

# Amplify SCI\* Equity Fund

Fund Commentary | February 2024



“The local equity market remained out of sync with the positive gains posted globally.”

Jonathan du Toit  
Portfolio Manager  
Oyster Catcher

## Global overview

### Global equities rise to the highest levels

Stock indices rose to record levels across the globe, including the S&P 500, STOXX Europe 600 and Nikkei 225. In the US, both retail sales and industrial production declined in January, while the Personal Consumption Expenditures (PCE) Price Index met market expectations but remained below December levels.

Despite US inflation dropping to 2.4%, expectations for rate cuts shifted to later in the year. Global benchmark 10-year bond yields saw an increase, with US bonds rising by 34 basis points to 4.25% in February.

The UK slipped into a technical recession with a 0.3% quarter-on-quarter GDP contraction in the fourth quarter of 2023, while the eurozone saw flat GDP growth in the same period.

## Local overview

### SA fiscal constraints persist

In South Africa, February saw the unveiling of the 2024 National Budget, where the finance minister announced tapping into the Gold and Foreign Exchange Contingency Reserve Account to alleviate debt costs and stabilise the debt-to-GDP ratio by 2025/26. However, fiscal constraints persist due to lower corporate and value-added tax collections. South Africa also saw a slight uptick in headline inflation to 5.3% year-on-year in January from December's 5.1%, while core inflation nudged up to 4.6% in January, just above the previous month's 4.5%.

The local equity market remained out of sync with the positive gains posted globally. The Amplify Equity Fund returned a negative 1.73% while the FTSE/JSE Capped Shareholder Weighted All Share Index was down 2.27%.

### Disclaimer

Sanlam Collective Investments (RF) (Pty) Ltd ("SCI") is a registered and approved Manager in terms of the Collective Investment Schemes Control Act. Collective investment schemes are generally medium- to long-term investments. Past performance is not necessarily a guide to future performance, and the value of investments/units/unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager on request. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee with respect to either the capital or the return of a portfolio. The manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. Income funds derive their income primarily from interest-bearing instruments. The yield is current and is calculated on a daily basis. If the fund holds assets in foreign countries it could be exposed to the following risks regarding potential constraints on liquidity and the repatriation of funds: macro-economic, political, foreign exchange. The Manager retains full legal responsibility for the co-brand portfolio's. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Forward pricing is used. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. Amplify SCI\* Equity Fund Maximum fund charges include: Manager initial fee (max.): 0.00%; Manager annual fee (excl. VAT): 0.85%; Total Expense Ratio (TER): 1.23%. The Manager retains full legal responsibility of the third-party portfolio. The registered name of the fund is Amplify Sanlam Collective Investments Equity Fund.

\*Sanlam Collective Investments  
Matrix Fund Managers is a licenced financial services provider  
(FSP no: 44663)



INTELLIGENT IMPACT THAT MATTERS