UP

Camissa Asset Management

First Quarter

2025

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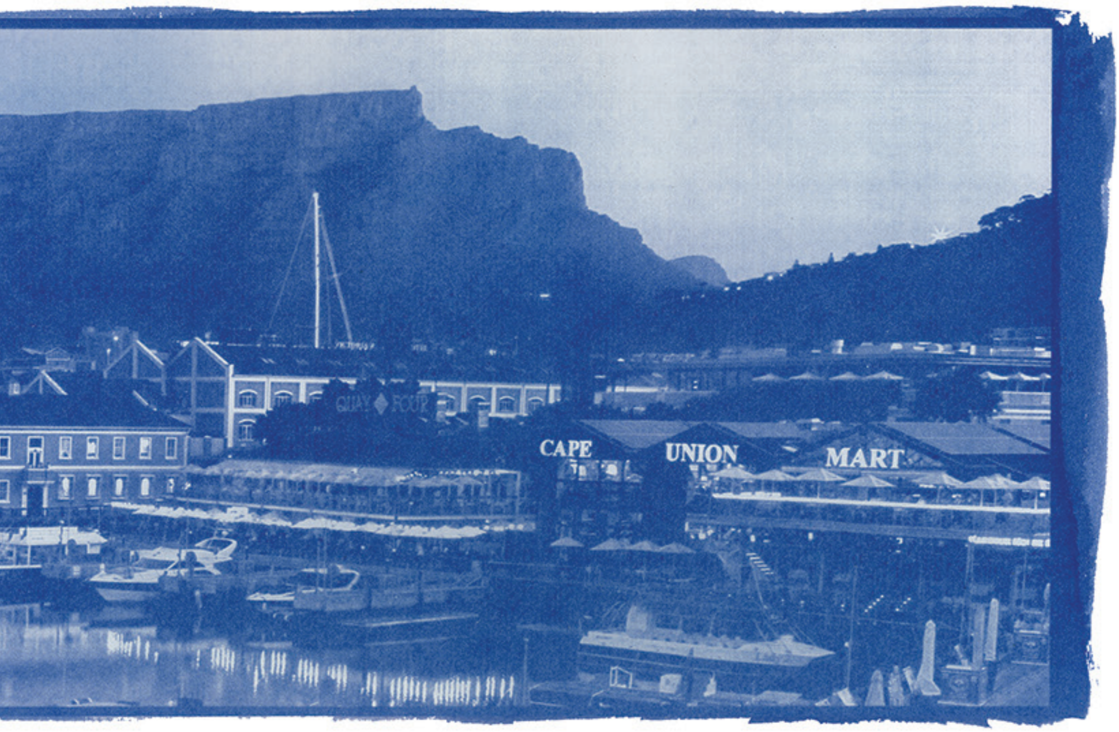


Growthpoint sharpens its edge

Tsholofelo Maretela - Associate Analyst

"Growthpoint Properties is South Africa's largest listed Real Estate Investment Trust (REIT), having grown its portfolio from 17 properties in 1987 to over 500 today. This trajectory includes the acquisition and development of prime properties such as the V&A Waterfront. The pursuit of scale and diversification has, however, resulted in sub-optimal capital allocation and a weak share price over the past decade. We explore Growthpoint's evolving strategy and highlight the key elements of its property portfolio."

Growthpoint sharpens its edge

Growthpoint's portfolio growth

Through acquisitions, developments and strategic partnerships, Growthpoint has built a diversified global property portfolio (*charted below*). While the core portfolio remains anchored in South Africa, recent performance here has been underwhelming, trailing that of competitors. Despite this, the domestic properties produce consistent cash flows from steady rental income, and along with conservative property valuations, support the case for a potential share price re-rating.

Reshaping retail in South Africa

South Africa's retail landscape has shifted meaningfully since the pandemic. While larger malls (>70 000 m²) and smaller convenience centres have led the recovery, small regional centres (25 000 - 70 000 m²) have lagged. These centres, a core component of Growthpoint's portfolio, located in urban areas and targeting middle- to upper-income shoppers, have experienced weak trading density. Performance is however normalising higher, though still lags the high-end and value-focused retail segments.

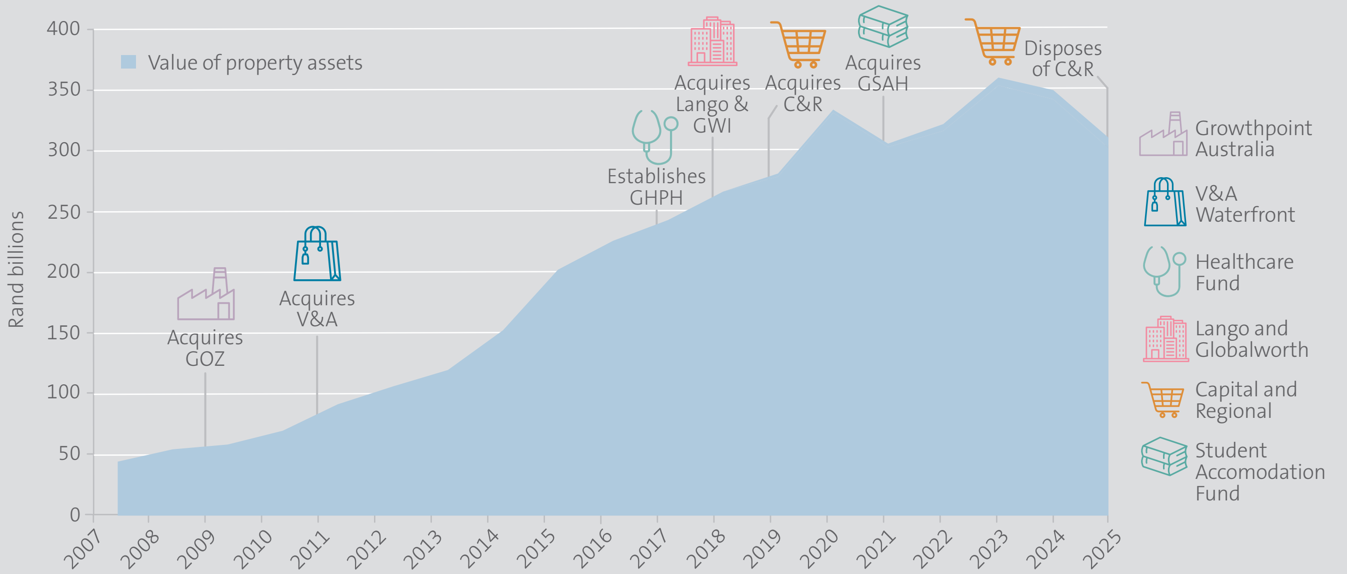
In addition, Growthpoint is shifting its approach from preservation to growth. It is streamlining the retail portfolio by reducing exposure to lower-income areas, refining the retail mix in response to tenant trends, and investing in centres that offer shoppers the right blend of convenience, affordability and accessibility. To this end, they are also shifting focus to the faster-growing Western Cape region. This responsiveness to shifting market dynamics signals a more thoughtful and adaptive retail strategy for the business.

The redevelopment of the Bayside Mall in the Cape, for example, has yielded positive results from a measure aimed at broadening the mall's appeal by creating a more compelling mix of convenience, affordability and variety. Growthpoint repositioned Checkers and introduced Shoprite as a second anchor tenant. The improved tenant mix in the centre has translated into above-average rental growth, longer leases and increased foot traffic.

Rethinking the office playbook

Growthpoint holds one of the largest office portfolios in South Africa - a scale that provides breadth but not definitive pricing power. As demand dropped in response to evolving work-from-home dynamics, earnings from this portfolio contracted. With the office market now shaped by structural oversupply and demand concentrated in high-quality, well-connected locations, Growthpoint has been steadily

Timeline of key property investments and disposals



Source: Factset, Growthpoint company report shrinking their office portfolio:

- selling off underperforming office properties, mostly to owner-occupiers or developers; and
- converting certain properties for alternative uses, such as the current redevelopment of a Cape Town building into a Hilton Hotel.

Combined with tenant incentives and more supportive market conditions, these efforts have resulted in decreased vacancies in KZN and the Western Cape. Gauteng, however, still struggles with vacancy levels in the high teens, posing a substantial challenge to turn this around and realise value.

Refining the industrial focus

Growthpoint's logistics and industrial portfolio predominantly comprises modern logistics and warehousing facilities, particularly spaces ranging from 5 000 to 20 000 m² - in key growth areas. The industrial property sector has been a relative outperformer in the market, delivering better cash generation and maintaining low vacancies. Growthpoint is committed to actively refining this portfolio by reducing its 55% exposure to Gauteng and the manufacturing sector. This aims to mitigate concentration risk and focus on logistics hubs with stronger tenant demand.

Tapping into tourism in Cape Town

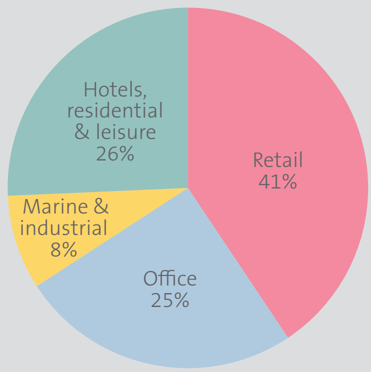
The V&A Waterfront, originally a harbour that was redeveloped by Transnet in 1988, has become one of Africa's leading mixed-use destinations. Jointly owned by Growthpoint and the Public Investment Corporation (PIC), it spans nine precincts and is a significant contributor to Growthpoint's earnings. The *illustration below* highlights the many precincts and their diverse uses, which together attract high foot traffic and support strong trading densities. Diversifying asset types shows the strategic benefit of mixed-use developments in building resilience and sustaining long-term value through engaging, well-used spaces.

Not only has the V&A Waterfront exhibited exceptional rental growth and been fully occupied, but in December 2024 alone it attracted three million visitors and achieved record tenant sales of R1.4 billion. Boosted by a considerable rebound in tourism, this performance reaffirms the V&A as the standout property in Growthpoint's portfolio.

Furthermore, Growthpoint's commitment of more than R7 billion in planned investments for the V&A highlights its conviction in the long-term value of this mixed-use property.

V&A: diverse land use maximises value

V&A net rental per segment



Source: Growthpoint V&A Waterfront Investor Showcase presentation

Growthpoint sharpens its edge

Projects such as a luxury retail expansion, hotel upgrades and other precinct extensions are focused on enhancing the V&A's appeal and thus its earning capacity. A broader 15-year development pipeline in the adjacent Granger Bay area further supports the case for sustained value creation.

Mixed global success

Growthpoint's international footprint now accounts for 38% of total group assets, with Growthpoint Properties Australia (GOZ) at the centre of the offshore strategy. Since entering the Australian market in 2009, capitalising on opportunities emerging from the post-global financial crisis environment, GOZ has grown into a high-quality platform managing AUS$5.4 billion in office and industrial property assets. This comprises AUS$4.1 billion in directly-owned properties and AUS$1.3 billion managed on behalf of other investors, with plans to expand this fund management business.

The industrial segment benefits from strong demand for modern, well-located logistics space. Despite broader sector headwinds, income remains stable in office, supported by leases to government entities and listed corporates. The growing fund management proposition allows GOZ to capitalise on generating incremental earnings from its operational expertise without a commensurate increase in capital commitments.

GOZ continues to be rated in line with other office-focused REITs, despite industrial properties (normally higher rated) comprising more than a third of its portfolio. This highlights a potential disconnect between market pricing and fundamentals. Although recent weak economic conditions and rising interest rates have led to a drop in the reported value of GOZ's properties, intrinsic value remains well above Growthpoint's initial investment, reinforcing this as a sound, well-timed offshore allocation.

In contrast, Growthpoint's stakes in Globalworth (a Central and Eastern European office-focused investor) and Capital & Regional (a UK retail property group), have underperformed. Both faced challenging markets and structural shifts resulting in valuations significantly below original cost. By selling Capital & Regional, Growthpoint is refocusing, though it retains some indirect exposure.

Healthcare and student properties

Established in 2014, Growthpoint Investment Partners (GIP) was created to co-invest in alternative, high-demand real estate sectors through a capital-light model. Today, it manages R18.1 billion in property assets, earning both management fees and dividends without bearing the full capital burden.

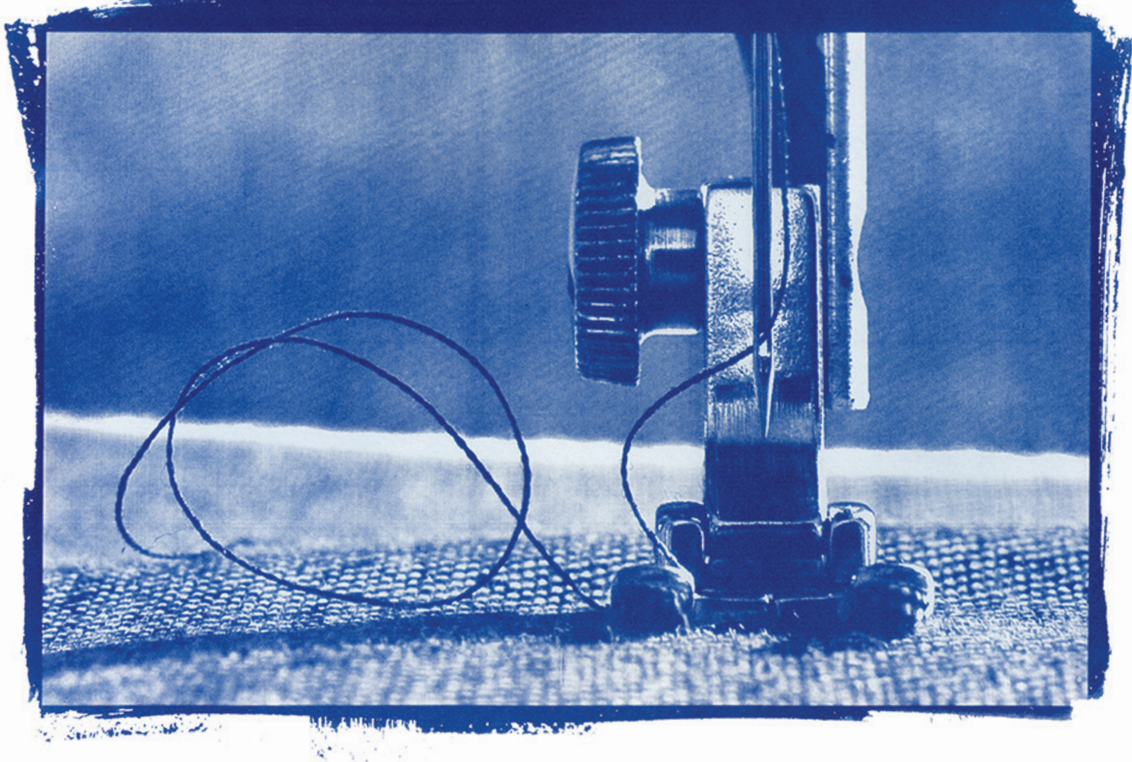
Current strategic investments span healthcare (GHPH[1]) and student accommodation (GSAH[2]), enabling Growthpoint to diversify income while limiting balance sheet strain. GHPH focuses on acquiring and developing acute, day and specialist hospitals along with laboratories, biotechnology manufacturing facilities and warehouses. These healthcare properties typically have long leases, providing stable income streams.

GSAH focuses on student housing, whereby a significant portion of its tenants are supported by the NSFAS[3]. Despite rental caps imposed by NSFAS, that are growth constraining, it benefits from robust demand.

Growth achieved, focus required

Growthpoint is a major local and international property owner, with recent actions demonstrating a clearer focus on its strengths. While historical performance has been mixed, we believe Growthpoint is entering a phase of value realisation, with the current share price undervaluing the portfolio's intrinsic cash-generating potential. UP

[1] GHPH: Growthpoint Healthcare Property Holdings
[2] GSAH: Growthpoint Student Accommodation Holdings
[3] NSFAS: National Student Financial Aid Scheme



PVH Corporation's legacy evolved over decades

Abdul Davids - Portfolio Manager

"In fashion, few companies have managed to sustain and evolve their presence as successfully as PVH Corporation (PVH), formerly known as the Phillips-Van Heusen Corporation. Today, it is one of the world's largest and most influential apparel companies, with a rich history dating back to the 19th century. We explore the evolution of the business from its humble beginnings in shirt-making to its current industry standing as a fashion giant."

PVH Corporation's legacy evolved over decades

A tale of transformation

PVH originated in 1881, when Moses and Endel Phillips started a modest family business sewing shirts by hand and selling them from pushcarts to coal-miners in Pottsville, Pennsylvania. With a focus on quality and craftsmanship, their reputation grew, allowing them to expand into a formal business under the name M Phillips & Son. The business thrived and, by the early 20th century, was making a name for itself in men's fashion.

It has since grown into a global conglomerate, now PVH Corporation, overseeing some of the industry's most revered apparel brands. Through strategic acquisitions, bold innovation and a keen understanding of consumer trends, PVH has shaped the modern apparel industry.

Origins in innovation

PVH experienced its first breakthrough in 1919 when it patented the self-folding collar, a significant innovation that simplified dress shirt maintenance. A decade later, the company introduced the collar-attached shirt, a move that further strengthened its position in men's apparel. These innovations laid the foundation for what would become a century-long journey of strategic expansion and impressive brand building.

Decisive big-brand acquisition

The company's transformation from traditional shirtmaker into global apparel heavyweight was driven largely by strategic acquisitions. The 1980s and 1990s saw PVH diversify their portfolio and expand internationally. The company acquired several brands including Bass, Arrow and Geoffrey Beene, enabling it to cater to a broader range of consumers. Its 2003 acquisition of luxury brand, Calvin Klein, was perhaps its most transformative moment. This elevated PVH's status in the fashion industry and positioned the company as a major player in the global apparel market. Seven years on, PVH bought Tommy Hilfiger, completing its transformation from mid-tier apparel company into a major force in global apparel, with a diverse customer base.

Today, the company is structured around three key brand segments, each playing a vital role in its success.

Calvin Klein: Founded in 1968 by American designer Calvin Richard Klein and his partner Barry Schwartz, the Calvin Klein brand (also known as CK) quickly became recognised for its clean, stylish designs and iconic underwear advertising campaigns. It also achieved success in the fragrance market with the launch of its first men's fragrance, Calvin, in 1981. Similar success ensued when launching its first feminine fragrance, Obsession, five years later.

CK revolutionised fashion marketing through provocative campaigns and memorable taglines such as "Nothing comes between me and my Calvins", setting a new industry standard. CK also aligned with celebrities and modern-day influencers through strategic collaborations to enhance marketing reach and effectiveness.

PVH's acquisition of this global brand allowed them to expand into high fashion and incorporate CK's signature minimalist aesthetic and bold marketing campaigns, boosting international growth and demand. Calvin Klein remains a cornerstone of PVH's business, having generated approximately $9 billion in global retail sales in 2023 alone.

Tommy Hilfiger: Purchasing Tommy Hilfiger in 2010 integrated a preppy, laid-back element into PVH's apparel lineup. The brand's global appeal, particularly in Europe and Asia, made it a good fit with Calvin Klein.

American designer, Tommy Hilfiger, founded the brand in 1985. His goal was to create a fashion brand that would promote a classic yet modern American style. Hilfiger's talent and visionary thinking quickly gained recognition in the fashion world, and in 1986, he introduced the first collection of men's sportswear, which met with tremendous success. A gradual expansion into other fashion segments ensued, including women's clothing, children's fashion, footwear, accessories and fragrances.

In 2006, Hilfiger sold the company to private equity firm, Apax Partners, who sold it on to PVH four years later. Tommy Hilfiger remains the brand's principal designer, leading the design teams and overseeing the entire creative process. With a presence in over 100 countries, Tommy Hilfiger's signature American style continues to be a growth driver for PVH, particularly in its key markets.

Heritage Brands: This segment includes well-known names such as Van Heusen, Arrow and Izod. Although not as prominent as PVH's flagship brands, they provide stability and revenue diversification.

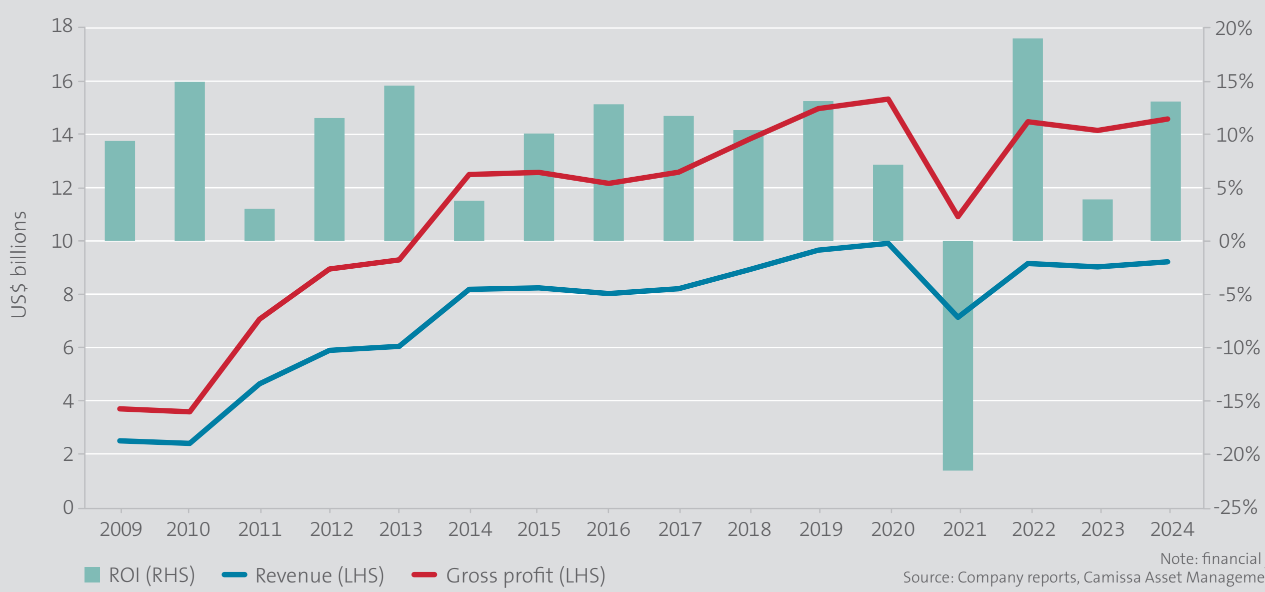
Strategically backed investment appeal

PVH spans major markets, with a strong presence in the US, Europe and Asia. In 2023, the company reported a revenue of $9.2 billion, with a split of: 48% from Europe, 29% from the US, 13% from Asia-Pacific and 5% from the America's (excluding the US). It has operations in over 40 countries and a workforce of more than 36 000.

PVH's global presence, strong brand portfolio and sound strategic initiatives make it an attractive investment opportunity, with several factors contributing to its investment appeal:

- **Strong brand equity** is supported by the ownership of iconic brands such as Calvin Klein and Tommy Hilfiger. This provides a significant competitive advantage that translates into pricing power and resilience during economic downturns. These brands have a loyal customer base and are globally revered for quality and strong individual style.
- **Diverse revenue streams** through a varied portfolio of brands and product categories reduces PVH's reliance on any single market or segment. This mitigates risk and provides stability in revenue generation. Additionally, the company's presence in both luxury and affordable fashion segments allow it to cater to a wide range of consumers.
- PVH's extensive **global footprint**, particularly in high-growth markets, positions it well to capitalise on international fashion and retail trends. The company's focus on emerging markets, where demand for branded apparel is increasing, offers significant growth potential.
- PVH has embraced **digital transformation**, investing in e-commerce and omnichannel capabilities. The COVID pandemic accelerated a shift to online shopping and PVH's digital initiatives have enabled it to capture a larger share of the online market. The company's direct-to-consumer strategy has also strengthened its relationship with customers and improved profitability.
- PVH has demonstrated **strong financial performance**, with consistent revenue growth and profitability, while return on investment (ROI) recovered from the 2020-2021 impact of the COVID pandemic *(indicated below)*. Its ability to generate cash flow and maintain a healthy balance sheet provides flexibility for future investments and shareholder returns.

PVH Corp. revenue, return and profit evolution



Note: financial years shown
Source: Company reports, Camissa Asset Management estimates

PVH Corporation's legacy evolved over decades

The PVH+ Plan

Recognising the need to evolve in a fast-changing industry, PVH launched the PVH+ Plan in 2022 - a roadmap designed to strengthen its core brands and encourage sustainable, long-term growth. As *illustrated below*, the plan is built around five strategic pillars designed to build resilience and ensure competitiveness in a market increasingly shaped by digital innovation and growing sustainability demands.

Legacy of adaptation

PVH faces challenges, particularly regarding geopolitical tensions and evolving consumer expectations. Earlier this year, Chinese authorities scrutinised PVH over their sourcing policies, revealing the complexities of operating in a highly regulated global market. The strained relations between the US and China, exacerbated by the tariff war, have resulted in significant negative sentiment towards PVH Corporation, manifesting in a substantial decline in its market value.

Despite the current obstacles, it is our view that PVH Corporation has consistently demonstrated an ability to evolve with the times - through strategic acquisitions, a deep commitment to innovation, and a keen understanding of consumer trends - building a legacy that spans decades. As the company continues to navigate the current challenges, including the evolving future of fashion, PVH remains a symbol of resilience, adaptability and enduring style. UP

Future-proofing PVH Corporation

PVH

Five pillars underpinning the PVH+ Plan

Product excellence	Consumer engagement	Digitally-led marketplace	Demand-driven operations	Operational efficiency
Enhancing key product categories and introducing market-relevant innovations	Strengthening brand storytelling through talent partnerships (eg artists who endorse PVH products via their platforms) and marketing campaigns	Expanding direct-to-consumer channels, while maintaining strong wholesale partnerships	Aligning production and sales strategies to meet demand more effectively	Improving cost management, while continuing to invest in strategic growth areas

Source: Camissa Asset Management research

Truworths balances credit and craft

Mohamed Mitha - Investment Analyst

Founded in 1917 as 'The Alliance Trading Company', Truworths has evolved into the most profitable player in South Africa's apparel retail industry, with growing influence across the broader African and UK apparel markets. Despite earning lower annual revenue than its JSE-listed competitors, Truworths is distinguished by its disciplined capital allocation, top-tier in-house brands and unique credit-based business model. We investigate the pillars supporting its profitability and prospects in a highly competitive industry, including the turnaround of its UK operations.

Truworths balances credit and craft

Small in revenue, big on performance

With a group revenue of R22 billion, Truworths ranks as the smallest of its locally-listed competitors. Yet, in terms of profitability, it places among the top apparel retailers globally. With almost 800 stores in South Africa, the business strategy focuses on delivering quality, aspirational fashion tailored to a youthful, style-conscious, middle-income customer base. Through a suite of strong brands, Truworths aims to meet a diverse range of apparel needs - from casualwear to workwear, eveningwear and footwear. Its singular-customer focus minimises the risk of over-segmenting the market, giving buying and marketing teams greater clarity and direction.

Master merchandisers

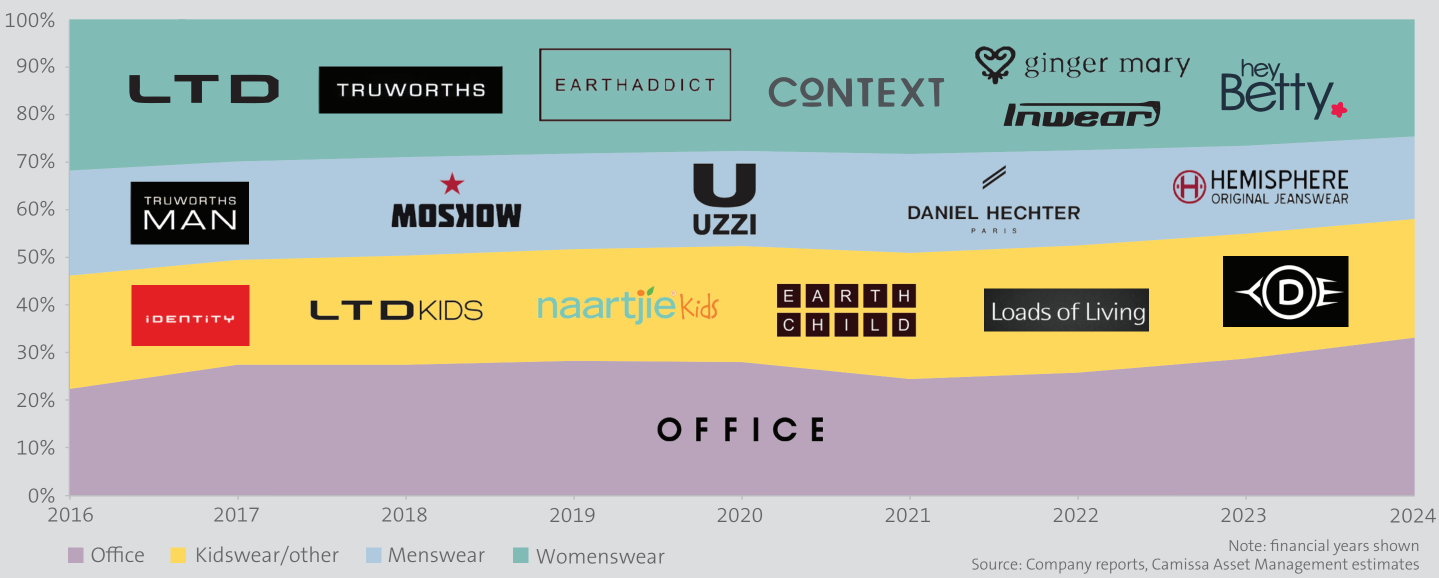
Merchandising and brand-building have long-defined Truworths' strength. Over decades, they have successfully established a portfolio of exclusive, internally developed brands. 'Truworths' and 'Truworths Man' remain core labels, supported by in-house brands such as Ginger Mary, Identity, Hey Betty, LTD and Inwear (*charted below*). While each brand has a distinct style, price point and customer appeal, they share the quality and design oversight that Truworths is renowned for. A cohesive merchandising strategy centred on quality, fashion and premium fabrics leads to very low levels of purchased items that are returned by customers due to quality concerns.

Truworths applies a consistent buying and planning methodology for every season, drawing on a wide range of sources for insights into trends. These include international runway collections, trade fairs, influencers, social media and street trends - both global and local. New internal brands have been regularly developed to meet evolving lifestyle needs.

Moreover, Truworths demonstrates exemplary stock management, with inventory typically turning over more than four times a year - well ahead of the industry average of 2.8 times. High stock turnover brings about reduced markdowns, better product freshness, increased store footfall and generally higher sales from a given store footprint - boosting profitability. Core to this is their philosophy of 'buying wide, not deep': offering a broad selection of styles in limited quantities to create a stronger perception of exclusivity and encourage frequent store visits.

Through strategic local sourcing (45% from South Africa - mainly via exclusive suppliers), Truworths merchandisers can react quickly to sales trends and avoid overstocking on trailing items. Its agile supply chain allows style adjustments as late as four weeks prior to delivery, ensuring alignment with the latest fashion trends.

Truworths group revenue with notable brands



Note: financial years shown
Source: Company reports, Camissa Asset Management estimates

The emporium experience

Truworths has enjoyed notable success with large-format, specialist emporium stores that have dedicated store formats for each line, including menswear, ladieswear, designer ladieswear and kidswear. Each emporium showcases a portfolio of in-house brands within one store, designed to promote cross-brand shopping. Stores are typically centrally located within malls and have up to five entrances. This store format allows for the flexibility to re-allocate space away from underperforming brands to those more in demand, thereby improving sales density. Additionally, a common trading space contains costs as staffing is shared and rentals are lower than if individual brands were in smaller standalone stores.

Kings of credit

Truworths positions itself as an aspirational brand, offering high-quality products at premium prices. Unique to the business model is the high level of integration of retail credit, where approximately 70% of sales are conducted on credit, compared to the competitor average of around 17%.

Many consumers, particularly in the younger middle-income segment, have limited access to traditional bank credit (ie overdraft facilities and credit cards) and rely on store accounts to make purchases. For some, Truworths is their first experience with credit, helping them buy goods and build a credit history.

Retail credit differs from traditional money lending in that the retailer earns revenue from interest on credit together with profit margins on products sold. Since money lending is not Truworths' primary business, by approving more customers for credit (including those with riskier profiles), they stand to sell more products. Even if some customers default, the profit from the increased sales generallly offsets the losses from bad debt if credit-granting is managed responsibly.

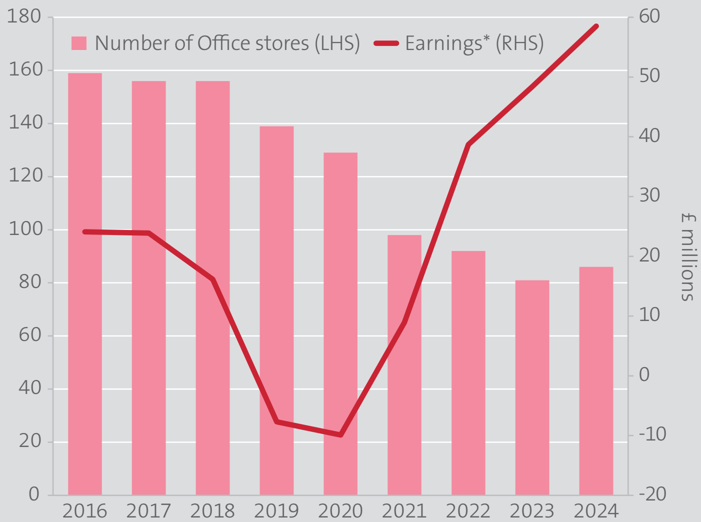
Truworths' 2.9-million-member credit book usually breaks even, highlighting that the retail credit aspect of the business functions as a tool to increase sales rather than make a profit. With a gross profit margin in its retail business of around 55% (well above the 42% sector average), Truworths can tolerate higher bad debt risk, while maintaining robust overall profitability. The scale and stability of this gross margin are fundamental to their ability to grant credit at such volume.

Tough domestic backdrop

South Africa's retail environment has been sluggish for most of the last decade, with the increased cost of living, weak economic growth and stagnant wages contributing to

Office's third-party brands

Office stores and earnings



*Before interest and tax
Note: financial years shown
Source: Company reports, Camissa Asset Management estimates

Truworths balances credit and craft

suppressed industry sales volumes. On a comparable basis[1], unit sales are down an estimated 26% across the sector, since 2014.

Truworths has not been spared by these conditions. It has lost market share in both men's and women's apparel in recent years. Yet, through gross margin resilience, relatively high product inflation, cost containment and the fading fortunes of weaker rivals, Truworths has managed to navigate the challenges reasonably well. While we expect the consumer to experience some relief from above-inflation wage growth, lower interest rates and lower inflation, discretionary retailers will still be navigating a constrained consumer environment for the foreseeable future.

A good day in Office

Acquired by Truworths in 2015, Office is a UK-based footwear retailer primarily targeting the fashion-savvy 'London girl'. As illustrated on the *previous page (left)*, Office's range predominantly comprises third-party brands like Nike, Adidas and New Balance, based on strategic relationships cultivated over time. Office differentiates itself through exclusive sneaker brand collaborations and limited-edition product releases, working closely with key brand partners to develop these ranges.

Despite the challenging UK retail market, Office has performed well, growing earnings by a remarkable 11%[2] per annum since 2016. As with Truworths domestically, Office's merchandisers have demonstrated solid stock management skills - reading the market well and strategically reducing exposure to current off-trend brands (eg Nike) and catering more to trendier options (eg HOKA and ON). This has played a critical role in their ability to outperform competitors.

Management has taken a proactive approach to reshaping Office's store portfolio, closing over 40% of underperforming stores (*previous page right*). This strategic consolidation, alongside the successful expansion of its online channel (now accounting for 46% of total sales, up from 24% in 2016), has enabled Office to more than double its earnings[3] over the past seven years to achieve a margin more than twice that of competitors. We remain sanguine on Office's future, based on its proven agile stock management and optimised store estate.

Succession - a work in progress

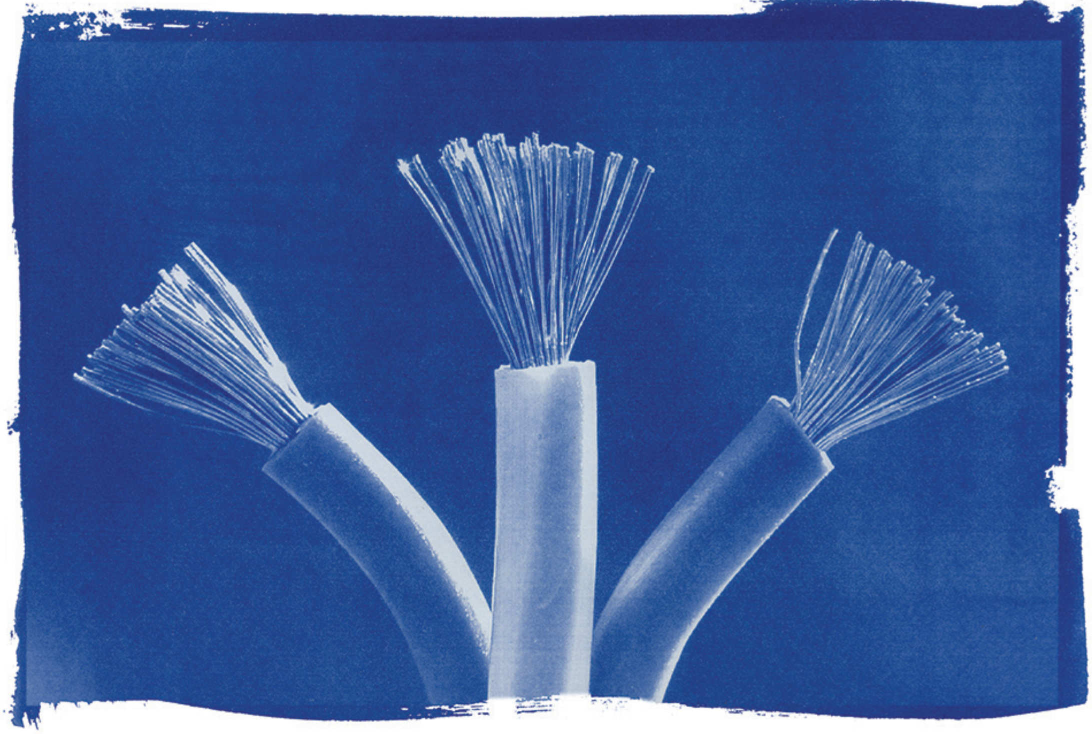
Longtime CEO Michael Mark, who has led Truworths since 1991, is widely credited for its success. His succession, however, remains a concern especially following a failed external handover attempt in 2015. Mark remains at the helm for now, with two internal candidates being mentored for the role. The potential successors are seasoned insiders who understand Truworths' DNA, providing a measure of confidence in continuity of company strategy and its execution when Mark eventually retires.

Disciplined capital allocation

Truworths is among the most capital-efficient apparel retailers globally, with current returns on equity and returns on invested capital of 36%[4] pa and 25% pa respectively. Despite a recent decline, the metrics remain high. Backed by strong cash generation, Truworths has consistently returned surplus capital to shareholders - distributing R13.5 billion through dividends and share buybacks over the last five years - a standout figure in the industry despite its smaller relative size. At the same time, it has reinvested meaningfully in its operations, including R1 billion in a modern distribution centre in the Western Cape.

While the domestic outlook remains tough, Truworths' demonstrated ability to manage capital, credit and merchandise with precision through economic cycles, sets it apart. We believe the market underestimates its long-term potential and, therefore, we continue to hold it in our funds. UP

[1] Excluding the unit sales gained from opening new stores.
[2] Based on a compound annual growth rate, in pound terms.
[3] On a 'before interest and tax' (EBIT) basis.
[4] Truworths' global benchmark was 20%, calculated as the average ROE of leading international apparel retailers.



Glencore: powering present, enabling future

Mandi Dungwa - Portfolio Manager

"Glencore ranks among the world's largest vertically integrated and globally diversified mining companies, operating across the full commodity value chain. The business produces, recycles, sources and distributes metals and minerals that are critical to the global shift toward a low-carbon economy and that are essential to modern life."

Glencore: powering present, enabling future

We view the company's current value as underappreciated. In support of this, we examine the mining and commodity trading segments of the business, which produce and trade over 60 commodities across more than 30 countries worldwide.

Glencore was formed following the merger of Glencore International Plc (the commodity trading company) and Xstrata Plc (the mining company), in May 2013. This united two businesses with a decade-long history of collaboration through numerous commodity trading agreements. Glencore would acquire commodities produced by Xstrata (and from other sources) and sell them to end customers.

Enduring demand trends

Rising industrialisation and urbanisation in developing economies have substantially boosted commodity demand in recent decades. China has experienced rapid growth in this period and now accounts for up to half of global demand for key commodities, which are produced by Glencore *(below left)*. China's extensive infrastructure investment to date suggests, however, that demand growth rates for these commodities could be lower in the future as the economy reaches maturation.

The shift in global energy sourcing from fossil fuels to renewables and the consequent need for electrification is, nonetheless, expected to generate material additional commodity demand in the medium to long term. This will be boosted by continued population growth and economic development outside of China, particularly in Africa and South-east Asia.

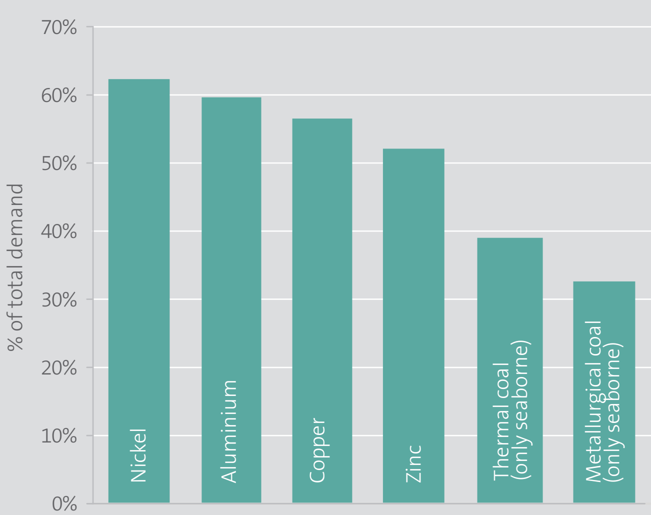
Robust outlook for Glencore's mined metals

Glencore's portfolio of mined commodities *(below right)* includes metals such as copper, cobalt, zinc, nickel and ferroalloys, that are crucial to a low-carbon future and developing economy industrialisation.

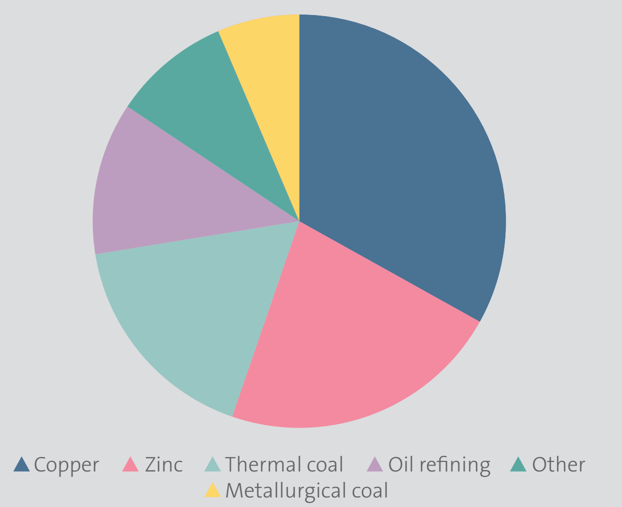
Copper is Glencore's largest mining revenue contributor, with a total production output amounting to 4% of global supply. The business can sustain the current level of copper production for the next 100 years given its large resource base. Its mines are located in the copper-rich areas of South America and the Democratic Republic of Congo (DRC) and are cash-generative and run at low cost. If prompted by a higher copper price, overall production could be doubled from current levels. This would be through increasing production at existing mines and building new mines in South America, with relatively low capital required.

We expect copper prices to rise to incentivise this new supply, as demand is set to outpace supply over the next five to 10 years. A substantial source of this increased demand will

China's share of commodity consumption



Glencore mining revenue split by commodity



Source: Wood Mackenzie (left), Glencore (right) come from the automotive sector, supported by drivetrain electrification, with electric vehicles (EVs) containing large quantities of copper. Copper is also used in electricity transmission networks and charging infrastructure. Given its thermal qualities, malleability and electrical conductivity, copper is evidently a critical component in this industry. Increasing demand is therefore likely, well into the future.

Glencore also produces large quantities of **cobalt** - primarily from its DRC mines. Cobalt is a by-product of copper production and is also an essential component in the production of EV batteries and other renewable energy technologies.

Zinc, used primarily in the coating of steel to protect against corrosion, is Glencore's second largest mining revenue contributor. It is a key material for the industrialisation of developing economies, used in construction, transportation and renewable energy technologies. Glencore's low-cost zinc mines (amounting to 7% of global supply) are polymetallic, producing zinc alongside other metals such as gold, lead and silver. The recent high gold price has led to strong cash generation for these mines.

Glencore also produces other metals such as **chrome, ferrochrome** and **nickel**. These metals are essential in the production of stainless steel, which is used widely in applications such as kitchenware, vehicles and construction.

Glencore's energy commodities will support the global transition

Glencore is the world's largest producer of exported metallurgical and thermal coal, with operations located in Australia (close to growing Asian markets) and Canada (very low-cost mines producing high-quality coal).

Metallurgical coal is used primarily in the production of blast-furnace steel. Currently, roughly 70% of steel is produced in this way and there are no viable at-scale substitutes in the steelmaking process. The continued increased demand for steel needed for industrialisation in developing countries (eg Asia-Pacific region), supports the production of metallurgical coal.

While a third of global energy production comes from burning **thermal coal**, it is also responsible for a third of the world's carbon dioxide emissions. To curtail carbon emissions, thermal coal usage will need to be significantly reduced in favour of cleaner energy sources. Glencore has committed to running down its thermal coal mines to closure, while continuing to capitalise on the meaningful demand in the interim.

Types of arbitrage

Geographic	Glencore uses its processing and logistical capabilities to source physical commodities from one location and deliver them to another where they can command a higher price. For example: hundreds of types of crude oil are traded but priced on three main benchmarks: West Texas Intermediate (WTI, US), Brent Blend (London) and Dubai Crude. If WTI trades at $13 premium to Brent, Glencore can divert oil to the more profitable Brent blend market.
Time	Glencore will, where possible, exploit the difference between the price of a commodity to be delivered at a future date vs the price for an immediate delivery, where the storage, financing and other related costs until the future date are less than the forward pricing difference. For example, two customers are interested in copper bought from mine A. Customer one wants immediate delivery and customer two wants delivery in six months at a premium to customer one. Glencore will store the copper in a warehouse and deliver to customer two at a premium.
Product	Glencore will exploit the blending or multi-use characteristics of the particular commodities being marketed (ie various crude oil products, coal or concentrates) to supply products that attract higher prices than their base constituents. For example, coal from various mines can be blended to the desired client specifications. If one grade of coal trades at a $30 premium, Glencore would blend that to the specifications to earn that premium.
Pricing risk taking	Taking risks in commodity pricing is largely event driven, such as in the event of unexpected weather, transport failures or bottlenecks in global production that causes supply issues. They are therefore difficult to forecast.

Source: Camissa Asset Management

Glencore: powering present, enabling future

Astron Energy, a **crude oil** refinery located in Cape Town, is owned by Glencore and makes up 12% of Glencore's mining segment revenue, with growth potential across the rest of Africa.

Trading commodities

Commodities are traded in massive volumes worldwide as supply is routed to demand for them. Glencore's commodity trading division sources a diversified range of commodities from third-party suppliers and from its own mines. These commodities are then sold to a broad range of consumers and industrial end-users, often together with services such as freight, insurance, financing and storage.

Profits from Glencore's trading activities are generated from fees created for the distribution of commodities, and from exploiting mispricings in commodity markets, which gives rise to arbitrage opportunities. The pursuit of arbitrage opportunities by commodity traders contributes to more efficient and competitive markets, delivering value to producers and end-consumers. Examples are *tabled on the previous page*.

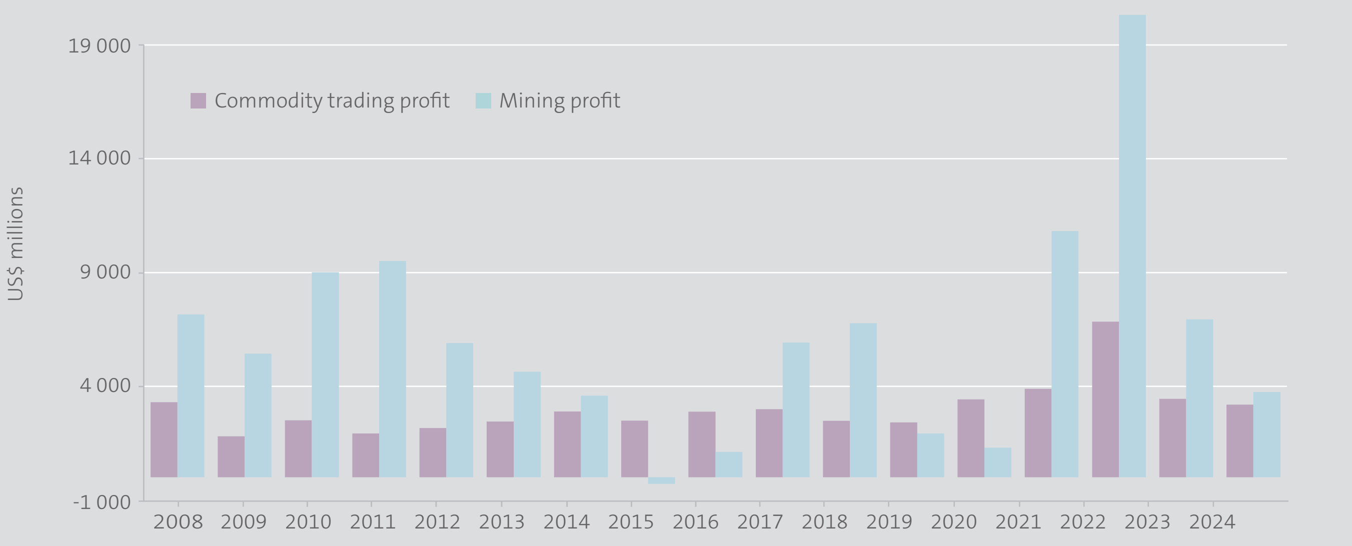
Glencore's extensive and integrated infrastructure, including warehouses, ships and processing facilities (ie smelters and refineries), supports efficient global operations.

As *indicated below*, commodity trading profits tend to be less cyclical than mining-related earnings, providing a more stable income stream.

Positioning for the future of energy

We are positive on the outlook for Glencore's mined commodity basket as demand for affordable, carbon-intensive energy (thermal coal and oil) grows in developing countries. Demand for metals that aid industrialisation and decarbonisation will also rise - growing copper, nickel, zinc and chrome demand specifically. Moreover, the business earns cash flow from the global trade in commodities and the pursuit of arbitrage opportunities available through its commodity trading division. We believe the market currently undervalues Glencore's prospects. UP

Glencore operating profit by division



Source: Glencore

Camissa Asset Management Funds

Performance to 31 March 2025	1 year	3 years[1]	5 years[1]	10 years[1]	15 years[1]	Since launch[1]	Launch	TER[2] 1-year	TER[2] 3-years	TC[3] 1-year	TC[3] 3-years
Unit trust funds[4]											
Equity Alpha Fund	24.6%	7.8%	19.4%	9.1%	10.6%	14.9%	Apr-04	1.54%	1.54%	0.29%	0.27%
SA Equity General funds mean	17.9%	7.2%	16.6%	6.2%	8.9%	11.7%					
Outperformance	6.7%	0.6%	2.8%	2.9%	1.7%	3.2%					
SA Equity Fund	25.2%	-	-	-	-	8.4%	Sep-22	1.58%	-	0.39%	-
SA Equity SA General funds mean	18.3%					11.6%					
Outperformance	6.9%					-3.2%					
Global Equity Feeder Fund	4.2%	12.0%	13.3%	-	-	8.5%	Nov-19	1.86%	1.87%	0.19%	0.19%
FTSE World Index (ZAR)	4.1%	16.1%	16.7%			15.0%					
Outperformance	0.1%	-4.1%	-3.4%			-6.5%					
Balanced Fund	18.9%	10.3%	15.7%	8.7%	-	9.6%	May-11	1.50%	1.50%	0.22%	0.22%
SA Multi Asset High Equity funds mean	12.3%	8.8%	13.3%	6.9%		8.6%					
Outperformance	6.6%	1.5%	2.4%	1.8%		1.0%					
SA Balanced Fund	24.1%	-	-	-	-	11.6%	Aug-23	1.98%	-	0.92%	-
SA Multi Asset SA High Equity funds mean	12.0%					10.4%					
Outperformance	12.1%					1.2%					
Protector Fund	20.3%	9.8%	14.8%	8.6%	8.2%	9.9%	Dec-02	1.51%	1.52%	0.16%	0.16%
CPI + 4%	6.6%	9.0%	8.8%	9.2%	9.5%	10.0%					
Outperformance	13.7%	0.8%	6.0%	-0.6%	-1.3%	-0.1%					
Stable Fund	25.0%	10.7%	14.1%	9.1%	-	9.2%	May-11	1.47%	1.47%	0.24%	0.21%
CPI + 2%	4.7%	7.0%	6.8%	6.6%		6.2%					
Outperformance	20.3%	3.7%	7.3%	2.5%		3.0%					
Institutional funds[5]											
Managed Equity Fund	27.7%	8.3%	20.2%	9.1%	10.8%	11.5%	Sep-06				
FTSE/JSE Capped SWIX Index	22.9%	8.2%	18.7%	7.4%	10.9%	11.0%					
Outperformance	4.8%	0.1%	1.5%	1.7%	-0.1%	0.5%					
Domestic Balanced Fund	28.3%	9.7%	18.1%	9.5%	10.0%	9.6%	May-07				
Peer median[6]	20.2%	9.2%	15.7%	7.7%	9.8%	9.3%					
Outperformance	8.1%	0.5%	2.4%	1.8%	0.2%	0.3%					
Global Balanced Fund	20.3%	11.7%	17.3%	10.2%	-	10.8%	Jul-13				
Peer median[7]	14.0%	10.3%	14.8%	8.4%		9.7%					
Outperformance	6.3%	1.4%	2.5%	1.8%		1.1%					
Bond Fund	25.4%	10.5%	12.6%	9.5%	9.3%	9.0%	May-07				
BESA All Bond Index	20.2%	9.8%	11.7%	8.4%	8.8%	8.5%					
Outperformance	5.2%	0.7%	0.9%	1.1%	0.4%	0.5%					
Money Market Fund	9.9%	9.2%	7.8%	8.1%	7.4%	7.9%	Jan-04				
Alexander Forbes STeFI Composite Index	8.3%	7.5%	6.2%	6.7%	6.4%	7.1%					
Outperformance	1.6%	1.7%	1.6%	1.4%	1.0%	0.8%					
Shariah unit trust funds[4]											
Islamic Equity Fund	10.4%	1.6%	15.2%	8.0%	9.1%	10.2%	Jul-09	1.49%	1.50%	0.14%	0.16%
SA Equity General funds mean	17.9%	7.2%	16.6%	6.2%	8.9%	10.1%					
Outperformance	-7.5%	-5.6%	-1.4%	1.8%	0.3%	0.1%					
Islamic Global Equity Feeder Fund	-0.3%	7.0%	8.6%	-	-	8.0%	Jan-19	1.82%	1.81%	0.10%	0.10%
Global Equity General funds mean	2.5%	13.8%	13.2%			14.1%					
Outperformance	-2.8%	-6.8%	-4.6%			-6.1%					
Islamic Balanced Fund	8.3%	3.4%	12.8%	7.4%	-	7.6%	May-11	1.49%	1.50%	0.10%	0.10%
SA Multi Asset High Equity funds mean	12.3%	8.8%	13.3%	6.9%		8.6%					
Outperformance	-4.0%	-5.4%	-0.5%	0.5%		-1.0%					
Islamic High Yield Fund	13.4%	8.0%	9.4%	-	-	8.0%	Mar-19	0.58%	0.58%	0.01%	0.03%
Short-term Fixed Interest Index (STeFI)	8.3%	7.5%	6.2%			6.4%					
Outperformance	5.1%	0.05%	3.2%			1.6%					

Highest and lowest monthly fund performance	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Equity Alpha Fund	5.7%	-3.0%	11.7%	-5.4%	12.6%	-21.6%	12.6%	-21.6%	12.6%	-21.6%	12.6%	-21.6%
SA Equity Fund	5.6%	-3.5%	-	-	-	-	-	-	-	-	11.5%	-5.9%
Global Equity Feeder Fund	5.9%	-7.5%	14.5%	-7.5%	14.5%	-8.2%	-	-	-	-	18.1%	-15.6%
Balanced Fund	4.5%	-1.2%	9.5%	-4.5%	9.5%	-15.7%	9.5%	-15.7%	-	-	9.5%	-15.7%
SA Balanced Fund	5.4%	-2.7%	-	-	-	-	-	-	-	-	5.4%	-3.4%
Protector Fund	4.7%	-1.0%	7.6%	-3.7%	7.6%	-13.9%	7.6%	-13.9%	7.6%	-13.9%	9.5%	-13.9%
Stable Fund	4.8%	-1.1%	7.1%	-4.4%	7.1%	-11.4%	7.1%	-11.4%	-	-	7.1%	-11.4%
Islamic Equity Fund	3.2%	-3.7%	7.4%	-8.9%	9.6%	-14.3%	9.6%	-14.3%	9.6%	-14.3%	9.6%	-14.3%
Islamic Global Equity Feeder Fund	4.3%	-6.7%	14.6%	-7.8%	-	-	-	-	-	-	14.6%	-8.4%
Islamic Balanced Fund	2.2%	-1.8%	5.3%	-6.2%	8.0%	-9.3%	8.0%	-9.3%	-	-	8.2%	-9.3%
Islamic High Yield Fund	1.9%	-0.0%	2.7%	-2.4%	-	-	-	-	-	-	2.7%	-2.4%

Footnotes and disclaimer follow overleaf.

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Footnote: [1]Annualised (ie the average annual return over the given time period); [2]TER (total expense ratio) = % of average NAV of portfolio incurred as charges, levies and fees in the management of the portfolio for rolling one and three-year periods to 31 March 2025. [3]Transaction costs (TC) are unavoidable costs incurred in administering the financial products offered by Camissa Collective Investments and impact financial product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. This is also calculated on rolling one and three-year periods to 31 March 2025. [4]Source: Morningstar; net of all costs incurred within the fund and measured using NAV prices with income distributions reinvested; [5]Source: Camissa Asset Management; gross of management fees; [6]Median return of Alexander Forbes SA Manager Watch: BIV Survey; [7]Median return of Alexander Forbes Global Large Manager Watch.