



MAR  
2022

# Our edge in delivering high growth from risk assets

## Amplify SCI \*Balanced Fund

Brian Thomas | Co-Portfolio Manager



INTELLIGENT IMPACT THAT MATTERS

[www.amplify.co.za](http://www.amplify.co.za)



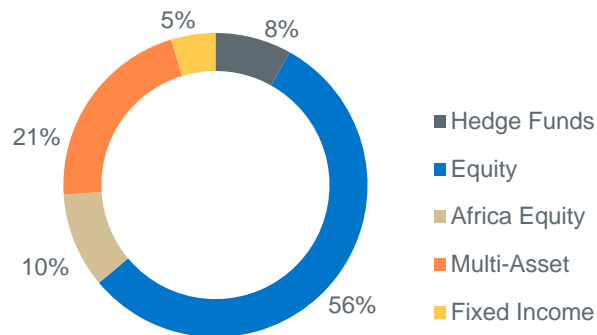
# LAURIUM CAPITAL

## Business overview

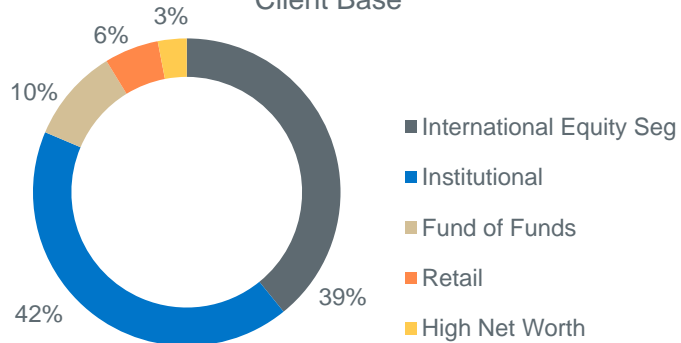
- Large enough to be relevant, small enough to be nimble
- Founded in 2008
- AUM of R40bn
- 13+ Years of top quartile performance
- 15 Investment professionals
- 14 Operations/business development staff



### Fund Overview

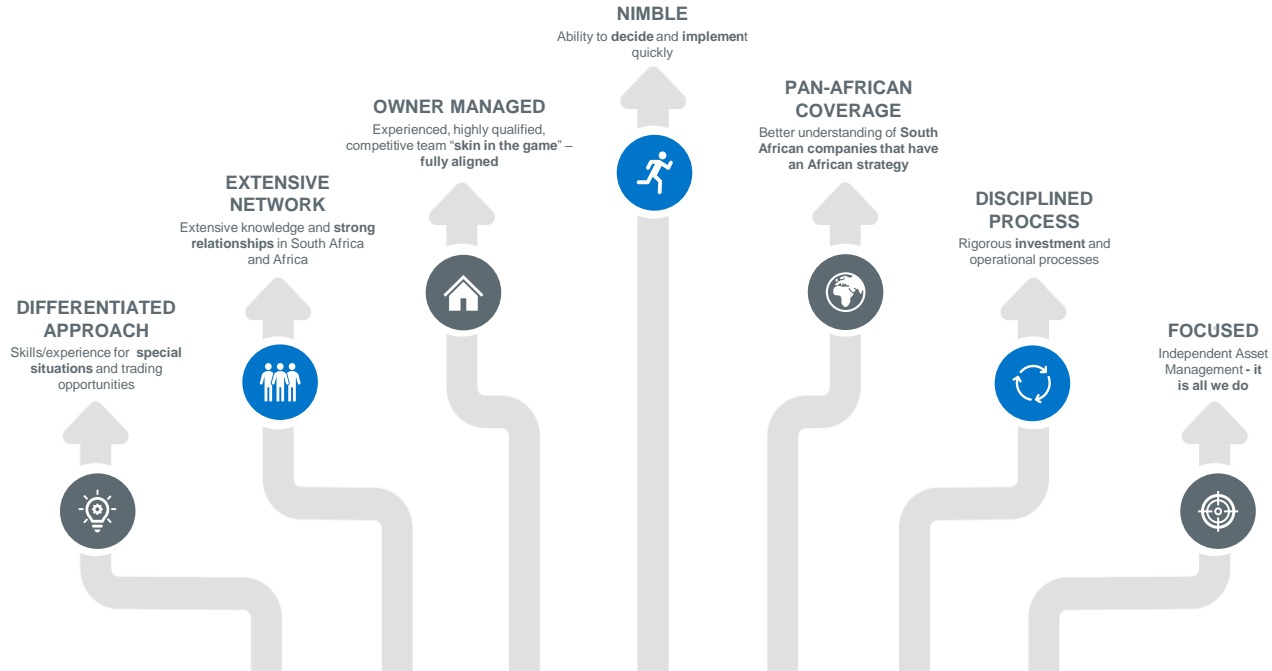


### Client Base



# LAURIUM CAPITAL

Our edge in delivering high growth from risk assets





# AMPLIFY SCI\*

## BALANCED FUND

Managed by



Aims to deliver long term capital growth through strong upside capture of the market

A multi-asset high equity solution



### Long term capital growth

High upside capture of risk assets



### Strong downside protection

Enhancing returns across all asset classes



# ASSET ALLOCATION PROCESS

Combining experience and rigor

## STRATEGIC ASSET ALLOCATION

Long run, through the cycle view  
Mandate specific

## DISCIPLINED GUIDELINES

Working within SAA house-view applied across mandates

## TACTICAL ASSET ALLOCATION

Live and constant active asset allocation

## DAILY MARKET EVALUATIONS

Morning meeting  
Constant debate  
Passionate about markets



**MURRAY WINCKLER**  
Co-Founder Portfolio Manager  
32 years exp.



**GAVIN VORWERG**  
Co-Founder Portfolio Manager  
24 years exp.



**BRIAN THOMAS**  
Portfolio Manager & Retail Analyst  
21 years exp.



**ROB OELLERMANN**  
Global Equities Portfolio Manager  
27 years exp.



**MELANIE STOCKIGT**  
Fixed Income Portfolio Manager  
25 years exp.

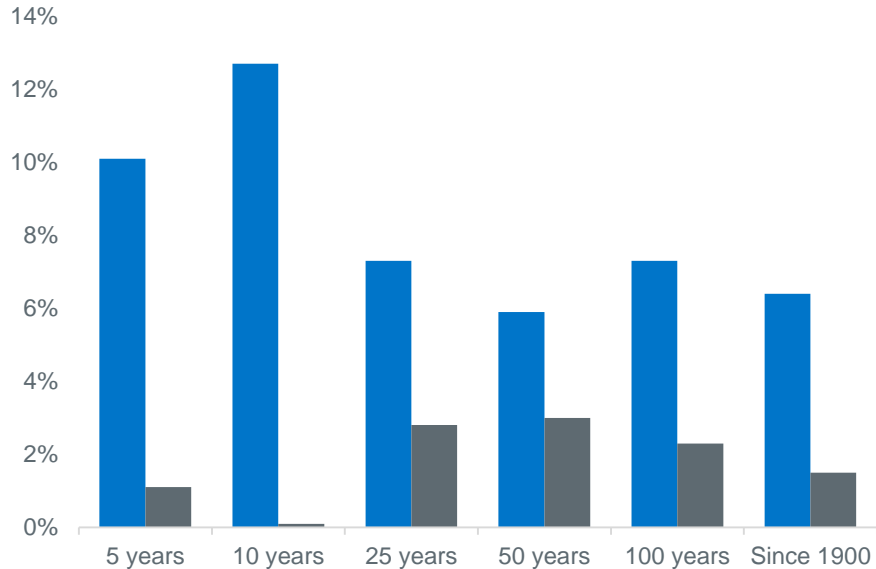


129 Years  
Collective  
Experience

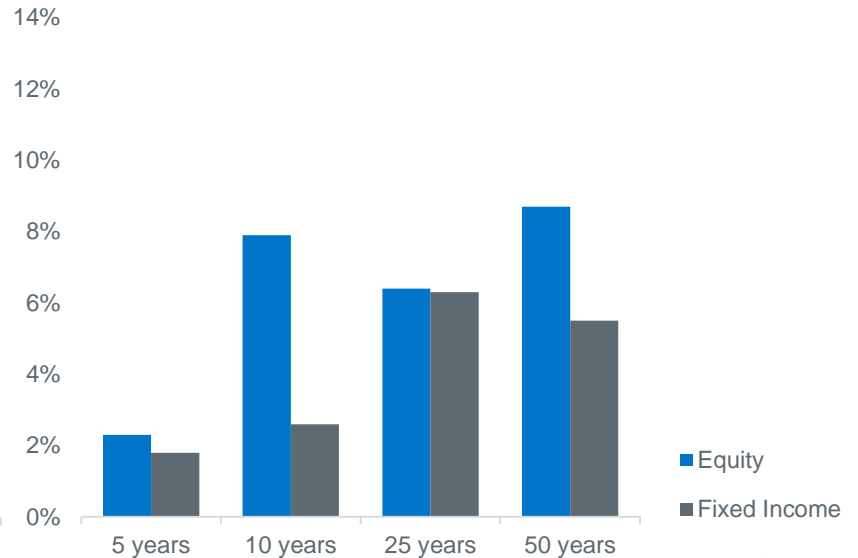
# HISTORY IS A GOOD GUIDE

Long term comparisons of income vs risky assets

USA Real Returns per annum



South Africa Real Returns per annum (USD)



# EQUITY IDEA GENERATION

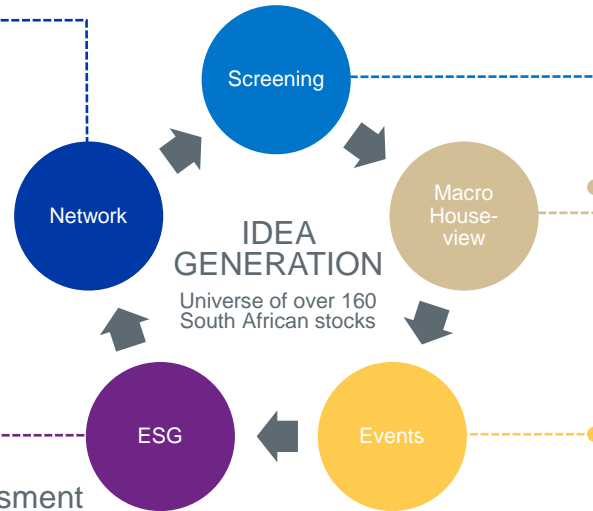
Sourcing higher growth than the market

## NETWORK

- Regular management contact
- Sell-side
- Investment peers
- On-the-ground advantage
- Extensive travel

## ESG

- ESG factors part of qualitative assessment
- Environmental and Social
- Focus is on Governance
- Active shareholder engagement



## SCREENING

- Financial ratios
- Valuations
- Ranking table
- Morning meetings
- Reviewing, analysing and discussing company results

## MACRO | 'HOUSE-VIEW'

- Changing macro variables
- Changing 'themes' and trends

## EVENTS

- Special Situations
- Capital Market Activity
- Liquidity events
- Money flows

# EQUITY POSITIONING

March 2022

## Global Consumer

British American Tobacco  
• 7% yield and de-gearing

### Naspers

- Impacted by Chinese regulation a sizeable discount.

## Healthcare Stocks

- Near term Covid concerns depressing share prices
- Strong balance sheets can withstand low capacity utilisation
- Medical aid membership remains stable and usage will grow
- Single digit multiples on a normalised earnings basis



## SA Financials

- Insurers and banks
- Multiples at decade lows
- Omicron appears milder
- Double digit free cash flow
- Resilient capital levels
- Annuity earnings streams

## Select Resource Exposure

- High free cash flow yields
- Diversified miners and Platinum
- Global Recovery supportive of commodity prices
- Platinum recover after chip shortage

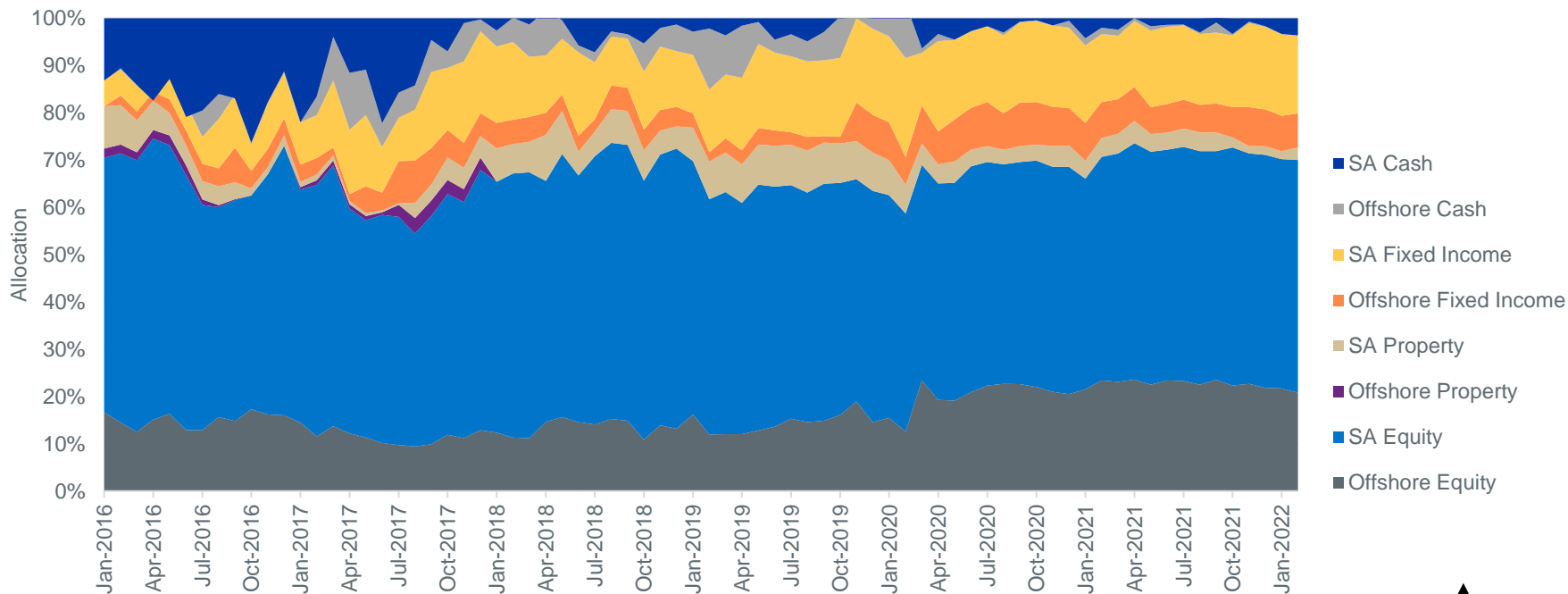


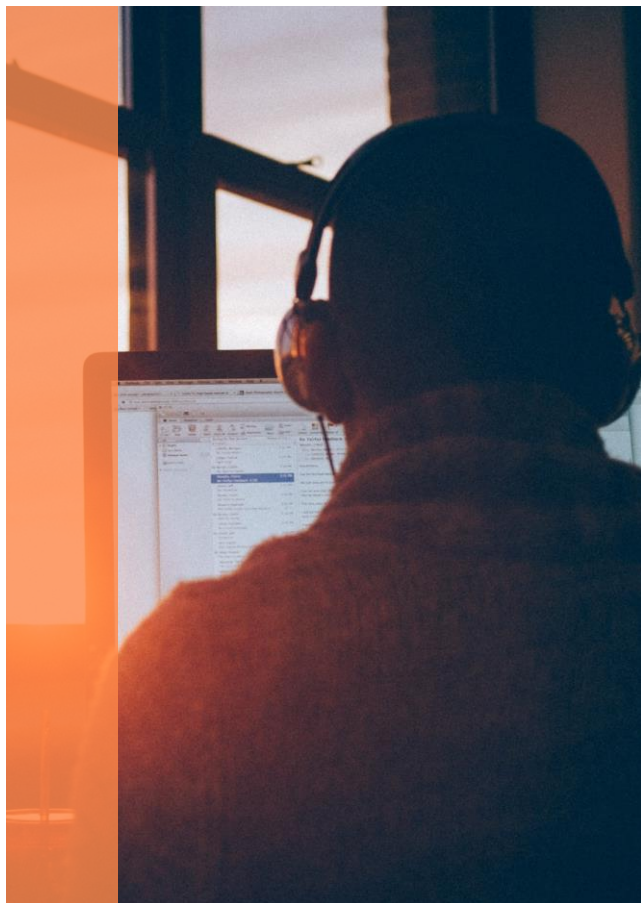
# NIMBLY NAVIGATING MARKETS

Large enough to be relevant, small enough to be nimble

## ASSET ALLOCATION

Amplify SCI\* Balanced Fund A1





## OVERVIEW

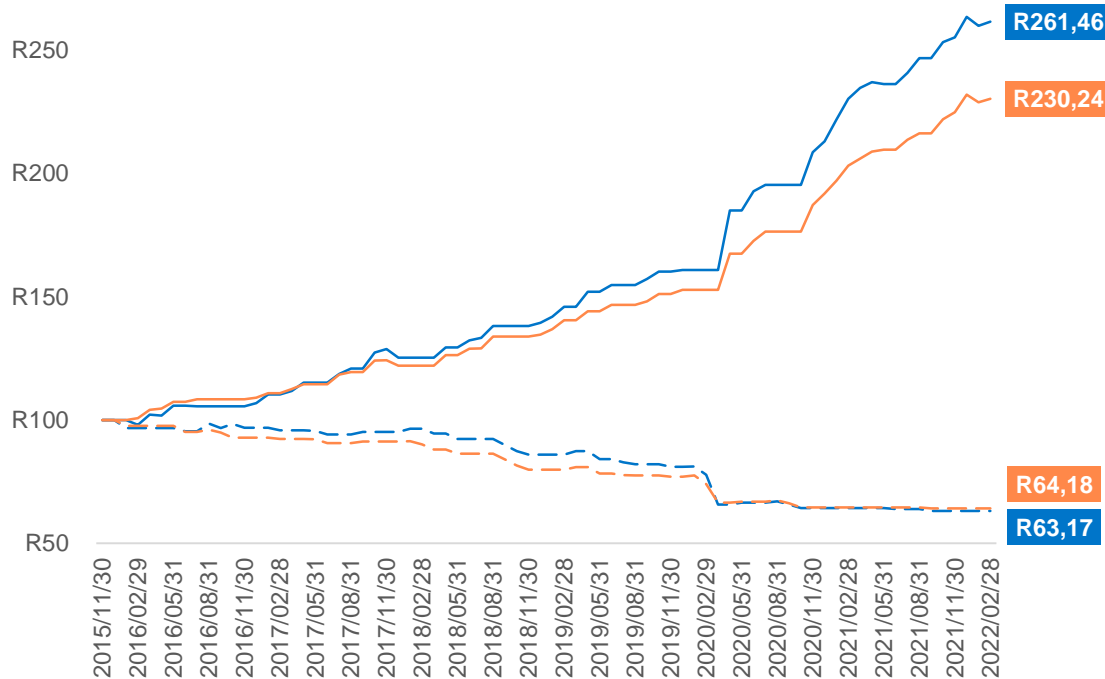
### AMPLIFY SCI\* BALANCED FUND

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- Collective Investment Scheme, governed by CISCA and Regulation 28 compliant (max equity exposure 75%)
- Launched 9 December 2015
- Active asset allocation to attain objective of CPI +4%
- Competes in the Multi-asset High equity ASISA category
- Generally, has a higher equity component than most peers, strategic allocation 70% to equities
- Minimum 60% in SA, maximum 45% in Global assets including 10% in African assets
- Net annualized return

# LONG TERM CAPITAL GROWTH

Higher upside capture of growth assets vs peers



	Upside Capture Ratio		
	1 Year	3 Years	5 Years

Amplify SCI\*  
Balanced  
Fund A1

47%

64%

69%

ASISA High  
Equity Category  
Average

47%

53%

57%

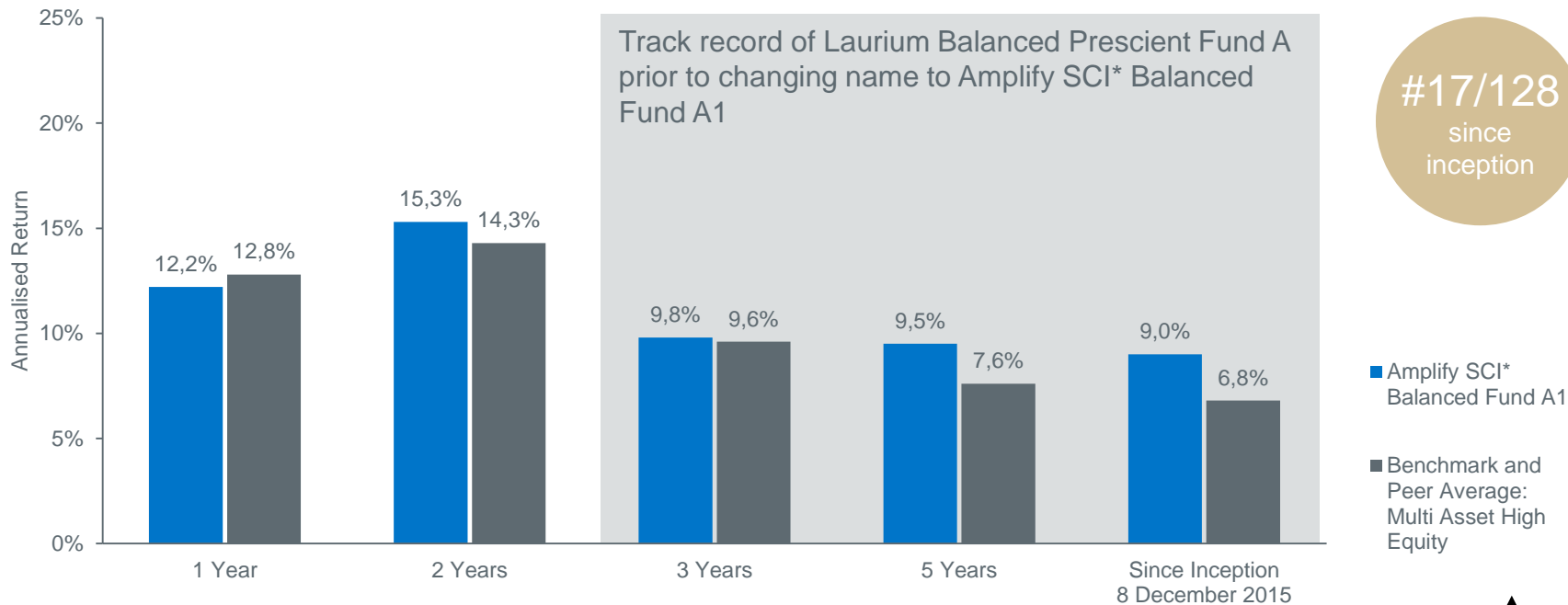
- Amplify SCI Balanced Upside Capture
- - - Amplify SCI Balanced Downside Capture
- ASISA High Equity Category Average
- - - ASISA High Equity Category Average

# DELIVERING HIGH GROWTH

Through strong upside capture of the market

## PERFORMANCE

Amplify SCI\* Balanced Fund A1



Source: Morningstar as at end February 2022 | Annualised performance (%): Highest 22.0%; Lowest -17.2 | Performance from 8 Dec 2015 to 6 Mar 2020 is that of Laurium Balanced Prescient Fund A Rankings based on ASISA SA MA High Equity category



# MACRO VIEW

Identifying opportunities and threats in the future

	Level at 28 Feb 2022	Laurium forecast 1 Year Out
Growth – World		4.3% in 2022 3.6% in 2023 3.1% in 2024
Growth – SA		2% in 2022 1.8% in 2023 1.8% in 2024
US interest rates (10y)	1.86%	2.00%
SA interest prime rates	7.50%	8.25%
SA Bonds (R2032)	9.84%	9.50%
Currency (EUR/USD)	1.12	1.15
Currency (ZAR/USD)	15.35	16.00
Oil (Brent)	\$99	\$75

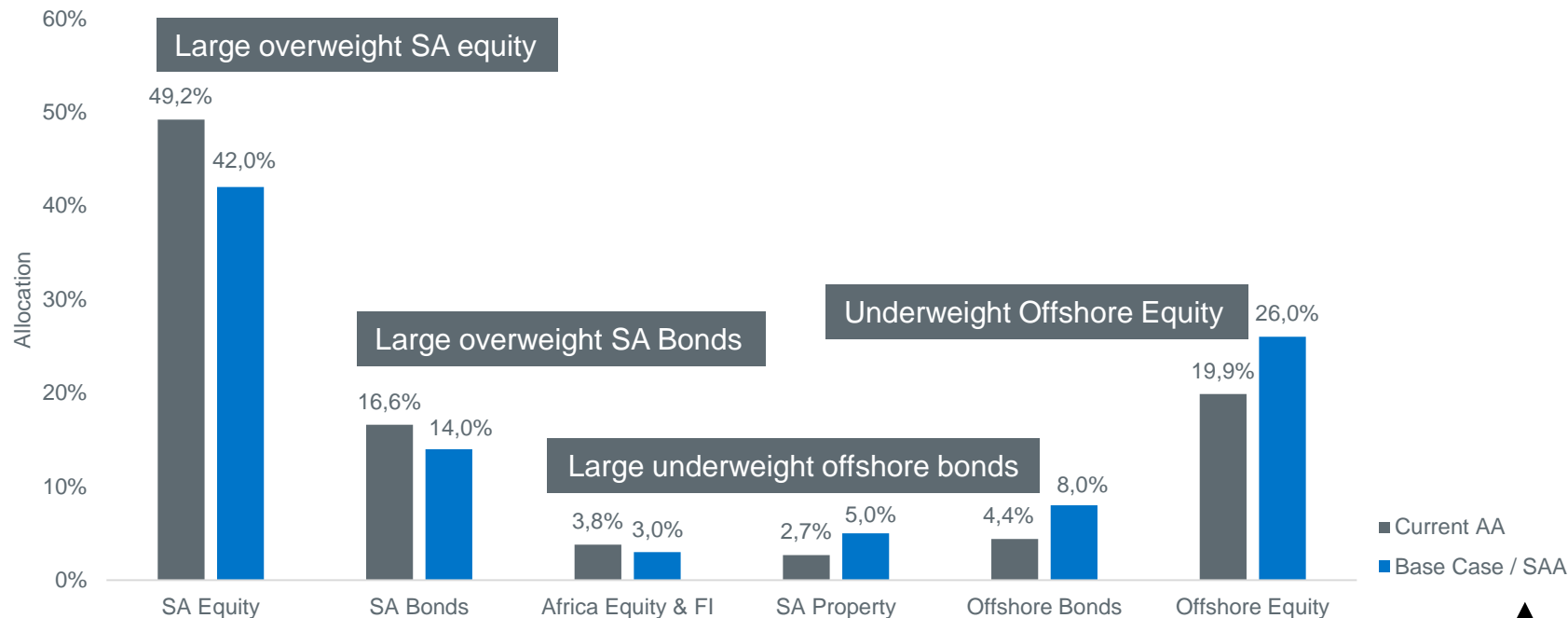


# TACTICAL POSITIONING

Enhancing returns across all asset classes

# ASSET ALLOCATION

Amplify SCI\* Balanced Fund A1





iShares Russel 1000 Value ETF	6.9%
Anglo American PLC	3.8%
Naspers Ltd	3.6%
Standard Bank Group Ltd	3.3%
South African Government Bond 2037	3.1%
Laurium Africa Bond USD Fund <sup>1</sup>	2.9%
South African Government Bond 2035   Note	2.7%
Sanlam Ltd	2.7%
British American Tobacco PLC	2.6%
ABSA Group Ltd	2.6%
South African Government Bond 2035	2.6%
Firststrand Ltd	2.5%
S&P 500 ETF	2.4%
Mediclinic International PLC	2.3%
Impala Platinum Holdings Ltd	2.2%

# 15

TOP POSITIONS



# AMPLIFY SCI\*

## BALANCED FUND

Managed by



Aims to deliver long term capital growth through strong upside capture of the market

Who should invest in this solution?



Risk profile

**Moderate**



Time horizon

**Longer than 5 years**



Unique aspect

**High upside capture of risk assets**





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- Laurium Capital is an authorised Financial Service Provider regulated by the Financial Sector Conduct Authority (FSP no: 34142)
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- Matrix Fund Managers is an authorised Financial Service Provider regulated by the Financial Sector Conduct Authority (FSP no: 44663)
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- Oystercatcher Investments is an authorised Financial Service Provider regulated by the Financial Sector Conduct Authority (FSP no: 50509)
- Peregrine Capital is an authorised Financial Service Provider regulated by the Financial Sector Conduct Authority (FSP no: 32444)
- Terabith Capital is an authorised Financial Service Provider regulated by the Financial Sector Conduct Authority (FSP no: 47909)
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Annualised return is the weighted average compound growth rate over the period measured.  
Cumulative return is aggregate return of the portfolio for a specified period.

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