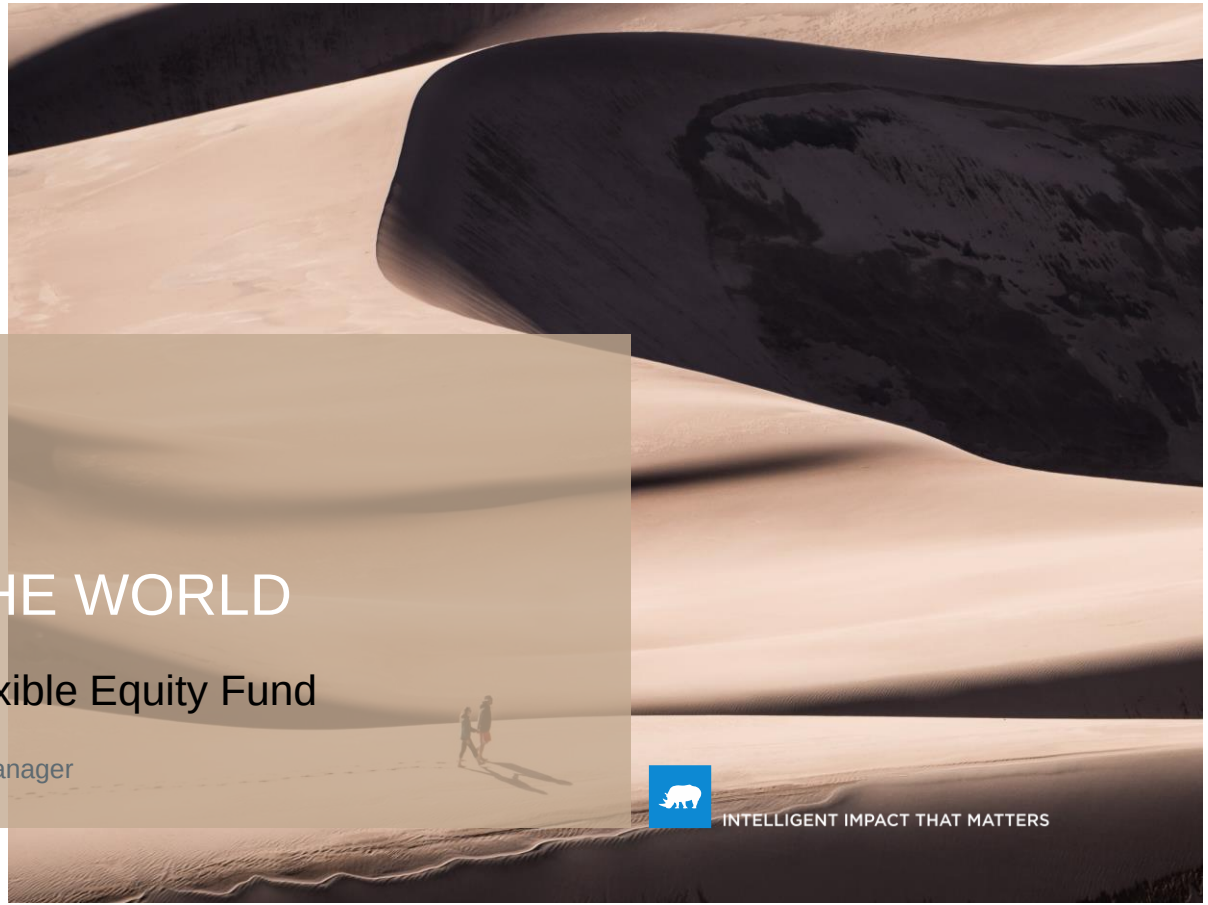
FEB
2023

VIEW OF THE WORLD

Amplify SCI* Flexible Equity Fund

Omri Thomas | Portfolio Manager



www.amplify.co.za

ABAX INVESTMENTS

Manager profile: Business overview

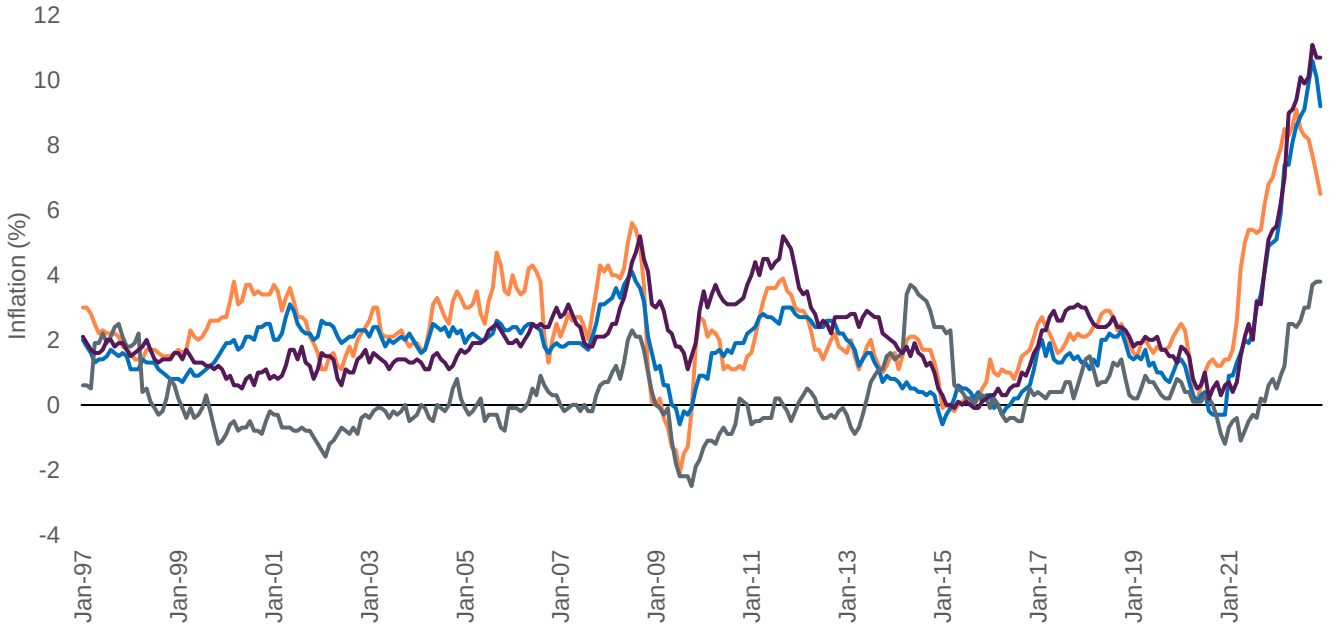
- Founded in 2003
- AUM of R100billion
- Focused on delivering outstanding investment performance for clients
- Majority owned by staff
- Team of 17 investment professionals with 15 years average experience

Omri Thomas

Matthew de Wet

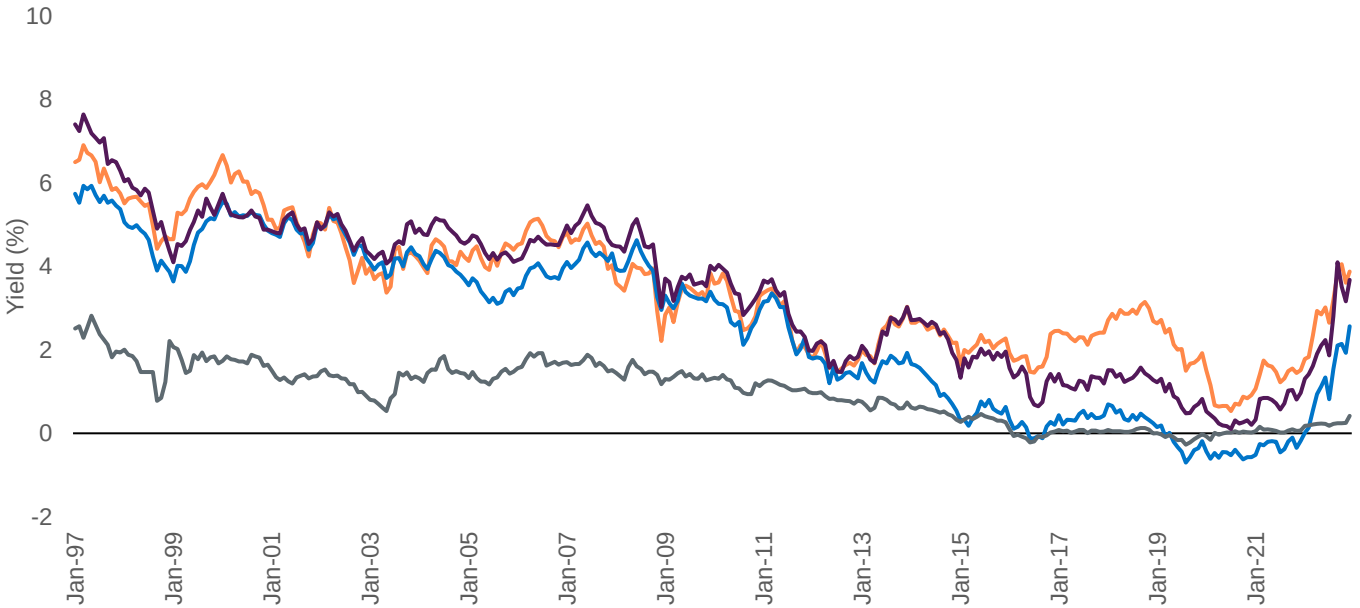
Philip Liebenberg

GLOBAL INFLATION
Rolling over?



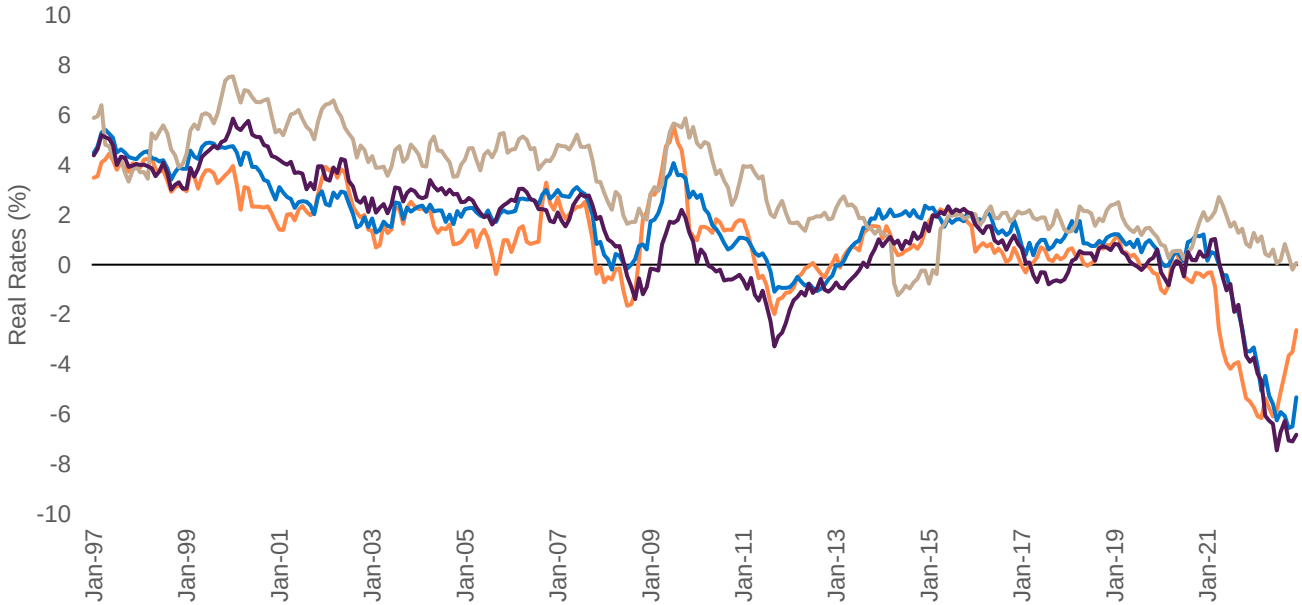
Source: Abax Investments | Dec '22

GLOBAL 10 YEAR BOND



Source: Abax Investments | Dec '22

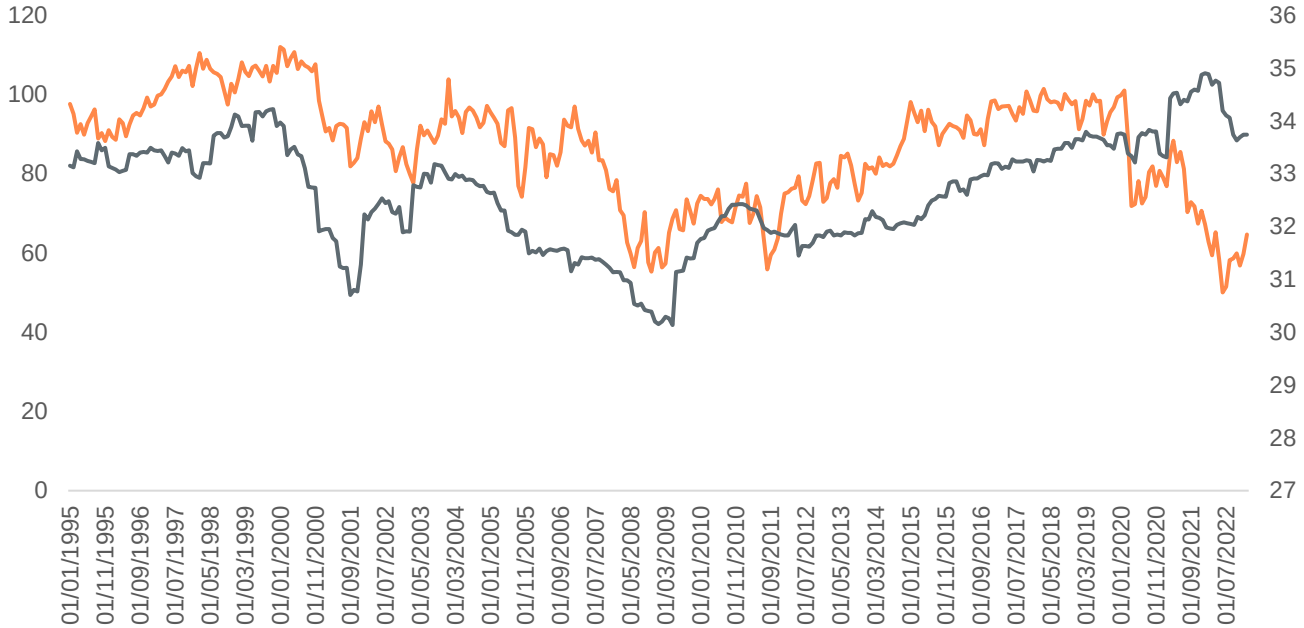
GLOBAL REAL RATES



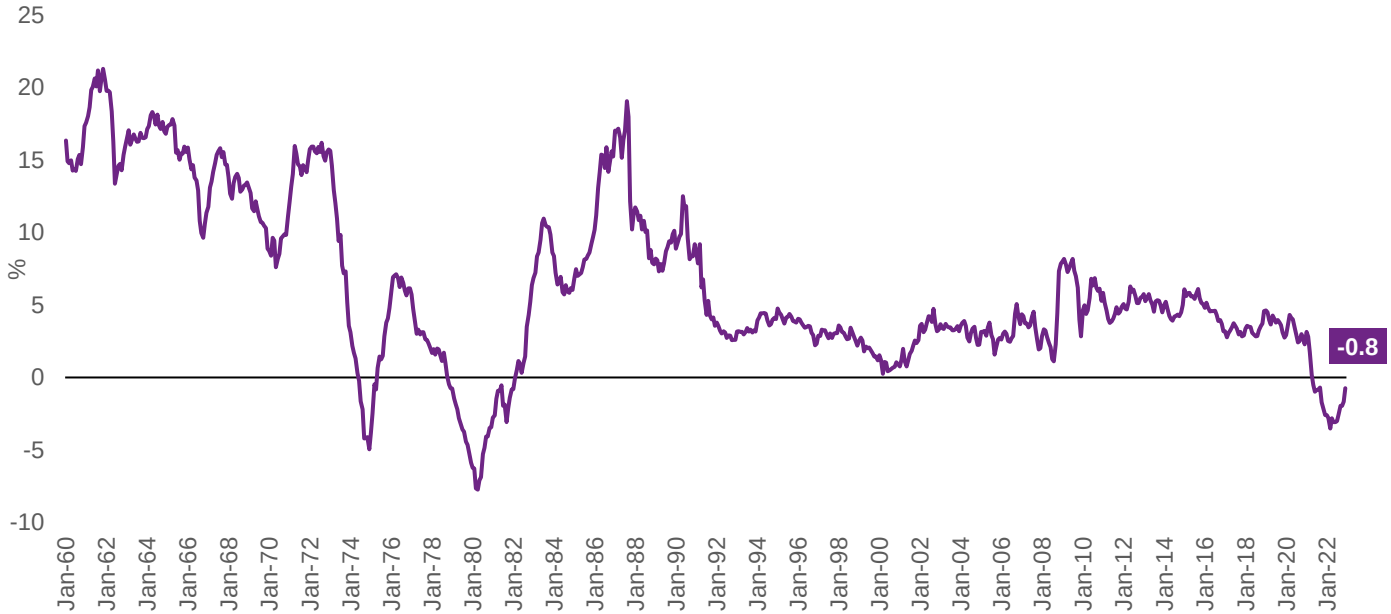
Source: Abax Investments | Dec '22

MARGINS VS CONSUMER CONFIDENCE

Russel 1000 gross margins vs US consumer confidence

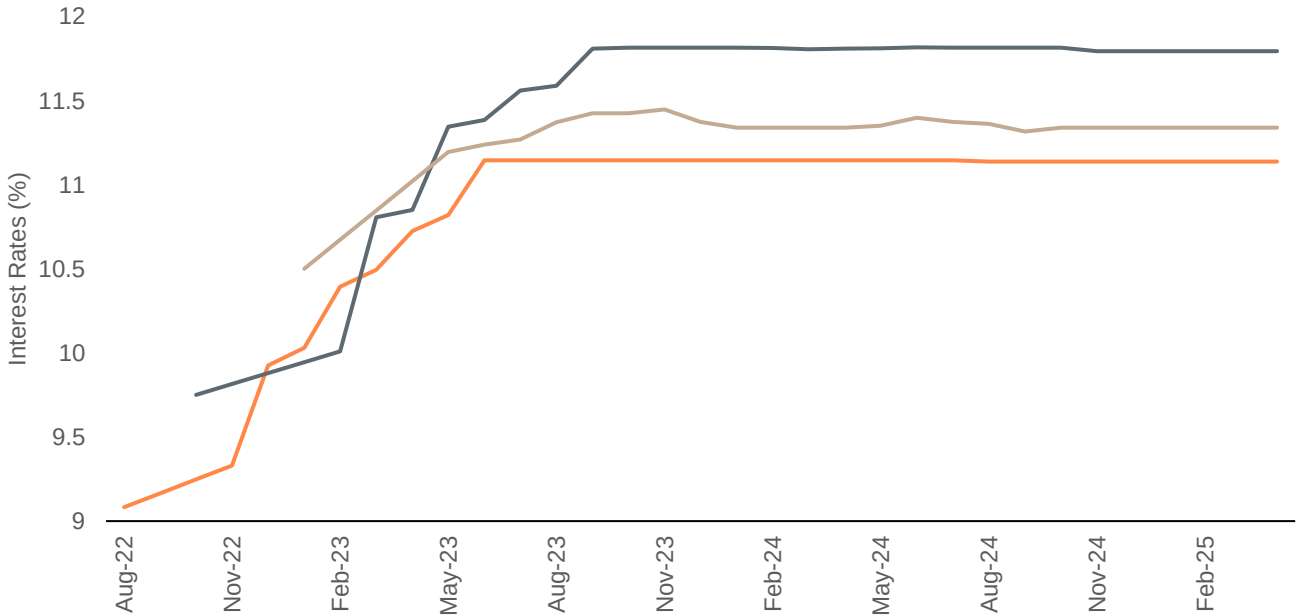


VALUATION VS INFLATION
United States of America



Source: Abax Investments | Dec '22

INTEREST RATES
South Africa

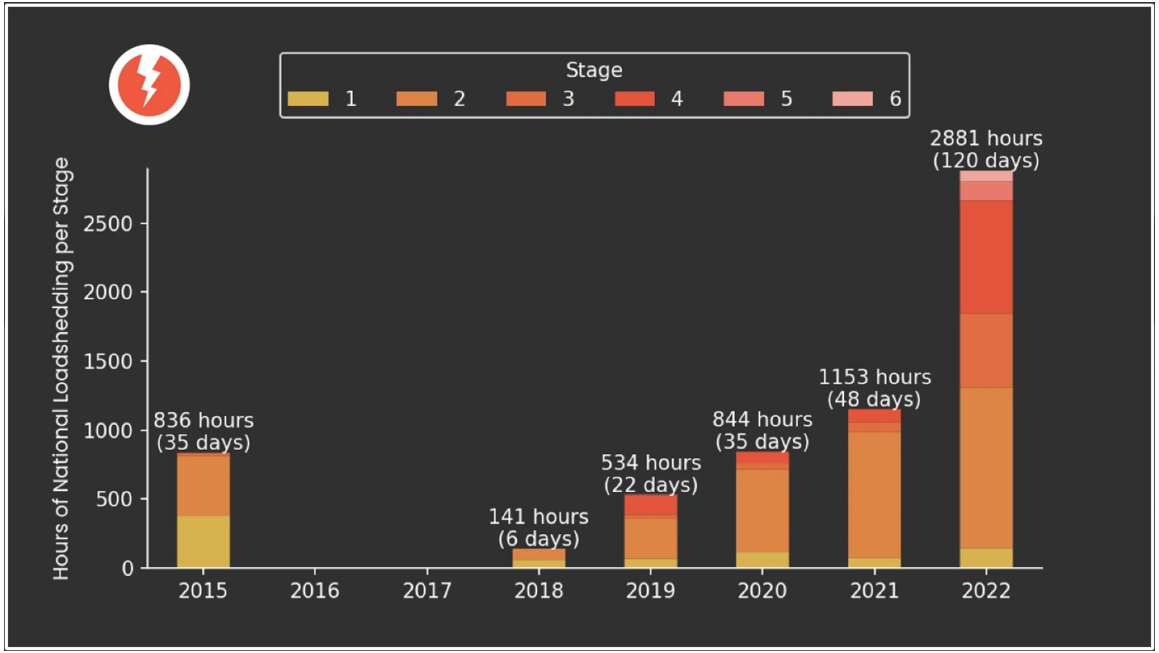


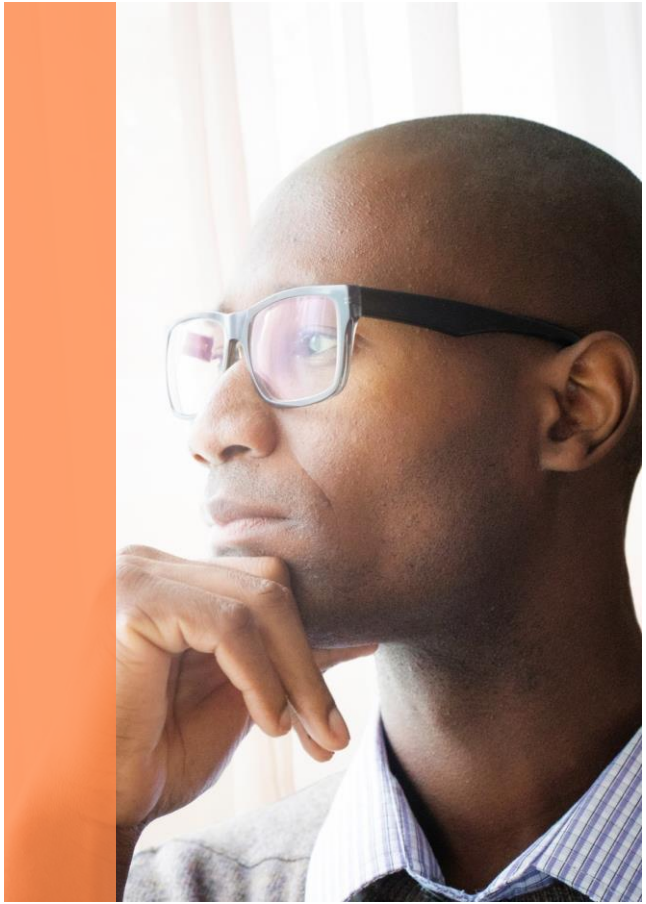
Source: Abax Investments | Dec '22

SA / US REAL SPREAD

Source: Abax Investments | Dec '22

BUT.....


Stage
1
2
3
4
5
6
Hours of National Loadshedding per Stage
0
500
1000
1500
2000
2500
2015
2016
2017
2018
2019
2020
2021
2022
836 hours
(35 days)
141 hours
(6 days)
534 hours
(22 days)
844 hours
(35 days)
1153 hours
(48 days)
2881 hours
(120 days)

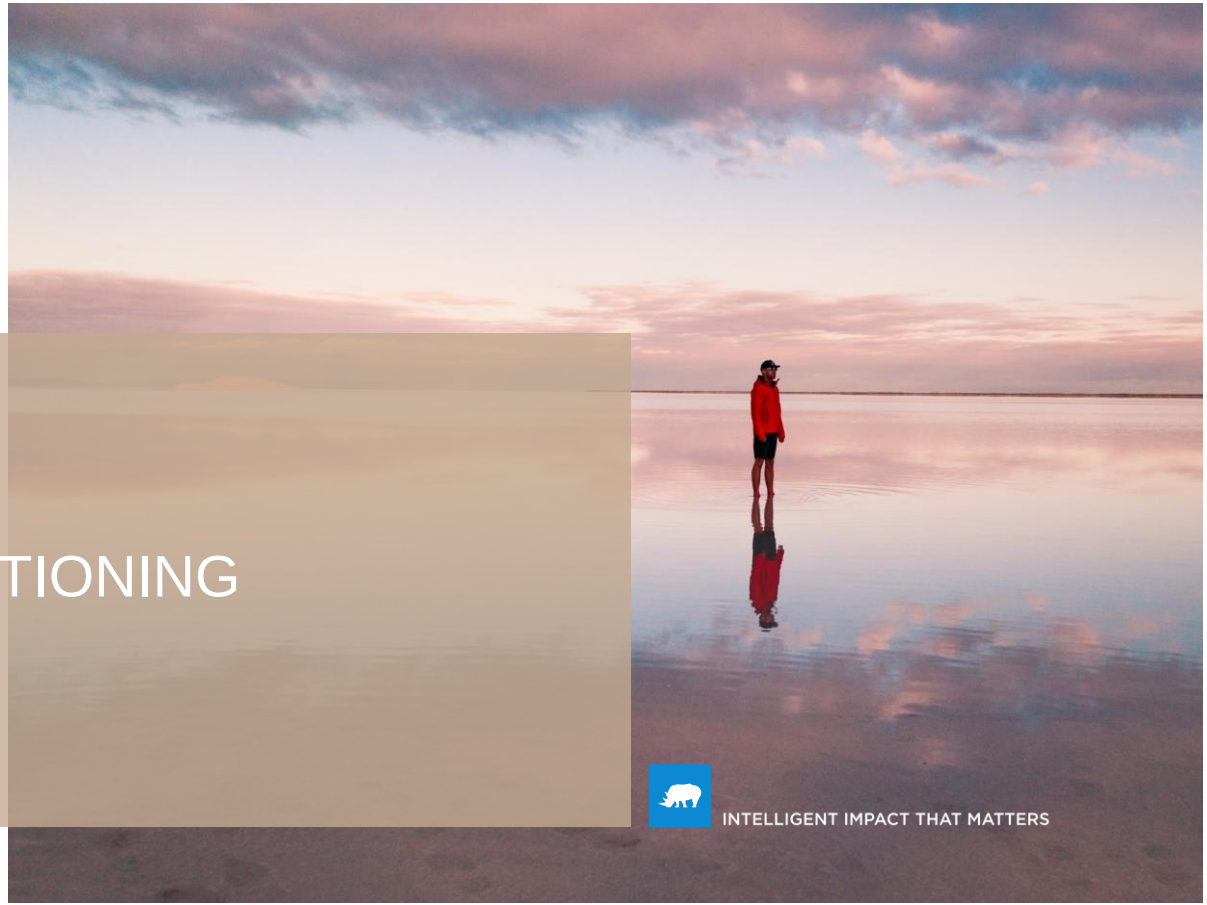


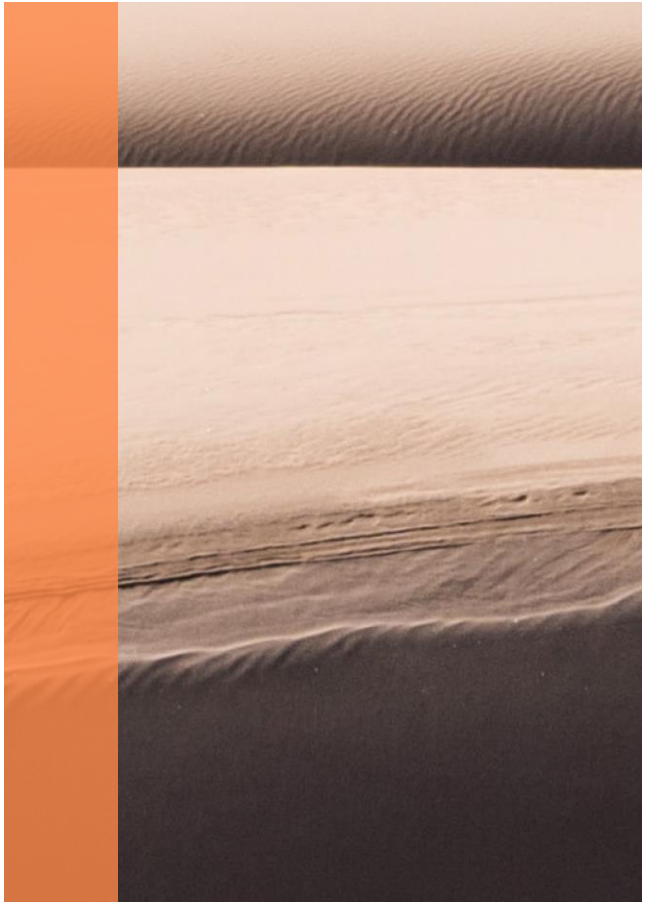
OUTLOOK SUMMARY

Amplify SCI* Flexible Equity Fund

- We have moved from a low/ declining rate environment to an increasing rate environment
  - Tail risks remain.
  - Inflation Goldilocks not guaranteed
- Continued volatility expected as the market digests the new paradigm.
- Chinese re-opening trade should be beneficial to markets.
- Rate Hikes expected in SA.
- Subdued SA Economic growth hamstrung by loadshedding
- Reg 28 opens attractive opportunities to improve quality and diversify
- Inflation + mandates becoming more achievable

FUND POSITIONING





AMPLIFY SCI*
Flexible Equity Fund

Managed by ABAX investments

Seeks maximum capital growth

A multi-asset flexible equity solution

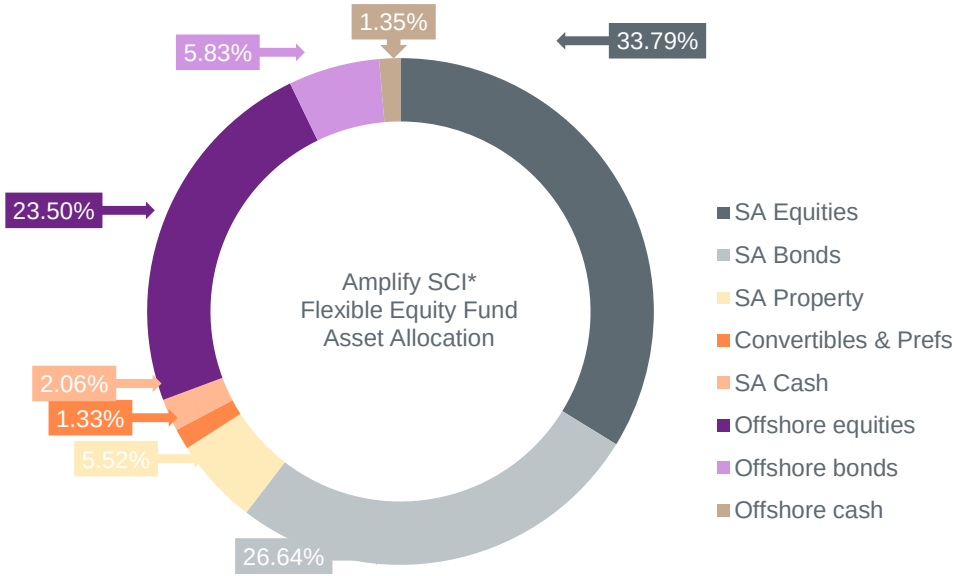
Maximum capital growth
2/3rds upside capture of FTSE/JSE SWIX

Lower risk than a pure equity portfolio
1/3rd downside capture of FTSE/JSE SWIX

INTELLIGENT IMPACT THAT MATTERS

AMPLIFY

PORTFOLIO CONSTRUCTION
Diversification is key



CHEAP

- EM Equities
- SA Bonds
- SA Cash

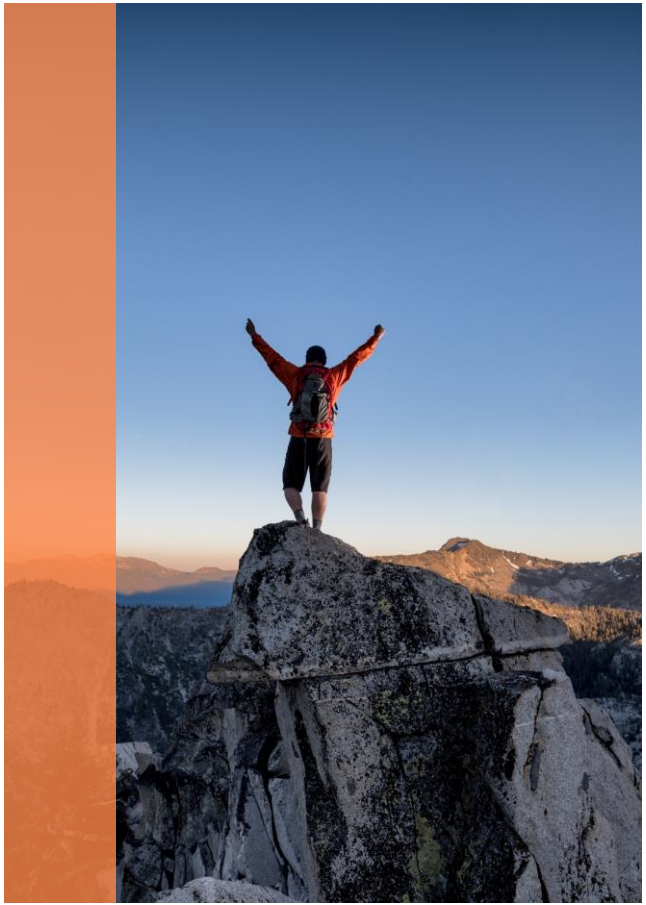
FAIR

- SA Equities
- DM Equities
- ZAR
- US Bonds
- US Cash

EXPENSIVE

- US Equities
- DM Bonds (ex US)
- SA Property
- DM Cash (ex US)

Source: Abax Investments



FUND PERFORMANCE

Amplify SCI* Flexible Equity Fund

	Annualised Performance | Years (%)				
	YTD	1	2	3	5
Amplify SCI* Flexible Equity Fund B4	13.32	13.32	23.03	13.41	8.60
Average (ASISA) Flexible Equity	0.00	0.00	10.49	9.16	6.08
FTSE/JSE SWIX	3.59	3.59	11.99	8.77	4.44

ABAX investments appointed in 2019

Source: Morningstar at end Dec '22

INTELLIGENT IMPACT THAT MATTERS

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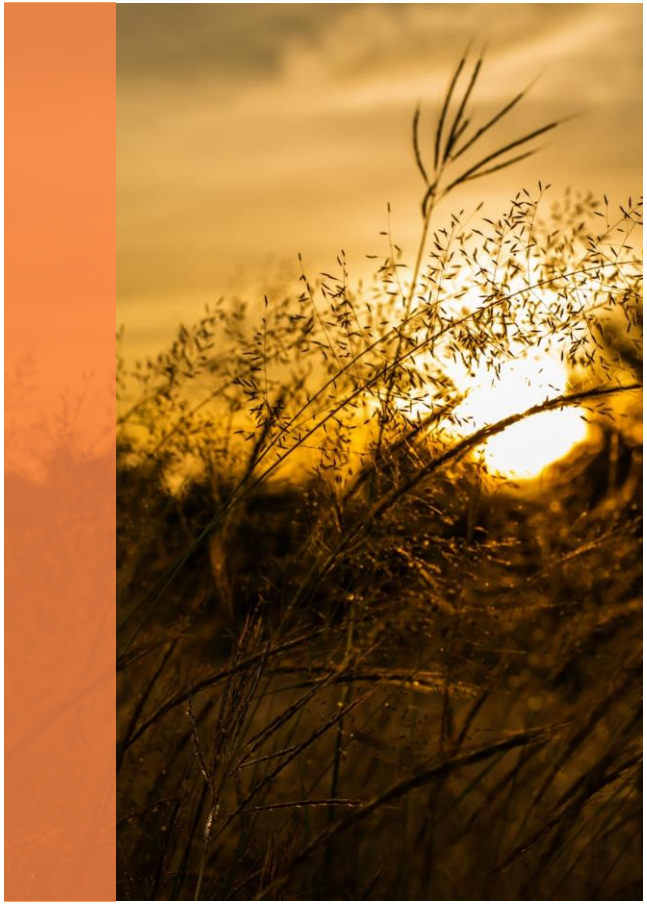

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- Acumen Capital is an authorised Financial Service Provider regulated by the Financial Sector Conduct Authority (FSP no: 14927)
- Laurium Capital is an authorised Financial Service Provider regulated by the Financial Sector Conduct Authority (FSP no: 34142)
- Marble Rock is an authorised Financial Service Provider regulated by the Financial Sector Conduct Authority (FSP no: 45906)
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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)
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While CIS in hedge funds differ from CIS in securities (long-only portfolios) the two may appear similar, as both are structured in the same way and are subject to the same regulatory requirements. The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. A manager may, in exceptional circumstances, suspend repurchases for a period, subject to regulatory approval, to await liquidity and the manager must keep the investors informed about these circumstances. Further risks associated with hedge funds include: investment strategies may be inherently risky; leverage usually means higher volatility; short-selling can lead to significant losses; unlisted instruments might be valued incorrectly; fixed income instruments may be low-grade; exchange rates could turn against the fund; other complex investments might be misunderstood; the client may be caught in a liquidity squeeze; the prime broker or custodian may default; regulations could change; past performance might be theoretical; or the manager may be conflicted.

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.

*Sanlam Collective Investments

[1]The stated fund manager is the investment manager of a similar Retail Hedge Fund on another Manager's platform. The said RHFs employ the same investment strategy as the relative Amplify SCI* Retail Hedge Fund (i.e. the investable universe and investment policy of the funds are the same). The performance quoted includes that of the Amplify A1 class since it's launch with prior performance that of the other RHF managed by stated fund manager | *Since inception indicates performance since 1 August 2016, the point at which all strategies were allocable to form the blend portfolio made up of equal weighting of each manager

AMPLIFY