



Investment Objective

Long-term wealth creation, providing above average returns over the long term at below average levels of risk.

Investment Philosophy

Our investment philosophy is aligned with our investment objective which means we focus as much on the risk associated with each investment as we do on the potential return. We are value investors at heart and think that buying assets at a discount, as well as not owning overpriced assets, is the best way to achieve excess long-term returns.

Investor Profile

The offering is suitable for investors seeking to grow their capital over the long term of five to seven years or more. Investors accept their portfolio may underperform the market in the short term in pursuit of superior long-term gains.

Investment Approach

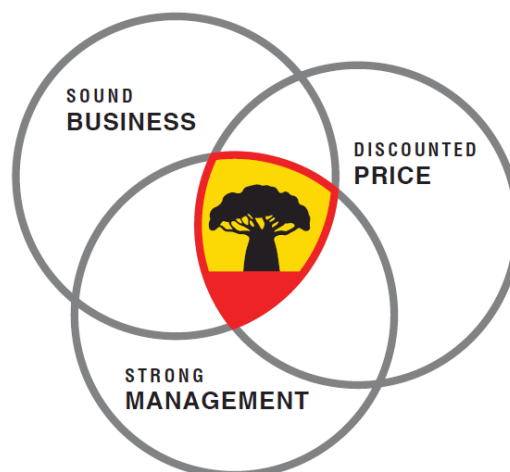
We think and invest like long-term business owners seeking ownership stakes in sound companies with strong management teams that are trading at a discounted price. Using a contrarian, but sensible approach, we patiently build focused portfolios of our best ideas and invest independently of any index or peer group. When we cannot find sufficient companies that meet our criteria for investment, we will hold cash until we do.

Key Features

- Focused portfolio of twenty to thirty stocks
- Invest independently of the index
- Invest up to 30% of the portfolio offshore
- Selective exposure to small and mid-cap shares
- Hold cash when opportunities are limited
- Co-invest with our clients to align our long-term goals

Quick facts

Investment Manager	Sandy Le Roux
Mandate Type	Segregated, full discretionary
Minimum Investment	R 5 Million
Risk Profile	High



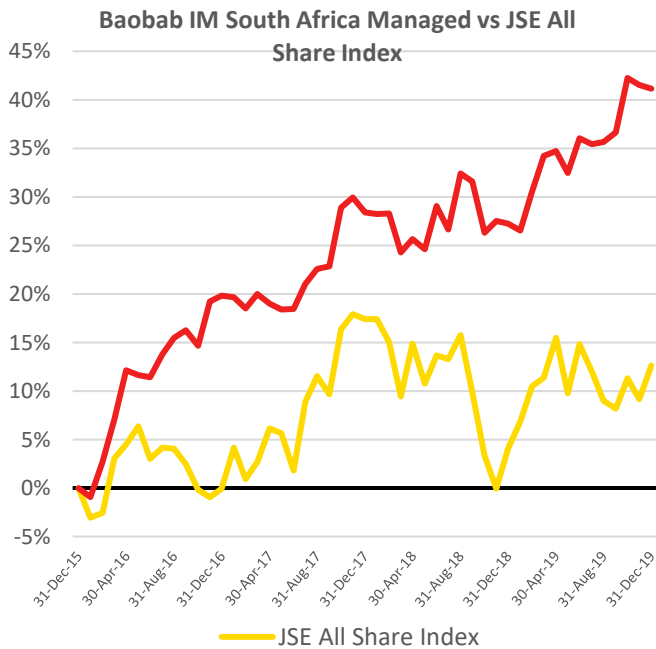
Current Holdings

ABSA
Affiliated Managers Group
Anglogold
Bowler Metcalf
Cameco
Combined Motor Holdings
Discovery
Exor

Fairfax India Holdings
Grindrod
Grindrod Shipping
Hosken Consolidated Investments
Hudaco
L Brands
Liberty Broadband
Master Drilling

Old Mutual
RECM & Calibre
Santova
Stellar Capital
Sustainable Capital Africa Alpha Fund
Teekay Offshore Partners
Tongaat Hulett
Trellidor

Performance



	Baobab IM (net of fees)	JSE Allshare Index
1 Year	10.91%	8.24%
3 Years	5.61%	4.06%
Since inception	8.99%	3.01%

All periods longer than a year are annualized. Inception 1 January 2016.

*Note: The performance figures quoted are for a fully discretionary managed client using asset swap for the offshore holdings. Because we construct each portfolio individually based on the opportunities available in the market, there will be some variation in returns across our accounts, particularly for newer accounts and those where we have inherited positions. While this can make communication about our portfolio difficult in the short-term, we believe that building portfolios in a bespoke and considered manner is in the best interests of our clients and a key differentiator of our offering.

Portfolio Overview

It is a challenging time for investors and business owners, both domestically and abroad. Noise levels are high and there is little policy certainty, not an ideal situation when the global economy is slowing. We read and think a lot about the state of our nation and the world, but we do not have any unique insights as to what the future holds. We are keeping our heads down and focusing on what we can control, the businesses we buy and what we pay for them. This is currently leading us to neglected corners of the market where larger managers cannot, or will not, invest. The result is a portfolio we think offers significant value versus the larger, more liquid stocks that are so widely held by other investors. During 2019 we were buyers of Hosken Consolidated Investments, Old Mutual, Combined Motor Holdings and Grindrod Shipping. These purchases were partially funded by profit taking in Impala Platinum and AngloGold. Within the offshore portion of the portfolio we sold Yatra Online, trimmed Lindblad Expeditions and initiated new positions in Affiliated Managers Group and Cameco.

A well-known investor once said, *"You make most of your money in a bear market; you just don't realize it at the time."*

Many domestic South African equities are trading at extreme valuations after a multi-year bear market. We are selectively taking advantage of this as mentioned above and are building positions at what we think are extremely attractive prices, particularly amongst small and mid-cap industrial shares. While this may lead to an increase in short-term volatility, we think it is setting us up well to deliver on our long-term objectives.

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