

30 SEPTEMBER 2022

THIRD QUARTER REPORT



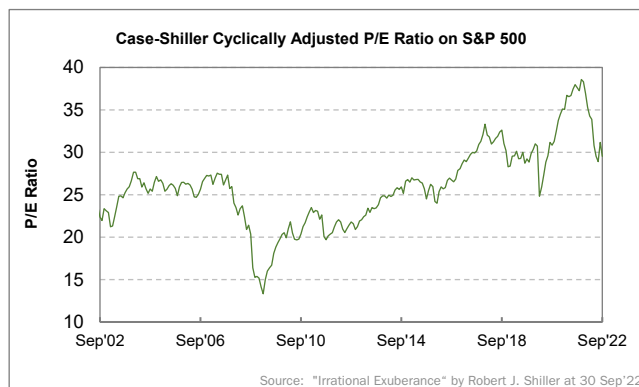
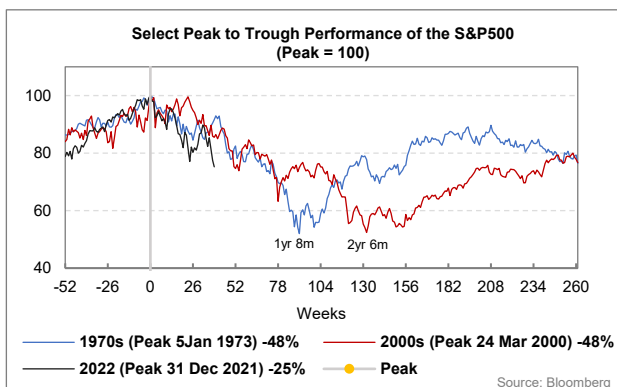
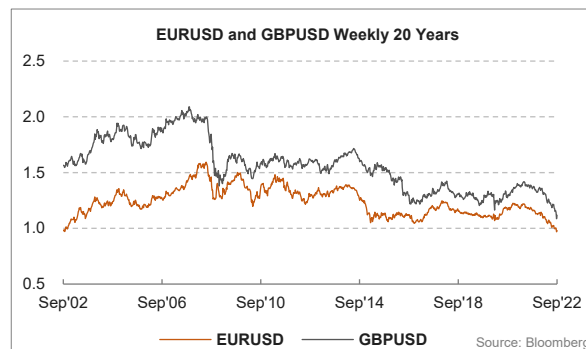
CENTAUR
ASSET MANAGEMENT

An Authorised Financial Services Provider (FSP 647)

The Third Quarter 2022

Global markets took another leg down over the quarter led by the Nasdaq Index which has declined 33% for the year to date. This is primarily due to a 3% increase in the US Fed Funds over the last 7 months. Economic forecasts are being revised downwards with Europe now expecting a recession due to an extraordinary rise in gas prices which is squeezing disposable incomes. Higher interest rates are having some effect on commodity prices with Brent Oil declining 25% over the quarter to \$86 per barrel. During severe market downturns there is a flight to safety and the Dollar hit a record high against the British Pound in September as the graph to the right highlights. The apparent Rand weakness is due to Dollar strength and year-to-date the Rand has strengthened 2% and 6% against the Euro and Pound respectively.

In the US, economic momentum remains strong and half of consumer expenditure is made up of individuals earning over \$100,000 p.a. who are largely immune from interest rates hikes. The US Federal Reserve Bank has a challenge to slow US economic momentum and snub out higher inflation expectations. Although the SP500 Index is well down off recent peaks it is up 2.5x over the last decade driven by a 50% upward re-rating of its long-term PE ratio (graph below below). The 9% p.a. real return over the last 10 years is far higher than historic real returns of 5% p.a. in the 50 years ending Sep'12 and if history is any guide the current US stock market downturn has more to go (graph below below)



In SA conditions are more stable with consistent monetary policy and inflation expectations under control. Once the current input cost pressures subside interest rates can reduce in line with lower inflation. Despite pervasive loadshedding recent domestic news is positive with the ANC government showing greater urgency to confront the electricity and Transnet crises which is retarding economic growth. The SA stock market has been relatively robust compared to global markets with the All-Share Index declining 14% against a 25% decline in the MSCI World Index for the year to date.

Why Hold Shares in Times of Turmoil?

The best investment opportunities generally present themselves during times of turmoil, and the risk-reward ratio improves during these times as the following example of fictitious company called TEX illustrates:

TEX's metrics are: Earnings/ share = R10
Dividend/share = R7
Earnings growth = 9% p.a.
Discount rate = 14% p.a.

Using financial models, the fair value of the share would be R140 and the returns will manifest as a 9% share price appreciation and a 5% dividend yield to deliver returns of 14% per annum.

If an investor buys TEX at 40% discount to fair value (i.e., R84) what will 3-year returns be under different scenarios?

Scenario 1 – TEX remains at a 40% discount to Fair Value i.e., a closing price of R109

The return will be 17% p.a. made up of 8% dividend return and 9% price appreciation.

Scenario 2 – TEX de-rates to a 50% discount to Fair Value i.e., a closing price of R91

The return will be 11% p.a. made up of 8% dividend return and 3% p.a. price appreciation.

Scenario 3 – TEX re-rates to a 0% discount to Fair Value i.e., a closing price of R181

The return will be 37% p.a. made up of 8% dividend return and 29% p.a. price appreciation.

In all 3 scenarios the share delivers double digit returns and an investor is purchasing with a margin of safety.

If the company re-rates to fair value it delivers a mouth-watering 37% p.a. return. But this is half the story as good management use tough economic times as an opportunity to improve intrinsic value with key levers being:

1. **Share repurchases** – Buying back 6% of TEX at a 40% discount adds 4% additional value to shareholders.
2. **Internal improvements** – During economic downturns good companies improve productivity which pays big dividends in terms of higher profitability in the economic recovery phase.
3. **Gaining market share** – A pro-active company uses a downturn to gain market share over competitors or make value accretive acquisitions.

Well managed companies create internal value and emerge from economic downturns stronger. An astute stock picker will have a portfolio that comes out of a bear market with exceptional returns.

Centaur's approach has been to raise cash and fixed interest investments early on in this downcycle and these now amount to 34% and 48% of the Flexible and Balanced Funds respectively. This puts us in a prime position to purchase good companies at great valuations which will deliver strong returns in the recovery phase as the above example illustrates.

If you have any queries, please contact myself, Jacques Haasbroek or Nicholas de Vos and address any other queries to our client services team on admin@centaur.co.za.

Kind regards,



Roger Williams

Centaur BCI Flexible Fund



Best South African Multi-Asset Flexible Fund (Straight Performance) 3 years ending Dec'21



Best Flexible Allocation Fund



Best Flexible Allocation Fund



Best South African Multi-Asset Flexible Fund (Risk Adjusted) 5 years ending Dec'17

Fund NAV R 4 518.6m (as at 30 September 2022)

Objective The Fund targets real returns of at least 6% per annum with volatility no greater than 80% of the JSE All Share Index.

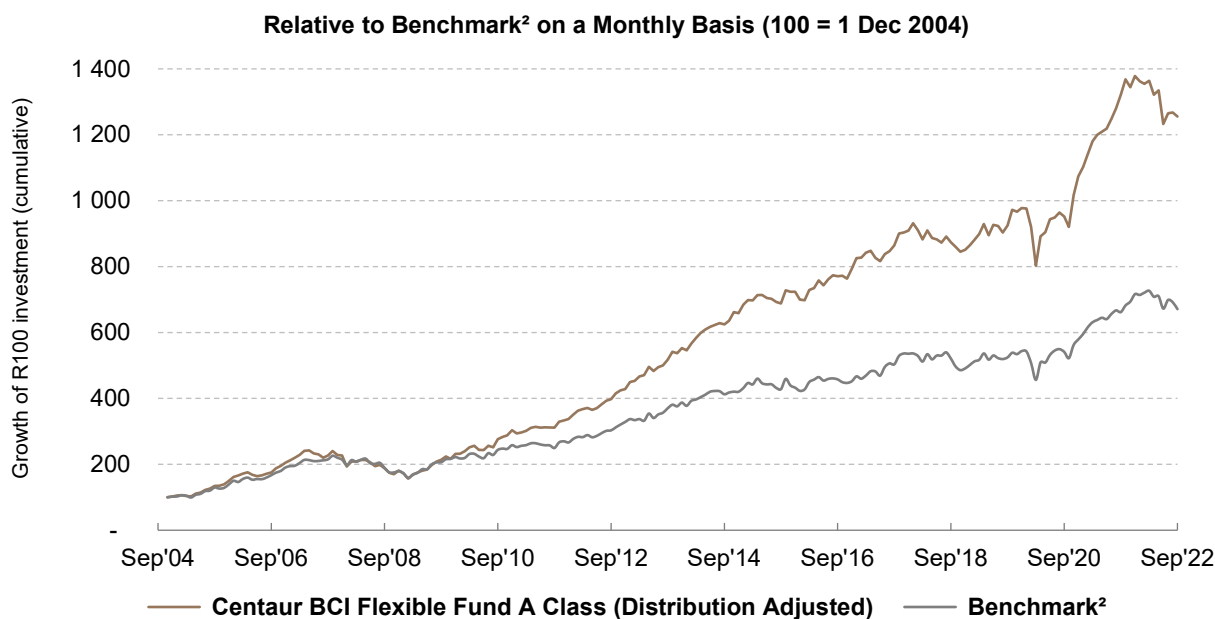
Benchmark 60% JSE Capped SWIX (J433T), 20% MSCI World (M1WO), 20% SteFI.

Fees on Class A:

Annual Fee 1.25% p.a. (excl. VAT) on the value of the Fund.

Performance Fee 20% above benchmark over rolling 2-year period, capped at 2% p.a.

Inception Date 1 December 2004



Performance as at 30 September 2022	1 year	3 years	5 years	10 years	Inception ¹
Centaur BCI Flexible Fund	-5.0%	10.7%	7.8%	12.2%	15.2%
Benchmark ²	1.4%	8.6%	5.9%	8.3%	11.3%
Average Category return	1.6%	7.4%	5.7%	8.0%	
Ranking in Category	57 / 60	10 / 55	6 / 42	1 / 31	
Std. Deviation ³ – Centaur BCI Flexible Fund	13.0%	16.3%	13.7%	11.4%	12.4%
Std. Deviation ³ – Benchmark ²	11.7%	15.8%	14.0%	12.4%	13.9%

Source: Maitland, Moneymate and Centaur, at 30 September 2022. Past performance is not a reliable indicator of future returns. Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment dates. Annualised return is weighted average compound growth rate over the period measured. Full details and basis of the awards are available from the manager. ¹Inception Date: 01 December 2004. ²Benchmark: 1 Dec 2004 – 2 July 2007: 50% ALSI (J203), 50% FINDI (J213) to 15% RESI (J258), 65% FINDI (J250), 20% SA Repo. 3 July 2007 – 31 Oct 2018: 15% RESI (J258T), 65% FINDI (J250T), 20% SA Repo. Calculated over a 2-year rolling period. 1 Nov 2018 – Current: 60% JSE Capped SWIX (J433T), 20% MSCI World (M1WO), 20% SteFI. Calculated over a 2-year rolling period. ³Weekly standard deviation is the measure of how much an investment's return varies from its average on an annualised basis. Highest and lowest calendar year performance since inception (as at 31 August 2022): High 46.7 Low -20.3.

The Centaur BCI Flexible Fund increased 1.8% over the quarter. Over 2 years and more, the Fund remains in the top quartile of its category and has outperformed its benchmark over all periods 2 years and greater.

Asset Allocation	30 Jun'22	%Δ over Quarter	30 Sep'22	Benchmark
Fixed Income	31%	+3%	34%	20%
SA Cash & Equivalents	15%	+2%	17%	
SA Bonds	8%	+0%	8%	
SA Prefs & Income Funds	8%	+0%	8%	
Offshore Cash	0%	+1%	1%	
SA Equities	46%	-2%	44%	60%
World Equities	23%	-1%	22%	20%
Total	100%		100%	100%

The Fund decreased equity content by 3% to 66% over the quarter driven by the selling of select SA shares. The Fund's preference share exposure reduced following the FirstRand redemption whilst the currency future overlay was closed. Centaur will use the ongoing market volatility to invest into attractive opportunities that should deliver strong risk-adjusted returns over time.

The Fund reflects no material new holdings, whilst the holdings in FirstRand and Aspen were topped up. The holdings in Thungela, Sibanye-Stillwater and Naspers were exited, whilst existing positions in Astral, PPC and Truworths were trimmed at good levels.

The Fund benefitted from strong performances in ABSA, African Rainbow Minerals and Momentum Metropolitan, whilst PPC, Discovery and British American Tobacco detracted from performance over the quarter.

In the offshore equity portfolio, existing positions in Repsol, Shell and Exor were topped up, whilst the position in Brightsphere was exited and the holding in Entain was materially lightened. The existing holding in the Sberbank ADR's were converted to ordinary shares, contributing to performance over the quarter together with Exor and Shell, whilst Dell and Entain detracted over the quarter.

Top 10 Equity Holdings - Centaur BCI Flexible Fund

Holdings	Sector	% of Fund NAV
Absa Group Ltd.	Banking	5.5%
Dell Technologies	Offshore – Computer Hardware	4.8%
Exor NV	Offshore – Investment Services	4.7%
African Rainbow Minerals Ltd.	Mining & Resources	4.1%
Aspen Pharmacare Holdings Ltd.	Pharmaceuticals	4.0%
British American Tobacco PLC	Tobacco	3.6%
Remgro Ltd.	Mining & Resources	3.0%
RMI Holdings Ltd.	Insurance	2.7%
Stellantis NV	Offshore – Motor Vehicles	2.6%
Shell PLC	Oil	2.6%

Source: Maitland and Centaur, as at 30 September 2022



Centaur BCI Balanced Fund

Fund NAV R 1 518.3m (as at 30 September 2022)

Objective The Fund targets real returns of at least 4% per annum with volatility no greater than 60% of the JSE All Share Index.

Benchmark 25% JSE All Bond Index (ALBTR), 48% JSE Capped SWIX (J433T), 16% MSCI World (M1WO) and 11% SteFI.

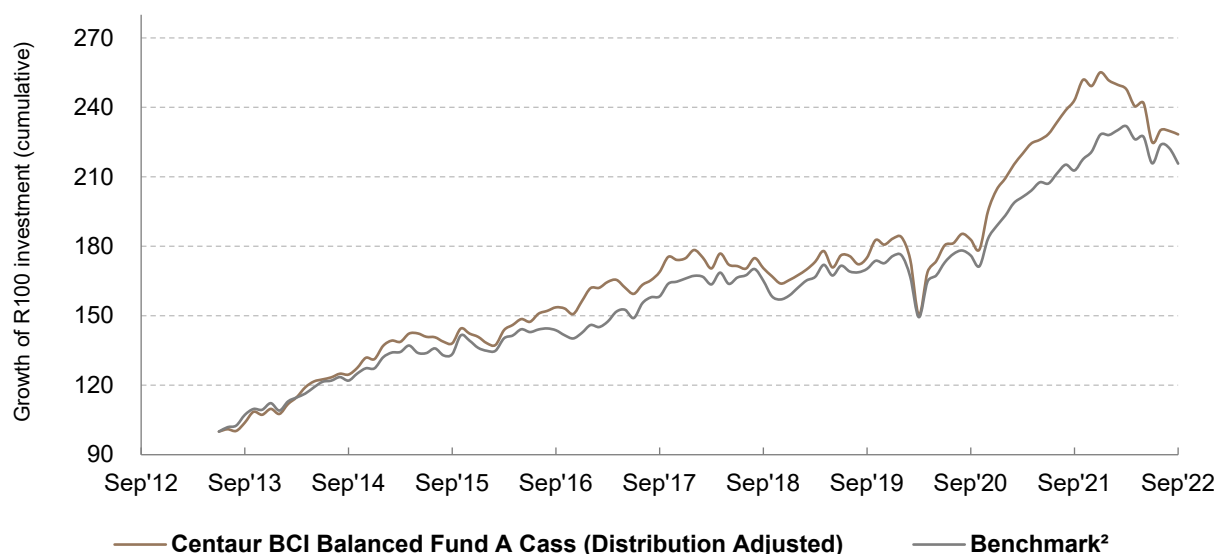
Fees on Class A:

Annual Fee 1.35% p.a. (excl. VAT) on the value of the Fund.

Performance Fee 12.5% above benchmark over rolling 2-yr period, capped at 1% p.a.

Inception Date 1 July 2013

Relative to Benchmark² on a Monthly Basis (100 = 01 July 2013)



Performance as at 30 September 2022	1 years	3 years	5 years	Inception ¹
Centaur BCI Balanced Fund	-6.1%	9.2%	6.2%	9.3%
Benchmark ²	1.4%	8.2%	6.4%	8.7%
Average Category return	0.4%	6.6%	5.2%	
Ranking in Category	195 / 200	15 / 181	28 / 156	
Std. Deviation ³ – Centaur BCI Balanced Fund	11.4%	15.7%	13.1%	11.1%
Std. Deviation ³ – Benchmark ²	10.6%	14.3%	12.3%	10.7%

Source: Maitland, Moneymate and Centaur, at 30 September 2022. Past performance is not a reliable indicator of future returns. Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment dates. Annualised return is weighted average compound growth rate over the period measured. Full details and basis of the awards are available from the manager. ¹Inception Date: 01 July 2013. ²Benchmark:

1 Jul 2013 – 31 Oct 2018: 28% ALSI (J203T); 28% FINDI (J250T); 8% MSCI World Index; 30% JSE ALBI; 6% SA Repo rate.

1 Nov 2018 – Current: 25% JSE All Bond Index (ALBTR), 48% JSE Capped SWIX (J433T), 16% MSCI World (M1WO) and 11% SteFI. Calculated over a 2-year rolling period.

³Weekly standard deviation is the measure of how much an investment's return varies from its average on an annualised basis.

Highest and lowest calendar year performance since inception (as at 31 August 2022): High 24.8 Low -5.4.

The Centaur BCI Balanced Fund increased 1.5% over the quarter. Over 3 and more years the Fund is in the top quartile of its category.

Asset Allocation	30 Jun'22	%Δ over Quarter	30 Sep'22	Benchmark
Fixed Income	44%	+6%	50%	36%
SA Cash & Equivalents	9%	+10%	19%	11%
SA Bonds	30%	-5%	25%	25%
SA Prefs & Income Funds	2%	0%	2%	
SA Property	0%	0%	0%	
Offshore Cash	3%	+1%	4%	
SA Equities	34%	-4%	30%	48%
World Equities	22%	-2%	20%	16%
Total	100%		100%	100%

Equity content decreased 6% to 50% over the quarter as the Fund raised liquidity through the sale of select SA shares. The Fund's holding in the R2040 bonds were trimmed, whilst the currency future overlay was closed. Centaur will use the ongoing market volatility to invest into attractive opportunities that should deliver strong risk-adjusted returns over time.

Portfolio actions over the quarter include exiting the Fund's positions in Sibanye-Stillwater and Rebasis, whilst positions in African Rainbow Minerals, PPC and Merafe were trimmed.

The Fund benefitted from strong performances in ABSA, African Rainbow Minerals and RMI Holdings whilst PPC, British American Tobacco and Merafe detracted from performance over the quarter.

In the offshore equity portfolio, existing positions in Repsol, Shell and Exor were topped up, whilst the position in Brightsphere were exited and the holding in Entain was trimmed. The existing holding in the Sberbank ADR's were converted to ordinary shares, contributing to performance over the quarter together with Exor and Shell, while Dell and Entain detracted over the 3-month period.

Top 10 Equity Holdings - Centaur BCI Balanced Fund

Holdings	Sector	% of Fund NAV
Exor NV	Offshore – Investment Services	4.5%
Dell Technologies	Offshore – Computer Hardware	4.2%
British American Tobacco PLC	Tobacco	3.9%
Absa Group Ltd.	Banking	3.6%
Remgro Ltd.	Mining & Resources	3.2%
Truworths International Ltd.	Retail	2.9%
Aspen Pharmacare Holdings Ltd.	Pharmaceuticals	2.8%
African Rainbow Minerals Ltd.	Mining & Resources	2.6%
Stellantis NV	Offshore – Auto	2.6%
RMI Holdings Ltd.	Insurance	2.4%

Source: Maitland and Centaur, as at 30 September 2022

Major Indicators

<p>South African Indices (100 = 01/01/2000)</p> <p>Source: Bloomberg</p>	<table border="1"> <thead> <tr> <th>SA Indices</th> <th>Dec'21</th> <th>Mar'22</th> <th>Jun'22</th> <th>Sep'22</th> <th>%Δ Q/Q</th> <th>Return % YTD</th> </tr> </thead> <tbody> <tr> <td>All Share Index*</td> <td>73 709</td> <td>75 497</td> <td>66 223</td> <td>63 726</td> <td>-3.8%</td> <td>-13.5%</td> </tr> <tr> <td>FINDI 30*</td> <td>92 737</td> <td>87 765</td> <td>81 092</td> <td>77 715</td> <td>-4.2%</td> <td>-16.2%</td> </tr> <tr> <td>All Bond Index</td> <td>823</td> <td>838</td> <td>807</td> <td>812</td> <td>0.6%</td> <td>-1.3%</td> </tr> </tbody> </table> <p>*Excludes dividends re-invested</p>	SA Indices	Dec'21	Mar'22	Jun'22	Sep'22	%Δ Q/Q	Return % YTD	All Share Index*	73 709	75 497	66 223	63 726	-3.8%	-13.5%	FINDI 30*	92 737	87 765	81 092	77 715	-4.2%	-16.2%	All Bond Index	823	838	807	812	0.6%	-1.3%
SA Indices	Dec'21	Mar'22	Jun'22	Sep'22	%Δ Q/Q	Return % YTD																							
All Share Index*	73 709	75 497	66 223	63 726	-3.8%	-13.5%																							
FINDI 30*	92 737	87 765	81 092	77 715	-4.2%	-16.2%																							
All Bond Index	823	838	807	812	0.6%	-1.3%																							
<p>Global Indices in ZAR (100 = 01/01/2000)</p> <p>Source: Bloomberg</p>	<table border="1"> <thead> <tr> <th>Global Indices</th> <th>Dec'21</th> <th>Mar'22</th> <th>Jun'22</th> <th>Sep'22</th> <th>%Δ Q/Q</th> <th>Return % YTD</th> </tr> </thead> <tbody> <tr> <td>S&P 500 (US)*</td> <td>4 766</td> <td>4 530</td> <td>3 785</td> <td>3 586</td> <td>-5.3%</td> <td>-24.8%</td> </tr> <tr> <td>FTSE (UK)*</td> <td>7 385</td> <td>7 516</td> <td>7 169</td> <td>6 894</td> <td>-3.8%</td> <td>-6.6%</td> </tr> <tr> <td>DAX (GER)*</td> <td>15 885</td> <td>14 415</td> <td>12 784</td> <td>12 114</td> <td>-5.2%</td> <td>-23.7%</td> </tr> </tbody> </table> <p>*Excludes dividends re-invested</p>	Global Indices	Dec'21	Mar'22	Jun'22	Sep'22	%Δ Q/Q	Return % YTD	S&P 500 (US)*	4 766	4 530	3 785	3 586	-5.3%	-24.8%	FTSE (UK)*	7 385	7 516	7 169	6 894	-3.8%	-6.6%	DAX (GER)*	15 885	14 415	12 784	12 114	-5.2%	-23.7%
Global Indices	Dec'21	Mar'22	Jun'22	Sep'22	%Δ Q/Q	Return % YTD																							
S&P 500 (US)*	4 766	4 530	3 785	3 586	-5.3%	-24.8%																							
FTSE (UK)*	7 385	7 516	7 169	6 894	-3.8%	-6.6%																							
DAX (GER)*	15 885	14 415	12 784	12 114	-5.2%	-23.7%																							
<p>Exchange Rates</p> <p>Source: Bloomberg</p>	<table border="1"> <thead> <tr> <th>Exchange Rates</th> <th>Dec'21</th> <th>Mar'22</th> <th>Jun'22</th> <th>Sep'22</th> <th>%Δ Q/Q</th> <th>Return % YTD</th> </tr> </thead> <tbody> <tr> <td>Rand/USD</td> <td>15.94</td> <td>14.61</td> <td>16.28</td> <td>18.09</td> <td>-10.0%</td> <td>-11.9%</td> </tr> <tr> <td>Rand/EUR</td> <td>18.13</td> <td>16.17</td> <td>17.06</td> <td>17.74</td> <td>-3.8%</td> <td>2.2%</td> </tr> <tr> <td>USD/EUR</td> <td>1.14</td> <td>1.11</td> <td>1.05</td> <td>0.98</td> <td>6.9%</td> <td>16.0%</td> </tr> </tbody> </table>	Exchange Rates	Dec'21	Mar'22	Jun'22	Sep'22	%Δ Q/Q	Return % YTD	Rand/USD	15.94	14.61	16.28	18.09	-10.0%	-11.9%	Rand/EUR	18.13	16.17	17.06	17.74	-3.8%	2.2%	USD/EUR	1.14	1.11	1.05	0.98	6.9%	16.0%
Exchange Rates	Dec'21	Mar'22	Jun'22	Sep'22	%Δ Q/Q	Return % YTD																							
Rand/USD	15.94	14.61	16.28	18.09	-10.0%	-11.9%																							
Rand/EUR	18.13	16.17	17.06	17.74	-3.8%	2.2%																							
USD/EUR	1.14	1.11	1.05	0.98	6.9%	16.0%																							
<p>Commodity Prices</p> <p>Source: Bloomberg</p>	<table border="1"> <thead> <tr> <th>Commodities</th> <th>Dec'21</th> <th>Mar'22</th> <th>Jun'22</th> <th>Sep'22</th> <th>%Δ Q/Q</th> <th>Return % YTD</th> </tr> </thead> <tbody> <tr> <td>Gold</td> <td>1 829</td> <td>1 937</td> <td>1 807</td> <td>1 661</td> <td>-8.1%</td> <td>-9.2%</td> </tr> <tr> <td>Platinum (USD/oz)</td> <td>969</td> <td>986</td> <td>897</td> <td>864</td> <td>-3.6%</td> <td>-10.8%</td> </tr> <tr> <td>Brent Crude (USD/bbl)</td> <td>77.5</td> <td>106.6</td> <td>115.0</td> <td>86.2</td> <td>-25.1%</td> <td>11.2%</td> </tr> </tbody> </table>	Commodities	Dec'21	Mar'22	Jun'22	Sep'22	%Δ Q/Q	Return % YTD	Gold	1 829	1 937	1 807	1 661	-8.1%	-9.2%	Platinum (USD/oz)	969	986	897	864	-3.6%	-10.8%	Brent Crude (USD/bbl)	77.5	106.6	115.0	86.2	-25.1%	11.2%
Commodities	Dec'21	Mar'22	Jun'22	Sep'22	%Δ Q/Q	Return % YTD																							
Gold	1 829	1 937	1 807	1 661	-8.1%	-9.2%																							
Platinum (USD/oz)	969	986	897	864	-3.6%	-10.8%																							
Brent Crude (USD/bbl)	77.5	106.6	115.0	86.2	-25.1%	11.2%																							



CENTAUR

ASSET MANAGEMENT

Centaur Asset Management (Pty) Ltd is an authorised Financial Service Provider FSP 647.

Tel: 021 685 2408

E-Mail: admin@centaur.co.za

Website: www.centaur.co.za

Physical address: Great Westerford Building, 240 Main Road, Rondebosch, Cape Town, 7700.

- ❖ Annualised performance is the return that would have been achieved if invested for the full 12month period.
- ❖ Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website www.centaur.co.za.
- ❖ Valuation takes place daily and prices can be viewed on BCI's website (www.bcis.co.za) or in the daily newspaper.
- ❖ Actual annual performance figures are available to existing investors on request.
- ❖ Upon request the Manager will provide the investor with portfolio quarterly investment holdings reports.

Management Company Information

Boutique Collective Investments (RF) (Pty) Limited

Catnia Building, Bella Rosa Office Park, Durban Road, Bellville, 7530.

Tel: 021 007 1500 / 087 057 0571

Fax: 086 502 5319

Email: clientservices@bcis.co.za

Website: www.bcis.co.za

Custodian / Trustee Information

The Standard Bank of South African Limited

Tel: 021 441 4100

Disclaimer

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No. 45 of 2002 and is a full member of the Association for Savings and Investment SA. Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge. Performance fees are calculated and accrued on a daily basis based upon the daily outperformance, in excess of the benchmark, multiplied by the share rate and paid over to the manager monthly. Performance figures quoted are from MoneyMate, as at the date of this report for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax. Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. Boutique Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the third party named portfolio. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager's products.