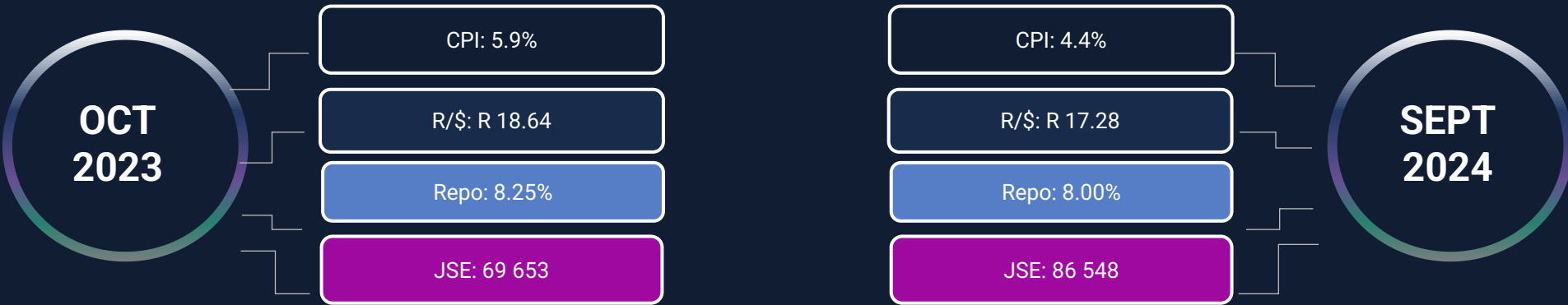


MARKET SMARTS | Sept 2024



MONTHLY COMMENTARY

Global stocks rose to fresh highs yet again, as the major central banks continued to ease their respective policy rates. Looking at the foreign exchange markets, the major currencies continued to appreciate against the US dollar. There was also broad-based strength in commodities – gold reached yet another new high in US dollar terms – though Brent Crude oil continued to soften, falling below the \$70 mark. The US Federal Reserve (Fed) reduced its target rate range by a larger-than-anticipated 0.5 percentage points. In Europe, the European Central Bank and Swiss National Bank both reduced their respective policy rates by 0.25%pts, to 3.50% and 1.00%.

In September, the Capped SWIX and All Share indices both gained 4.0%, while the ALBI rose by 3.9%. The Monetary Policy Committee (MPC) trimmed the repo rate by 25 basis points, bringing it down to 8%, and the prime lending rate to 11.5%. Manufacturing activity in South Africa moved back into expansion territory, with the Absa Purchasing Managers' Index (PMI) increasing from 43.6 in August to 52.8. The Rand strengthened during the month and ended with a Rand-US dollar appreciation of 2.9%. As of 1 September 2024, the Two-Pot retirement system officially came into effect as an effort by the country's retirement system to help improve financial security as well as encourage long-term saving.



ASSET MANAGER VIEWS



The PMX Dynamic Income fund returned 3% for September. The fund has been well positioned for a falling global interest rate cycle. The aggregate duration is currently 4,3. The team at PMX is confident that the fund is positioned to provide investors with returns above cash and inflation over the medium term.



Fairtree was well positioned for the solid month in the equity markets as stocks like First Rand and Naspers boosted returns. Detractors included the likes of Gold Fields, Northam Platinum and Sasol. They remain overweight cyclical and defensive stocks.



Sesfikile believes the rally in listed property is justified given recovery on numerous fronts. As we've seen nearly 200 days with no loadshedding, and with election risks subsiding, property fundamentals continue to impress. We continue to see upside on a total return basis.



Fundsmith is known for their 'buy and hold' strategy. Over the recent year they have found value in some of the tech stocks such as Meta and Microsoft. Some of their largest detractors have been Estee Lauder and McCormick.

LOCAL FIXED INTEREST

↑ FTSE/JSE ALBI
3,86%

LOCAL EQUITY

↑ FTSE/JSE ALL SHARE
4,04%

LOCAL LISTED PROPERTY

↑ FTSE/JSE Listed Property
5,04%

GLOBAL ASSET

↓ MSCI ACWI
-0,69%



TIMELINE- A YEAR IN REVIEW

OCT
2023

- The US 10Y yield crossed 5% for the 1st time in 16 years.
- US GDP grows at an annualized rate of 4,9%.
- Reserve Bank deputy governor Kuben Naidoo resigns 18 months.
- ECB pauses interest rate hike cycle.

MAR
2024

- The Federal reserve held steady on interest rates yet again.
- Mexico started to cut rates by 25bps.
- Oil remains steady as the possibility of a ceasefire in GAZA gained traction.

APRIL
2024

- Global equities declined by 3,3%.
- US interest rate cut expectations postponed.
- Middle east conflict intensifies.
- Domestic inflation eases.

JULY
2024

- Eskom has achieved 100 days with no loadshedding.
- The Capped Swix gained 4,1%.
- SA PMI increases to 52,4 index points.
- China saw the PBOC cut both short-term and long-term interest rates.

AUG
2024

- The New Zealand central bank cut rates after its economy contracted.
- UK unemployment unexpectedly fell 4,2%.
- SA unemployment rate jumped to 33,%, up from 32,9%

SEPT
2024

- The Fed will opt for a slow policy easing.
- US firms say confidence in China has hit an all-time high.
- The UK is leading the recovery in Europe's office real estate market.
- SA cut rates for first time in 4 years.

DID YOU KNOW?

Less than 15% of South Africans die with a valid will.

1) DRAFT YOUR WILL- keep it safe!

If you die without a will, you will die intestate. This means your assets will be divided among your family members in accordance with the Intestate Succession Act.

2) UPDATE YOUR NOMINEES

When it comes to your investments, retirement products fall outside of your estate, so it is important to keep your nominated beneficiaries up to date on any retirement funds that you have.

3) PLAN FOR LIQUIDITY

The process of winding up an estate can be lengthy. A good way to do ensure liquidity for your beneficiaries, is to invest in endowment products or tax-free investments as an example.



INTERESTING NUMBERS

R 21,4bn

R21,4bn has been paid out to SA taxpayers in the month of September as part of the two-pot retirement system.

63,6years

The current life expectancy for males at birth in SA, is 63,6 years of age. Females are estimated to live until 69 years of age.

\$142bn

The budget allocated by Russia for defense in 2025.





OUTCOMES-BASED INVESTING CAPITAL PRESERVATION

Part of the four pillars of outcomes-based investing is to preserve the capital against inflation

OPTIMAL GROWTH

VS:



ASISA MA HIGH EQUITY



Capital Preservation

Over the last 7 years the strategy delivered an annualized return of:

10.53%

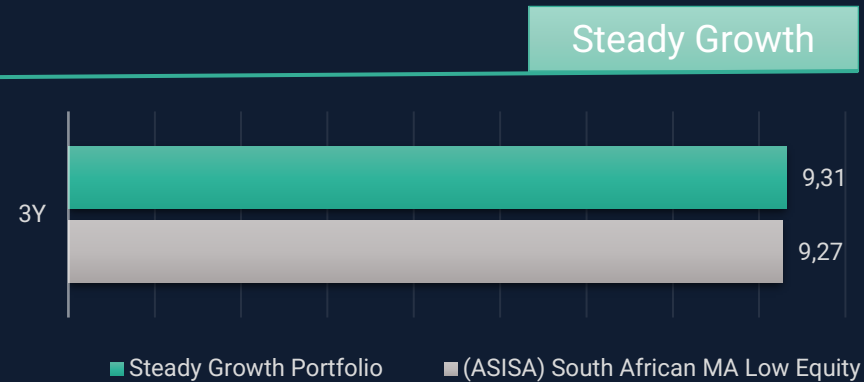
 CPI	4.86%
 ASISA MA High Equity	7.98%



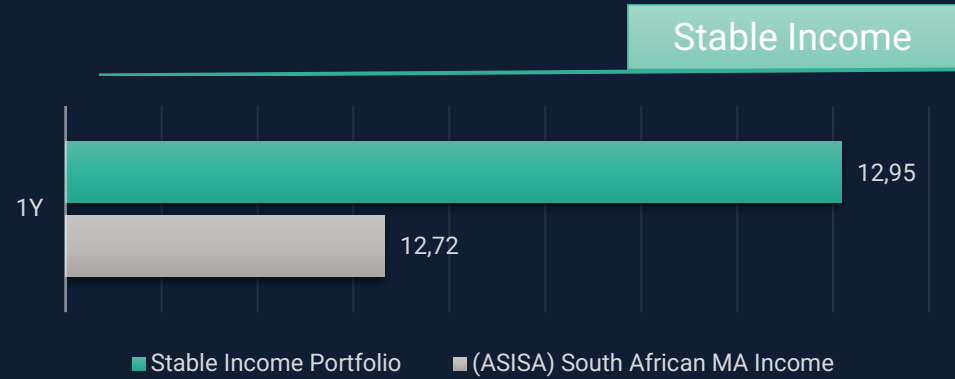
NUMBER SNAPSHOT

Outcomes-based Models vs ASISA Categories Over Relevant Time Period

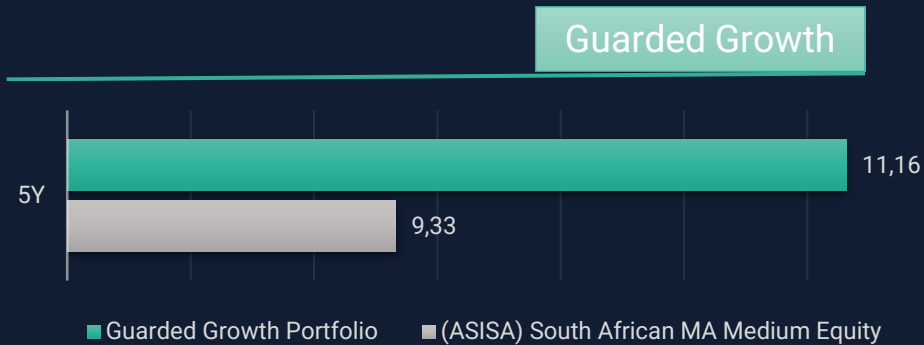
Steady Growth



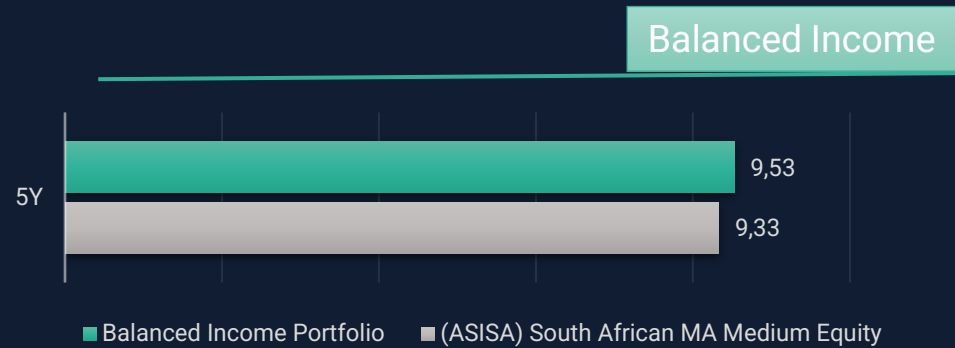
Stable Income



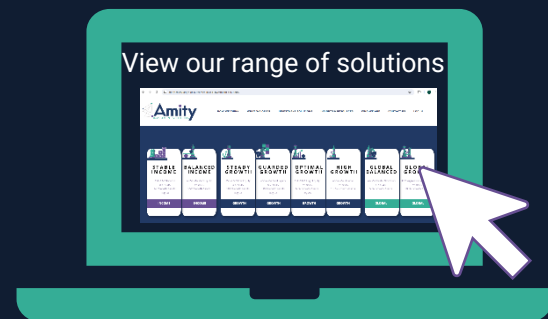
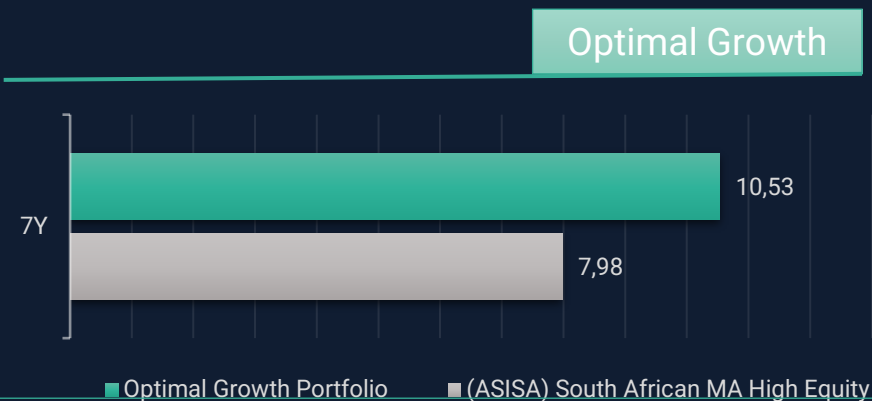
Guarded Growth



Balanced Income



Optimal Growth



NUMBER SNAPSHOT

ASSET CLASS RETURNS

	1Y	3Y	5Y	7Y
Global Property	19.10%	6.07%	5.02%	7.99%
SA Flex Inc	12.52%	8.15%	8.04%	8.19%
SA Bond	26.14%	11.14%	9.84%	9.67%
SA Equity	23.93%	14.73%	13.67%	10.39%
SA Property	51.34%	15.97%	5.37%	0.91%
Global Equity	20.52%	13.09%	15.10%	14.14%

YIELD CORNER

	Oct-23	Sep-24
Retail Bond	11.25%	9.75%
RSA 5Y Bond	9.34%	7.96%
RSA 10Y Bond	10.71%	8.84%
US 10Y Bond	4.88%	3.78%

MONEY MARKET RATES

	32Day MM	12MoFixed*	60MoFixed*
	Sep-24	Sep-24	Sep-24
Nedbank	8.55%	8.90%	9.00%
Capitec		8.30%	8.85%
FNB	8.20%	8.84%	8.75%
Discovery	7.75%	9.00%	9.00%

SECTORAL RETURNS

	1Y
Resources	3.43%
Financials	39.85%
Industrials	25.14%

AMITY CIS SOLUTIONS

	1Y	3Y	5Y	7Y
Amity BCI Diversified Income A	13.69%			
Amity BCI Global Diversified FoF A	11.97%	4.61%	8.29%	6.34%

AMITY OUTCOMES-BASED MODEL PORTFOLIOS

	1Y	3Y	5Y	7Y
Stable Income	12.95%	8.78%	7.64%	
Balanced Income	19.32%	8.98%	9.53%	8.20%
Steady Growth	16.99%	9.31%	9.24%	8.53%
Guarded Growth	19.17%	10.26%	11.16%	9.67%
Optimal Growth	19.99%	11.24%	12.48%	10.53%
TFSA High Growth	20.04%	11.59%	11.82%	9.94%
Global Balanced ^	16.14%	-0.91%	4.75%	5.10%
Global Growth ^	22.63%	1.75%	7.81%	7.65%

AMITY MODEL PORTFOLIOS: OTHER SOLUTIONS

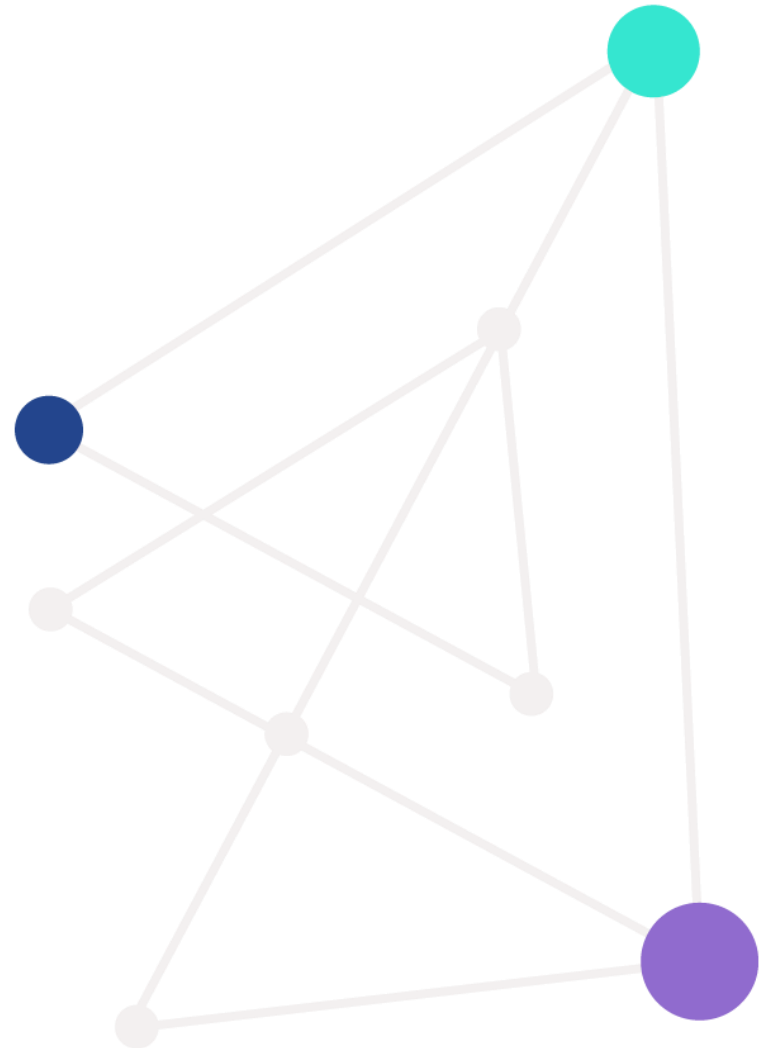
	1Y	3Y	5Y	7Y
CPI+3% Portfolio Discovery	15.54%	7.65%	7.35%	6.62%
CPI+5% Portfolio Discovery	18.11%	9.34%	9.87%	7.90%
Offshore Growth Feeder Portfolio	11.81%	7.46%	9.76%	9.54%





www.amity.co.za

Reduce Uncertainty With Outcomes- based Investing



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