GTC Passive Five

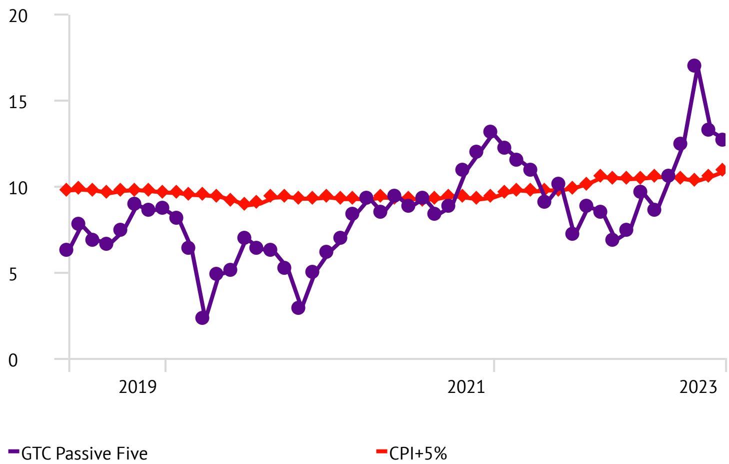
As of 31/05/2023

consult • partner • manage

Rolling returns (%)

Time Period: 01/06/2016 to 31/05/2023

Rolling Window: 3 Years 1 Month shift



Investment mandate and objectives

The portfolio employs a rule based (passive) investment strategy.The GTC Passive Five fund comprises of both local and international asset classes, with a maximum exposure of 75% to equities. The fund is Regulation 28 compliant and aims to outperform inflation plus 5% over rolling 7 year periods. International exposure is kept within regulatory limitation which offers diversification and a local currency hedge.

Features:

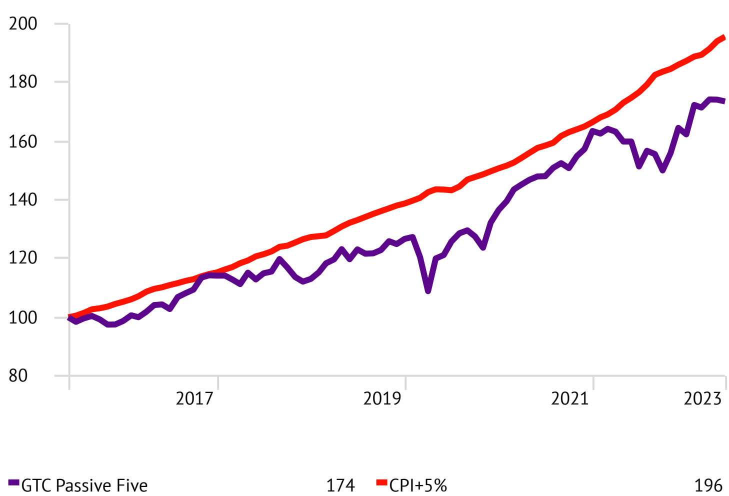
- Regulation 28 compliant
- Flexible Asset Allocation
- Local and International exposure
- Capital Growth

Fund facts:

Multi manager:	GTC
Benchmark:	CPI + 5% over a 7 year rolling periods
Risk profile:	Moderate to High Risk

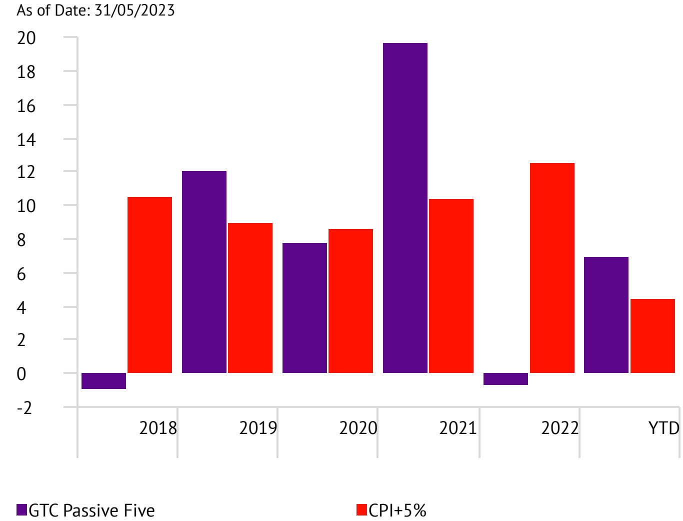
7 Year cumulative performance history (%)

Time Period: 01/06/2016 to 31/05/2023



Calendar year returns (%)

As of Date: 31/05/2023



Performance (%)

	7 Yr*	5 Yr*	3 Yr*	1 Yr
GTC Passive Five	8.20	8.99	12.72	8.56
CPI+5%	10.07	10.13	10.88	11.90

*Annualised
CPI is lagged by 1 month.
Returns are gross of fees.
Please note that this document is an INFORMATION SHEET meant only for illustrative purposes and is not a fund fact sheet.
Please note that past performance is not a guide to future performance.

Risk statistics: 7 years rolling (%)

Time Period: 01/06/2016 to 31/05/2023

	Return	Tracking Error	Sharpe Ratio	Max Drawdown
GTC Passive Five	8.20	1.93	0.26	-14.51
Composite Benchmark*	7.21	0.00	0.14	-16.40

*Composite Benchmark: 4% Property, 44% Capped SWIX, 14% Bonds, 8% Cash, 4% FTSE WGBI, 18% MSCI World ESG and 8% MSCI Emerging Markets ESG.
Tracking error reflected is against the Composite Benchmark.

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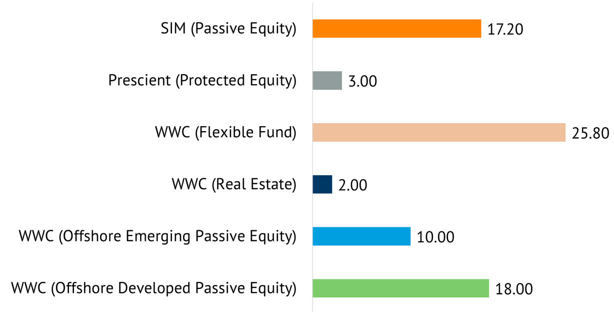
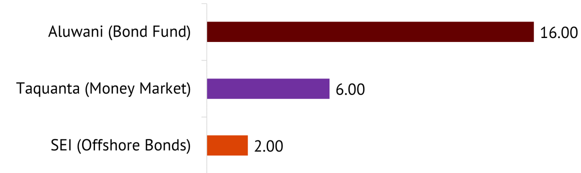
Investment allocation: Managers and Strategies
Equity and Real Estate (%)



Investment allocation: Managers and Strategies
Fixed Income (%)



Asset class	Exposure (%)
Local Equity	42.80
Local Property	1.78
Local Bond	15.22
Local Cash	7.27
Local Other	0.00
Foreign Equity	30.43
Foreign Property	0.00
Foreign Bonds	1.64
Foreign Cash	0.85
Foreign Other	0.00

Market performance ranking

As of Date: 31/05/2023 Currency: South African Rand

	2018	2019	2020	2021	2022	YTD
Best	Global Bonds 15.2	Global Developed Markets 24.1	Global Emerging Markets 24.0	Local Property 36.9	Local Cash 5.2	Global Developed Markets 26.8
	Local Bonds 7.7	Global Emerging Markets 15.1	Global Developed Markets 21.5	Global Developed Markets 32.9	Local Equity 4.4	Global Bonds 18.8
	Local Cash 7.3	Local Bonds 10.3	Global Bonds 15.4	Local Equity 27.1	Local Bonds 4.3	Global Emerging Markets 18.1
	Global Developed Markets 6.1	Local Cash 7.3	Local Bonds 8.6	Local Bonds 8.4	Local Property 0.5	Local Cash 3.0
	Global Emerging Markets -0.7	Local Equity 6.8	Local Cash 5.5	Global Emerging Markets 6.3	Global Developed Markets -13.2	Local Equity -0.2
	Local Equity -10.9	Global Bonds 2.9	Local Equity 0.6	Local Cash 3.8	Global Bonds -13.3	Local Bonds -2.7
Worst	Local Property -25.3	Local Property 1.9	Local Property -34.5	Global Bonds 2.5	Global Emerging Markets -15.2	Local Property -5.3

- Local Equity
- Local Property
- Local Bonds
- Local Cash
- Global Emerging Markets
- Global Developed Markets
- Global Bonds

For more detailed commentary please click on the following link: https://gtc.co.za/news/publications/gtc-trendline/

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Market summary

- The South Africa's (SA) market was particularly weak in May 2023 due the risk off sentiment amid allegations of weapons sales from SA to Russia and concerns surrounding the deteriorating electricity landscape. China also faced challenges as its economic recovery fell short of expectations. With the slowdown in global trade activity, China's manufacturing PMI for April 2023 dipped to 49.5 points, below the 50 point mark which separates an expanding manufacturing sector from a contracting one. Further volatility came from concerns surrounding the US debt ceiling as the government sought to raise the government's borrowing limit.

- Local equities declined over the month, impacted negatively by the aforementioned risk off sentiment towards South Africa. Financials were the worst performing sector, contracting -7.9%, which can largely be attributed to decline in major banks such as Capitec (-13.7%) and Firstrand (-6.4%). Despite South African specific headwinds, the Resources sector limited its pullback to -2.2% as the 8.4% rand weakness provided a tailwind to some of the rand hedged companies. The Industrials and Listed property sector fell at -3.3% and -5.3% respectively.

- Local cash delivered a positive return of 0.7% well ahead of the local bond index which ended the month -4.8%. The South African Reserve Bank's decision to increase rates by 50bps to 8.25% in May 2023 as well as the meaningful rise in yields due to outflows from foreigners explains much of the bond index's decline.

- In US Dollar terms, the MSCI Emerging Market equity (-1.7%) index lagged the MSCI World index (-1.0%) amid the increase in global uncertainty. The US Federal Reserve raised interest rates by 25bps to 5.25%, marking the highest level since August 2007. The Bank of England and the European Central Bank also followed suit with a 25bps rate hike.

- As market volatility and economic uncertainty continue to be persistently elevated over the month, GTC remains cautious in our portfolio positioning as we navigate through this market cycle.

Glossary

Standard deviation

- Is a measure that is used to quantify the amount of variation or dispersion of a set of data values around the mean value. This measure is commonly known as volatility and referenced as an explicit measure of risk.

Maximum drawdown

- Is the maximum loss from a peak to a trough of a portfolio before a new peak is attained. Maximum Drawdown is an indicator of downside risk over a specified time period.

Sharpe ratio

- Is a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations. The Sharpe ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. In other words, it measures how much excess return a portfolio has earned in relation to the level of risk it is exposure to. The higher the ratio the stronger the risk adjusted return.

Calmar ratio

- Is a measure for calculating risk-adjusted return. It is the average return earned per unit of capital loss risk taken in the form of maximum drawdown over a given period.