

PORTFOLIO INFORMATION

Inception: August 2014
 Benchmark: FTSE/JSE CAPI TR Index
 Composite Size: R3.3bn
 Fund Manager: Visio Fund Management (Pty) Ltd
 Contact persons: Craig French & Patrice Moyal
 Email: craig@visiofund.co.za
 patrice@visiofund.co.za

INVESTMENT APPROACH

Our investment process is firmly rooted in fundamental analysis. Our approach is predominantly bottom-up and sector specific.

Key investment criteria include:

- > Quality of management
- > Corporate governance and transparency
- > Cashflow and balance sheet strength
- > Strategic direction

VISIO FUND MANAGERS

Visio Capital is a Johannesburg based fund management company which was founded in August 2003. The team comprises of thirteen investment professionals and seven administrative staff, with assets under management in excess of R35bn in the form of hedge funds, long only and unit trusts portfolios.

PORTFOLIO PERFORMANCE

	PORT	B/MARK	DIFF
1 month	-0.7%	-0.4%	-0.4%
Quarter	-4.0%	-2.7%	-1.4%
Year to date	-3.7%	1.8%	-5.5%
LTM	11.3%	14.1%	-2.8%
2021	39.8%	31.7%	8.1%
2020	3.6%	6.5%	-2.9%
2019	5.6%	10.5%	-5.0%
Ann. since inception	6.9%	8.2%	-1.3%

PORTFOLIO RISK (1 YEAR)

	PORT	B/MARK
Annualised volatility (1 year)	11.4%	10.7%
Sharpe ratio (1 year)	1.0	1.3

TOP HOLDINGS

COMPANY	% OF PORTFOLIO
ANGLO AMERICAN PLC	11.8%
FINANCIERE RICHEMONT	7.0%
PROSUS NV	6.0%
MTN GROUP LTD	5.6%
BHP GROUP PLC	4.9%

FUND AND MARKET UPDATE

MONTHLY PERFORMANCE UPDATE

The Visio CAPI Composite declined -0.7% in May, -0.4% behind the CAPI benchmark which was down -0.4%. The Visio CAPI Composite is down -3.7% year-to-date while the benchmark is up +1.8% for the same period.

Our fundamental investment approach remains on proven management teams, companies with strong balance sheets, solid corporate governance and the ability to generate consistent cashflows, particularly in uncertain and volatile periods. Our portfolio retains its exposure to both best-in-breed South African Inc and South African companies with a global presence.

MARKET AND BUSINESS UPDATE

Rising interest rates, continued inflation worries and uncertainty around the war in Ukraine and Chinese COVID lockdowns continued to weight on markets in May 2022. Volatility remains the name of the game with the S&P declining sharply during the month before recovering in the last week of May. The MSCI SA (+1.1% in US\$ in May and +5.39% YTD) outperformed global peers with the MSCI World only +0.1% in May (-12.8% YTD) and MSCI EMF +0.5% (and -11.7% YTD). The Rand reacted to global uncertainty and was particularly volatile intra-month despite ending May -1% stronger at 15.64 (while depreciating to 16.19 at a point during the month before strengthening again). SA Bonds (+1.0% in May and +1.2% YTD) were the best performing asset class for the month, with cash returning +0.4% (+1.8% YTD) and equities -0.4% (-0.3% YTD).

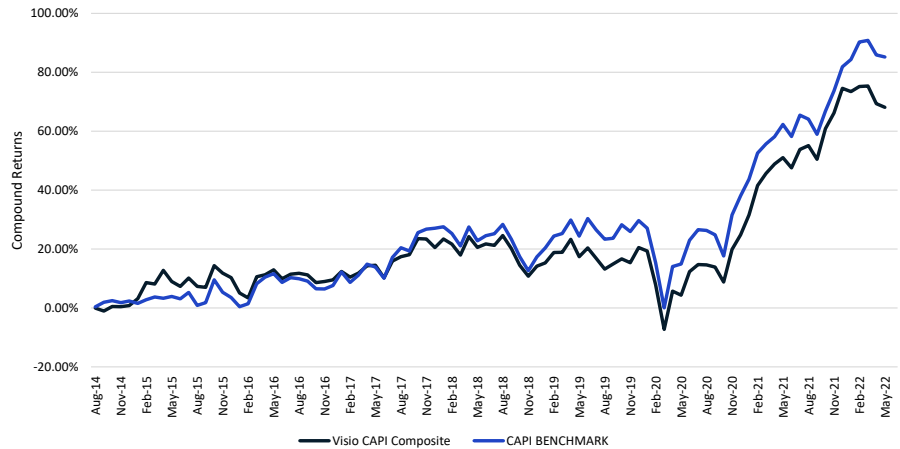
Energy commodities remain the May and YTD winner with the expectation of a reopening in Shanghai and news of the EU export ban on Russia crude pushing energy commodity prices higher. Brent crude went to levels seen at the onset of the Ukraine war (and highest monthly closing price since 2012), rising to US\$120/bbl (and now +58% YTD). Thermal coal prices are now +149% in 2022 after another 16% run in May. At the other end of the commodity pricing spectrum in May 2022, 2021's commodity winners of Rhodium, Palladium and Iron Ore pulled 16%/14%/11% respectively in May.

As with global concerns around inflation and rising interest rates, the South African consumer remains under pressure. In its May meeting, the South African MPC raised interest rates by 50bps (in line with expectations) while government extended its fuel price levy relief for another two months (to 1 August) as consumers faced record pump prices for diesel and gasoline. Sasol continued to benefit from higher energy prices and returned another 5.7% in May and is now +60% YTD. Diversified Miners also performed well in May, up 6.1% (and +16.4% YTD) while Precious Metals dropped 10.9% for the month (-6% YTD).

Financials were the best performing sector for May, returning +3.0% and now +13.5% for 2022 (and placing the sector on par with YTD sector returns from resources). Banks led performance (+5.9% and +23.2% YTD) while Insurance was largely flat for the month.

Within Industrials (-2.2% for May and -16.5% YTD), Travel & Leisure was the May outperformer (+7% and -2.1% YTD). Richemont dropped sharply on weaker earnings (-8.4% and is now -28% YTD).

CHART OF PERFORMANCE



HISTORIC GROSS MONTHLY PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FUND	BENCHMARK
2014								0.0%	-1.0%	1.6%	-0.1%	0.4%	0.8%	-1.5%
2015	2.3%	5.3%	-0.4%	4.2%	-3.3%	-1.6%	2.7%	-2.6%	-0.3%	6.9%	-2.2%	-1.3%	9.4%	5.2%
2016	-4.7%	-1.6%	6.9%	0.6%	1.5%	-2.6%	1.4%	0.2%	-0.5%	-2.4%	0.4%	0.5%	-0.7%	3.9%
2017	2.6%	-1.7%	1.2%	2.2%	0.2%	-3.8%	5.2%	1.3%	0.5%	4.6%	-0.1%	-2.3%	10.0%	18.1%
2018	2.4%	-1.4%	-3.1%	5.3%	-2.9%	1.0%	-0.4%	2.7%	-3.5%	-4.7%	-3.3%	3.0%	-5.3%	-7.7%
2019	1.0%	3.0%	0.1%	3.7%	-4.8%	2.6%	-3.0%	-3.1%	1.5%	1.5%	-1.1%	4.5%	5.6%	10.5%
2020	-1.0%	-9.6%	-14.0%	14.0%	-1.3%	7.7%	2.2%	-0.1%	-0.6%	-4.4%	10.2%	4.1%	3.6%	6.5%
2021	5.4%	7.6%	2.9%	2.2%	1.5%	-2.3%	4.2%	0.9%	-3.0%	6.9%	3.3%	5.0%	39.8%	31.7%
2022	-0.6%	1.0%	0.1%	-3.4%	-0.7%								-3.7%	1.8%