

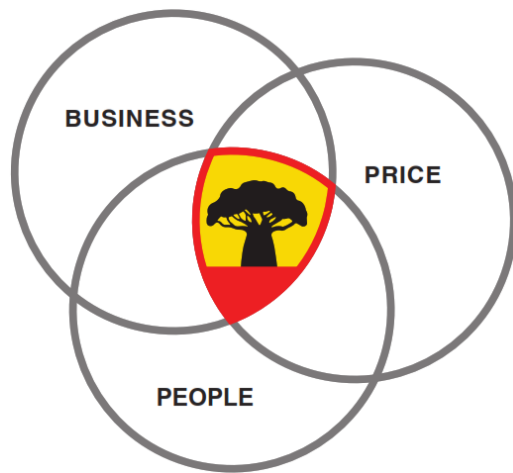


Investment Objective

Long-term wealth creation by investing in a carefully selected group of South African companies, complimented with a few of our best offshore ideas.

Investment Approach

We think and invest like long term business owners seeking ownership stakes in good businesses with strong, aligned management teams. Our approach is simple but disciplined. We look to buy shares in companies that we understand, that have significant upside potential, but also strong downside protection. We have a strong preference for high quality businesses, but our flexible approach does enable us to selectively invest in companies of average quality where the mispricing is extreme.



Key Features

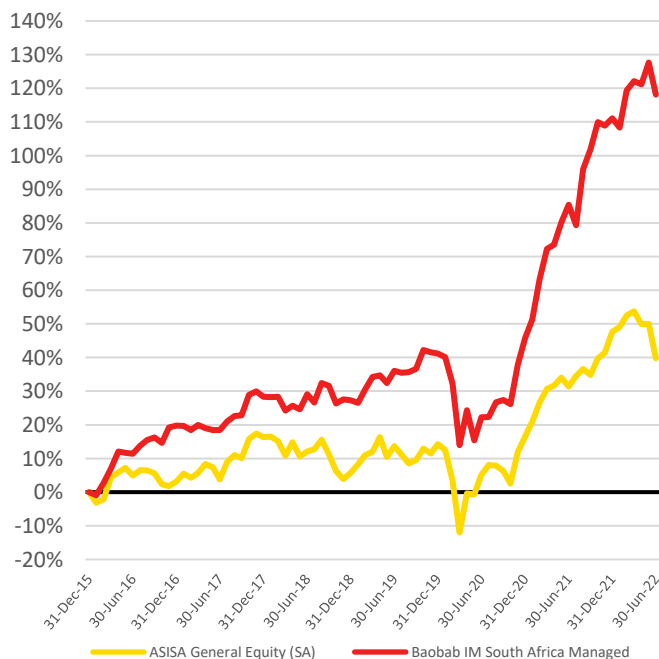
- Bespoke, individualised portfolio
- Focused portfolio of our best ideas
- Invest independently of the index or peer group
- Invest up to 30% of the portfolio offshore
- Ability to invest in small and mid-cap shares
- Hold cash when opportunities are limited
- Long-term investment horizon – five to seven years or more
- May underperform the market in the short term in pursuit of superior long-term gains
- Co-invest with our clients to align our long-term goals

Quick Facts

Investment Manager	Sandy Le Roux
Mandate Type	Segregated, full discretionary
Risk Profile	High
Benchmark	ASISA General Equity Average

Performance

Baobab vs General Equity Average



	Baobab IM (net of fees)	ASISA General Equity Average (SA)
Year to date	3.34%	-5.31%
1 Year	17.67%	6.35%
3 Years	17.04%	7.13%
5 Years	12.99%	6.13%
Since inception	12.74%	5.28%

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.

Core holdings and brief investment thesis

	<p>Grindrod continues to streamline and refocus towards its core business units that include ports and terminals, logistics and Grindrod Bank that is subject to a buyout offer. Africa is increasingly well positioned to provide resources to growing global demand and Grindrod stands to benefit from this trend. Having sold off numerous non-core assets the balance sheet is strong, Remgro provides a supportive shareholder of reference, and the company is in better shape than it has been for many years.</p>
	<p>HCI is an empowered investment company under John Copelyn's stewardship that has a long history of sound capital allocation and strong shareholder returns. Their investments in Tsogo Sun Gaming and Tsogo Sun Hotels/Southern Sun were hard hit by Covid, but they are valuable assets that would be difficult, if not impossible to replicate. While a large discount to NAV provides a strong underpin, we think there is also significant hidden optionality within the HCI portfolio that may be realised in the next few years, most notably their stakes in Impact Oil and Gas and Platinum Group Metals. Recent announcements of the potential significance of one of the oilfields off Namibia are supportive of this optionality.</p>
	<p>Bolloré is a European, owner-managed, investment holding company whose assets include stakes in Universal Music Group (UMG), Vivendi and a difficult to replicate ports and logistics business in Africa. With Vincent Bolloré at the helm, the opportunities to unlock value are significant and we think the separate listing of UMG is just the first step in this process. The recently announced sale of Bolloré Africa Logistics for Eur 5.7 billion should provide both a strong underpin and enormous future optionality in the hands of such an astute capital allocator.</p>
	<p>Trellidor Holdings is a good example of the current opportunity set in small cap industrial shares. It is uninvestable for most South African institutions, but is a solid business with a very strong brand, a proven track record of over 40 years, and a disciplined management team who we rate very highly. Their capital allocation has been sound and they have been taking advantage of the undervalued share price to repurchase shares in the open market. Despite the challenges of the domestic economy, Trellidor has internal growth opportunities, together with potential recovery in their UK and African operations. The valuation and quality of the business and management make Trellidor a sound long-term opportunity for patient investors.</p>
	<p>Master Drilling specialises in mechanised drilling solutions that are safer and significantly cheaper than traditional blast drilling techniques. The company has invested significantly in their fleet of drills over the past few years and is well placed to take advantage of increased activity within the mining sector in particular. Management are prudent and significant co-owners of the business that should be very cash generative going forward.</p>
	<p>Remgro has disappointed investors in recent years, but we think this will provide the management team with strong incentive to deliver for shareholders in the years ahead. Remgro offers an opportunity to invest in a portfolio of high quality assets at a discount alongside a motivated management team that we expect to unlock significant value going forward.</p>
	<p>Exor is the Italian holding company of the Agnelli family with a stated purpose of building great companies under the exemplary stewardship of John Elkann. The core portfolio holdings are sizeable stakes in Ferrari, Stellantis (leading automaker of Fiat, Jeep, Peugeot, Maserati, Alfa Romeo), global reinsurer PartnerRe and CNH Industrial. Less valuable stakes in football giant Juventus, The Economist magazine and a number of seed investments offer additional optionality. The sale of PartnerRe for Eur 8.6 billion represents more than half of the current market capitalization and will provide management with a very large war chat at an opportune time.</p>
	<p>Aveng is still viewed by many as a South African construction company which is what created the buying opportunity. With a transformational turnaround nearly complete, together with a recapitalisation, Aveng is now well placed to take advantage of some strong tailwinds for their remaining businesses. McConnell Dowell is an Australasian engineering and construction business with a strong order book and operational momentum as infrastructure spending in the region grows. Moolmans offers specialised services to the mining industry, another sector with a reasonably favourable outlook.</p>

FAIRFAX INDIA

Fairfax India Holdings: While most global investors are fixated with the growth opportunity in China, we think India is well placed to prosper in the next decade. We also like the fact that it is a democracy and has much better demographics than China. Fairfax India provides a great vehicle to take advantage of the opportunity in partnership with a world class capital allocator in Prem Watsa. Fairfax owns a number of Indian assets, the most significant being in financial services and a stake in the Bangalore International Airport. Great assets, discounted price, excellent management and a long growth runway provides a compelling long-term opportunity.

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