



REZCO WEBINAR: OCTOBER 2020

ROB SPANJAARD

SIMON SYLVESTER

BRIAN DU PLESSIS

CIO, CO-PM

HEAD OF RESEARCH & CO-PM

HEAD OF DISTRIBUTION

REZCO FUNDS

FOCUSED INVESTOR OFFERING

GLOBAL FLEXIBLE FUND (UCITS)	Rezco Global Flexible Feeder Fund ZAR	Rezco Global Flexible Fund USD
RSA EQUITY		Rezco Equity Fund
MULTI-ASSET HIGH EQUITY	Rezco Value Trend Fund Reg 28	Rezco Managed Plus Fund Reg 28
MULTI-ASSET LOW EQUITY	Rezco Stable Fund Reg 28	

INVESTMENT PLATFORMS



glacier
by Sanlam

ALLAN GRAY



Ninety
One

momentum
investments



Discovery
Invest



OLDMUTUAL
WEALTH

INN 8



PSG



absa



pps

INVESTMENTS

THINKING DIFFERENTLY: LOW CORRELATIONS TO OTHER FUNDS

Since Common Inception	Rezco Value Trend A	Large Balanced Fund 1	Large Balanced Fund 2	Large Balanced Fund 3	FTSE/JSE All Share TR ZAR	ASISA South African MA High Equity
Rezco Value Trend A		0.60	0.63	0.78	0.78	0.74
Large Balanced Fund 1	0.60		0.93	0.90	0.76	0.80
Large Balanced Fund 2	0.63	0.93		0.91	0.74	0.79
Large Balanced Fund 3	0.78	0.90	0.91		0.82	0.88
FTSE/JSE All Share TR ZAR	0.78	0.76	0.74	0.82		0.84
ASISA South African MA High Equity	0.74	0.80	0.79	0.88	0.84	



INVESTMENTS

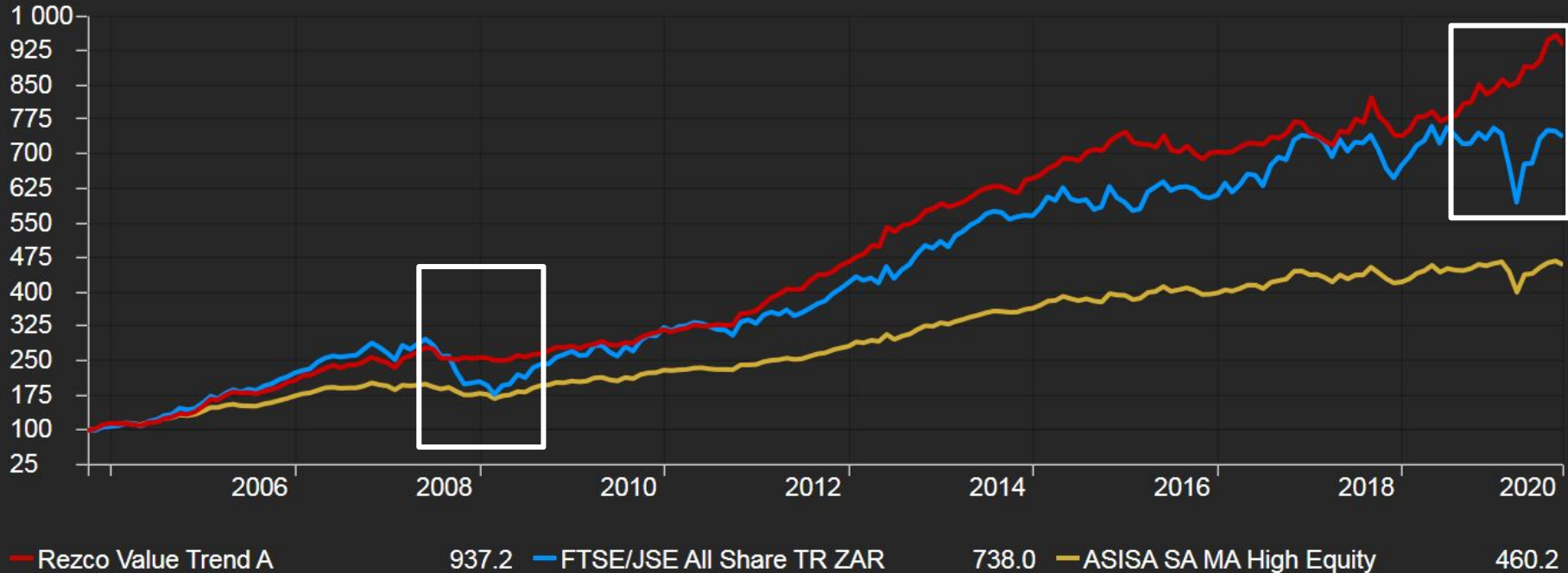
OUR INVESTMENT OBJECTIVE



15 YEARS OF MANAGING RISK & CREATING WEALTH

Time Period: Since Common Inception (2004/10/01) to 2020/09/30

Currency: South African Rand Source Data: Total Return



EXECUTIVE DIRECTOR TEAM



ROB SPANJAARD

CHIEF INVESTMENT
OFFICER & CHIEF
EXECUTIVE OFFICER
B.COM, CTA.

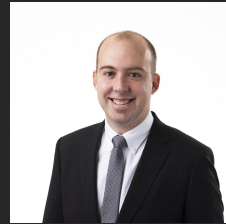
Financial Mail reader
stock picking
competition winner.
Portfolio manager at
Momentum Life. Top
performing Unit Trust.
CEO and founder of
JSE listed industrial
company.
20 years Portfolio
Manager at Rezco.



JAN KRYNAUW

DIRECTOR: ACTUARY,
TECHNOLOGY & alis_
B.SC (HONS) ACTUARIAL
SCIENCE

Actuary.
Former senior
investment consultant
at Old Mutual Actuaries
and Consultants.
Qualified Actuary with
16 years industry
experience.
Winner Old Mutual
Corporate – Innovation
Award



SIMON SYLVESTER

HEAD OF RESEARCH &
CO-PORTFOLIO MANAGER
B.BUS SCIENCE (HONS),
CFA, CIPM

Simon joined Rezco in 2015,
with previous experience at
Deutsche Bank in London,
Cogito Capital and Discovery
Invest.
He graduated from UKZN.
He has been working in the
financial markets for 10 years.



RONALD CAPE

OPERATIONS HEAD &
EXECUTIVE DIRECTOR
B.COM, MBA

Highly experienced in all
facets of asset
management.
Pricing and compliance.
15 years investment
experience.

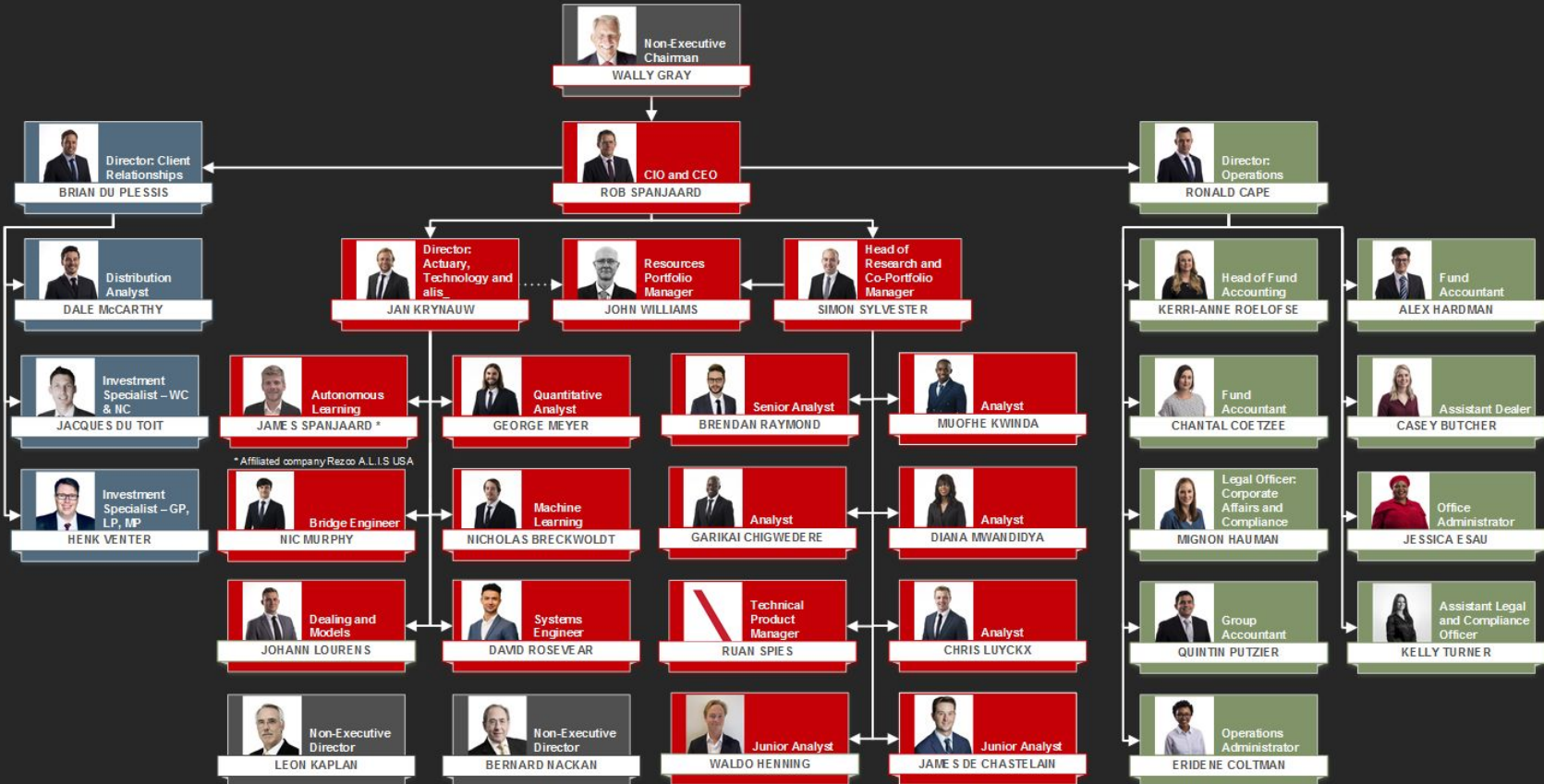


BRIAN DU PLESSIS

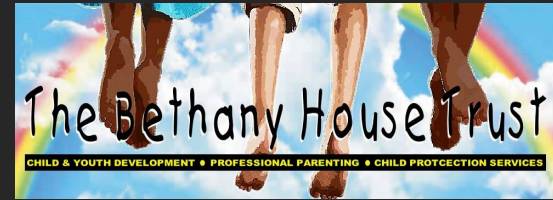
CLIENT RELATIONSHIPS
HEAD & EXECUTIVE
DIRECTOR
B.COM (HONS)

Formerly
Goldman Sachs
London.
11 years investment
experience.

REZCO TEAM



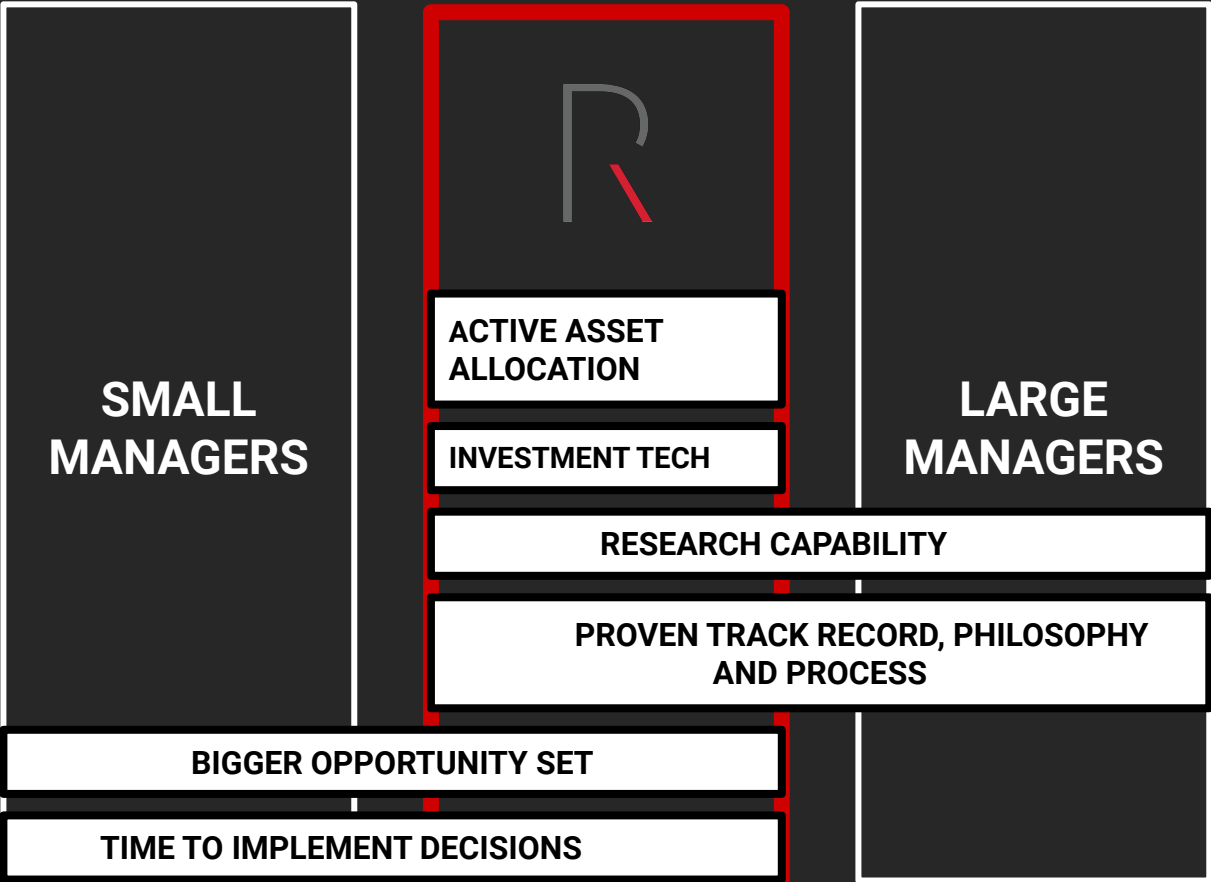
20% OF PROFIT GOES TO SOCIAL DEVELOPMENT



WORK 4 A LIVING



WHY REZCO OUTPERFORMS





MARKET IDEAS



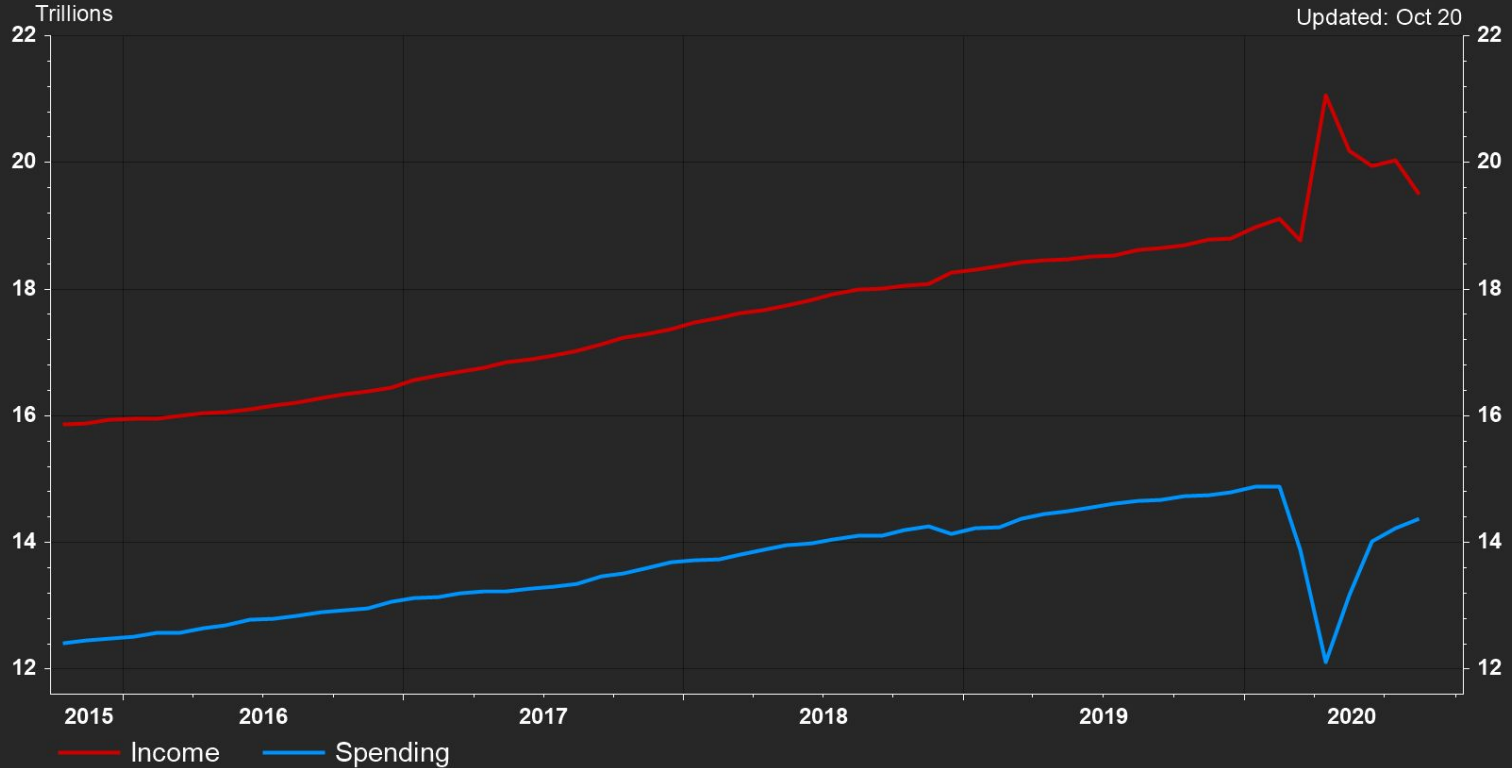
MAXIMUM COMPLEXITY

“This is not a normal recession
...the recessionary part of this you’re going to
see down the road”

- *Jamie Dimon, July 2020*

MAXIMUM COMPLEXITY

PERSONAL INCOME VS SPENDING

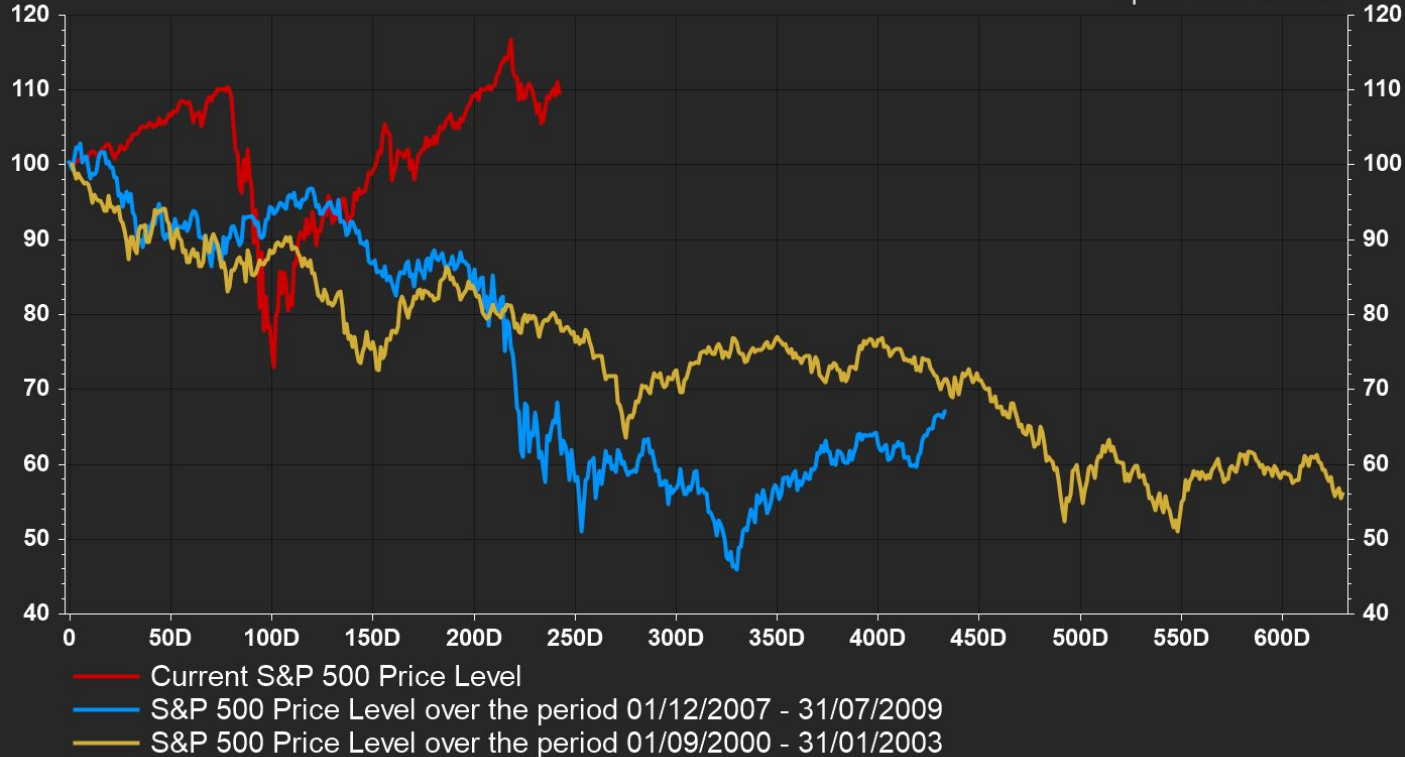


Source: Refinitiv Datastream / Rezco

BEAR MARKETS WITH RECESSIONS: USA

S&P 500 PRICE LEVEL OVER DIFFERENT BEAR MARKETS (REBASED TO 100)

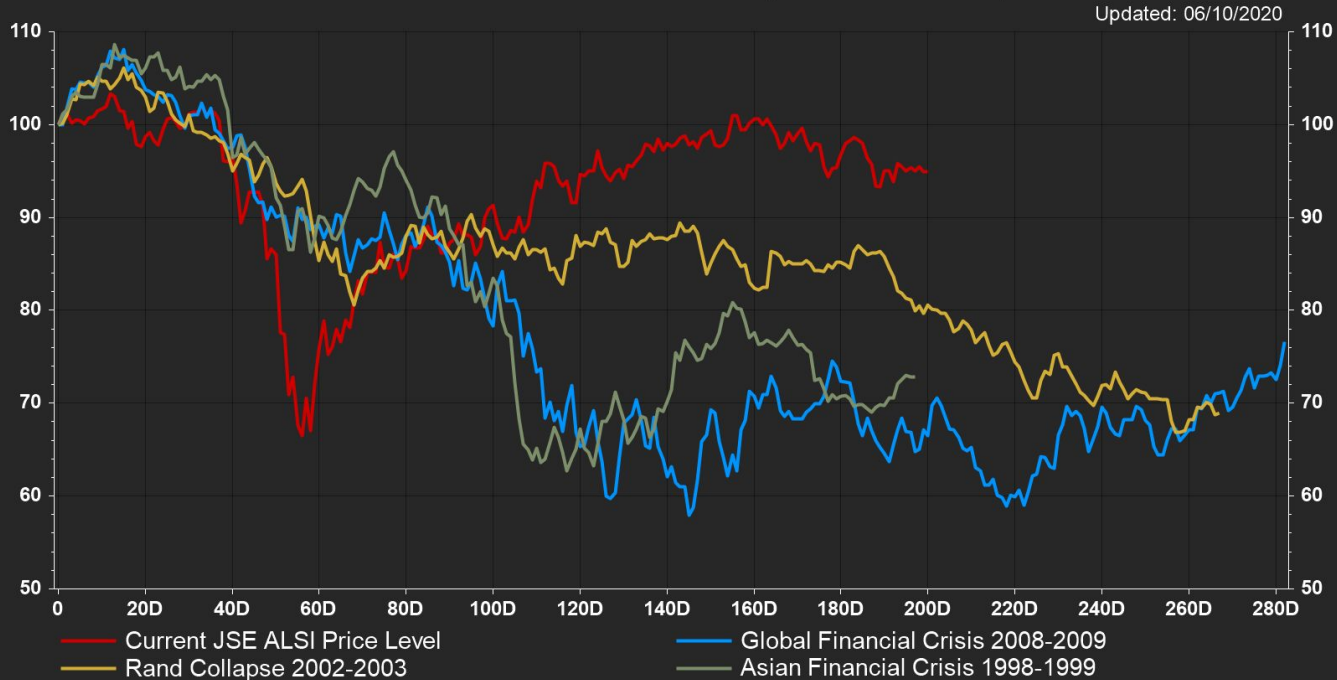
Updated: 06/10/2020



Source: Refinitiv Datastream / Rezco

BEAR MARKETS WITH RECESSIONS: RSA

JSE ALSI PRICE LEVEL OVER DIFFERENT BEAR MARKETS (REBASED TO 100)



Source: Refinitiv Datastream / Rezco



**WHY A NEW BULL MARKET
DOES NOT START FROM
HERE**

USA: FORWARD PE HARD FOR A BULL TO START FROM HERE

S&P 500

PRICE CHANGE



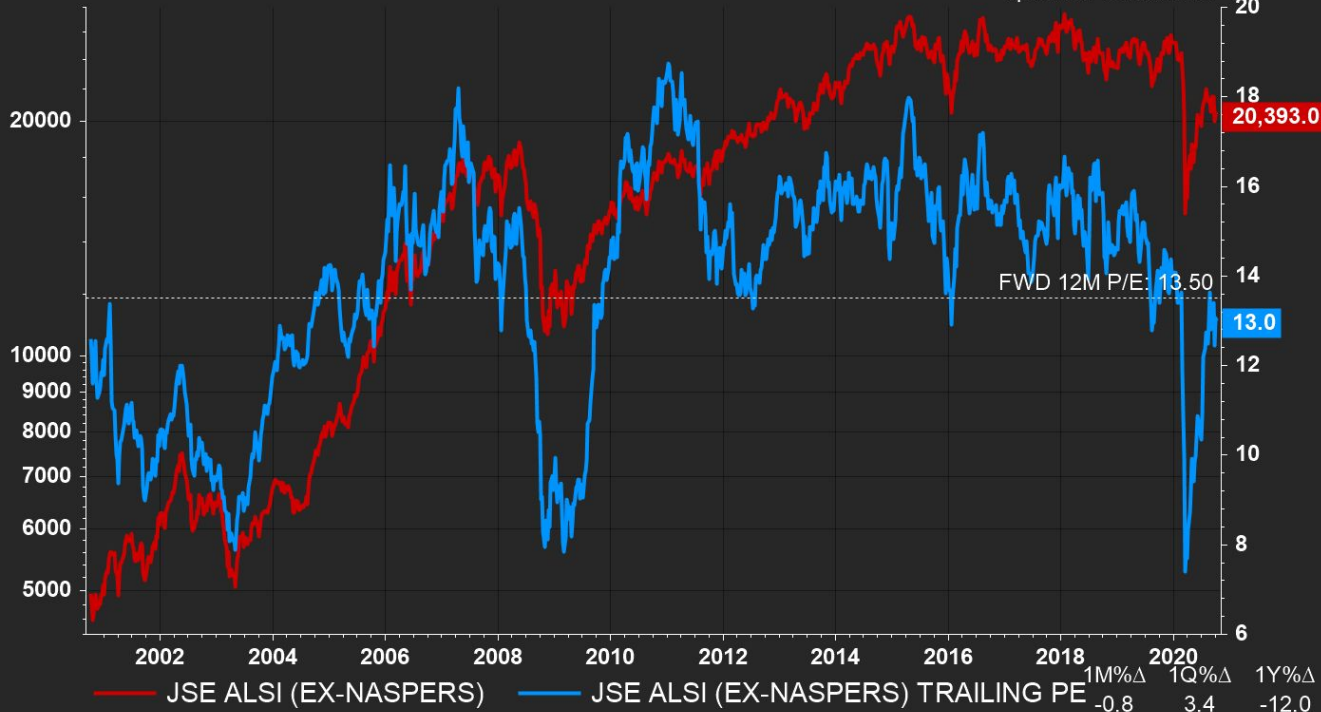
Source: Refinitiv Datastream / Rezco

RSA: FORWARD PE HARD FOR A BULL TO START FROM HERE

JSE ALSI (EX-NASPERS) PRICE CHANGE

Currency: ZAR

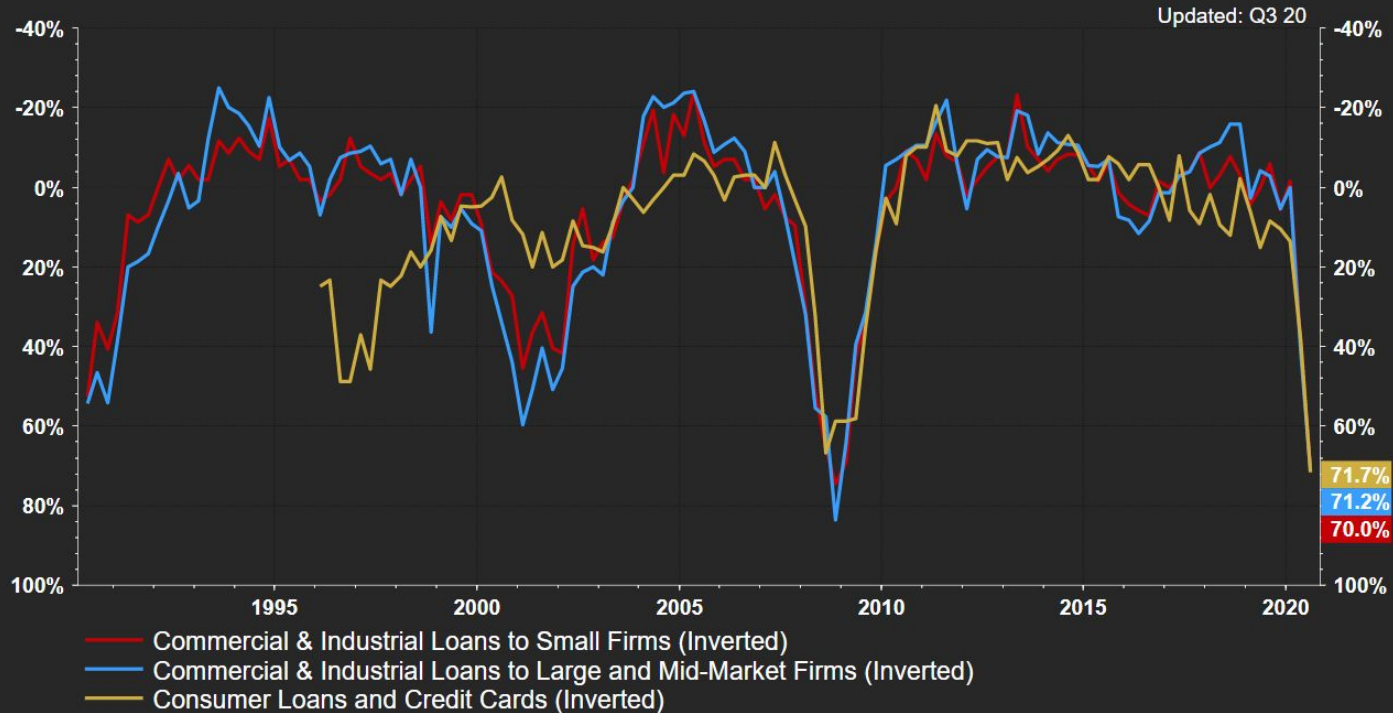
Updated: 06/10/2020



Source: Refinitiv Datastream / Rezco

BANKS NOT WILLING TO LEND

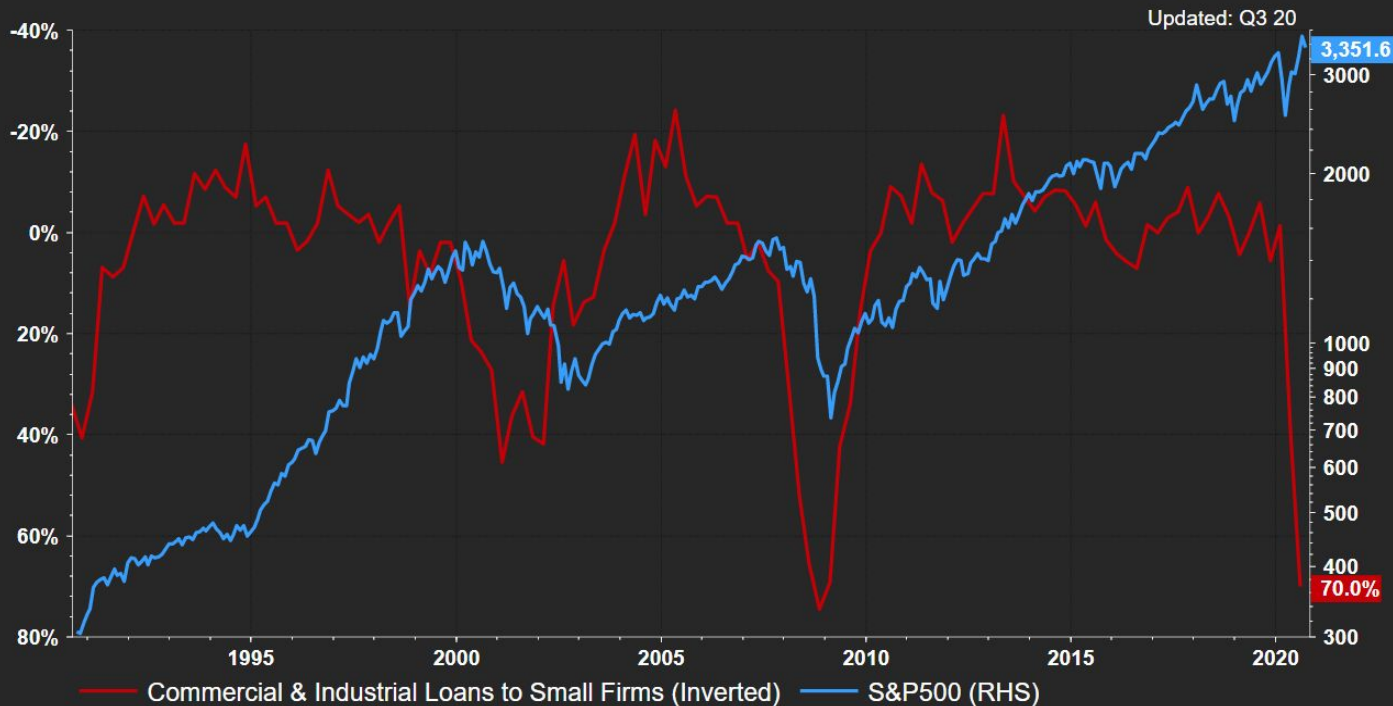
NET PERCENTAGE OF US DOMESTIC BANKS TIGHTENING STANDARDS



Source: Refinitiv Datastream / Rezco

BANKS LENDING AND THE MARKET

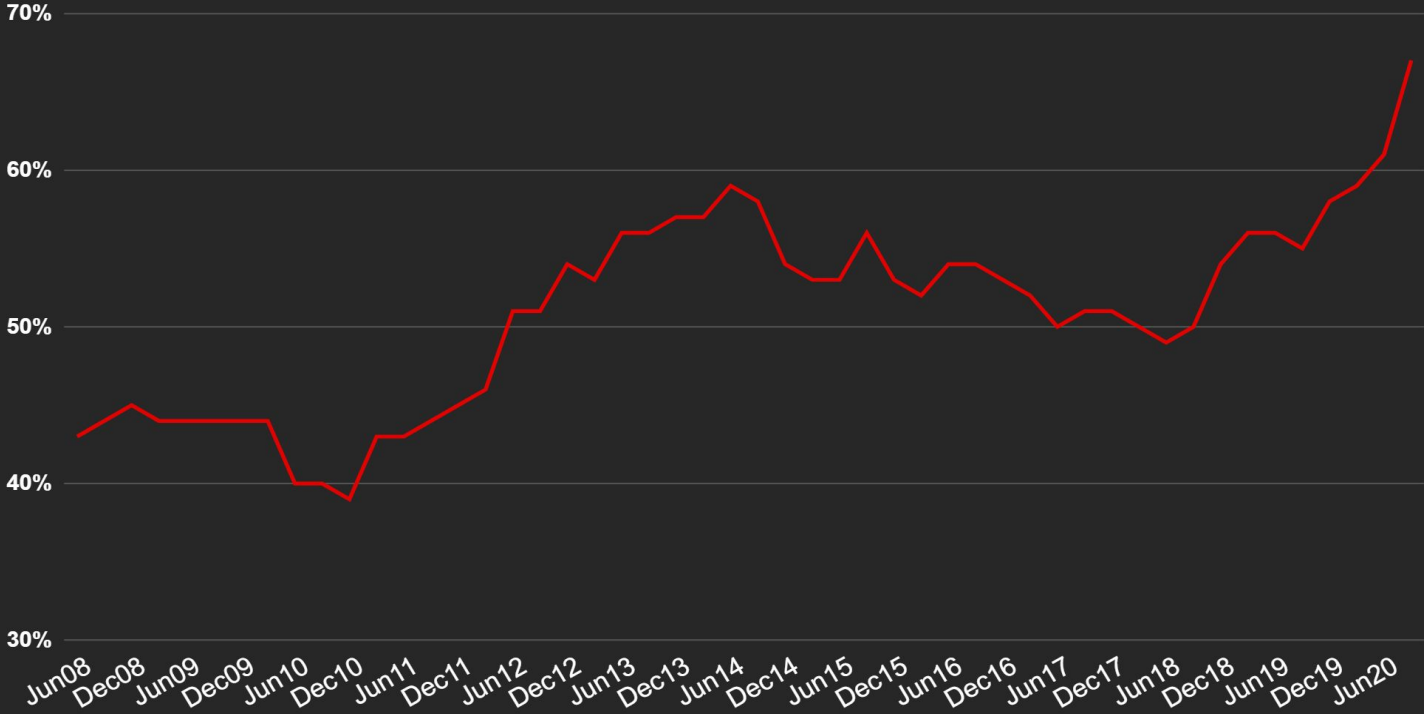
NET PERCENTAGE OF US DOMESTIC BANKS TIGHTENING STANDARDS



Source: Refinitiv Datastream / Rezco

RSA: BANKS NOT WILLING TO LEND

South Africa Rejected Credit Applications



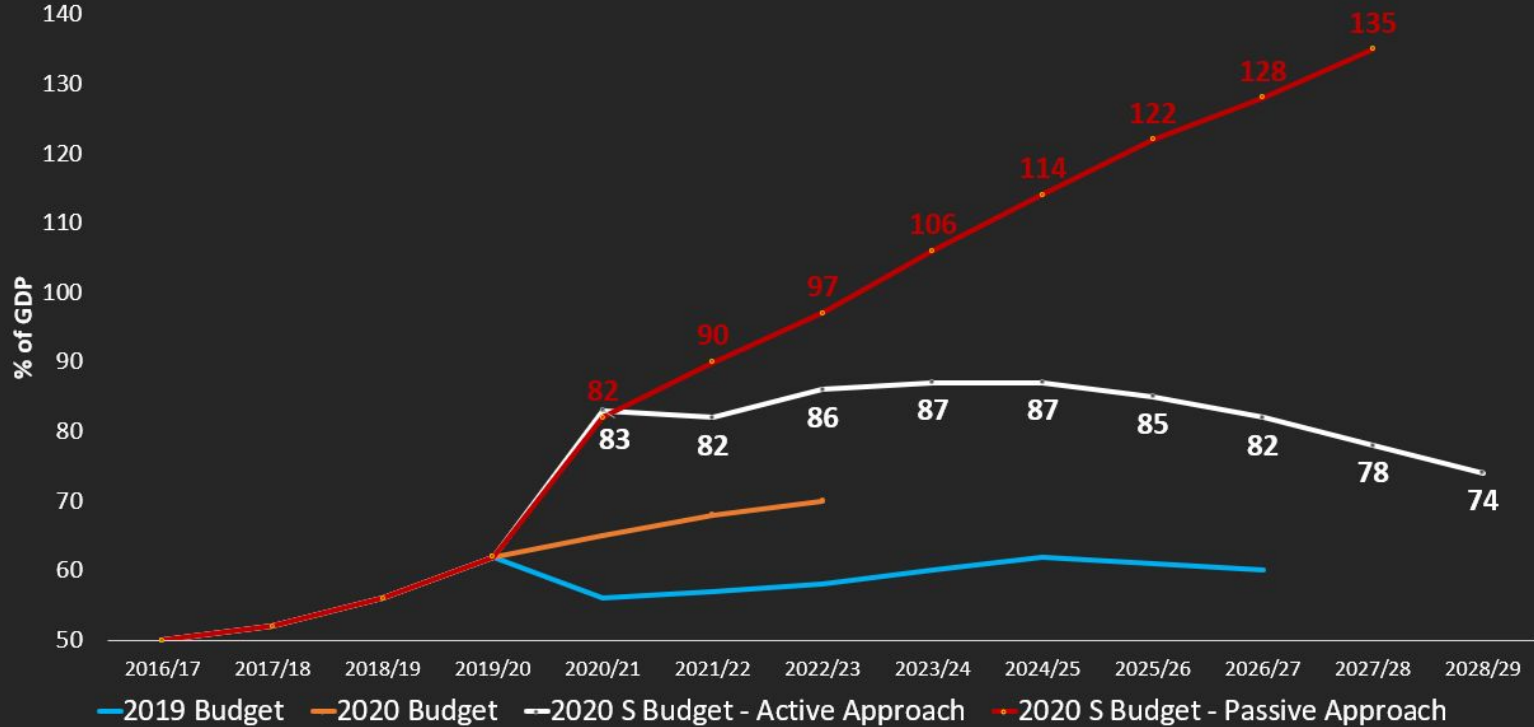
Source: NCR / Rezco



**RSA:
FIXED INCOME**

RSA DEBT/GDP LEVELS

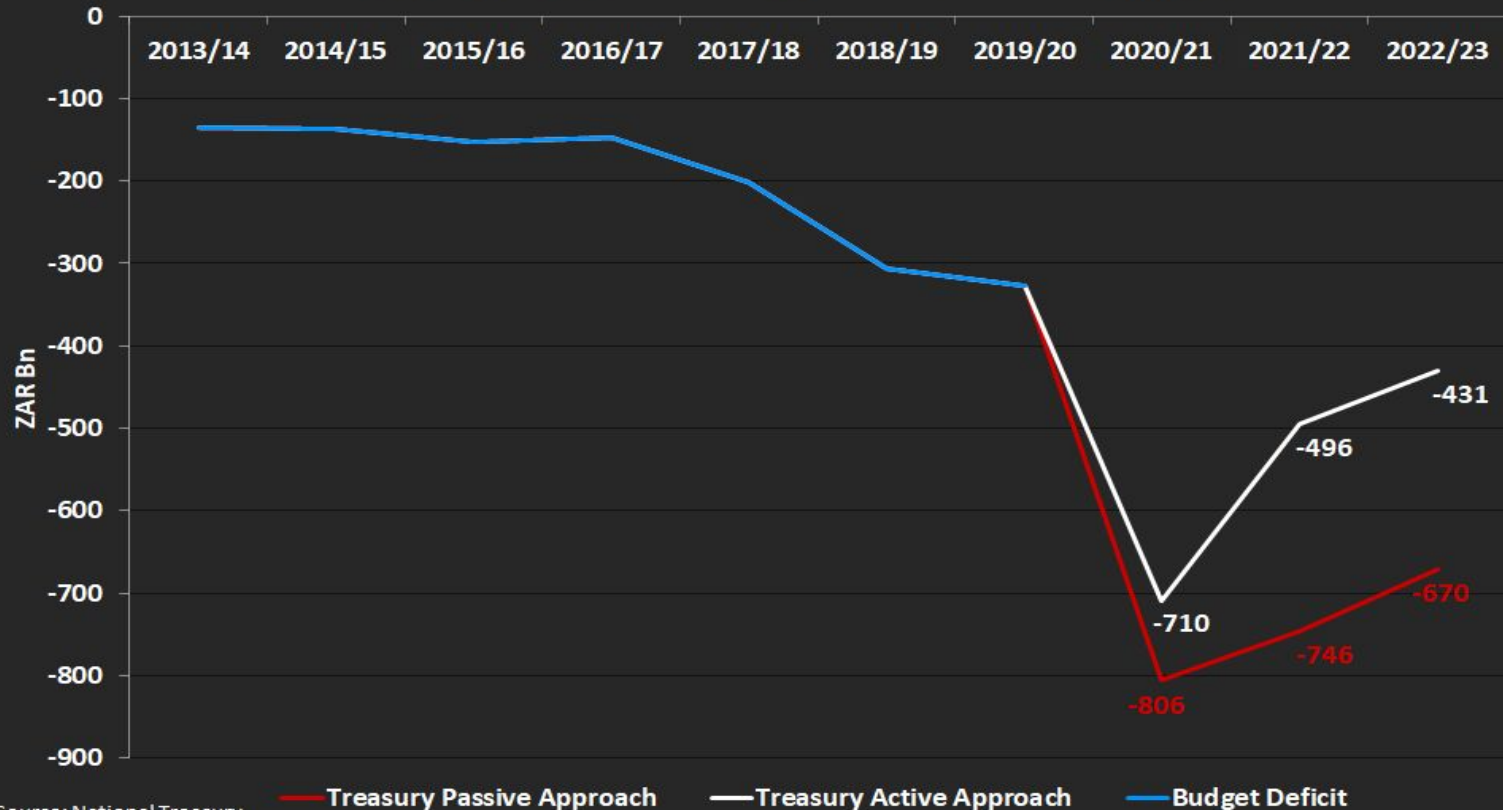
Gross Debt To GDP: Treasury's Active vs Passive Approaches



Source: National Treasury

RSA BUDGET DEFICIT

South Africa Budget Deficit: Treasury's Active vs Passive Approaches

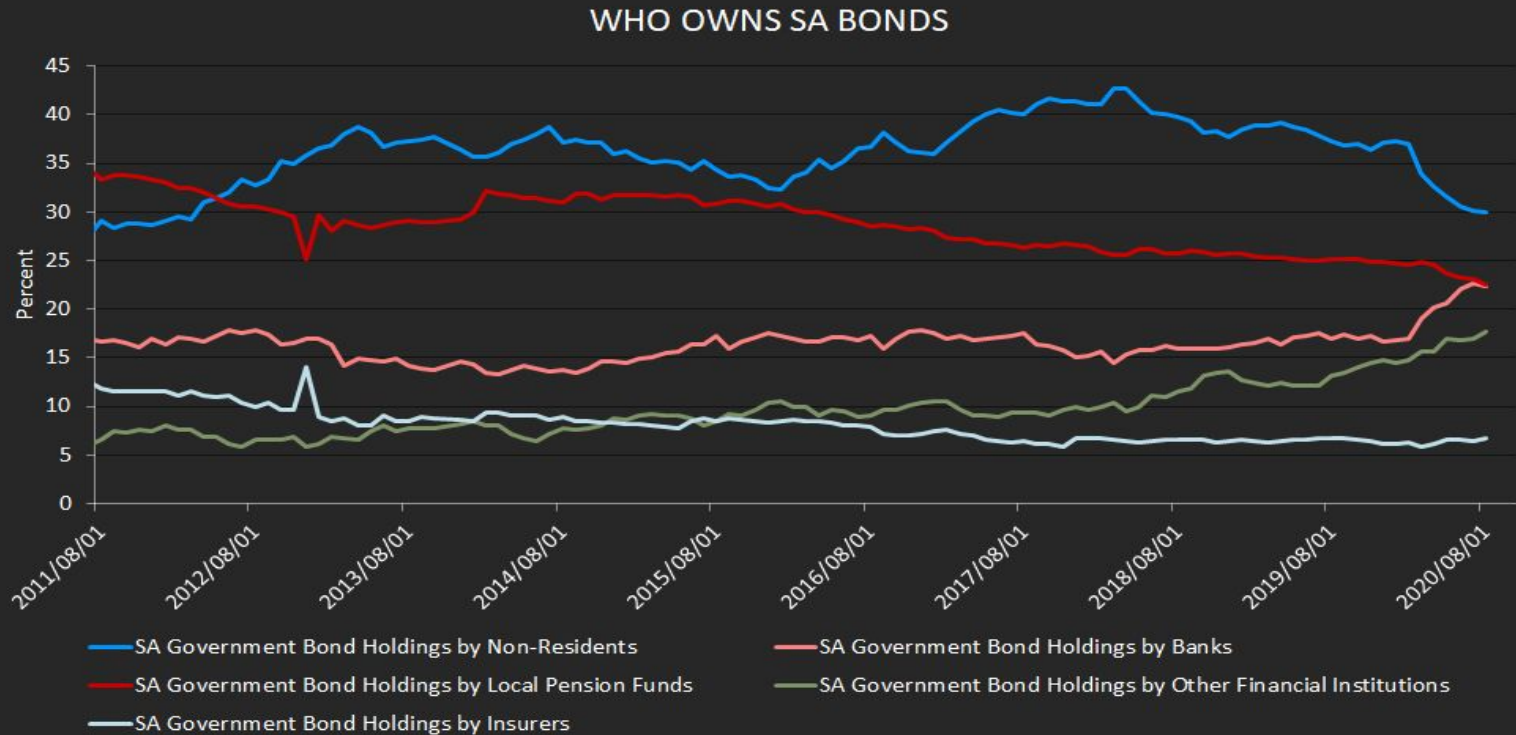


Source: National Treasury

WHO OWNS SA GOV BONDS?



RSA BUDGET HELD UP BY LOCAL SAVERS





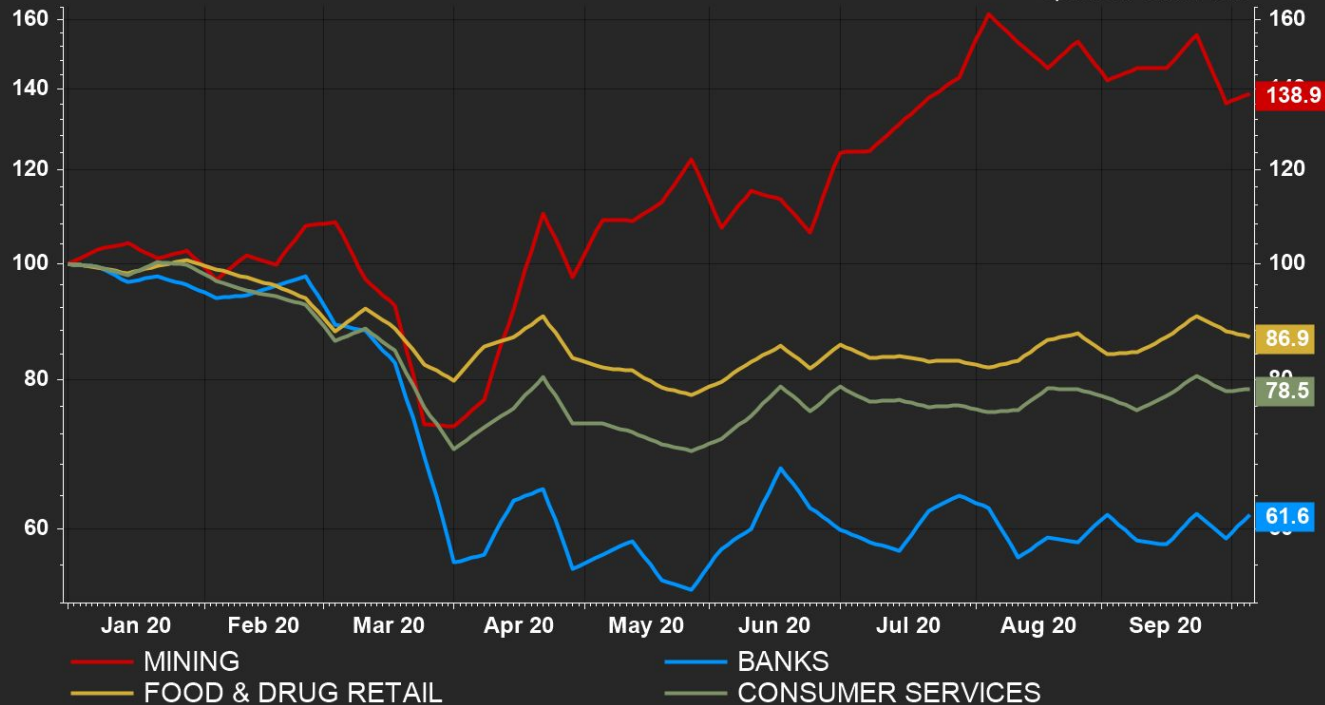
SA INC VALUE OR VALUE TRAP?

PRICE OR VALUE?

ARE SHARES THAT HAVE FALLEN CHEAP?

YTD SA SECTOR PERFORMANCE

Currency: ZAR
Updated: 06/10/2020



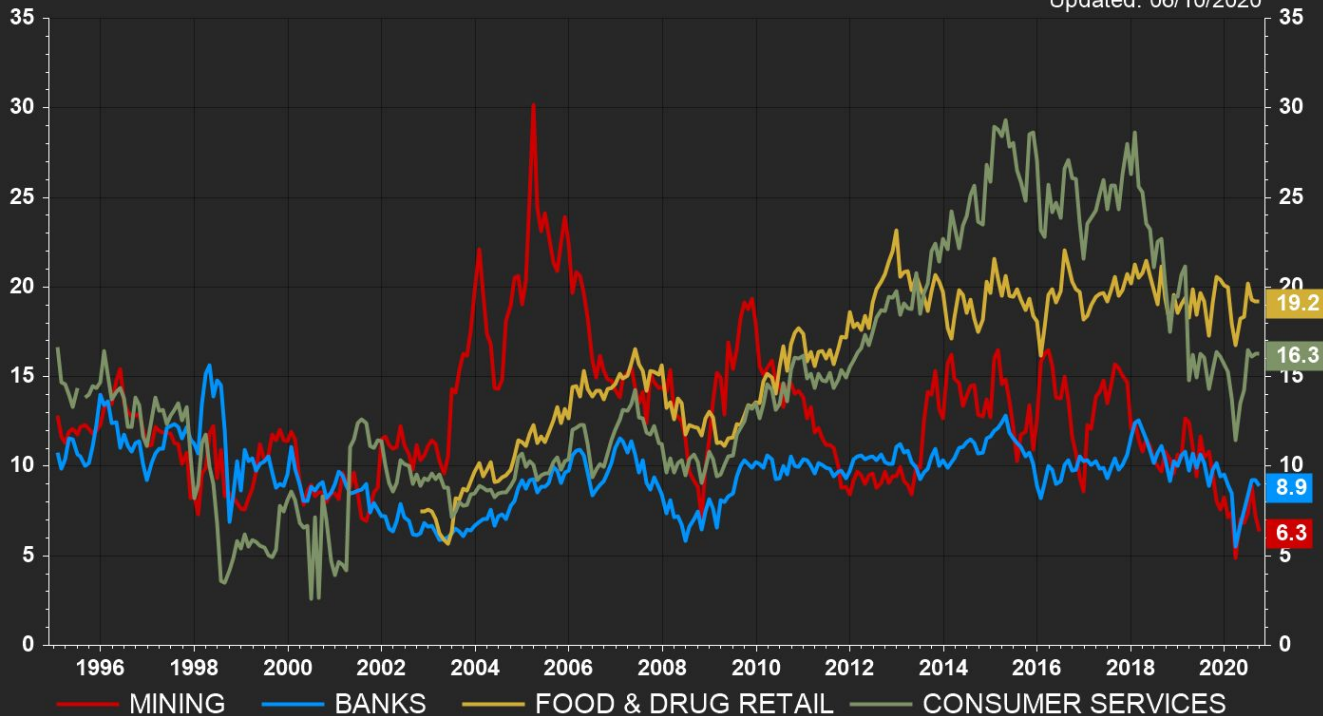
Source: Refinitiv Datastream / Rezco

PRICE OR VALUE?

SA INC PE_s ARE NOT CHEAP

SA SECTOR FORWARD PE_s

Currency: ZAR
Updated: 06/10/2020

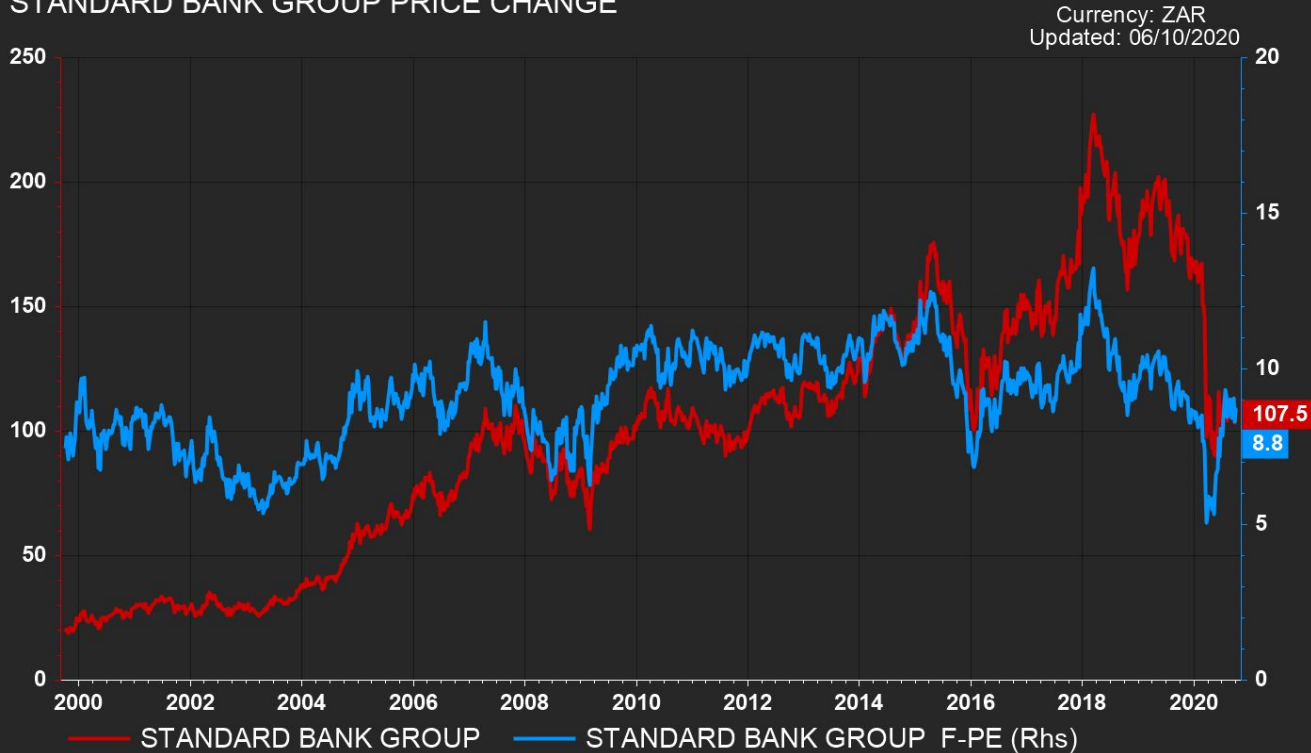


Source: Refinitiv Datastream / Rezco

STANDARD BANK

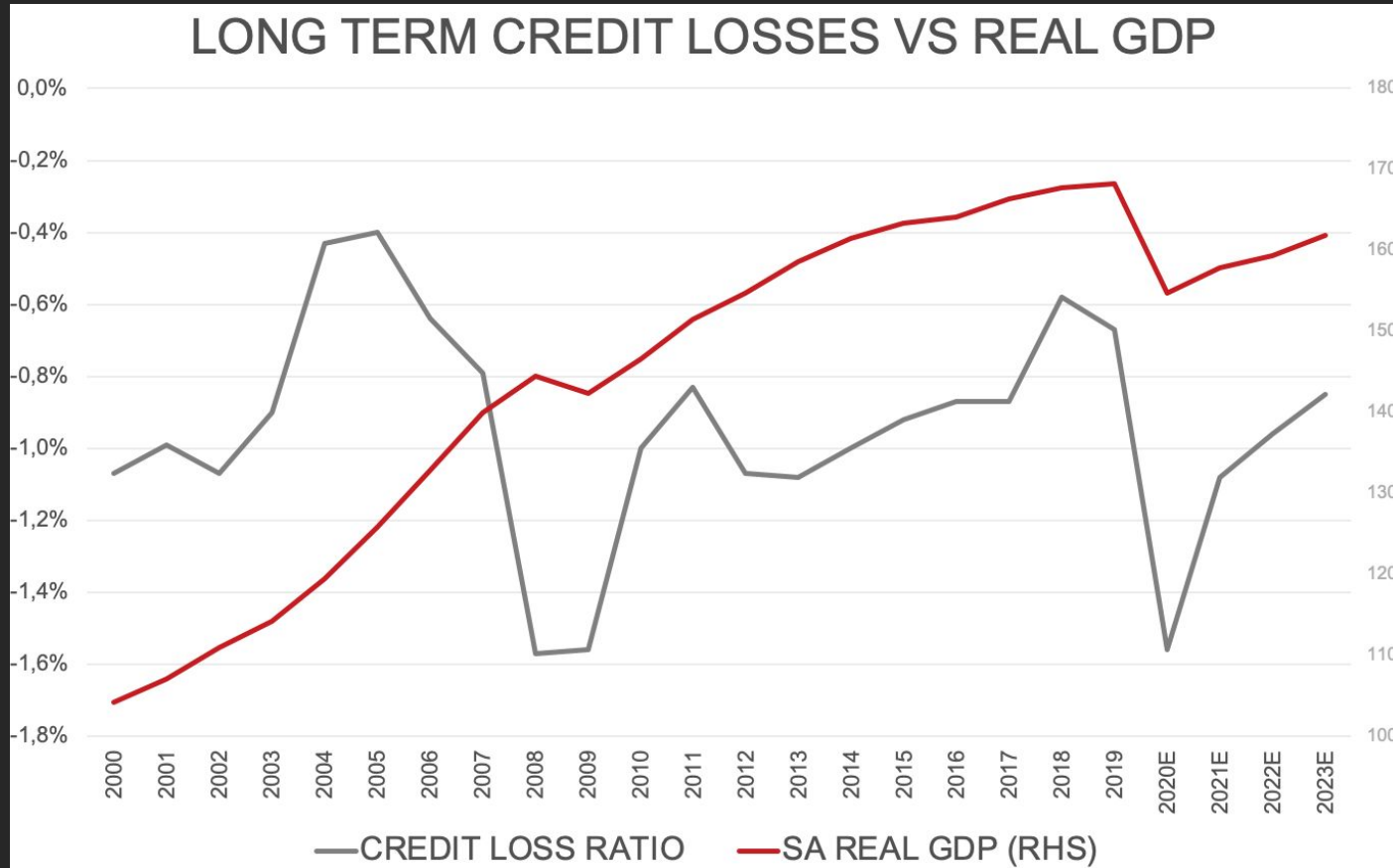
EXTREMELY LOW PRICE/ UNCERTAIN VALUATION

STANDARD BANK GROUP PRICE CHANGE

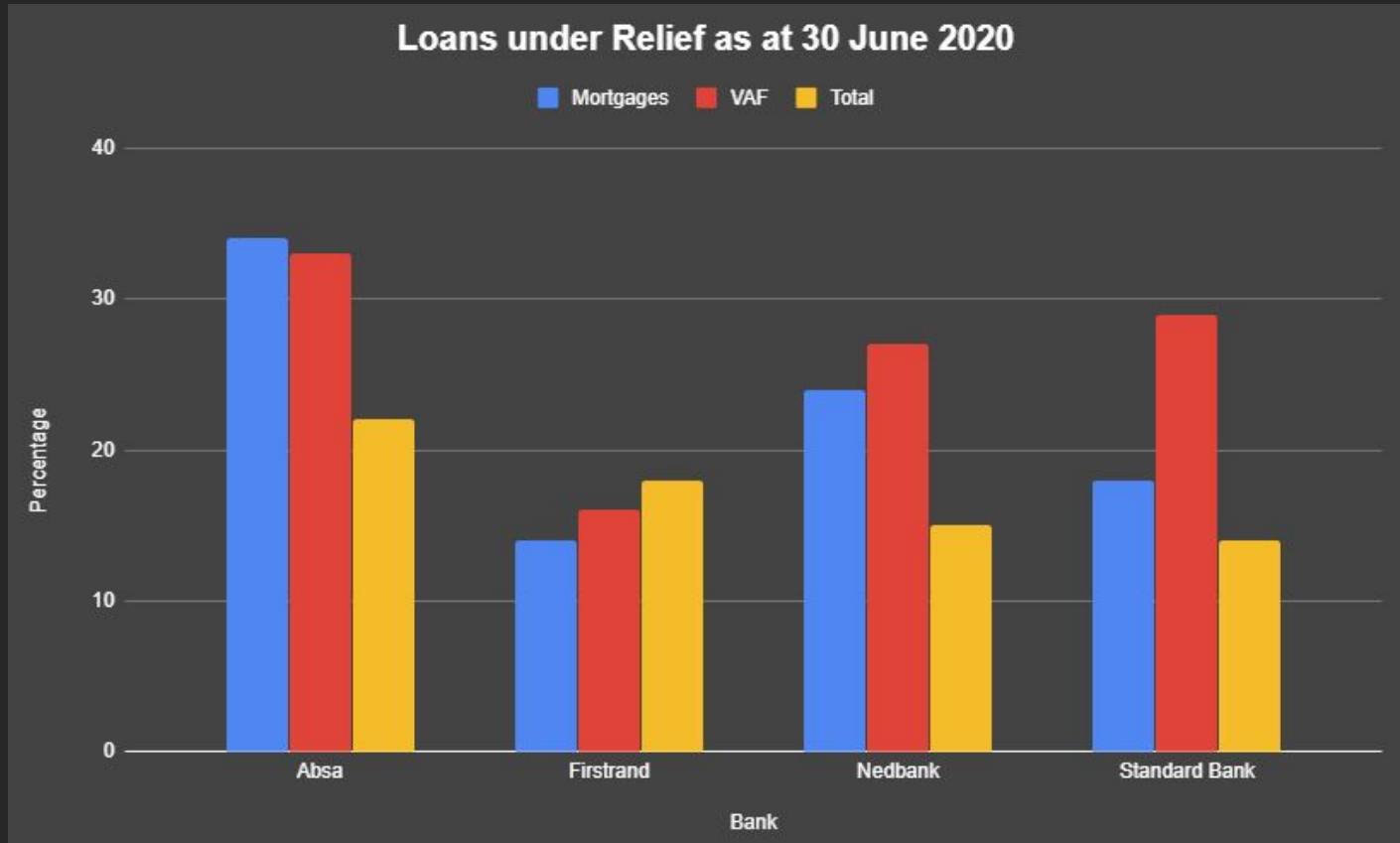


Source: Refinitiv Datastream / Rezco

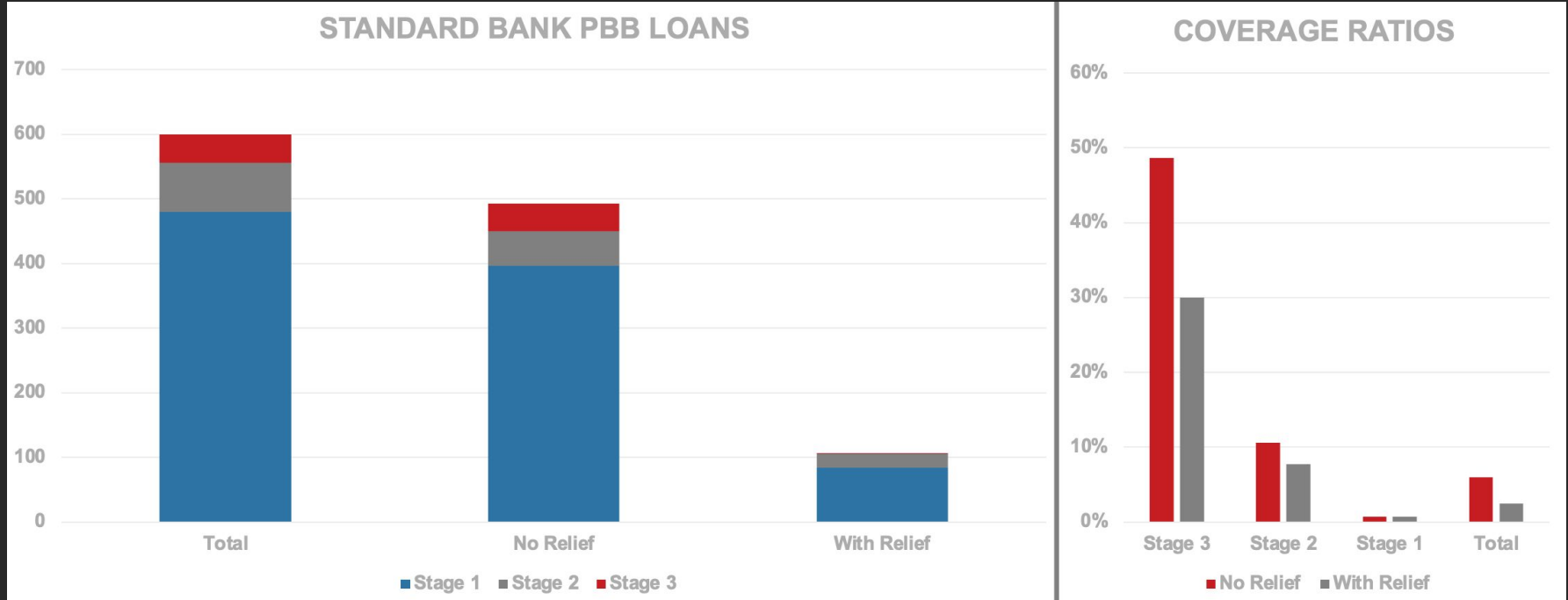
STANDARD BANK CASE STUDY



STANDARD BANK CASE STUDY



DEFAULTS & PROFITS ARE UNCERTAIN

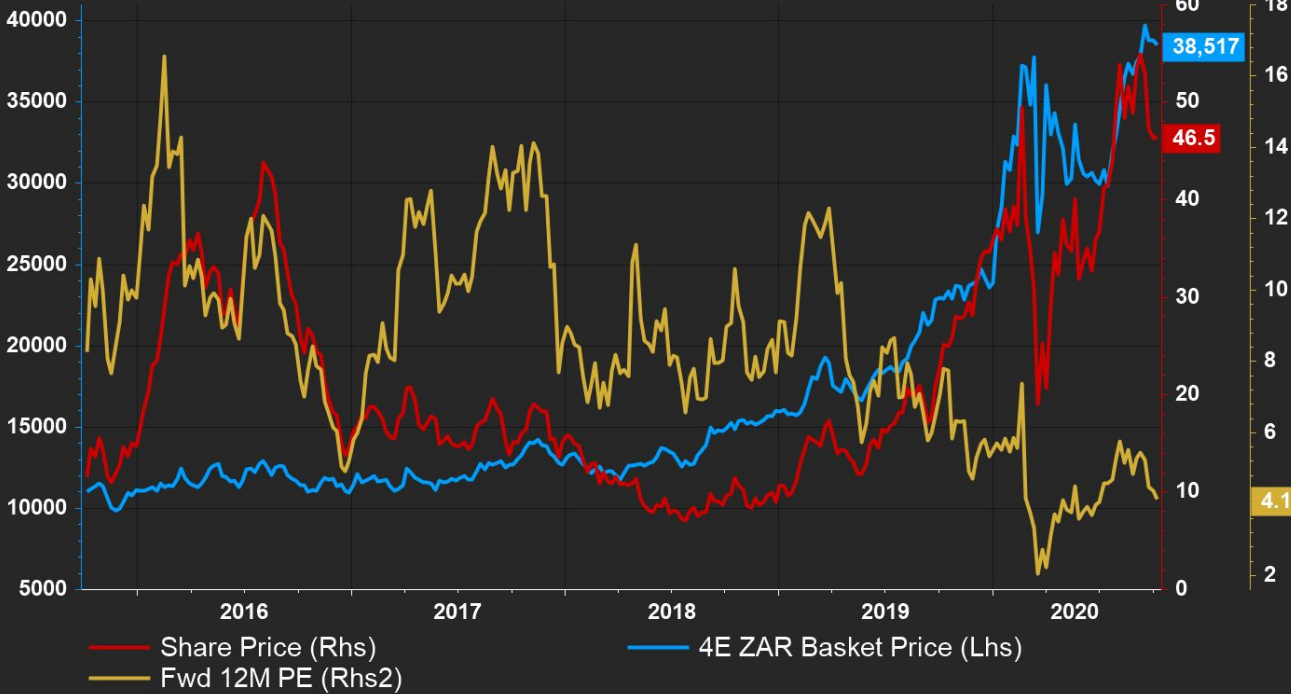


SIBANYE

HIGH PRICE/ LOW VALUATION

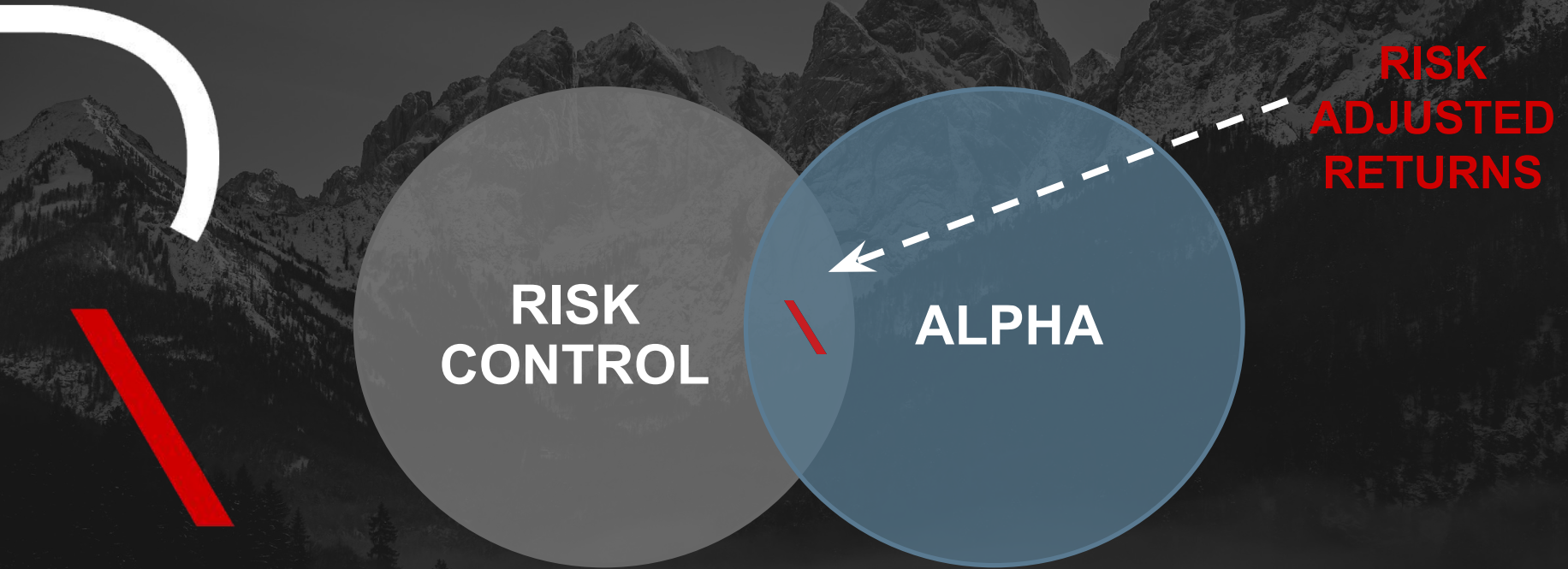
SIBANYE STILLWATER

Currency: ZAR
Updated: 06/10/2020



Source: Refinitiv Datastream / Rezco

OUR INVESTMENT OBJECTIVE



ASSESSING RISK ADJUSTED RETURNS

REZCO

```
graph TD; REZCO[REZCO] -.-> RM[RISK MEASUREMENT]; REZCO -.-> RTM[RETURN MEASUREMENT];
```

RISK MEASUREMENT

- Lower correlation AND
- Lower risk stats (volatility)
- Lower down capture / drawdown
- Lower Beta of equity

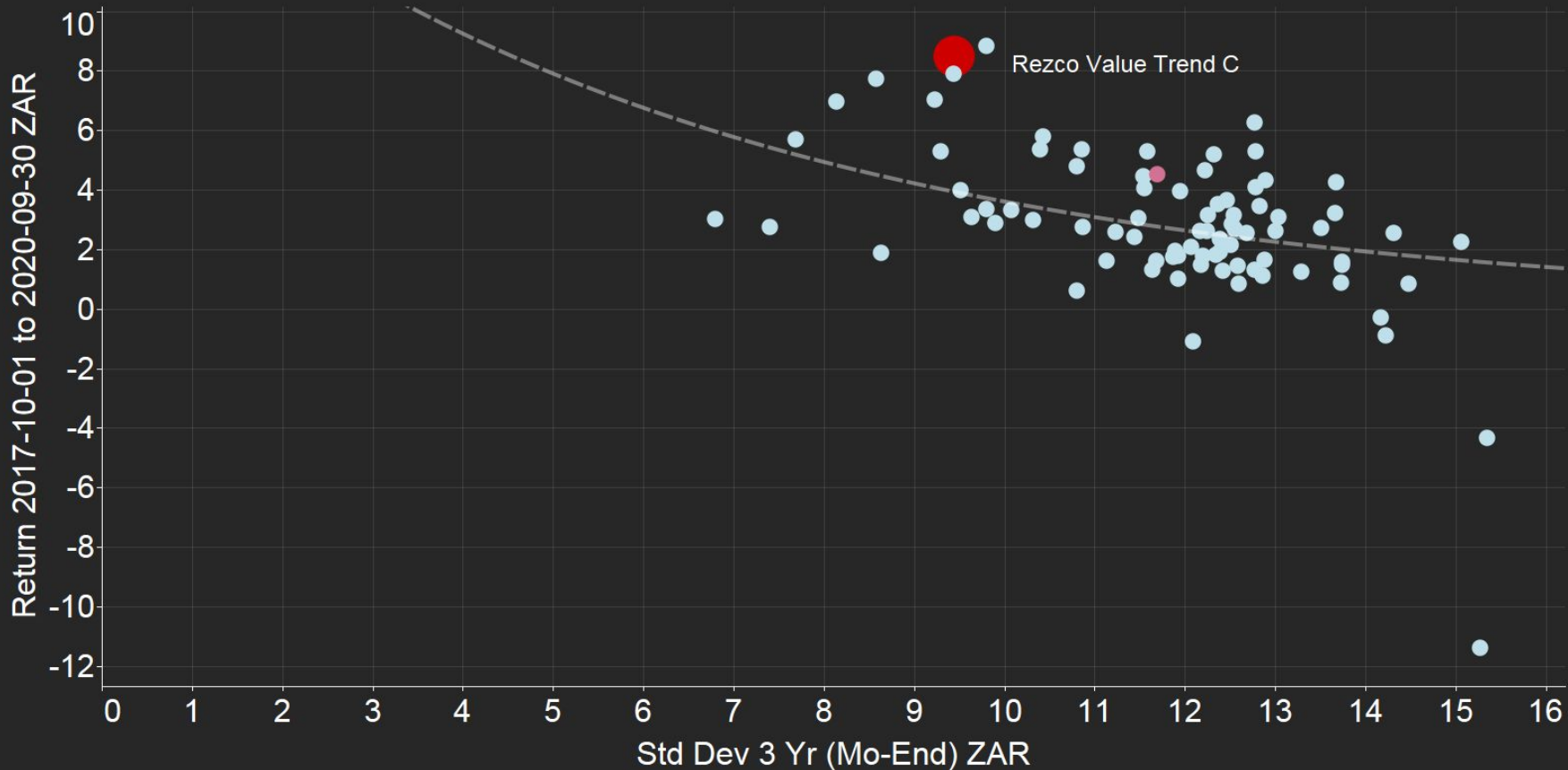
RETURN MEASUREMENT

- Outperformance

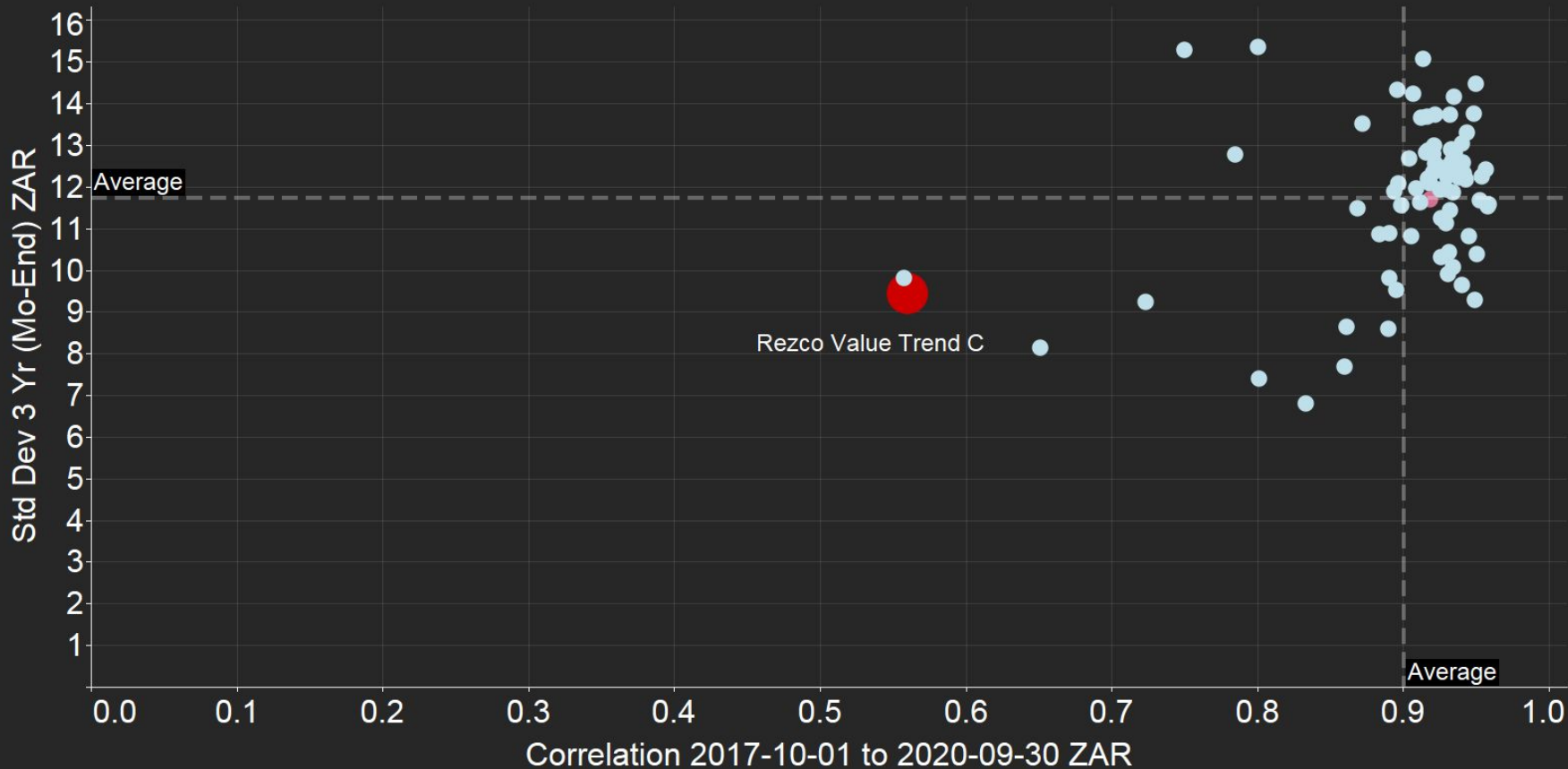


REZCO VALUE TREND FUND VOLATILITY, CORRELATION, AND RETURN

ACTIVE STYLE: RISK-ADJUSTED RETURNS



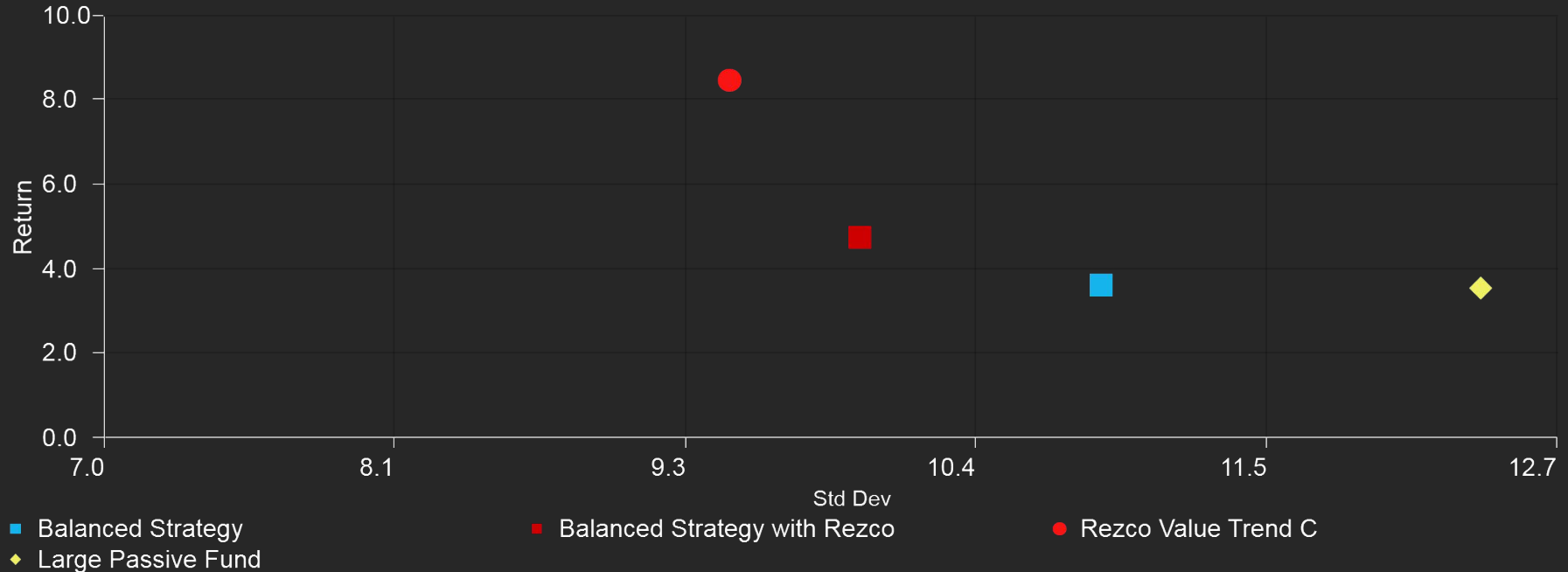
ACTIVE STYLE: LOW CORRELATION AND VOLATILITY



THE VALUE OF COMBINING REZCO WITH THREE LEADING FUNDS

Time Period: 2017/10/01 to 2020/09/30

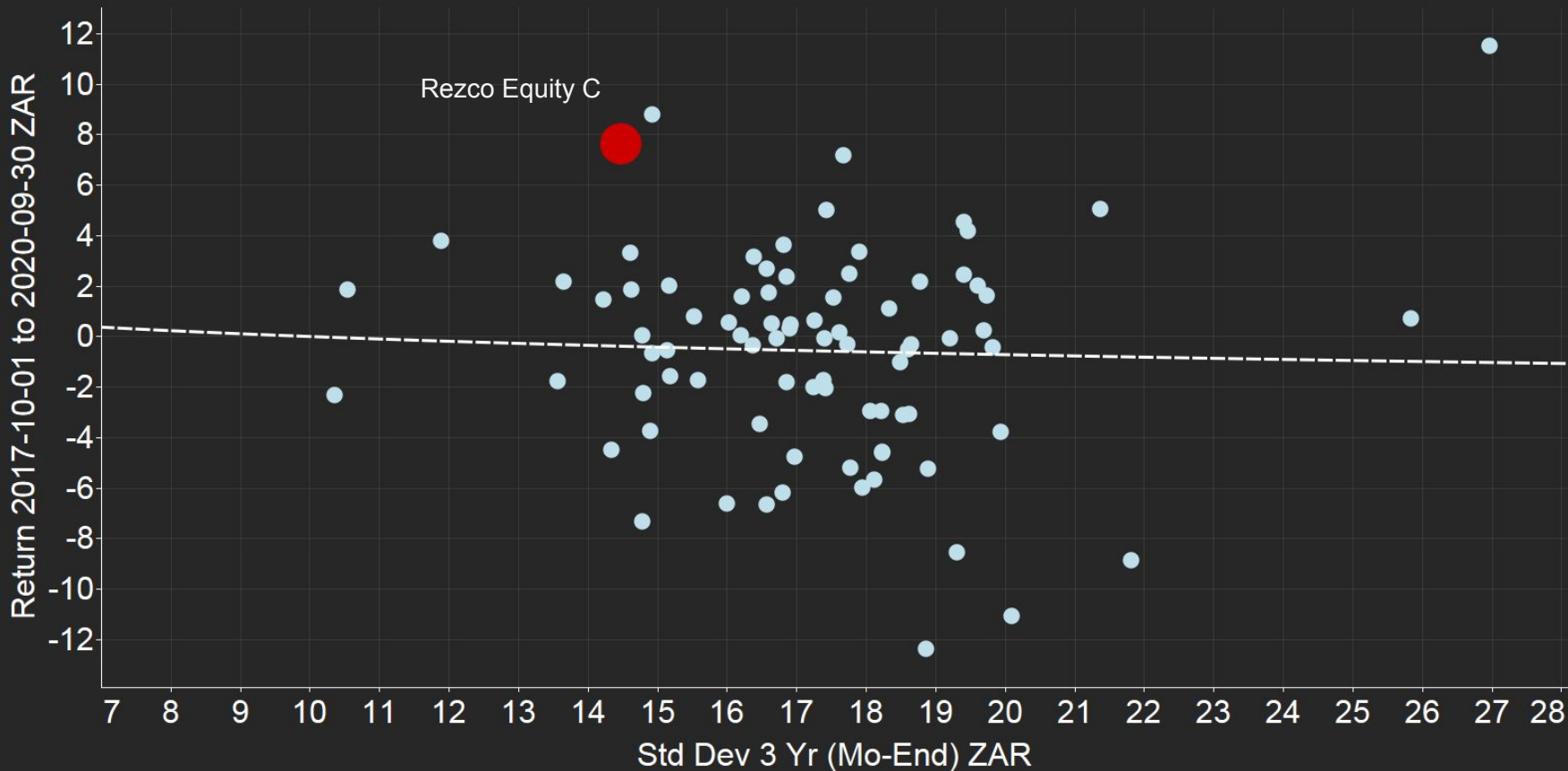
Currency: South African Rand Source Data: Total, Monthly Return



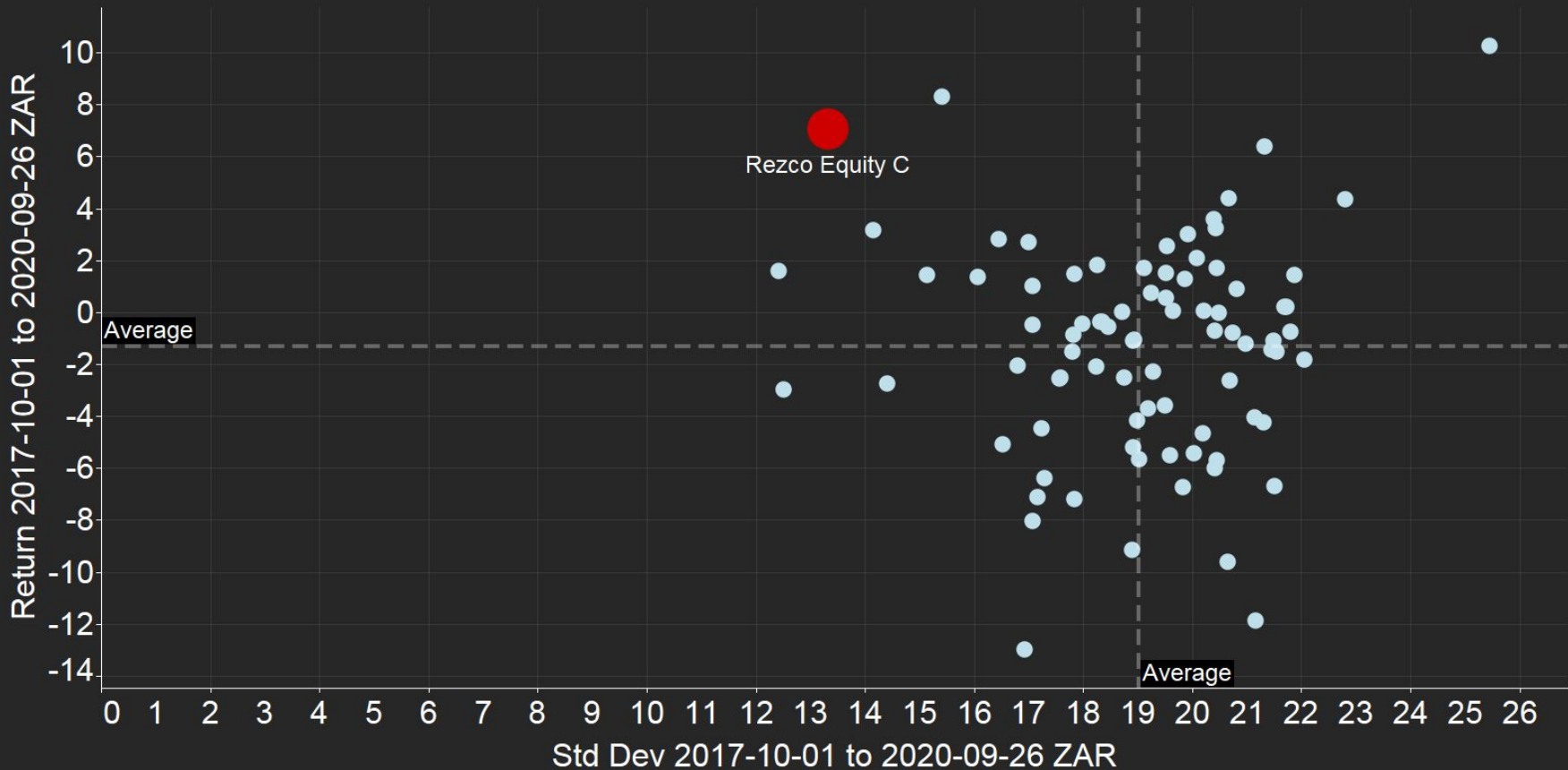


REZCO EQUITY FUND VOLATILITY, CORRELATION, AND RETURN

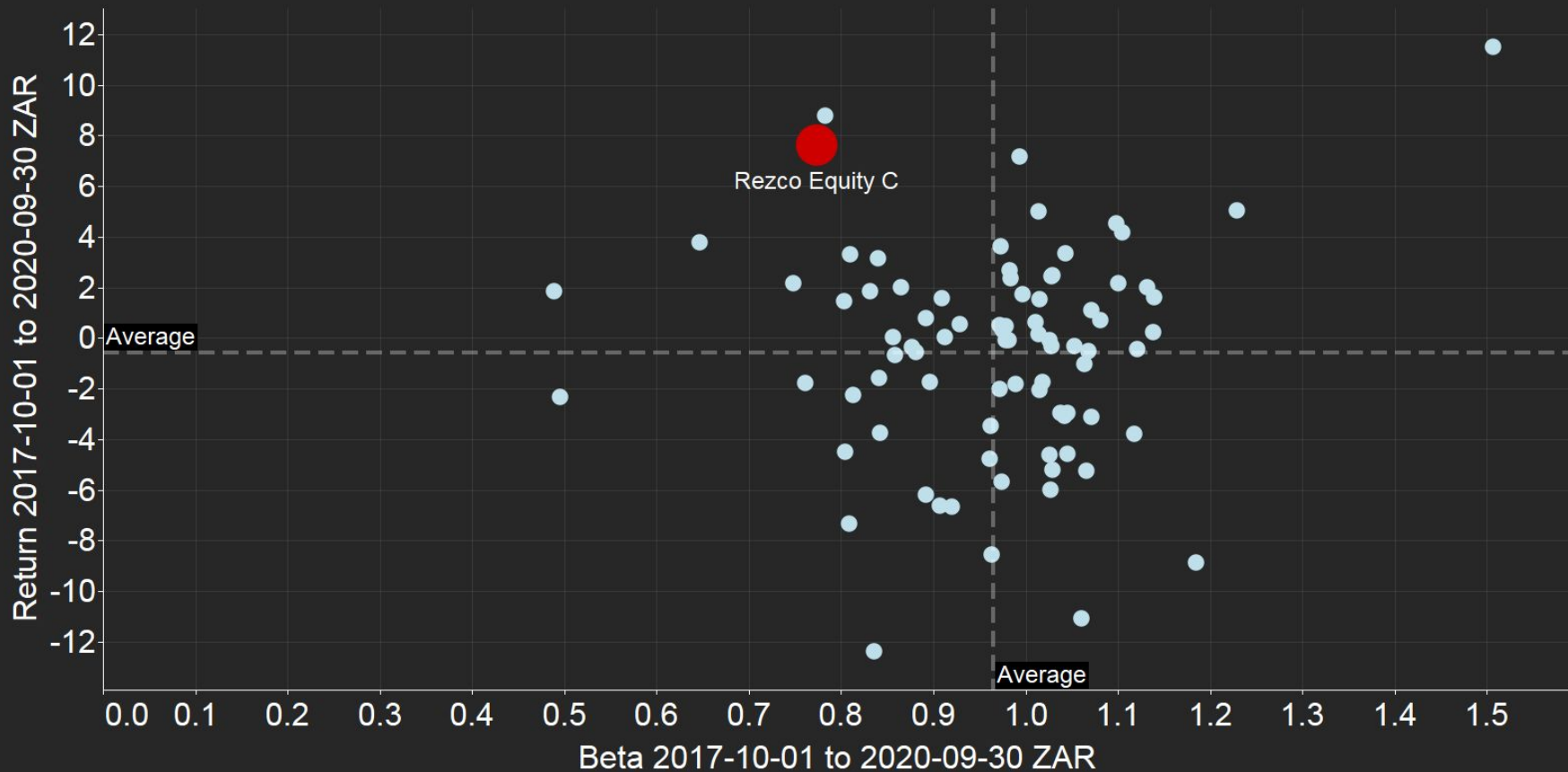
REZCO EQUITY FUND: RISK-ADJUSTED RETURNS



REZCO EQUITY FUND: RISK-ADJUSTED RETURNS

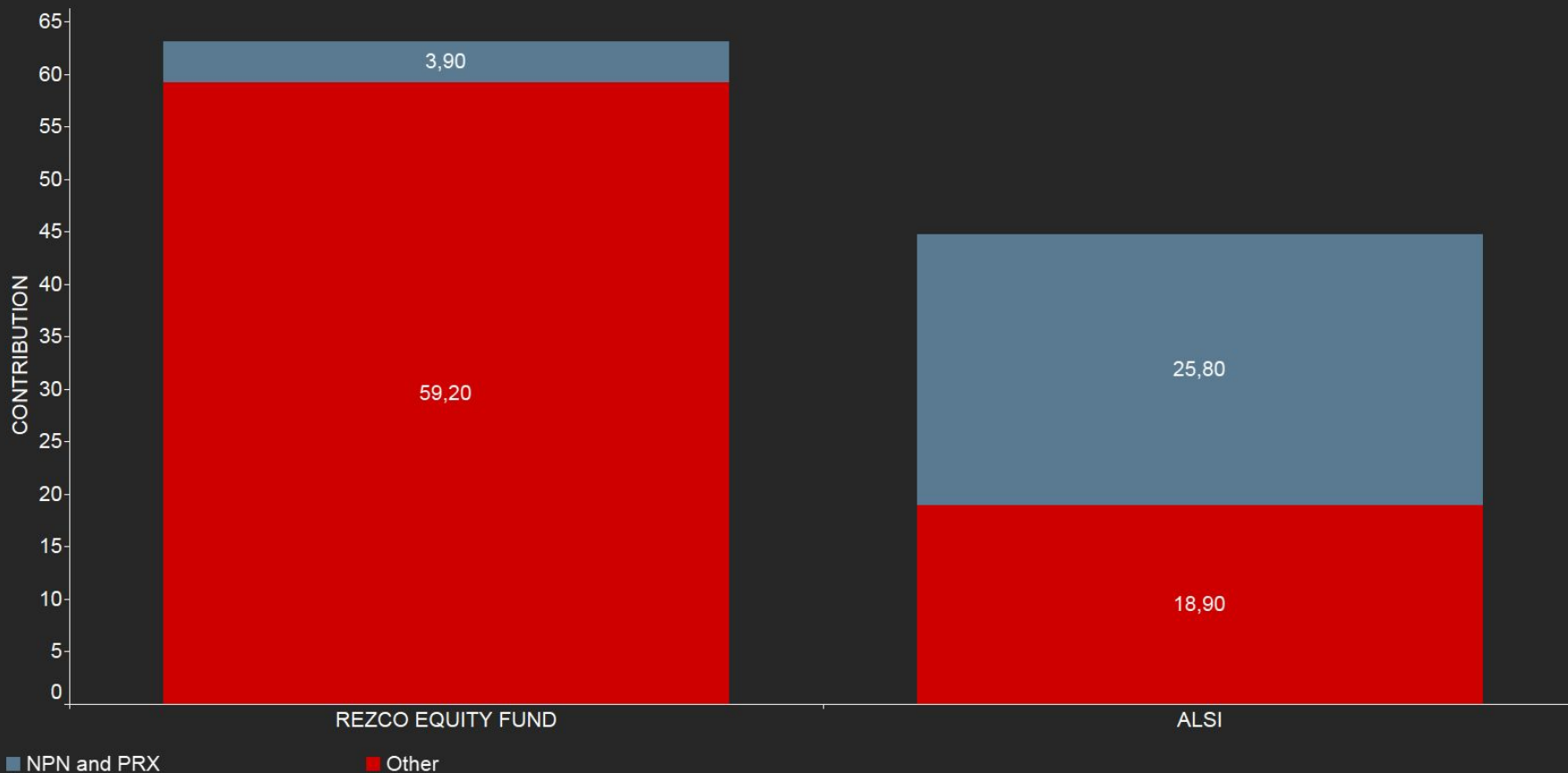


ACTIVE STYLE: HIGH RETURN AND LOW BETA



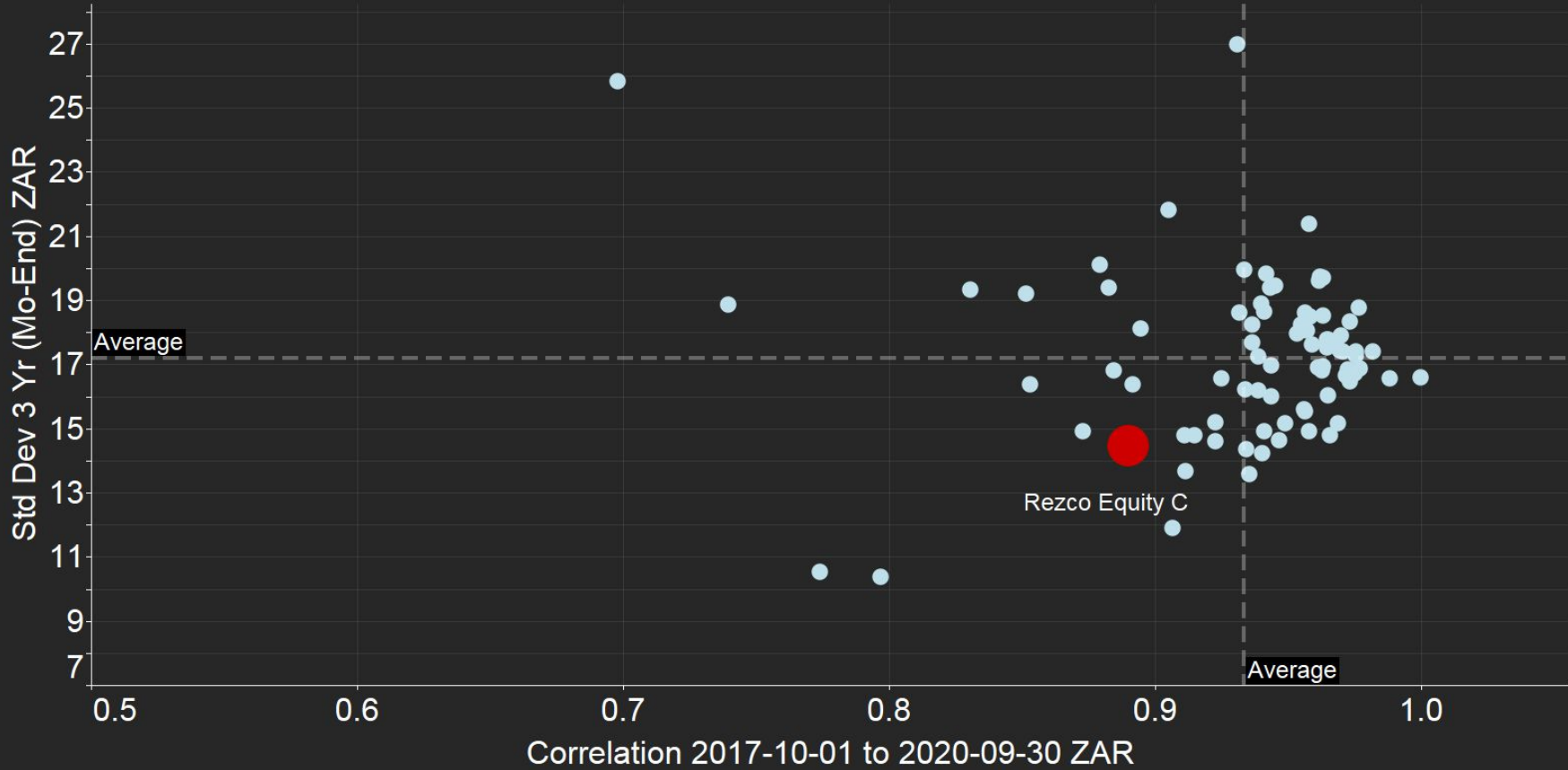
REZCO EQUITY FUND

SINCE INCEPTION (01/04/2014 - 31/07/2020)





EQUITY FUND: LOW CORRELATION AND VOLATILITY





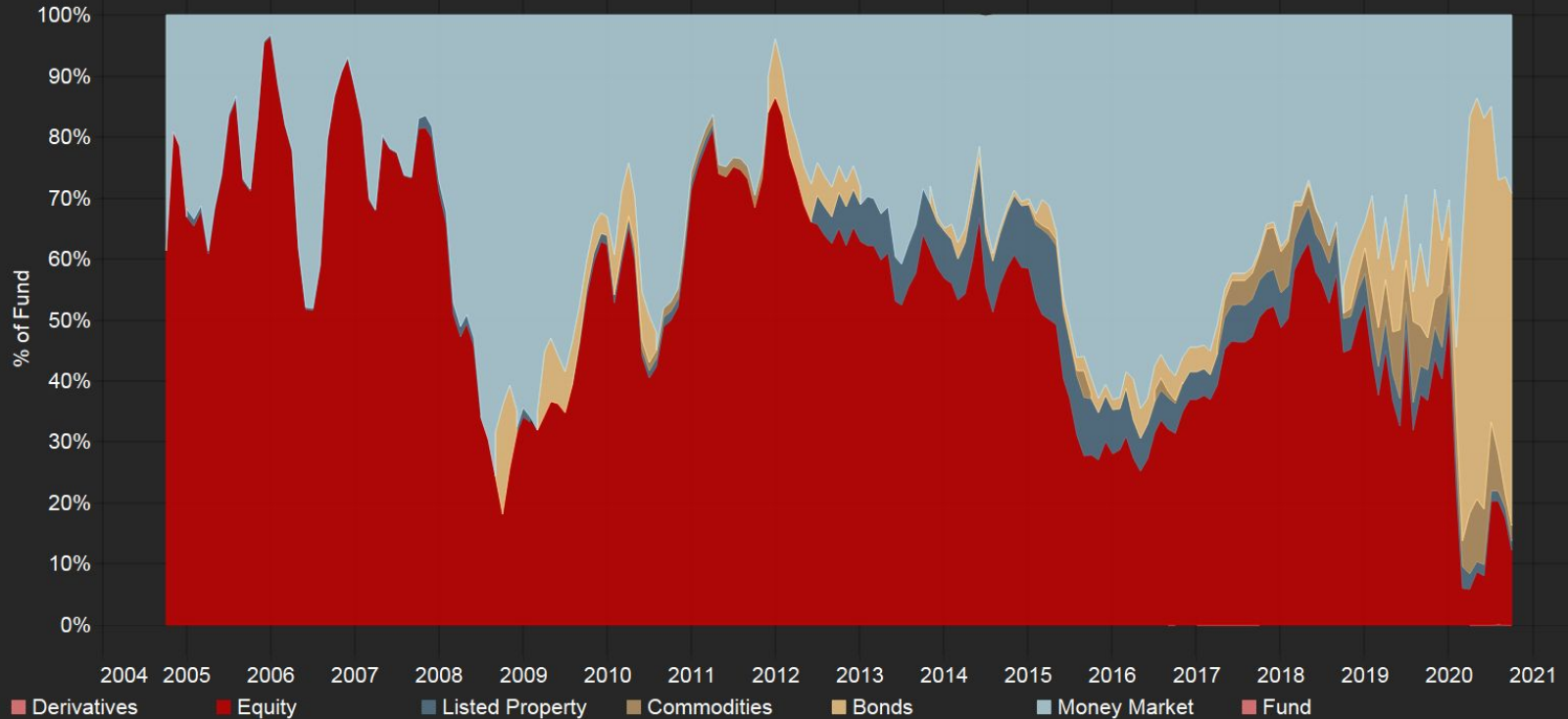
FUND POSITIONING



REZCO VALUE TREND FUND

HISTORICAL ASSET ALLOCATION

Portfolio: RVTU



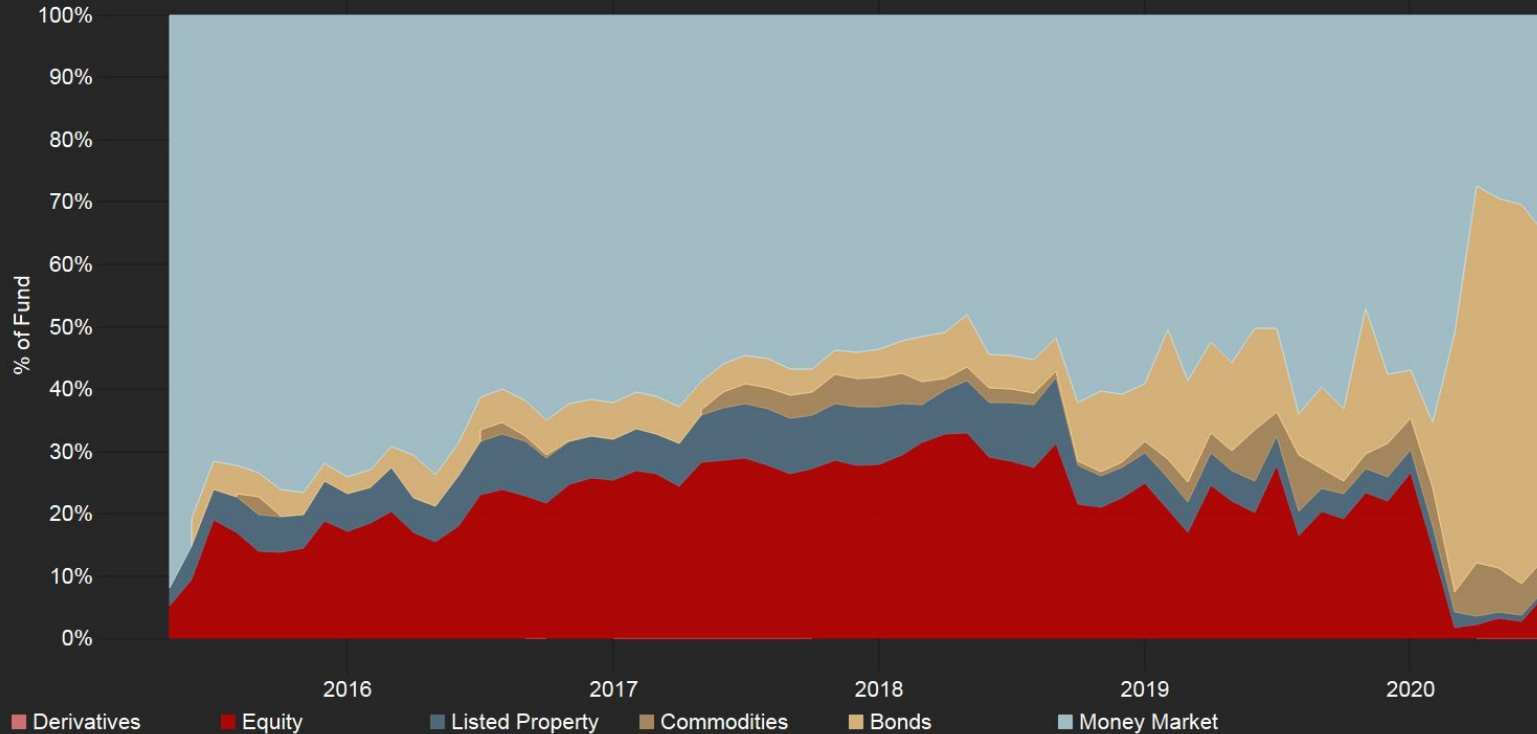
Source: JTC Group/Rezco



REZCO STABLE FUND

HISTORICAL ASSET ALLOCATION

Portfolio: REST



Source: JTC Group/Rezco



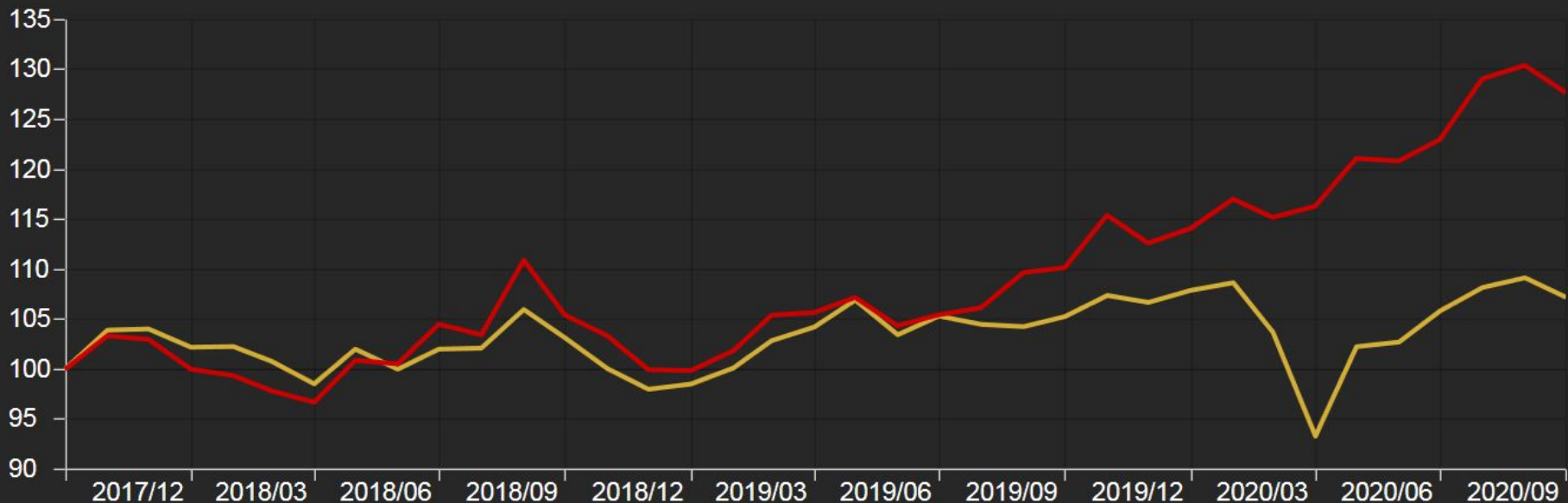
**MEDIUM TERM
PERFORMANCE**



REZCO VALUE TREND

Time Period: 2017/10/01 to 2020/09/30

Currency: South African Rand Source Data: Total Return



— Rezco Value Trend C

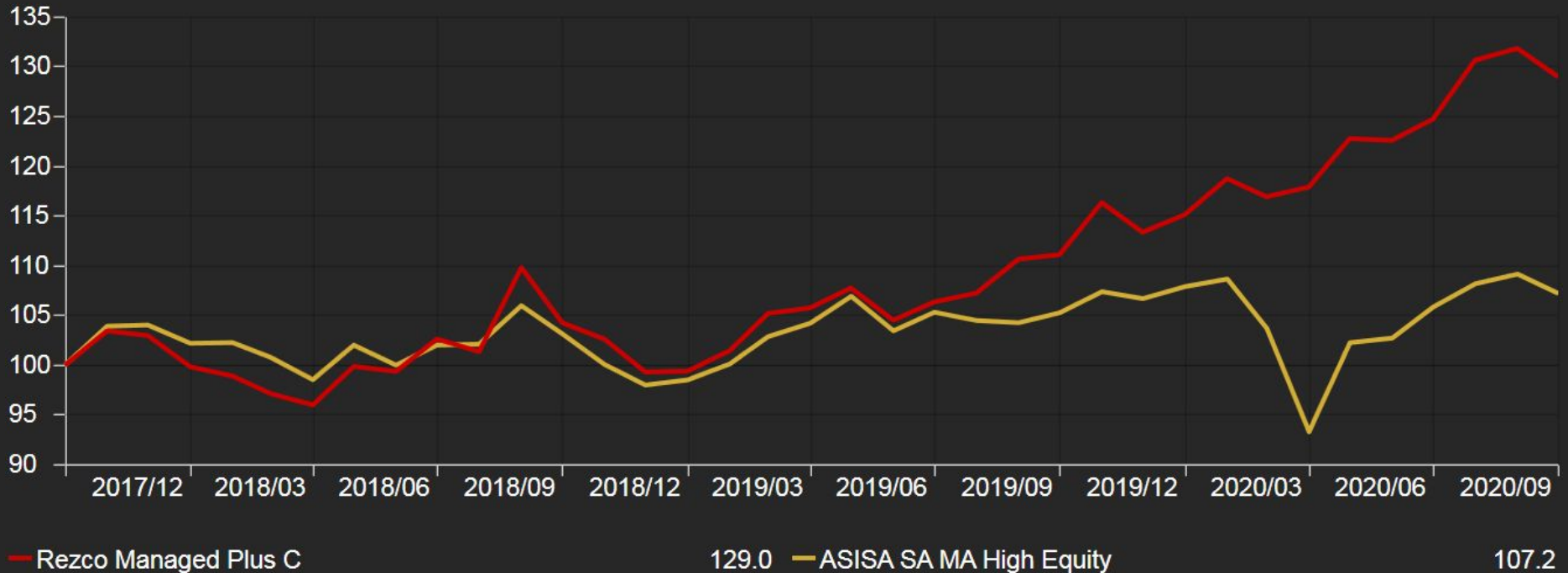
127.7 — ASISA SA MA High Equity

107.2

REZCO MANAGED PLUS

Time Period: 2017/10/01 to 2020/09/30

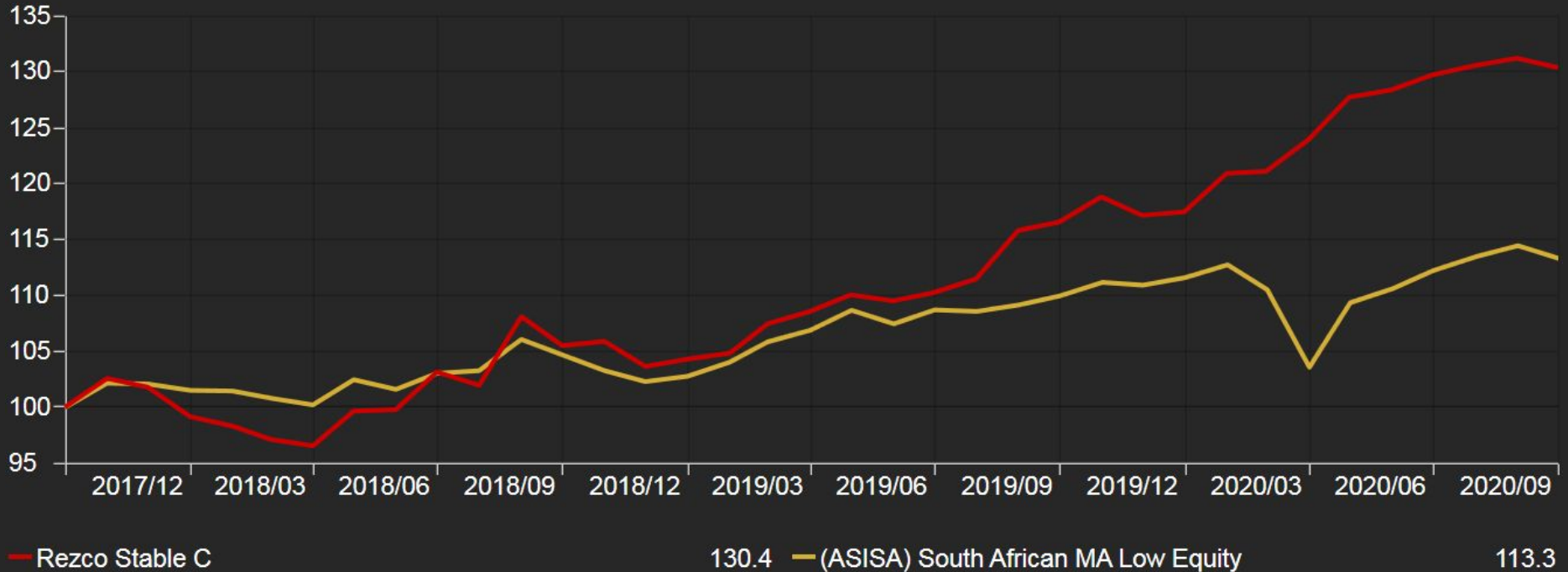
Currency: South African Rand Source Data: Total Return



REZCO STABLE FUND

Time Period: 2017/10/01 to 2020/09/30

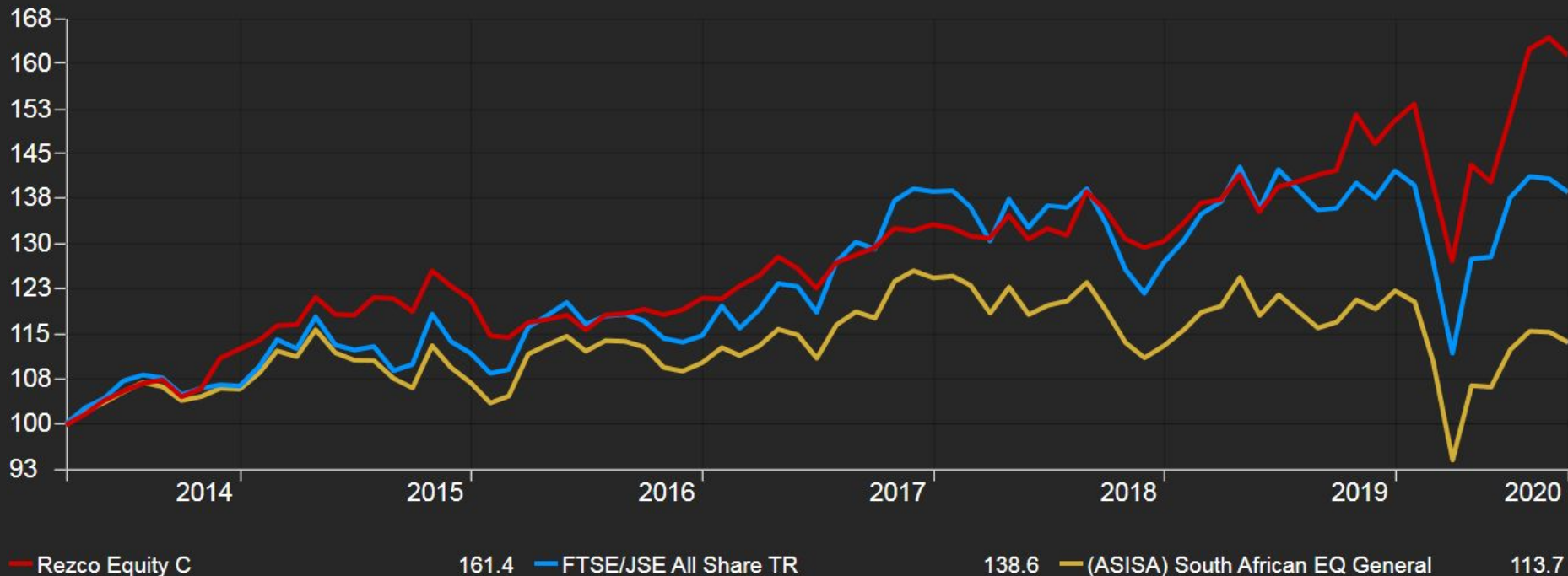
Currency: South African Rand Source Data: Total Return



REZCO EQUITY FUND

Time Period: Since Common Inception (2014/04/01) to 2020/09/30

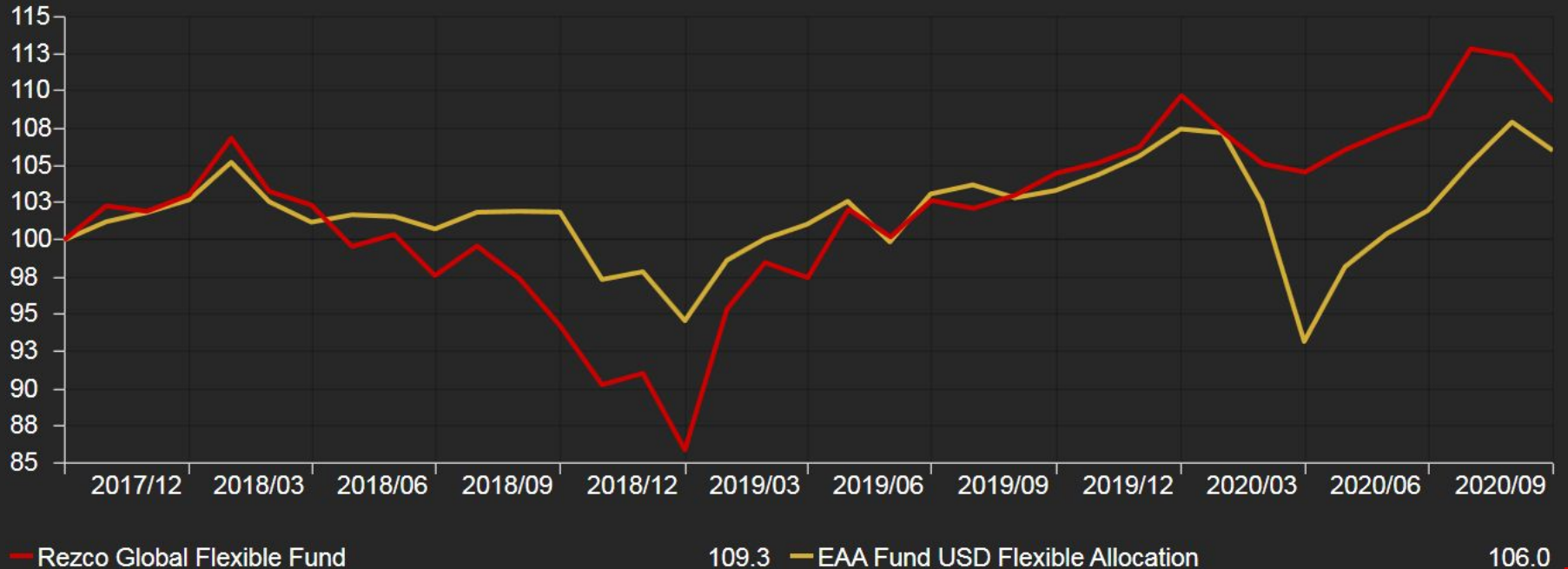
Currency: South African Rand Source Data: Total Return



REZCO GLOBAL FLEXIBLE FUND (USD)

Time Period: 2017/10/01 to 2020/09/30

Currency: US Dollar Source Data: Total Return





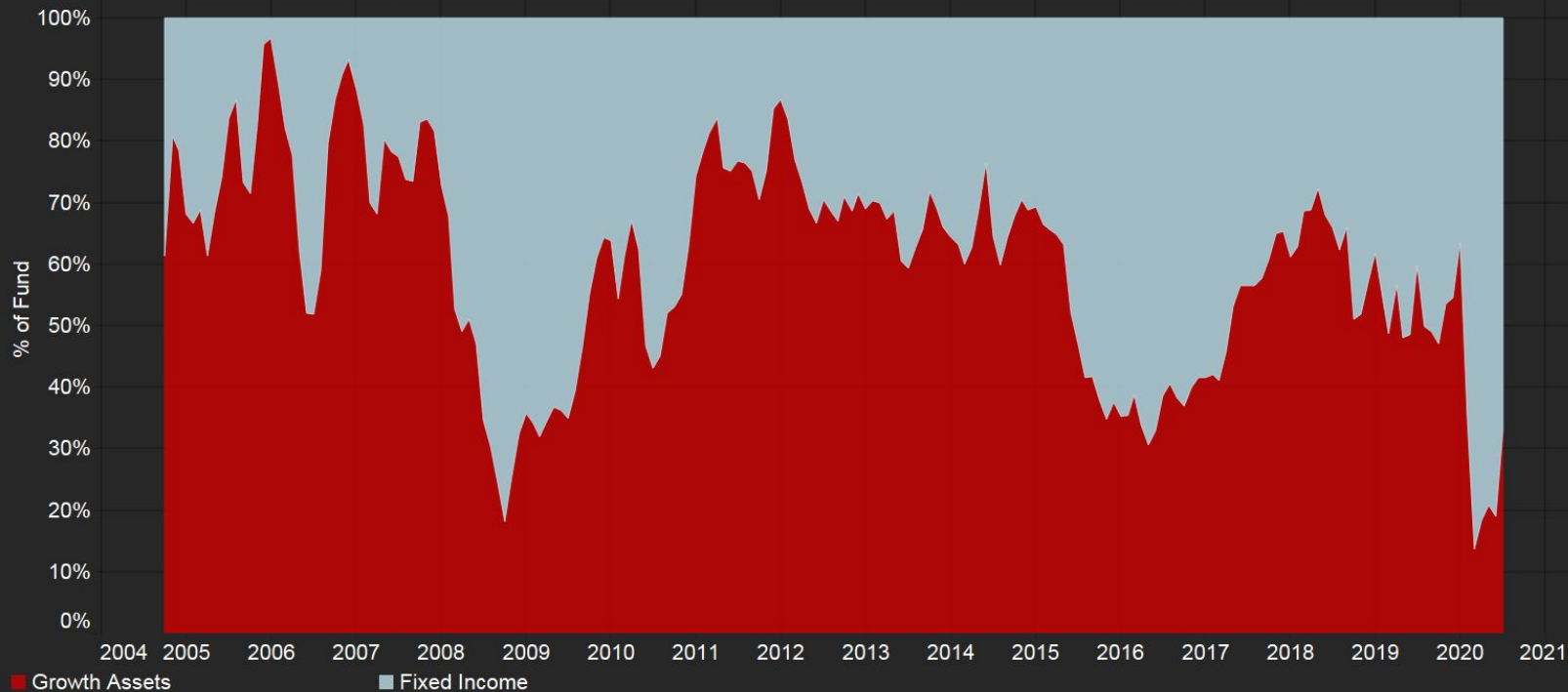
ASSET ALLOCATION: BE FLEXIBLE AND NIMBLE

REZCO VALUE TREND FUND

HISTORICAL ASSET ALLOCATION

Portfolio: RVTU

Growth Assets = Equity, Listed Property & Commodities

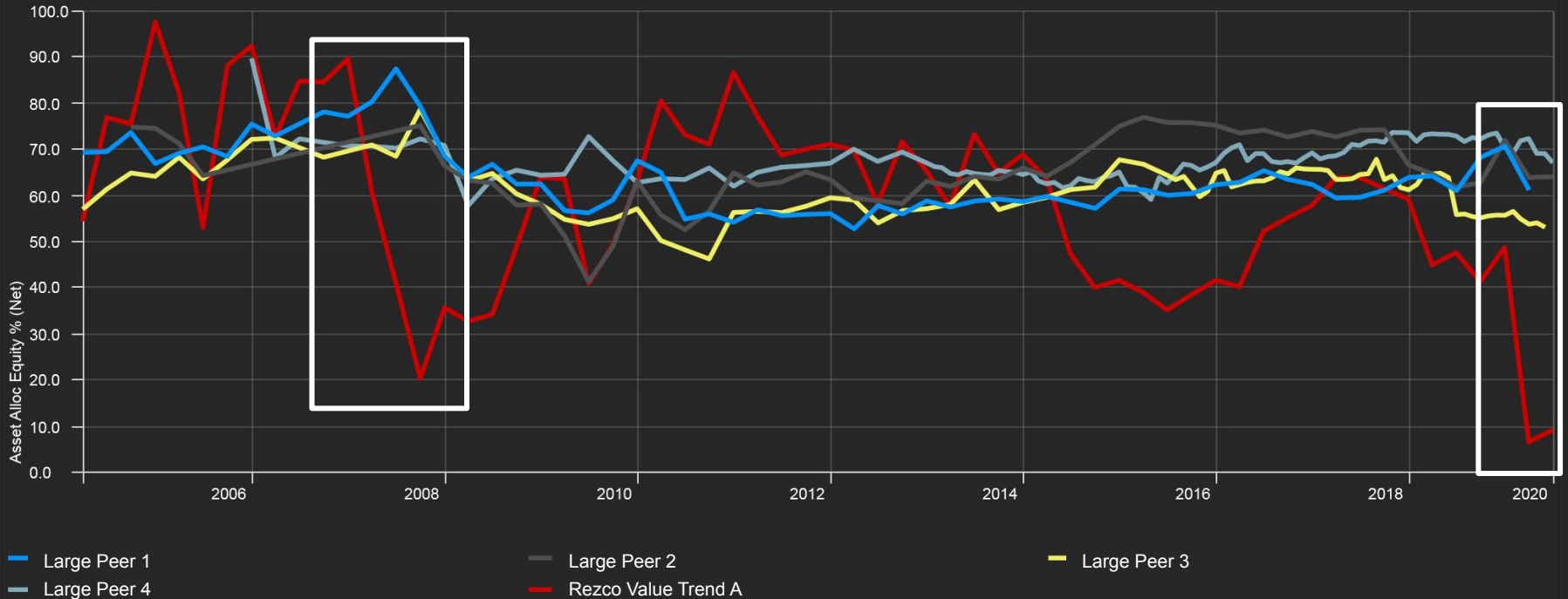


REZCO VALUE TREND

EQUITY & PROPERTY EXPOSURE

Time Series

Time Period: Since Common Inception (2005/03/01) to 2020/06/30

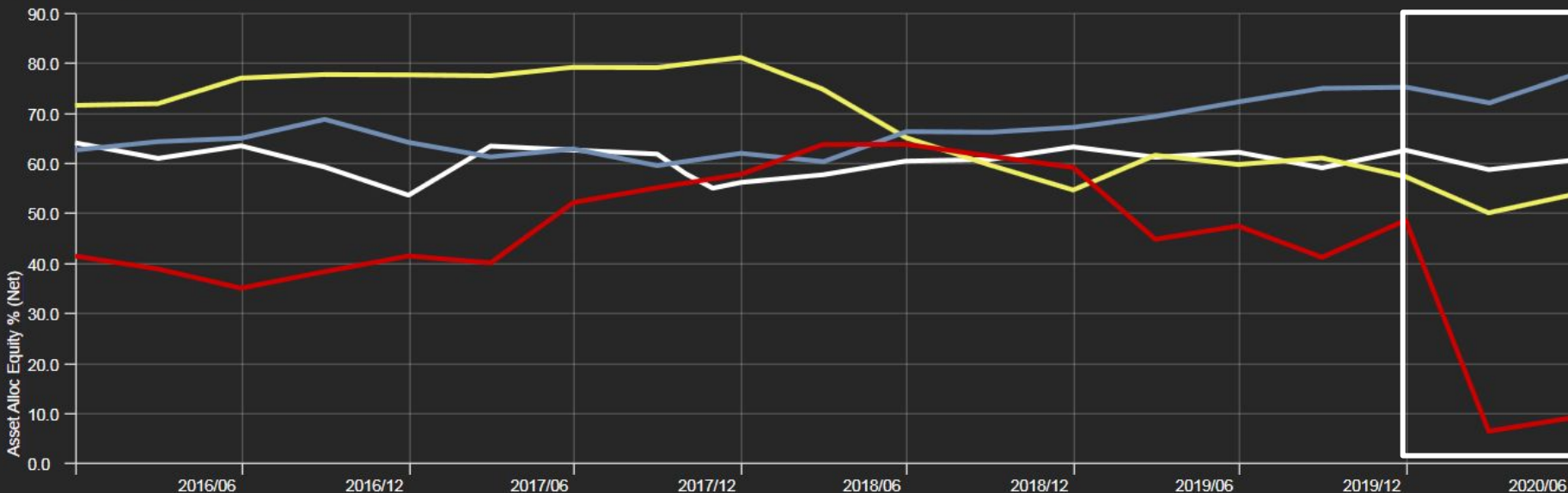


ACTIVE ASSET ALLOCATION IS CRITICAL

EQUITY, PROPERTY EXPOSURE

Time Series

Time Period: 2015/10/01 to 2020/06/30

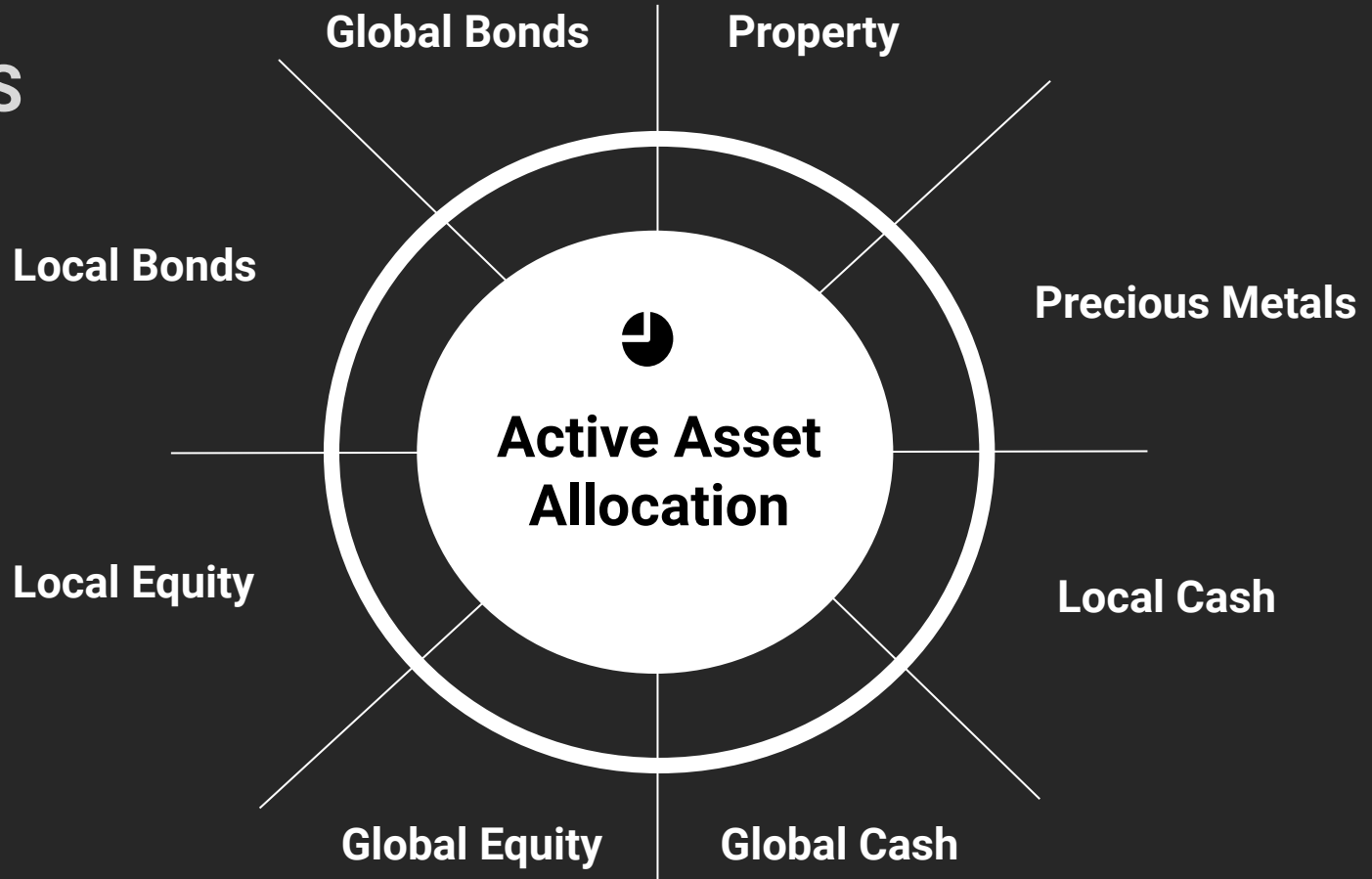


— Rezco Value Trend A
— Mid size Manager 3

— Mid size Manager 1

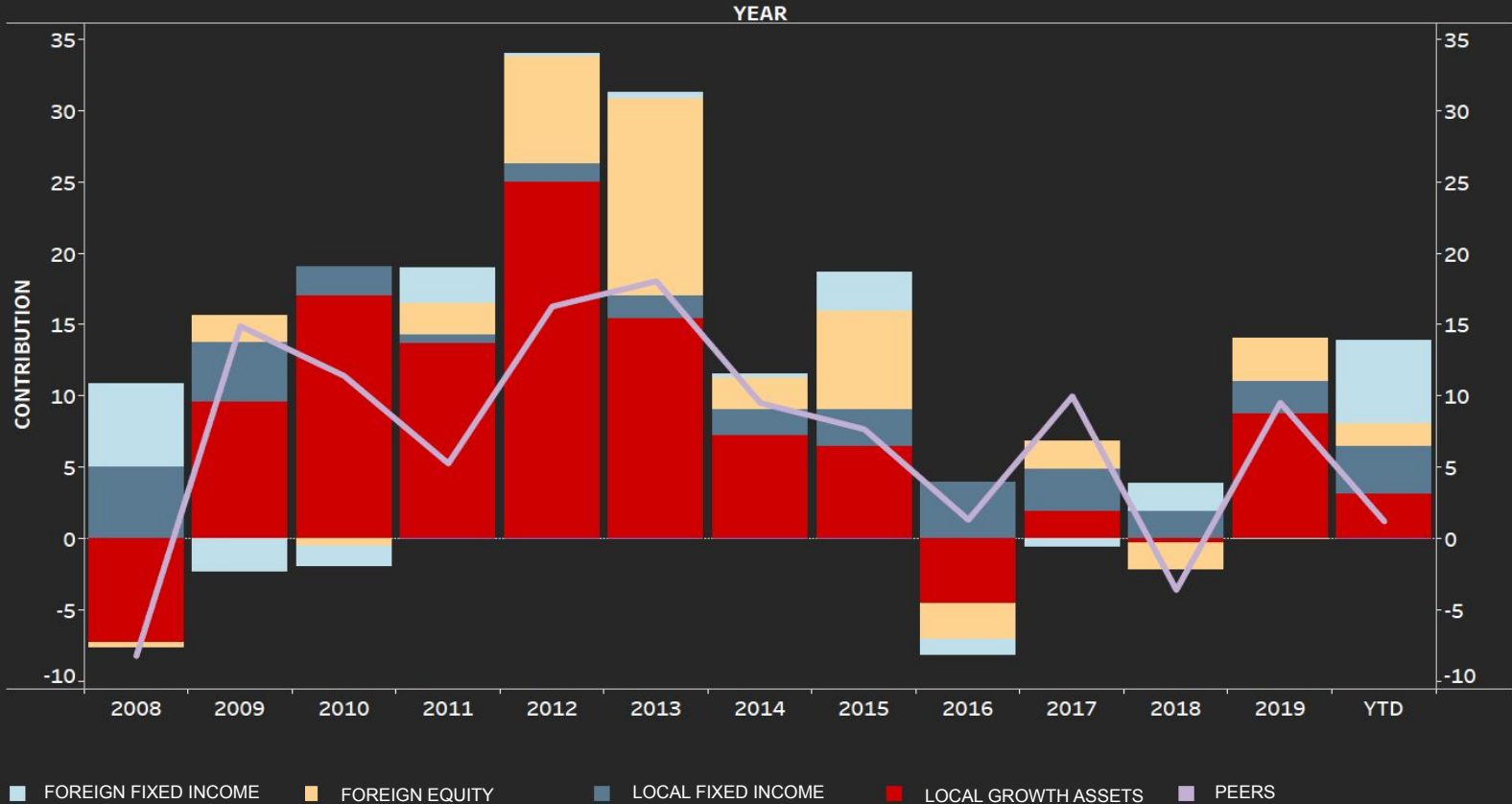
— Mid size Manager 2

**RISK ASSETS
AVAILABLE**



THE VALUE OF THE ASSET CLASSES

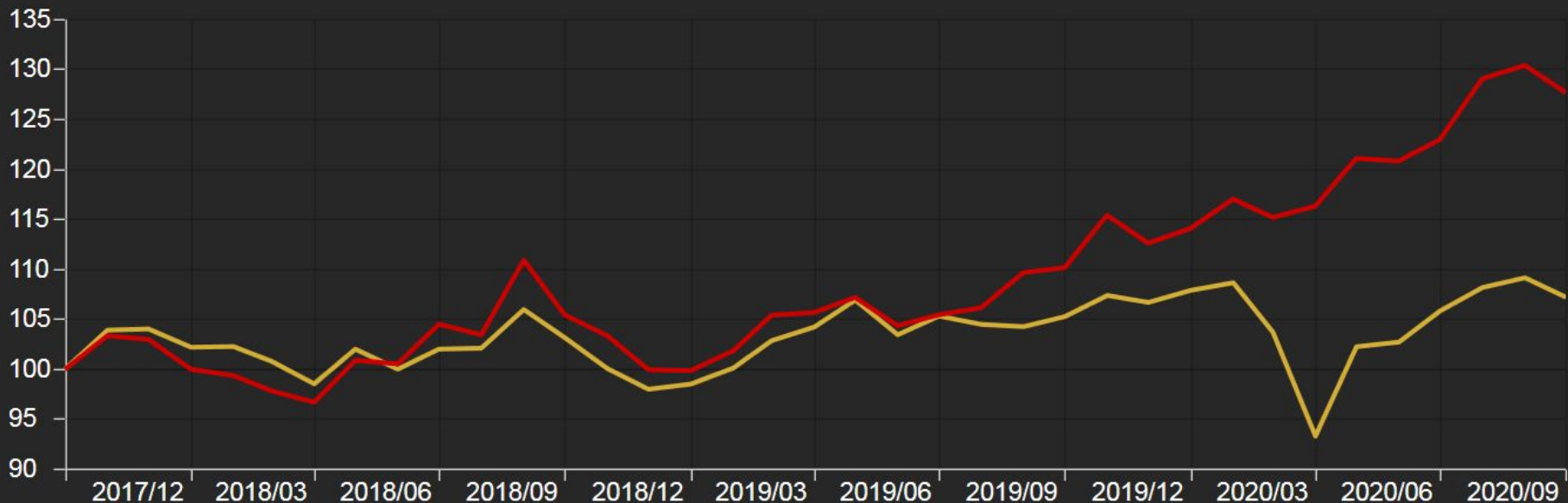
REZCO VALUE TREND FUND



REZCO VALUE TREND

Time Period: 2017/10/01 to 2020/09/30

Currency: South African Rand Source Data: Total Return



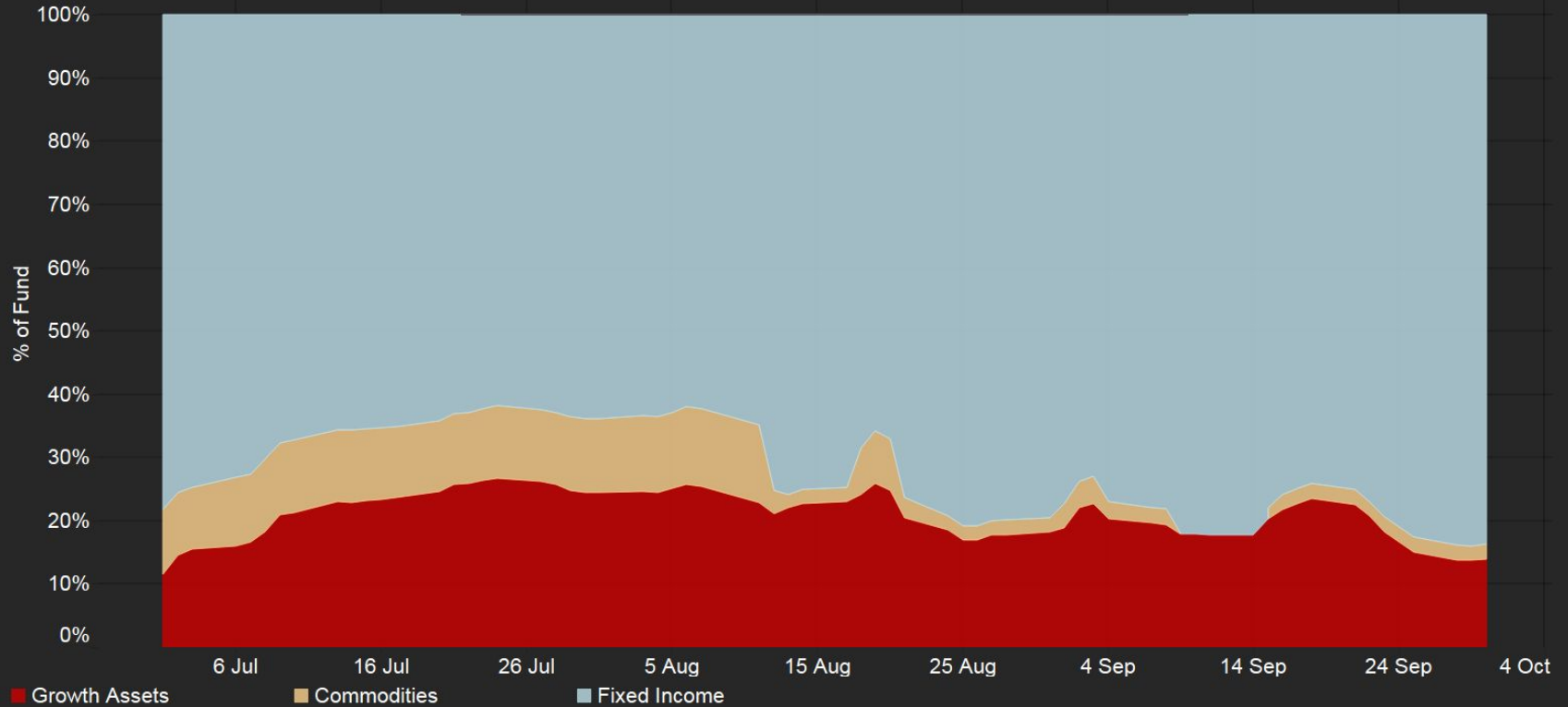
— Rezco Value Trend C

127.7 — ASISA SA MA High Equity

107.2

REZCO VALUE TREND - AVOIDING RISK

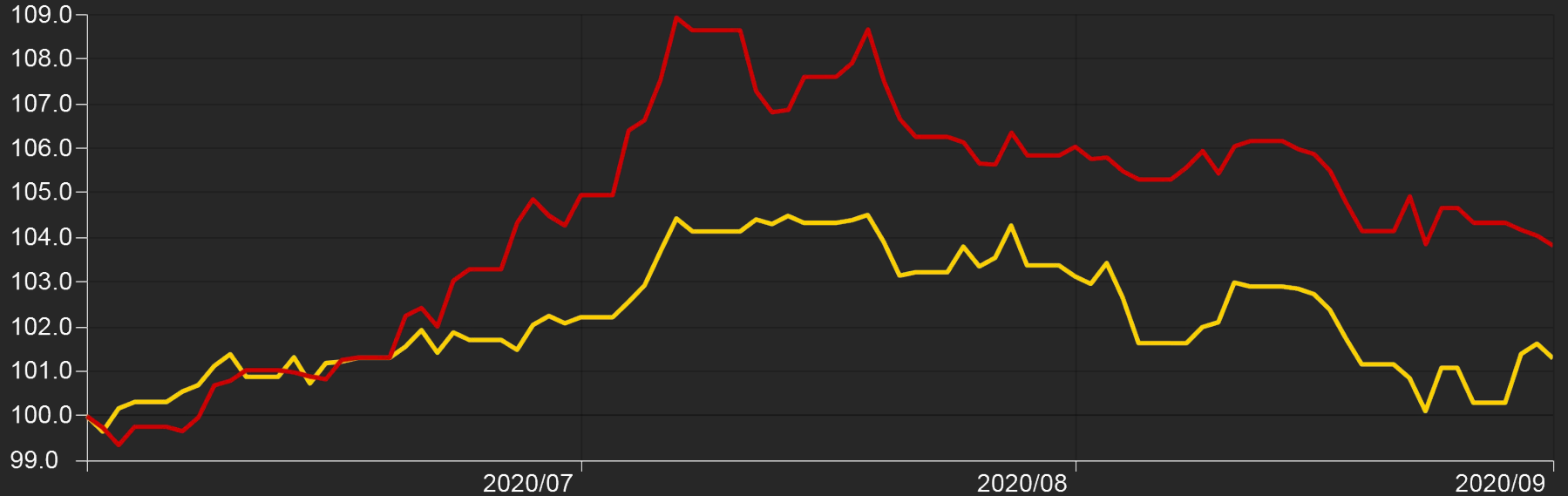
Portfolio: RVTU



Q3 2020: TOP DECILE PERFORMER IN THIS HIGHLY UNCERTAIN MARKET

Time Period: 2020/07/01 to 2020/09/30

Currency: South African Rand Source Data: Total Return

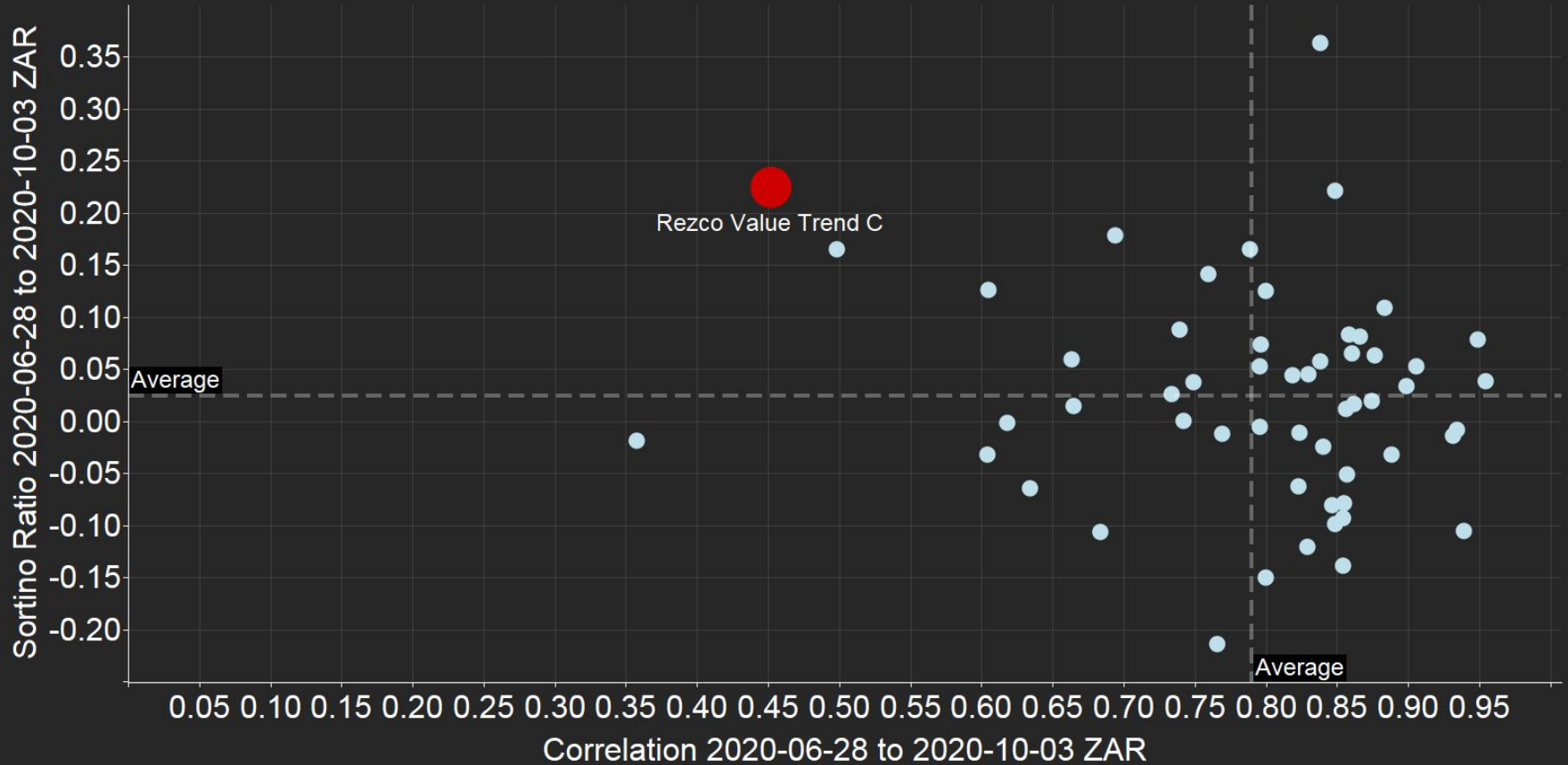


Rezco Value Trend C

103.8 (ASISA) South African MA High Equity

101.3

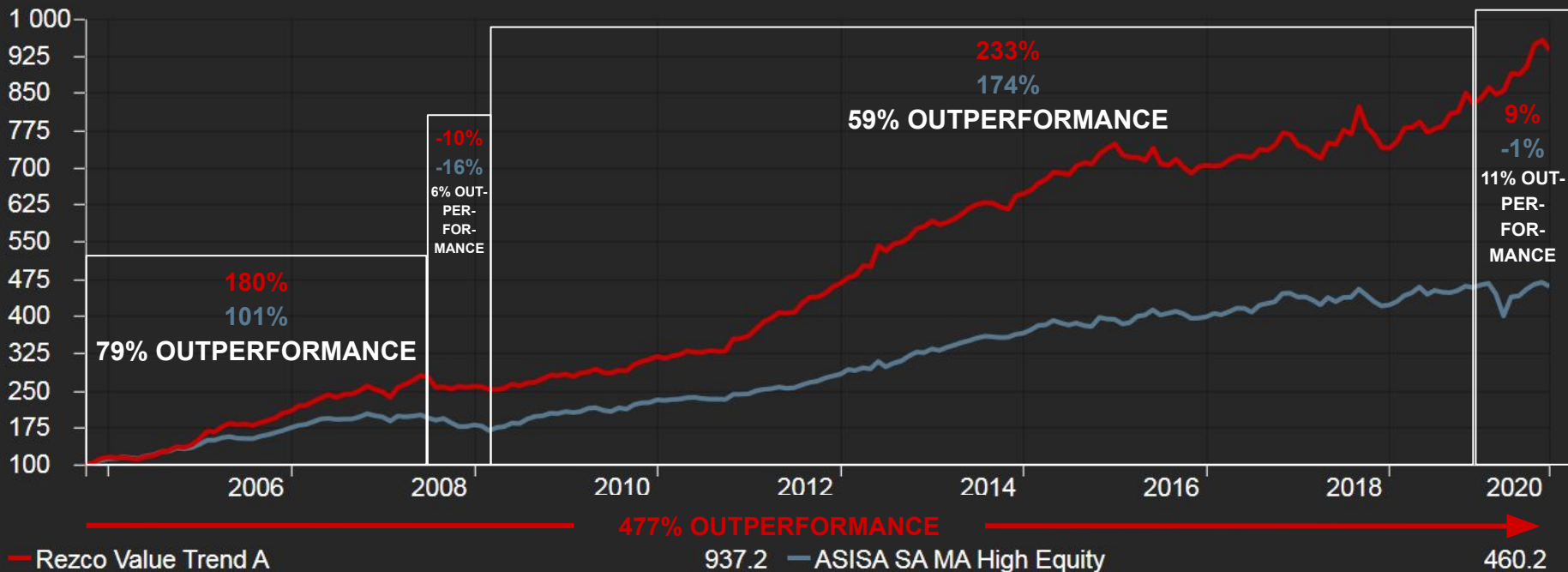
Q3 2020: OUTPERFORMING IN A POST COVID ENVIRONMENT



REZCO PERFORMS WELL IN BULL AND BEAR MARKETS

Time Period: Since Common Inception (2004/10/01) to 2020/09/30

Currency: South African Rand Source Data: Total Return



THANK YOU