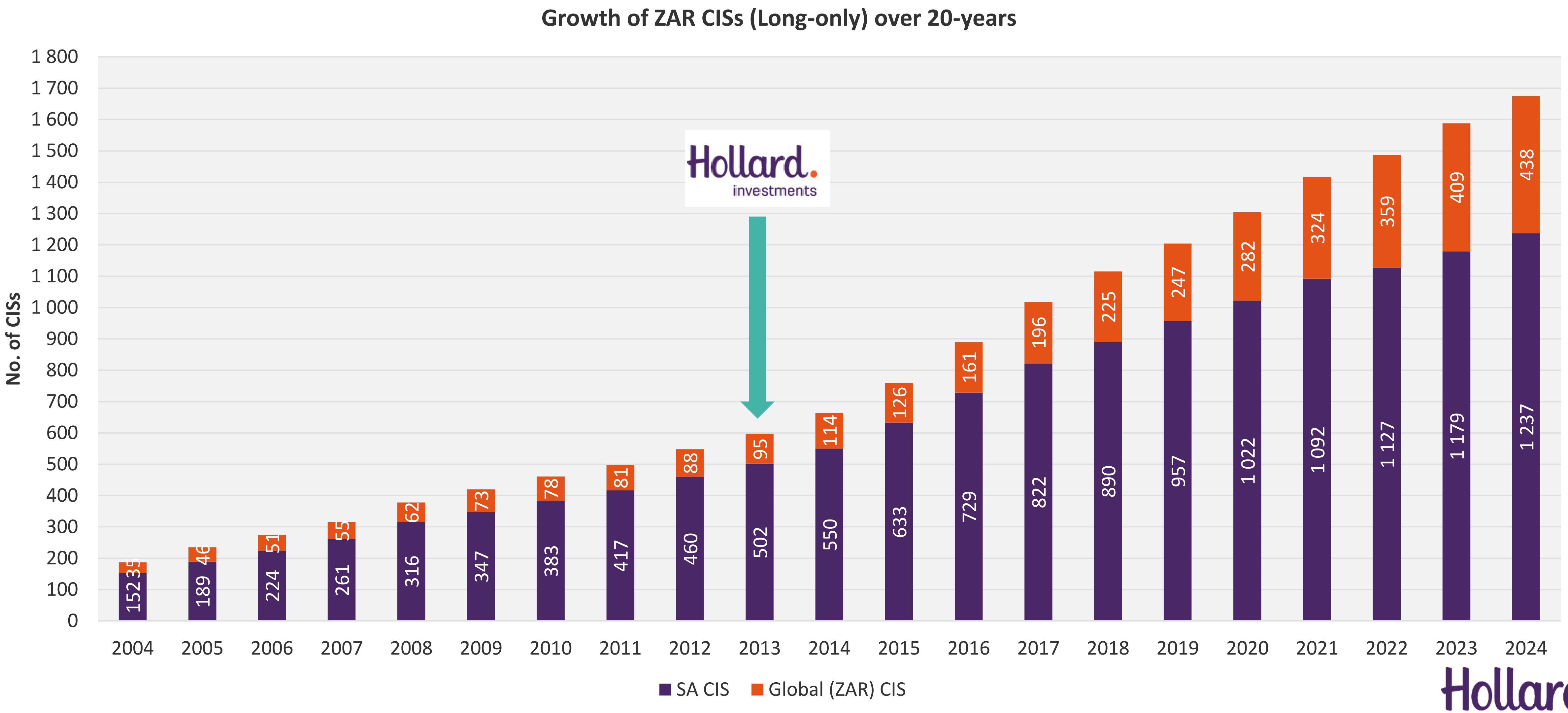
*Source: Hollard Investment Managers*

# Fund selection complexity | Ever-increasing choice




*Source: Hollard Investment Managers, Morningstar Direct*

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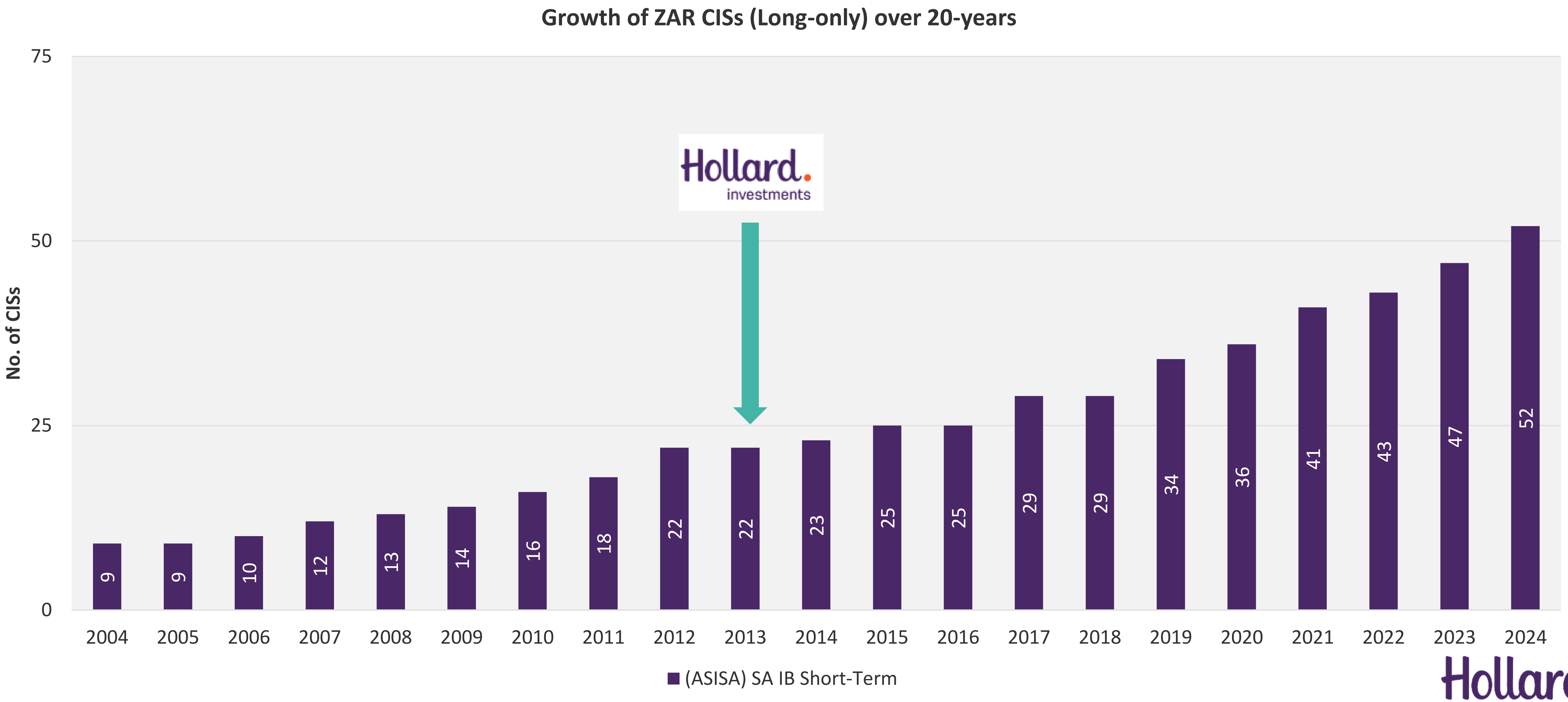
# Manager selection complexity | ASISA SA IB Short-Term




*Source: Hollard Investment Managers, Morningstar Direct*

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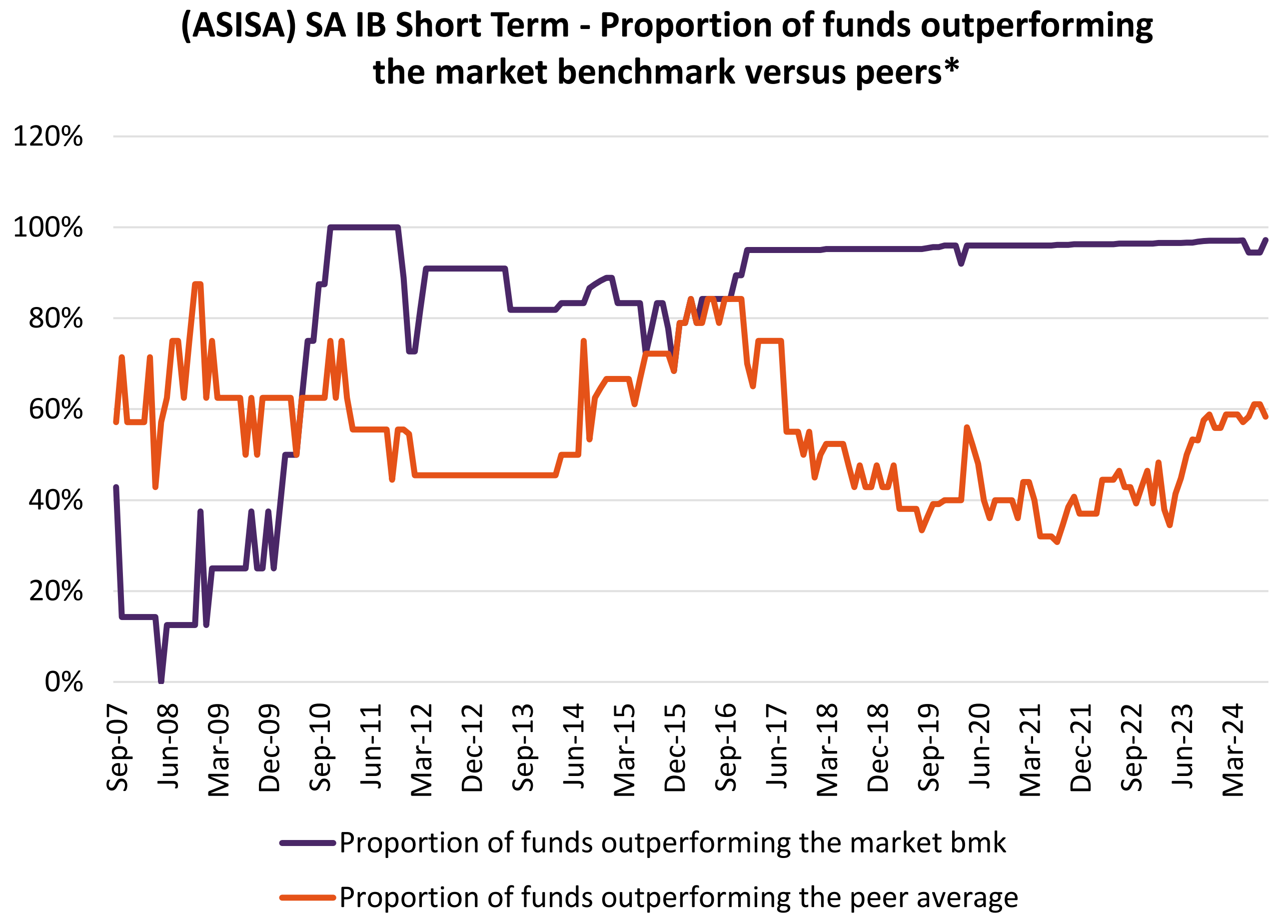
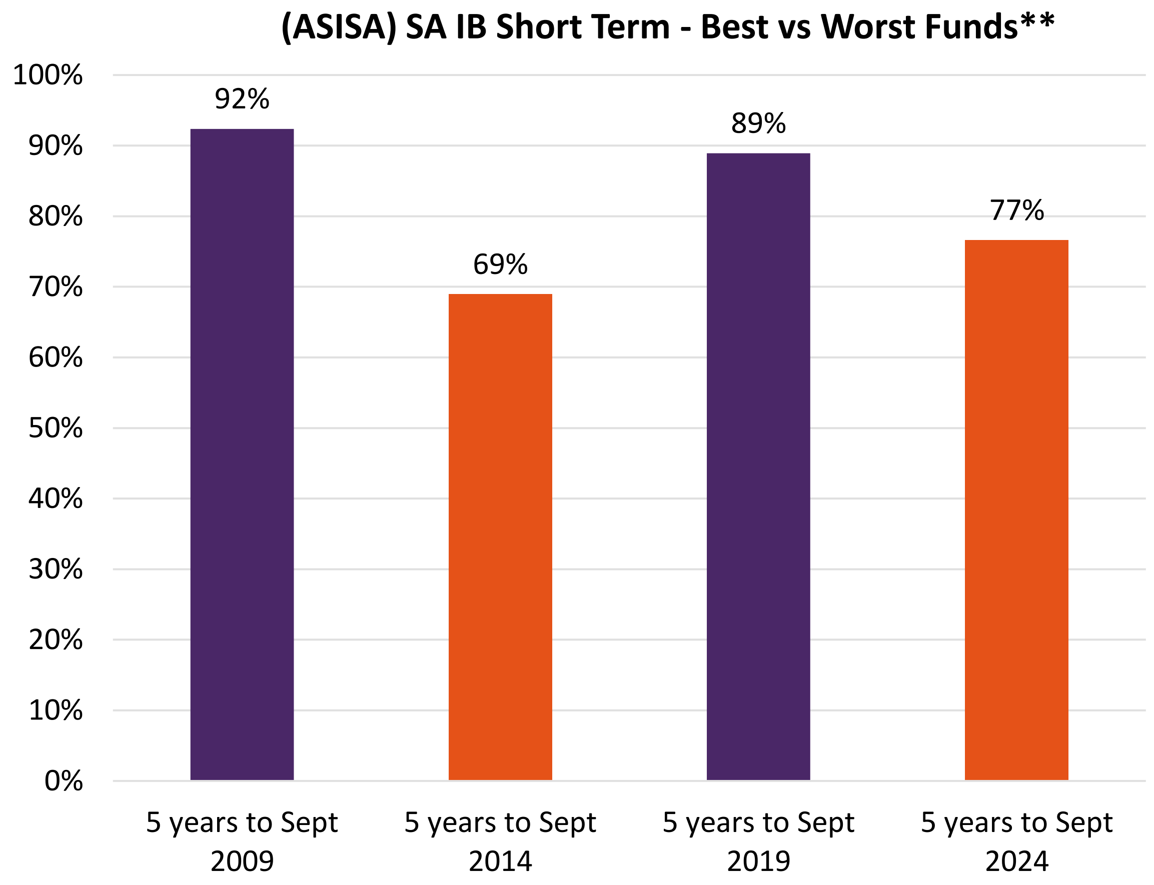
# Manager selection complexity | More choice ≠ More quality




*Rolling 3-years, 20-years to 30 Sept 2024, Relative to STEFI Composite and Peer average, Retail fee classes only

**Annualised return of 95th percentile (“Worst) expressed as a proportion of annualised return of 5th percentile (“Best”), Retail fee classes only

Source: Hollard Investment Managers, Morningstar Direct

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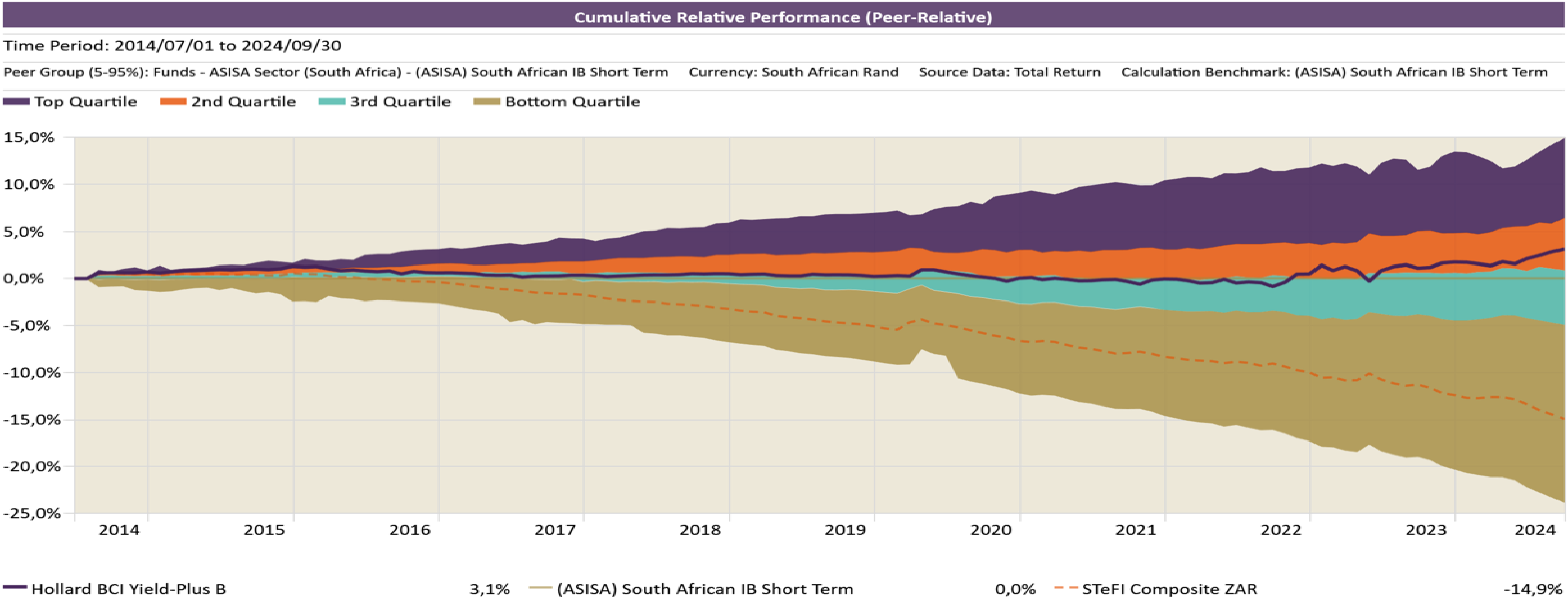
# Hollard BCI Yield Plus Fund| relative performance




| Since Fund's inception to 30 Sep 2024 (Annualised) | Fund | Benchmark |
|---|---|---|
| Highest Annual Performance (%) | 10,97% | 9,77% |
| Lowest Annual Performance (%) | 4,30% | 4,55% |
| 10 years annualised | 7,58% | 7,41% |

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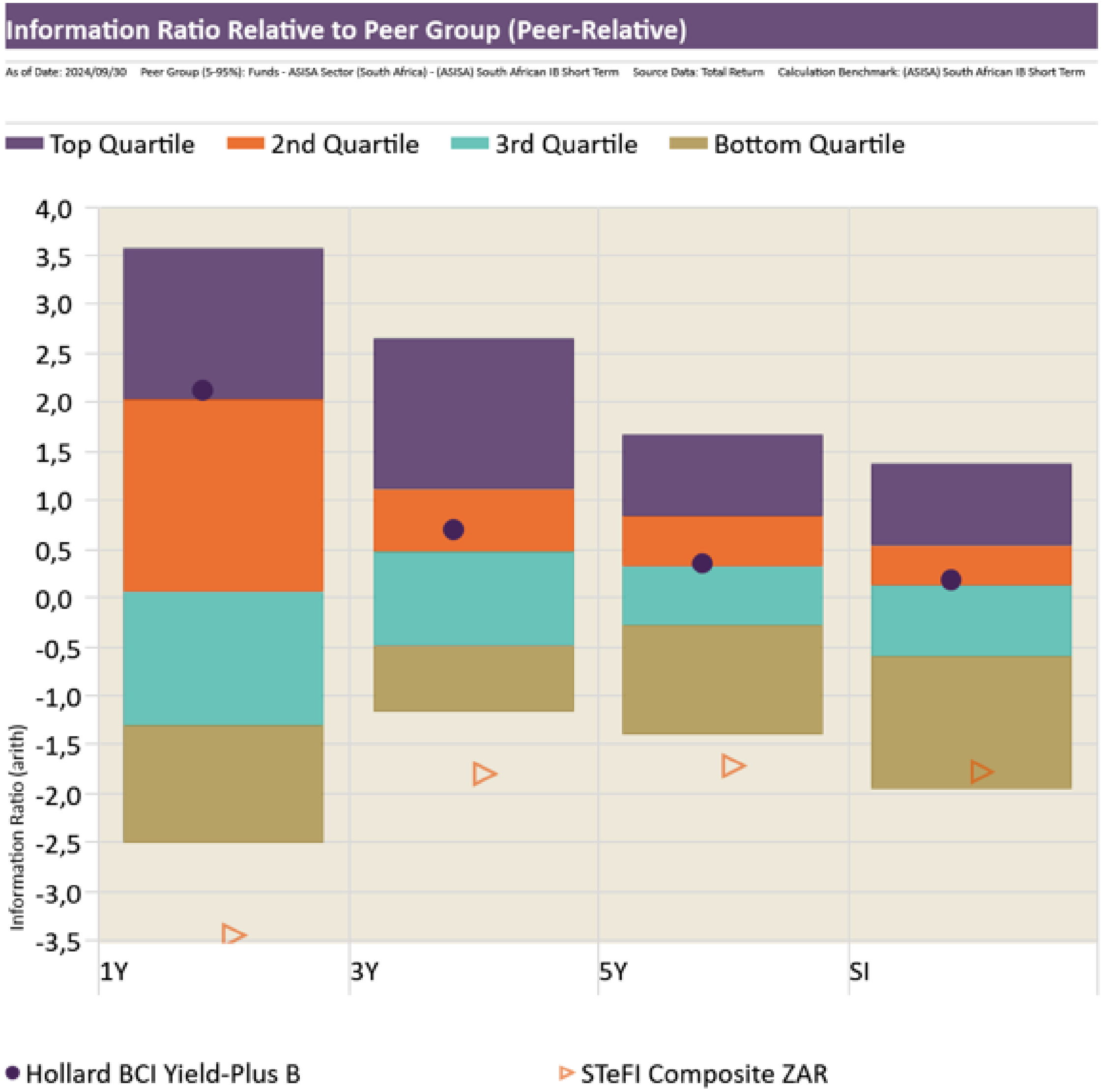
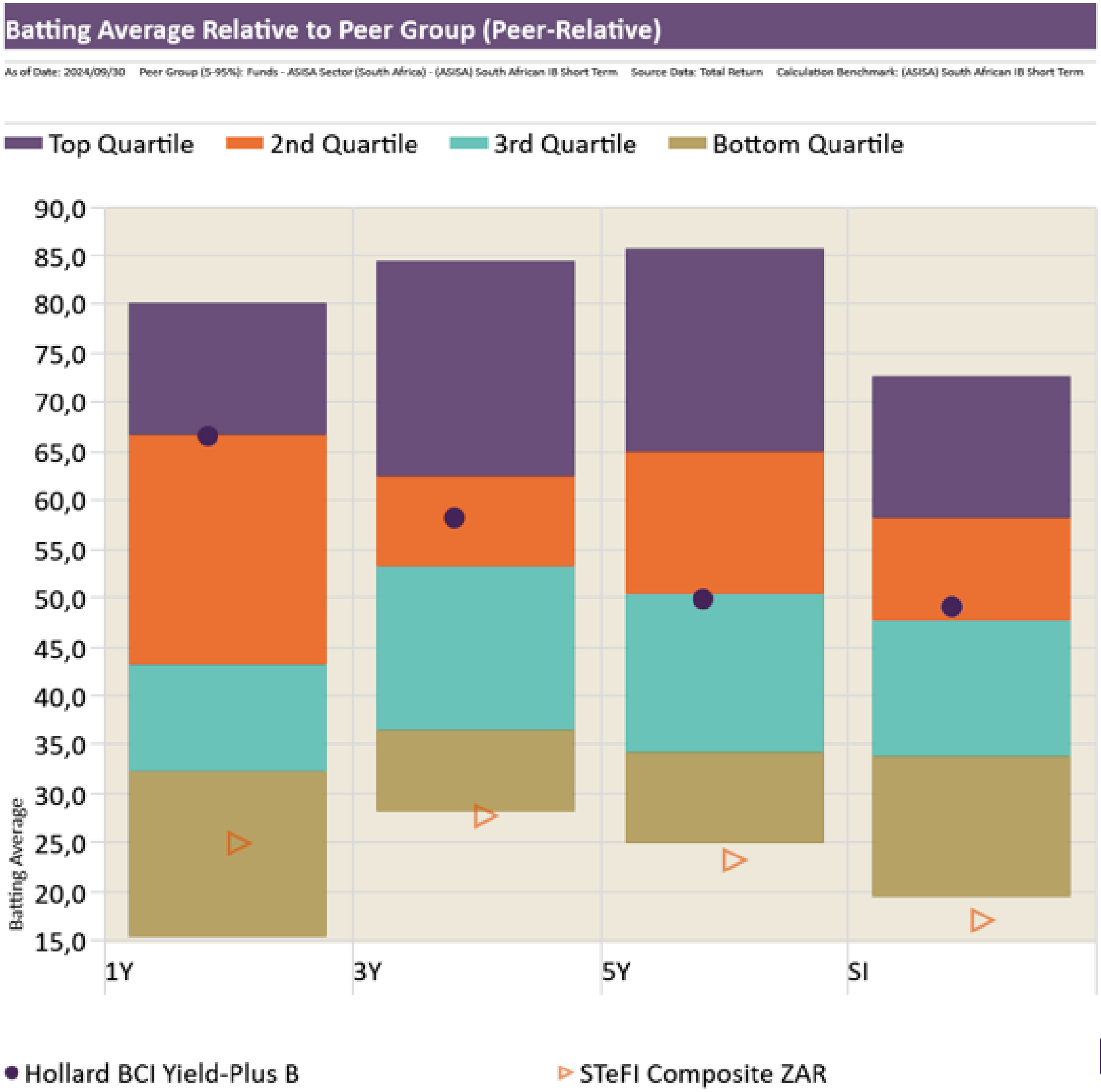
*Source: Hollard Investment Managers, Morningstar Direct, Fund inception date: 23 January 2014*

# Hollard BCI Yield Plus Fund| characteristics




*Source: Hollard Investment Managers, Morningstar Direct*

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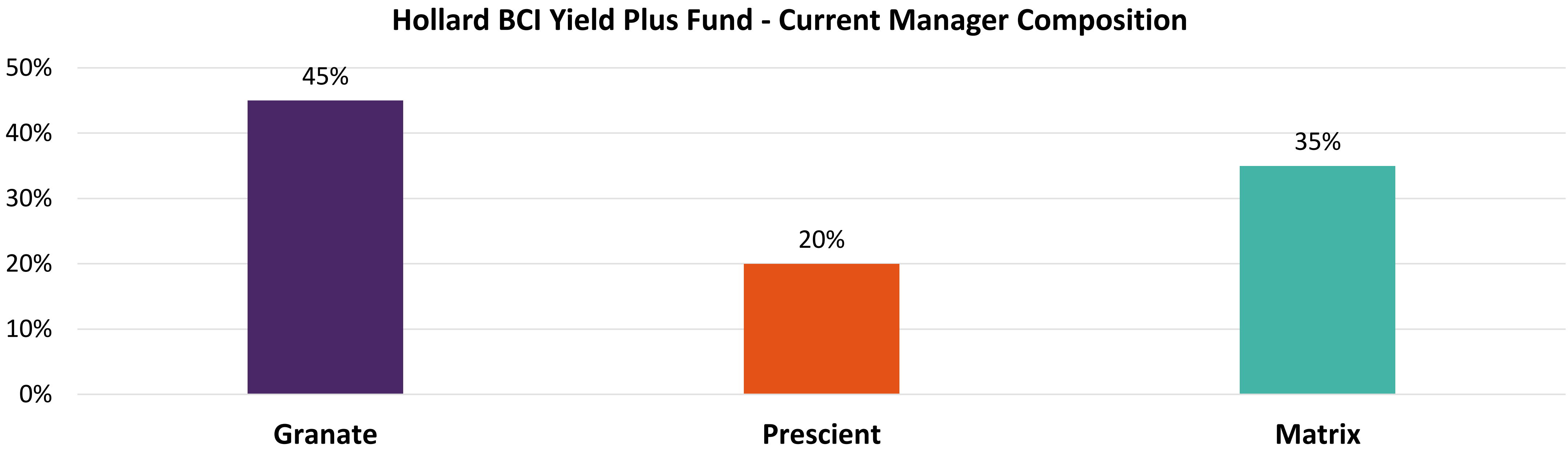
# Portfolio construction | Blend risk premia and skill, not managers




| Investment style | Core | Core | Satellite |
|---|---|---|---|
| Low | 30% | 20% | 20% |
| Strategic | 40% | 30% | 30% |
| High | 60% | 50% | 50% |
| Current | 45% | 20% | 35% |

*Sources: Hollard Investment Managers*

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# Transparent Manager Ratings Framework| Qualitative- and Quantitative-Based

**Highly Recommended**

Strategy is very highly rated and deemed investment grade. It scores a combination of Very Low risk and Low risk across each pillar of our manager selection criteria. Typically, the overall score is +4.7.

**Recommended**

Strategy is highly rated and deemed investment grade. It scores a combination of Very Low risk and Low risk across most of the pillars of our manager selection criteria. Typically, the overall score is 4-4.6.

**Investable**

Strategy is rated investable and deemed investment grade. It scores a combination of Low risk and Medium risk across most of the pillars of our manager selection criteria. Typically, the overall score is 3-3.9.

**On Watch / Under Review**

The strategy has temporarily been placed under review/on watch and the investments team is taking corrective action. Typically, at least one the pillars in our manager selection criteria has deteriorated to high- risk score.

**Low Quality / Speculative**

Strategy is poorly-rated and the investments team believes that the available corrective actions will not resolve the issues underlying the high-risk scores and the impact on future performance could me significantly material. It scores a combination of very high risk and high risk across most of the pillars of our manager selection criteria. Typically, the overall score is 1-2.9.

**Not Rated**

Strategy has not been rated.

| Strategy Rating | Highly recommended | Recommended | Investable | Low Quality | Speculative |
|---|---|---|---|---|---|
| Grade | Investment grade | Investment grade | Investment grade | Non-investment grade | Non-investment grade |
| Manager overall rating and score^ | 4.7+ | 4-4.6 | 3 to 3.9 | 2 to 2.9 | 1 to 1.9 |
| Potential decision based on Manager overall rating# | Invest + / Increase weight | Invest / Maintain weight | On watch / Reduce weight | Redeem / Minimum weight | Redeem / Exit |

# Hollard BCI Yield Plus Fund| Manager Ratings & Insights

| Manager A | Business Sustainability | Key People Qualities | Philosophy & Process | Performance Profile & Attributes | Portfolio Construction & Implementation | Responsible Investing | Manager Overall rating |
|---|---|---|---|---|---|---|---|
| H1 2024 | Very Low Risk (5) | Very Low Risk (5) | Very Low Risk (5) | Low Risk (4) | Very Low Risk (5) | Low Risk (4) | **Recommended (4.6)** |
| H2 2023 | Very Low Risk (5) | Very Low Risk (5) | Very Low Risk (5) | Low Risk (4) | Medium Risk (3) | | Recommended |
| H1 2023 | Very Low Risk (5) | Very Low Risk (5) | Very Low Risk (5) | Medium Risk (3) | Medium Risk (3) | | Recommended |
| H2 2022 | Very Low Risk (5) | Very Low Risk (5) | Very Low Risk (5) | Medium Risk (3) | Medium Risk (3) | | Recommended |
| H1 2022 | Very Low Risk (5) | Very Low Risk (5) | Very Low Risk (5) | Low Risk (4) | Medium Risk (3) | | Recommended |
| H2 2021 | Very Low Risk (5) | Low Risk (4) | Low Risk (4) | Very Low Risk (5) | Medium Risk (3) | | Recommended |
| H1 2021 | Very Low Risk (5) | Low Risk (4) | Low Risk (4) | Very Low Risk (5) | Low Risk (4) | | Recommended |
| H1 2020 | Very Low Risk (5) | Medium Risk (3) | Low Risk (4) | N/A | Very Low Risk (5) | | Recommended |
| H2 2019 | Very Low Risk (5) | Medium Risk (3) | Low Risk (4) | N/A | Very Low Risk (5) | | Recommended |
| H1 2019 | Very Low Risk (5) | High Risk (2) | Low Risk (4) | N/A | Very Low Risk (5) | | Recommended |

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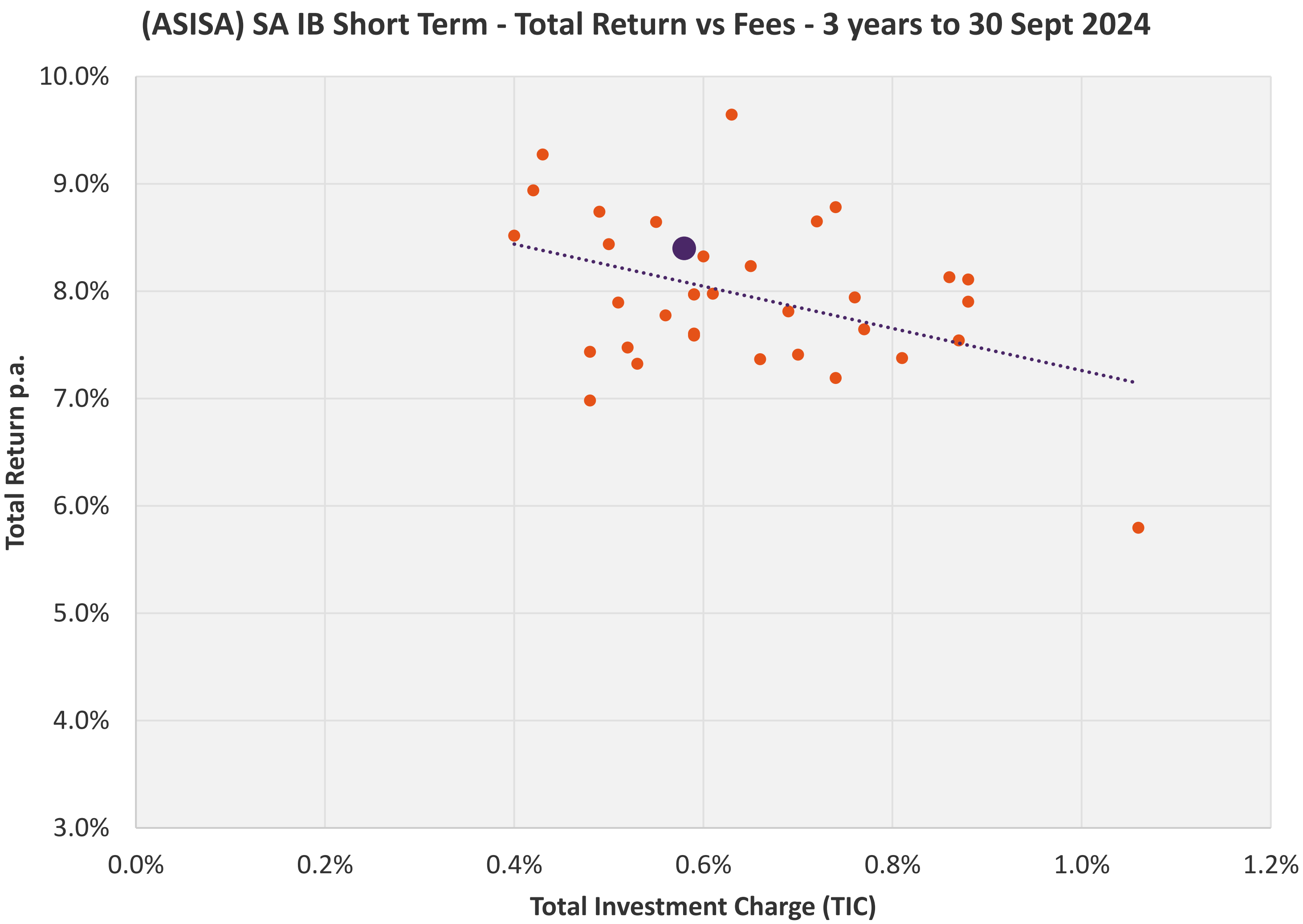
*Source: Hollard Investment Managers*

# Cost control| Fees matter




*Source: Hollard Investment Managers, Morningstar Direct*

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# Conclusion| Partnering for a Win-Win-Win

| | |
|---|---|
| 1 | The paradox of choice can be solved |
| 2 | The quality of return profile is important |
| 3 | A multi-dimensional approach for consistent outcome |
| 4 | Dynamic portfolio construction |
| 5 | Qualitative scrutiny for better forward-looking insights |
| 6 | Fees matter and ours are transparent and competitive |



*Source: Hollard Investment Managers*

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Effective 24/05/2024: Hollard Prime Funds amalgamated with Hollard BCI Funds. Annualized return is the weighted average compound growth rate over the period measured.

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