

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.

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



1. The Jenga SA Fund is compared to a weighted average of the JSE All Share Index from inception (October 15 2019). Source: Financial Times
2. This is based on the latest figures from our brokers.
3. The Y-axis is rebalanced to 100 points.
4. As of 15 January 2020, 25% of the fund was invested in stocks while 75% was in cash.
5. As of April 2020, 73.4% of the fund was invested in stocks while 26.6% was in cash.
6. The risk measures for highest and lowest annual return is blank as we have only half-year data.
7. The risk measure table is blank as we do not have annual data yet.

% Returns	Fund	Benchmark
Year-to-date*	-4.68	-14.26
Last 3 months	-4.63	-13.69
Last 6 months	-3.56	-11.59
Risk measures	Fund	Benchmark
Maximum drawdown	-	-
Highest annual return	-	-
Lowest annual return	-	-

Company Name	% of Portfolio
MTN Group	13.06
Cartrack	9.40
Primeserv	8.98
Alaris Holding	8.85
Shoprite	8.29
Naspers	7.19
Metair	6.16
Impala Platinum	5.60
Afrimat	3.63
Northam Platinum	2.24
Total	73.4

Sector	% of Fund
Cash	26.6
Support services	18.38
Telecommunication	13.06
Telecom equipments	8.85
Food retailers	8.29
Mining	7.84
Computer services	7.19
Automobile parts	6.16
Construction	3.63
Total	100

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)
36 One	0.2
Jenga SA Fund (31st Oct-31st March)**	-12.2
Coronation Equity A	-17.9
Ninety One Value R	-21.3
Average SA Fund	-21.5
Allan Gray SA	-24.3
PSG Equity A	-37.6

Managing Partner Commentary

The first quarter of 2020 has been one of the most volatile in recorded history as the world faces a health and potential financial crisis. The Jenga SA Fund returned -3.56% in its first 6 months. To put things into perspective, the table in the left text box compares our performance as of March 31st to the best performing funds of the last 5 years in South Africa. Before the Covid-19 outbreak, the South African economy had fallen into a technical recession. Unfortunately, only very few sectors will perform well fundamentally this year. We expect tourism and the real-estate sectors to be the most significant detractors.

Our best performers were Impala Platinum and Naspers. We added Impala Platinum and Northam Platinum earlier in April as we believed there was some short-term opportunity in the Platinum miners. Our worst performer was MTN Group. However, we doubled our holdings in MTN when its share price fell to below R30. Although having some dollar-denominated debt in its balance sheet, MTN's market share expansion in West Africa and its asset sales will provide improved operating performance. We also see the potential for an uptick in data usage during the lockdown period, hence benefitting MTN's data revenue.

Our biggest mistake was not adding British American Tobacco and not having a larger position in Naspers. You can expect us to increase our stake in both companies over the next month.

Many domestic shares are trading at very depressed levels as the market discounts the very bleak economic outlook in South Africa. However, we remain extremely careful about purchasing value traps or what I call 'cheap for fair reasons' shares, and we would be monitoring the economic climate before making any purchases.

Should a quick economic recovery occur, we have a cash position of 26% of the fund's asset size to deploy into companies we believe are well run and cheap.

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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