

Fund description

The Jenga SA fund invests primarily in shares listed on the Johannesburg Stock Exchange (JSE). The managing partner is flexible on the fund weightings and will be concentrated in a few companies or sectors. Returns are likely to be volatile, especially over short and medium-term periods.

Fund Objective and benchmark

The fund aims to create long-term wealth for all general partners. It seeks to outperform the returns of the JSE All Share Index over the long term, without taking on a higher risk of loss. To pursue its objective, the fund's portfolio may differ materially from those of its peers. This will result in the fund underperforming its benchmark substantially at times. The fund's benchmark is the market value-weighted average return of funds in the Johannesburg Stock Exchange.

How we aim to achieve the Fund's Objective

We seek to buy shares offering the best relative and intrinsic value while maintaining a diversified and concentrated portfolio. We thoroughly research companies with both qualitative and quantitative measurements to assess their intrinsic value from a long-term perspective. We invest in a selection of shares across sectors of the stock market, and across the range of large, mid and smaller-cap shares. We do not use leverage, short stocks nor derivatives.

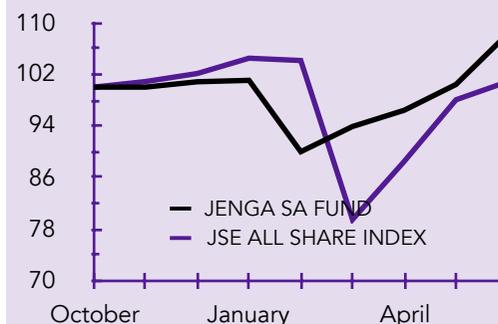
Suitable for investors who

Seek exposure to listed equities to provide long-term capital growth.
Typically have an investment horizon of more than five years.
Are prepared to accept the risk of capital loss.
Accept the fund's policy of a one-year lock-up period.

Minimum investment amount

Minimum investment (in pounds)	£1,000
Additional lump sum	£500

Fund Information on 15 JULY 2020



- The Jenga SA Fund is compared to a weighted average of the JSE All Share Index from inception (October 15 2019). Source: Financial Times
- This is based on the latest figures from our brokers.
- The Y-axis is rebalanced to 100 points.
- As of 15 January 2020, 25% of the fund was invested in stocks while 75% was in cash.
- As of 15 July 2020, 88.65% of the fund was invested in stocks while 11.35% was in cash.
- The risk measures for highest and lowest annual return is blank as we have only half-year data.
- The risk measure table is blank as we do not have annual data yet.

% Returns	Fund	Benchmark
Year-to-date*	7.12	-1.82
Last 3 months	11.84	16.04
Last 9 months	8.24	0.85
Risk measures	Fund	Benchmark
Maximum drawdown	-	-
Highest annual return	-	-
Lowest annual return	-	-

Company Name	% of Portfolio
Naspers	15.37
MTN Group	14.57
Alaris Holding	11.16
Cartrack	9.23
Primeserv	8.75
Shoprite	7.65
Impala Platinum	6.47
Metair	5.94
Afrimat	4.12
Northam Platinum	2.99
Total	86.25

Sector	% of Fund
Cash	11.35
Support services	17.98
Telecommunication	14.57
Telecom equipments	11.16
Food retailers	7.65
Mining	9.46
Internet services	15.37
Automobile parts	5.94
Construction	4.12
Total	97.6

Meeting the Funds Objective

The fund is set up to create wealth for long-term partners. Since inception (October 2019), the fund has outperformed its benchmark. The fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the average equity fund.

No management fee policy

Jenga Investment Partners charges a performance-only fee based on the fund’s performance relative to its benchmark, the JSE All Share Index.

Outperform the benchmark: 20% of p.a of net profit excl. tax

Return over 6%: 20% of p.a of net profit excl. tax

Return less than 6%: 0% of p.a of net profit

Negative return: 0% of p.a of net profit

Unlike other funds, we do not charge a management fee as it doesn’t align with our long term and performance-oriented strategy at Jenga.

Fund	Return (Last 1 year)
Jenga SA Fund (last 9 months)**	8.24
Coronation Equity A	4.4
36 One	3.15
Ninety One Value R	-1.65
Allan Gray SA	-7.0
Average SA Fund	-7.2
PSG Equity E (31st May)	-26.45

Managing Partner Commentary

Although we are proud of our results for the first three quarters, it’s still too short to judge our investment strategy and stock-picking. A 2-3 year period would be needed to make any conclusions on our performance.

If you assess our portfolio holdings, you’ll notice small caps and also large caps, low P/E ratio businesses and moderately high P/E ratio businesses, tech stocks and non-tech stocks. These variations perfectly describe our approach to stock-picking. We focus on intrinsic valuations and the business economics and pick shares we have the highest conviction for.

In the last quarter, we saw significant gains in Alaris, Naspers and the platinum miners while Metair was the largest detractor. We also added British American Tobacco and bought more shares in our current holdings which decreased our cash position to 11%.

So far, we’ve been fortunate because the South African economy was in a recession before the spread of COVID-19 occurred. We thought carefully about companies that will do well during a downturn before selecting stocks.

Naspers and the Gold miners have been the largest gainers on the index, but we’ve missed out on the Gold shares as they aren’t currently in our circle of competence. Should this change and we are comfortable in the margin of safety the gold miners provide, you can expect to see them in our portfolio next quarter.

Some cyclical shares we own are approaching our calculation of its intrinsic valuation. We may sell them to buy shares we believe are undervalued with good business economics. One of these is Italtile, the leading South African home improvements company. They’ve been on our watchlist since January, and we think its a well-run and an undervalued business.

We compare our performance to the leading equity funds on your left for you to see how we’ve performed relative to other top funds. We outperformed every leading mutual fund in South Africa.

Disclaimer: Jenga investment Partners is an unregulated investment club based in the United kingdom. The Managing Partner invests in listed Johannesburg and London Stock Exchange companies. The information in our fund factsheet only represents the managing partners views and performance. The factsheet is not investment advice to buy or sell any financial security. Readers should please consult their own financial or investment advisors for investment decisions.

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