

OIG BOUTIQUES ON WEDNESDAYS

Eugene Visagie, Director and Head of Strategy
24 July 2024



Unit 209, 2nd Floor, The Cliffs Office Block 2, Niagara
Way, Tyger Falls, Carl Cronje Drive, Tygervally, 7530



+27 21 879 3630
info@oig-invest.com



OIG
oig-invest.com

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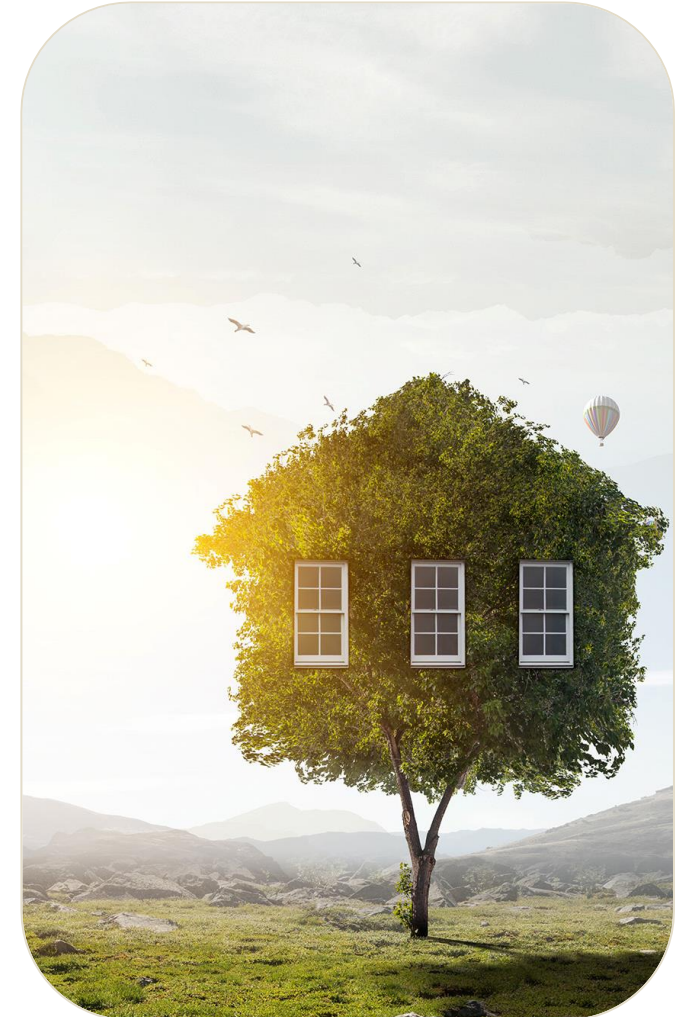
Background



Established 2014

In April 2014, the Optimum Investment Group was officially established, marking a pivotal moment in the organisation's history.

This strategic move was aimed at leveraging the group's financial expertise to offer innovative, multi-asset investment solutions, addressing the evolving needs of their clients.



OIG's core values



Integrity

Maintain trust through unwavering honesty.



Passion

Relentlessly pursue innovative solutions.



Development

Prioritize growth in business and investments.



Leadership

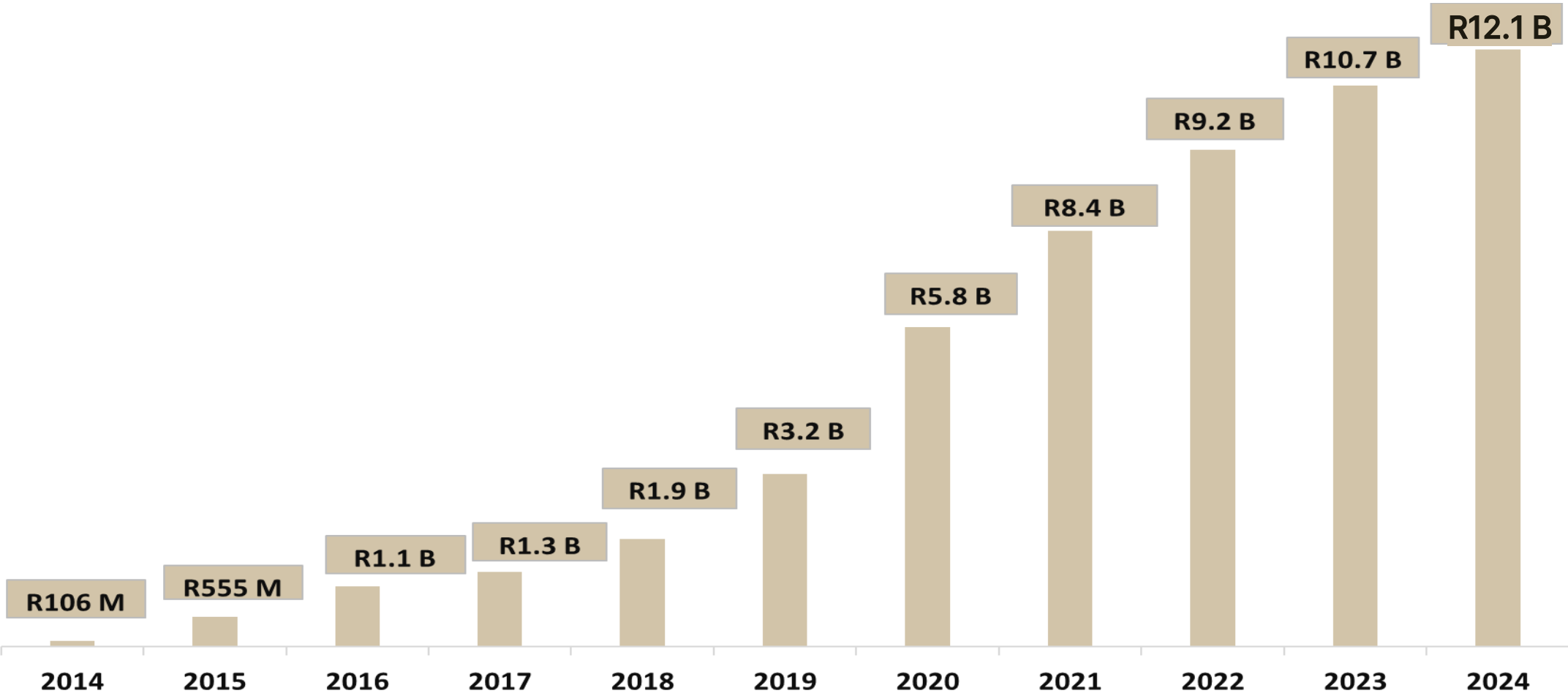
Lead with purpose and confidence.



Accountability

Ensure transparency and meticulous accuracy.

Assets Under Management



What sets us apart?



Active Management

- Actively managed investment solutions



Hedge Funds

- Differentiated from peers with allocation to hedge funds.



Unique Solutions

- Unique solutions including tax-efficient cash products, income producing portfolios, Shariah compliant portfolios

Thematic Investing



Demographics and social changes



Environment



Technology



Healthcare

Thematic Investing



Adult vs child diapers

- Revenue from adult diaper sales is already double that of those meant for babies. With births falling last year to a record low, Japan's population is likely to decline by about 30% to 87 million by 2070, with four people in every 10 aged 65 or more, estimates show.

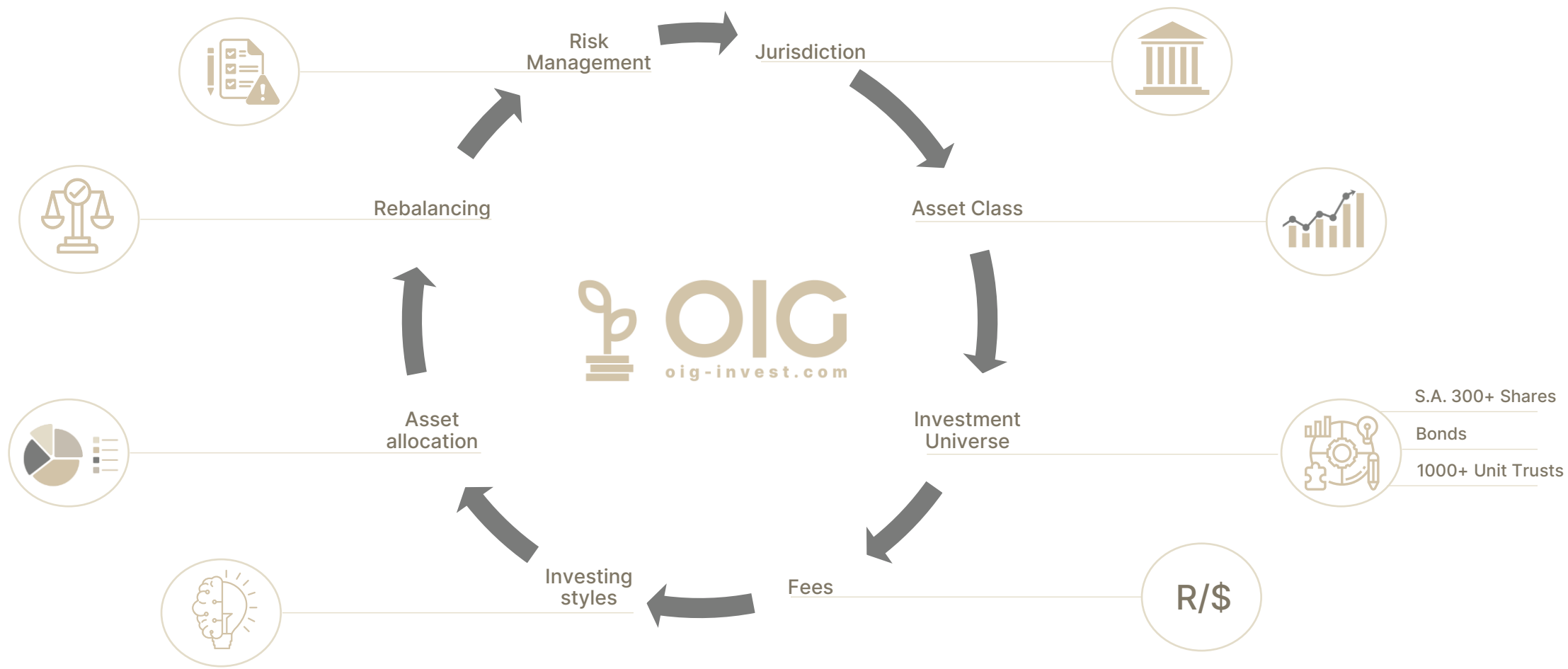
- [Reuters](#), 12 July 2024



More strollers sold for furry companions

- In perhaps yet another sign of the country's declining number of births, South Korea's largest online marketplace reported Monday that sales of pet strollers exceeded those of baby strollers for the first time this year.
- According to Gmarket, of the total strollers sold on the platform during the first three quarters of this year, those for pet animals accounted for 57%, while those for babies constituted the remaining 43%.
- [The Korea Herald](#), 25 December 2023

Investment Support

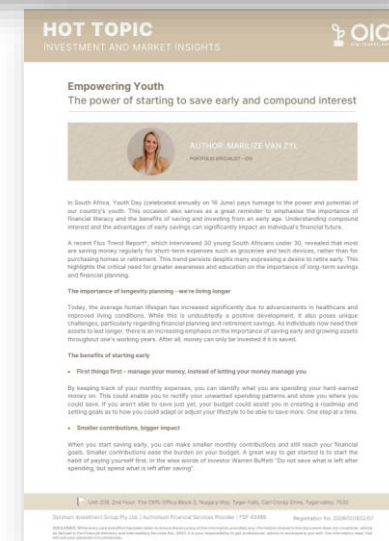


Investment Support

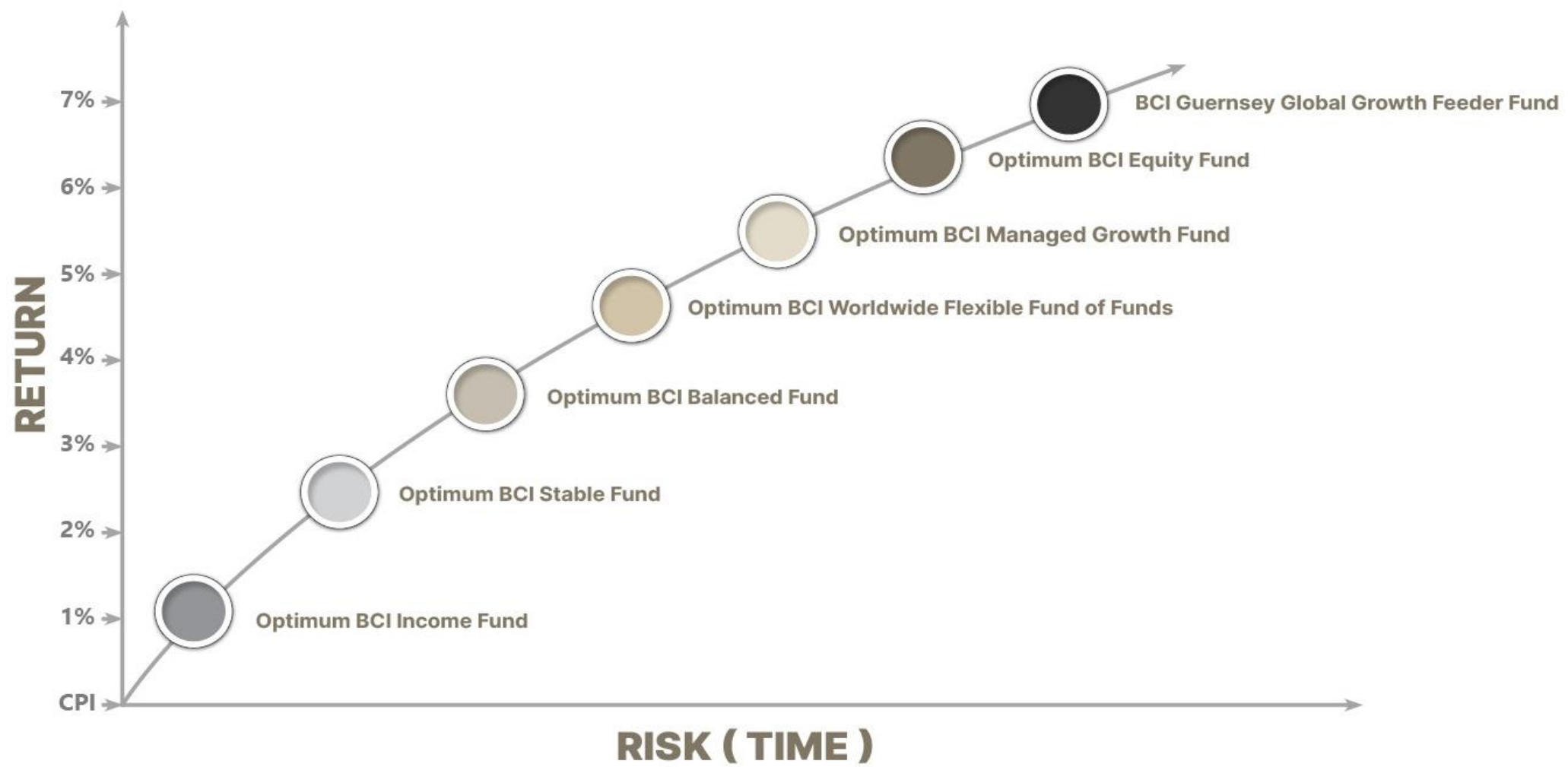


OIG Support

- Client investment proposals & reviews
- Quantitative analysis
- Monthly investment feedback sessions
 - CPD
 - Market update
 - Fund performance update
- Monthly investment reports
- Weekly market update
- To the point – Dr Roelof Botha
- Hot topics – Ad hoc client concerns including staying invested, Brexit, Gold



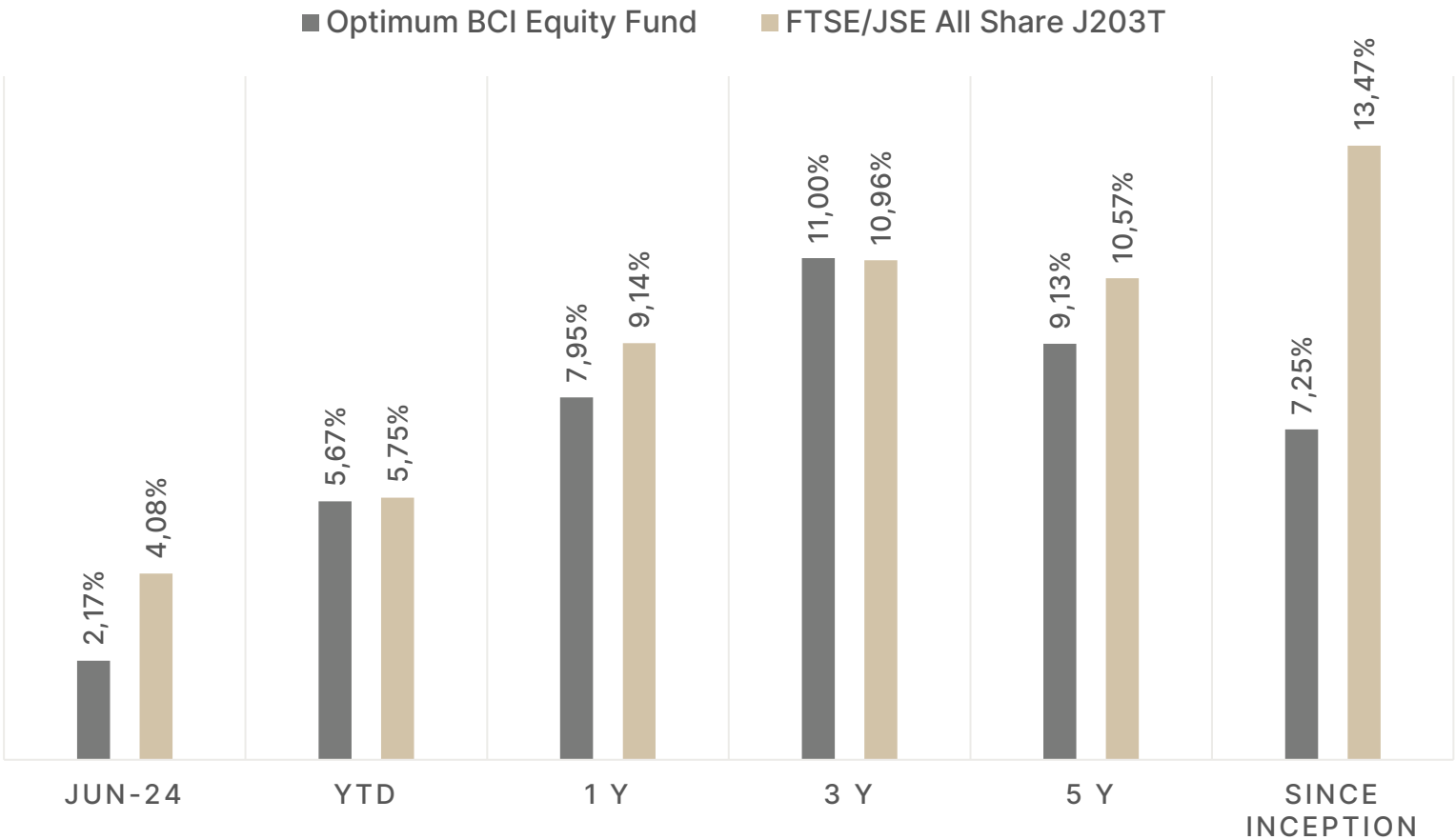
Unit Trusts



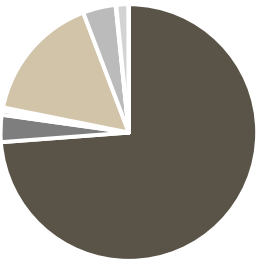
Optimum BCI Equity



ANNUALISED PERFORMANCE



EFFECTIVE EXPOSURE



- Local Equity 73.8%
- Local Bond 3.4%
- Local Property 0.5%
- Local Cash 0.4%
- Local Other 0.0%
- Foreign Equity 16.1%
- Foreign Bond 4.1%
- Foreign Property 0.1%
- Foreign Cash 1.6%
- Foreign Other 0.0%

Source: FundFocus, FTSE. Data as at June 2024. Past performance is not a reliable guide to future performance. For illustrative purposes only. Inception date of fund September 2015. Benchmark: FTSE/JSE All Share J203T. Annualised return is the weighted average compound growth rate over the period measured. Actual annual figures are available to the investor on request. High: 26.65% | Low: -7.68%



Figure 3: SA EPS punches above GDP

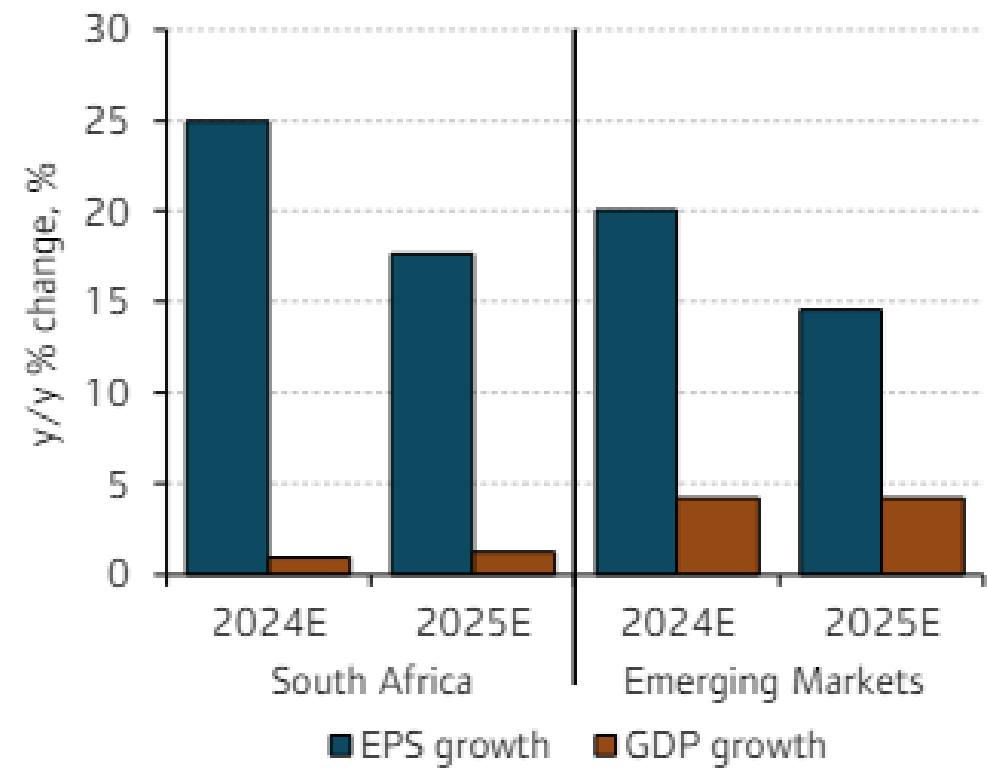
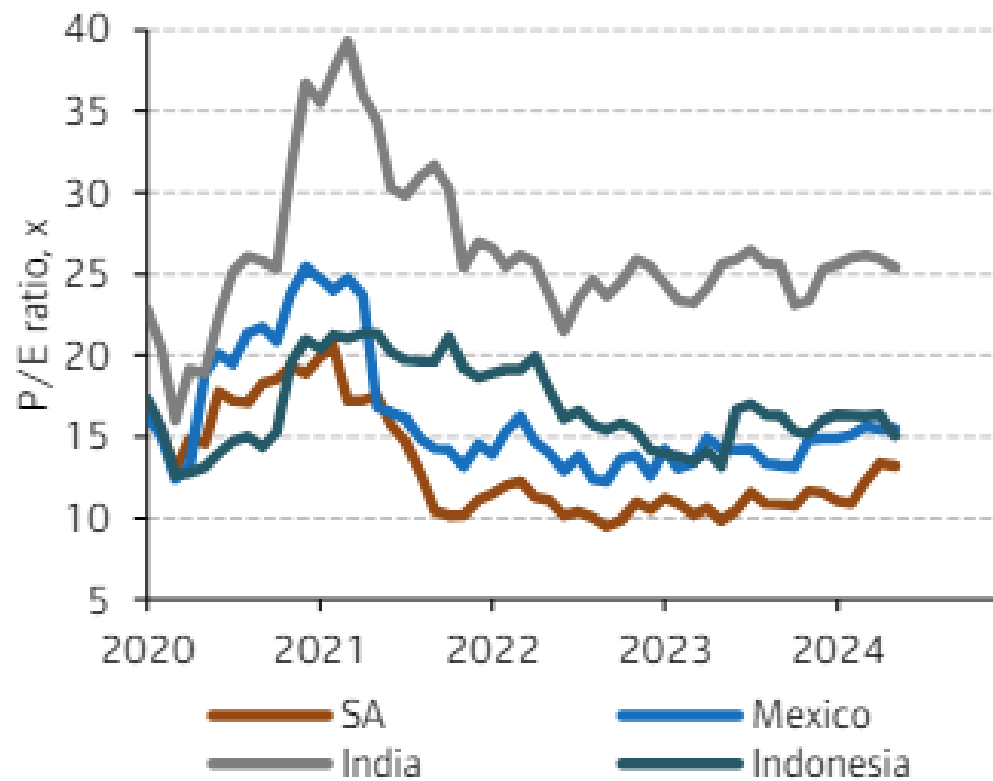
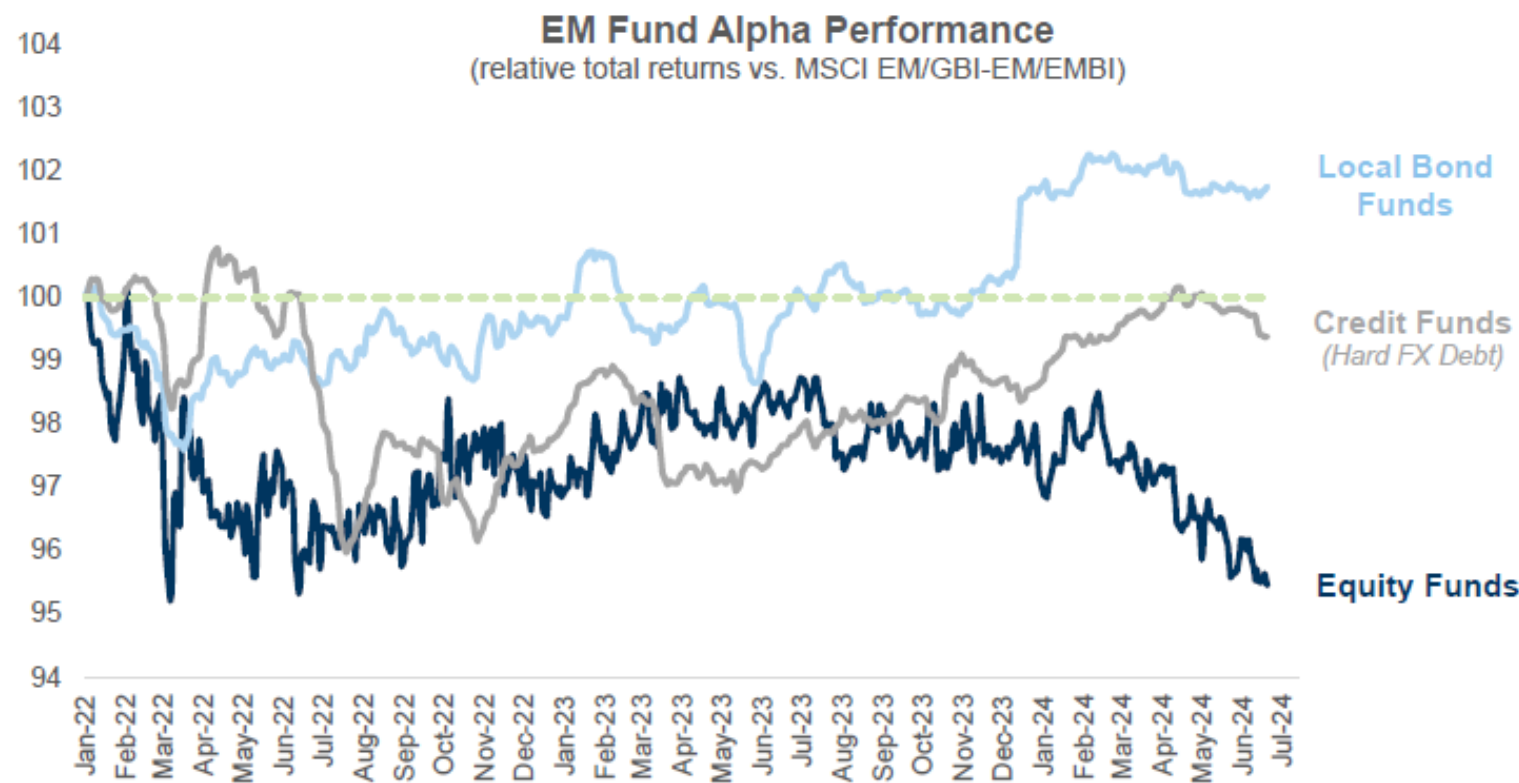


Figure 4: MSCI SA vs MSCI EM: P/E ratio



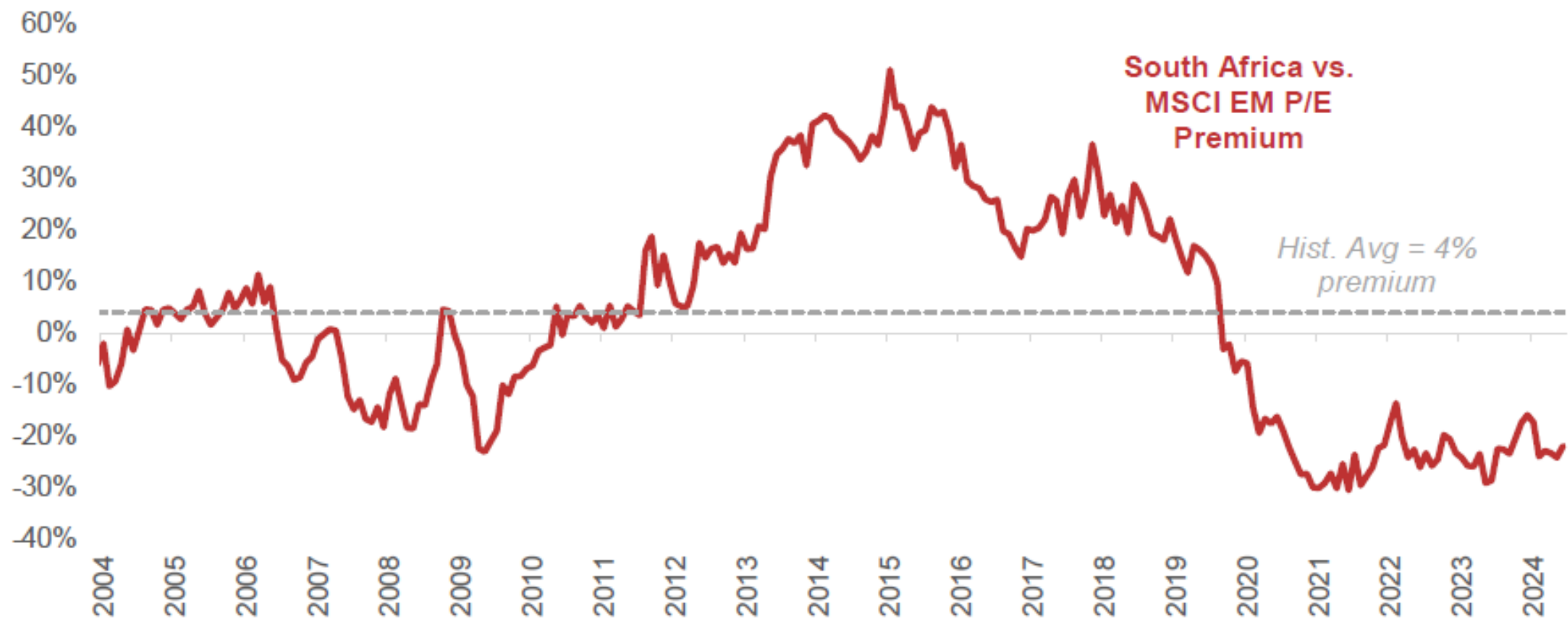


EM Fund Alpha Performance



Source: Morgan Stanley, July 2024. Past performance is not a reliable guide to future performance. For illustrative purposes only and not indicative of any investment.

S.A. Equity



Source: Factset, Goldman Sachs Global Investment Research. Past performance is not a reliable guide to future performance. For illustrative purposes only and not indicative of any investment.



Figure 19: MSCI EPS growth estimates: 2024E and 2025E

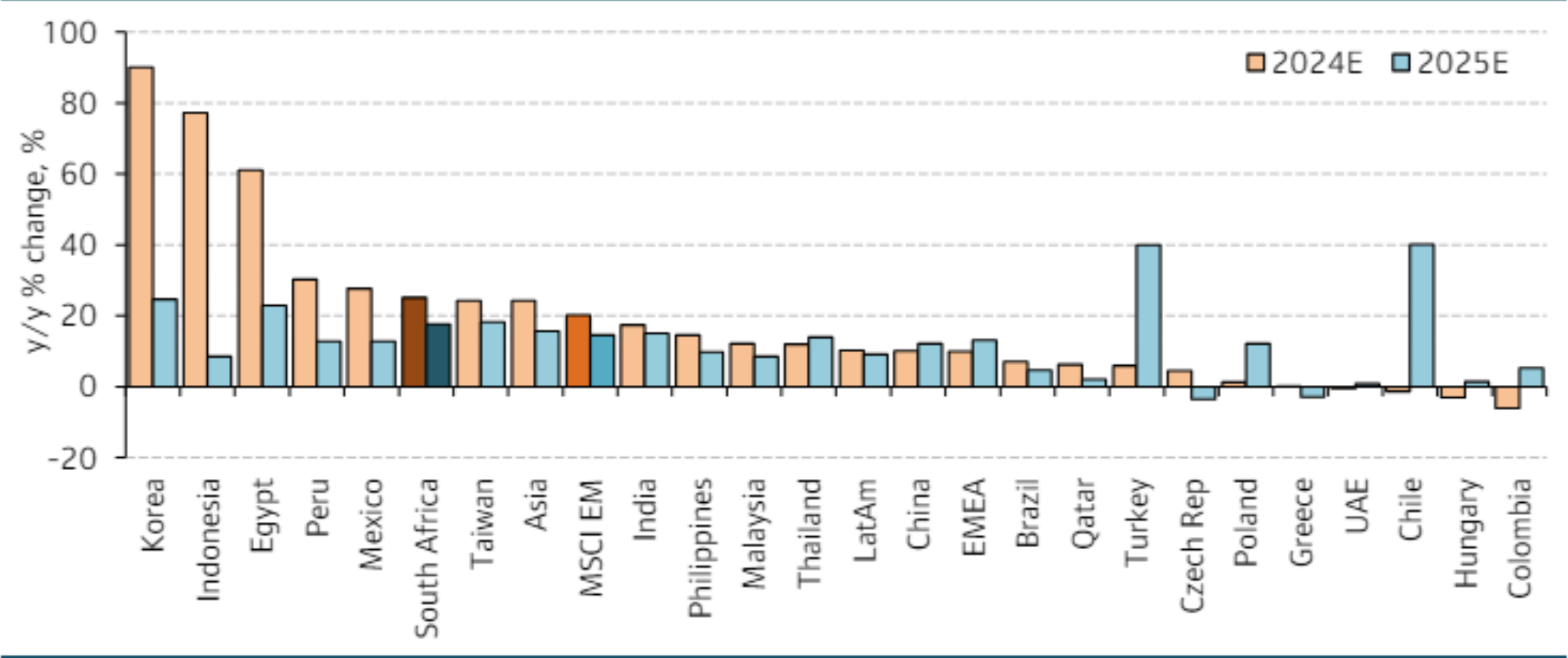
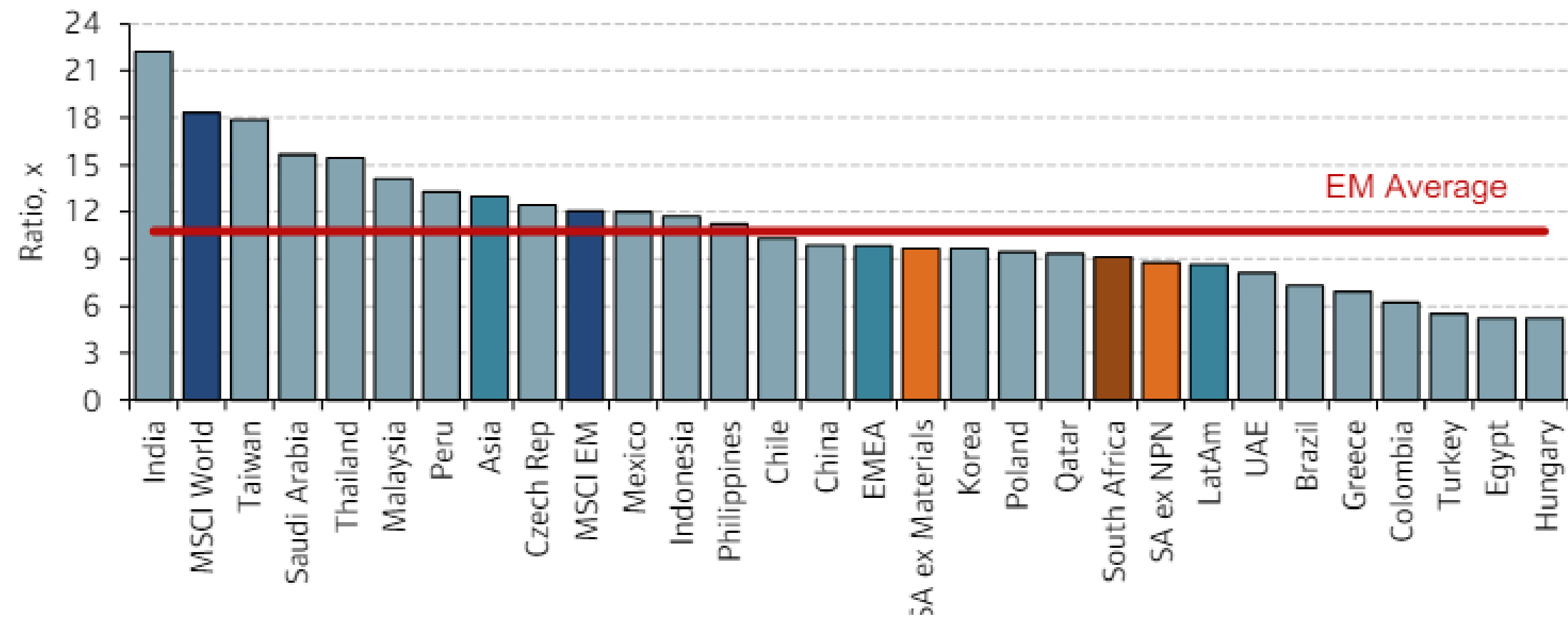




Figure 24: MSCI EM 12m fwd P/E ratio



Source: Reuters June 2024. Past performance is not a reliable guide to future performance. For illustrative purposes only and not indicative of any investment.

S.A. Equity fund – Positioning



NASPERS/PROSUS	12.1%
FIRSTRAND	5.7%
STANDARD BANK GROUP	3.9%
ANGLO AMERICAN	3.3%
ANGLOGOLD ASHANTI	3.0%
R2035 (BOUGHT AT YIELD OF 12.52%)	2.7%
CAPITEC	2.4%
RICHEMONT	2.2%
BRITISH AMERICAN TOBACCO	2.1%
GOLD FIELDS	2.1%

GUERNSEY GLOBAL GROWTH	11.4%
GUERNSEY GLOBAL CAUTIOUS	7.8%
PRESCIENT CHINA EQUITY	2.6%
GUERNSEY GLOBAL THEMATIC	1.0%
TOTAL OFFSHORE	22.8%

% OF USD CURRENCY HEDGED	36%
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S.A. Equity fund – Positioning



TELKOM

- SOTP of +-R54
- SOTP through conservative EV/EBITDA (3.3x Openserve, 1.6x Consumer, 3.9x BCX and 6.7x Swiftnet)
- BCX searching for bidders
- Swiftnet disposal at R6.75bn (above est. R5.5-R6.3bn)
- Significant de-gearing to follow (debt -63% & 1.2x)
- Completed S189
- Various offers (ex-CEO, MTN, Rain)
- Superior Openserve assets

NASPERS

- Tencent doing buybacks (-3% in shares p.a.)
- Tencent significant room to expand margins
- Tencent to grow earnings 15-20% p.a. at 11-12x PE
- Tencent exceptionally cheap vs Chinese peers
- Naspers discount to NAV around 42%
- Naspers doing share buybacks
- Management remuneration aligned & new CEO
- Engagement has improved with shareholders

S.A. Equity fund – Positioning



DATATEC

- Remuneration policy structured for shareholder value unlock with proven ability to unlock value for shareholders
- Forecasted margin expansion – Westcon International from 3.4% to 4%; Logicalis international from 4.4% to 7% and Logicalis Latin from 2.28% to 6%
- Saw earnings growth of 48% in most recent trading statement and expect continued earnings growth through margin expansion
- SOTP valuation based on management buy-in values suggest returns in excess of 80%
- The value of Westcon International is higher than the market cap

SUPERGROUP

- 52% of Operating profit generated outside SA in developed market countries
- Bought back 7.5% of shares outstanding (6% in FY23 and 1.5% in 1H24)
- Lease plan acquisition to unlock AU\$19.5mil of cost saving over the next three years (11% of FY23 Earnings)
- RNOA of 10.2% > WACC 7%
- Valuation cheap relative to peers and historical levels
- Share price has underperformed SGF by >40% YTD
- Bear case Target Price R41.61 (>+40% upside potential)



Thank you for your time



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Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager’s charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

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A fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure.

A money market portfolio is not the same as a bank deposit account. The price is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield, but that in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yield is calculated using an annualised seven day rolling average.

Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a current yield and is calculated daily.

A feeder fund is a portfolio that invests in a single portfolio of collective investment schemes, which levies its own charges and which could result in a higher fee structure for the feeder fund.