



Established in 2009

SCM

Steyn Capital Management

Art & Science of Edge
Investing

The logo for Steyn Capital Management (SCM) features the letters 'SCM' in a large, white, serif font centered on a dark blue square background.The text 'Steyn Capital Management' is written in a grey, serif font on a white rectangular background, positioned below the blue logo square.

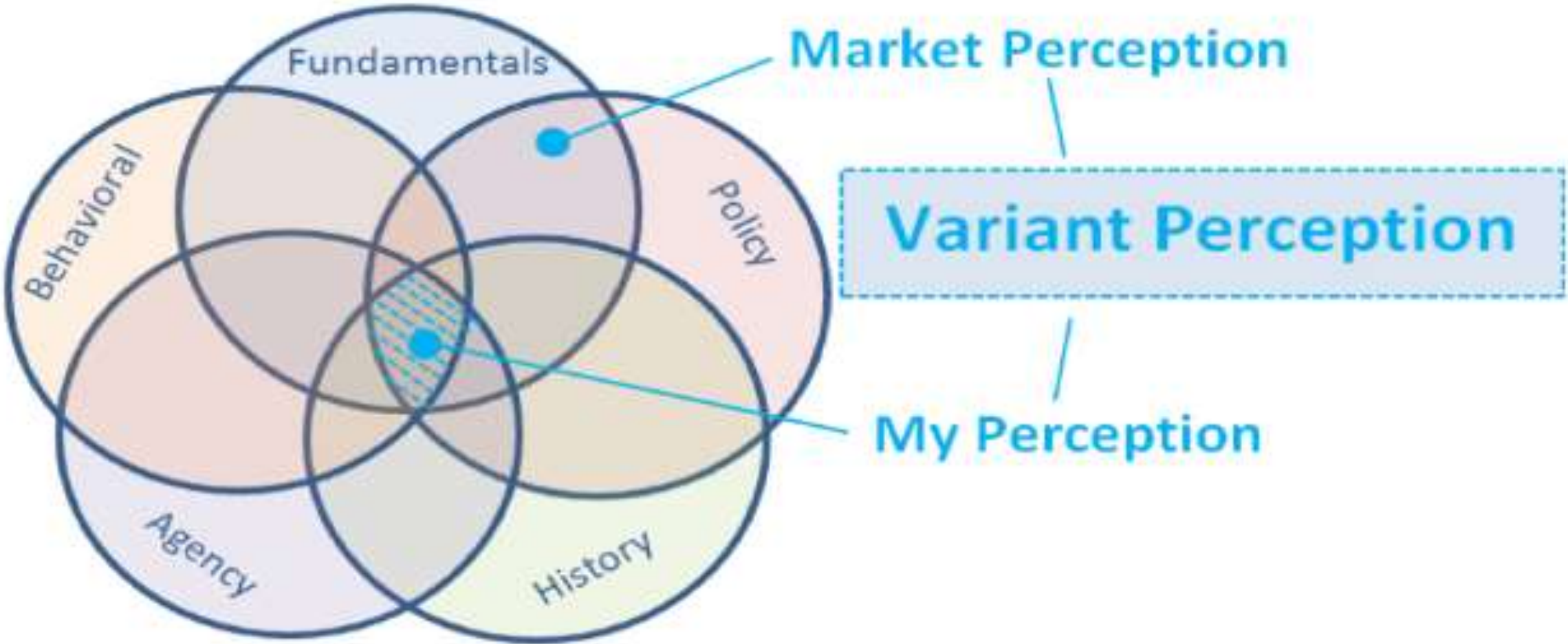
Value-orientated investment management firm investing in listed equities in South Africa, Africa, Frontier and Emerging markets

ALL STRATEGIES OUTPERFORMING SINCE INCEPTION

SA long/short	4.6% annualised alpha	(since May 2009)
SA long-only	7.4% annualised alpha	(since May 2009)
Africa (ex-SA)	5.1% annualised alpha (USD)	(since Sep 2011)
Frontier	9.8% annualised alpha (USD)	(since Jan 2018)
Global EM long/short	29.3% alpha (USD)	(since launch in Feb 2022)
Global EM Long-only UCITS Fund launched January 2024		



What's an Investment Edge?



- Informational
- Analytical
- Structural Advantage:
 - Fund structure
 - Decision-Making

“If you can keep your head when all about you are losing theirs...”

If
Rudyard Kipling

Sources of Edge – Not Dark Edge!



Sources of Edge – Not Dark Edge!

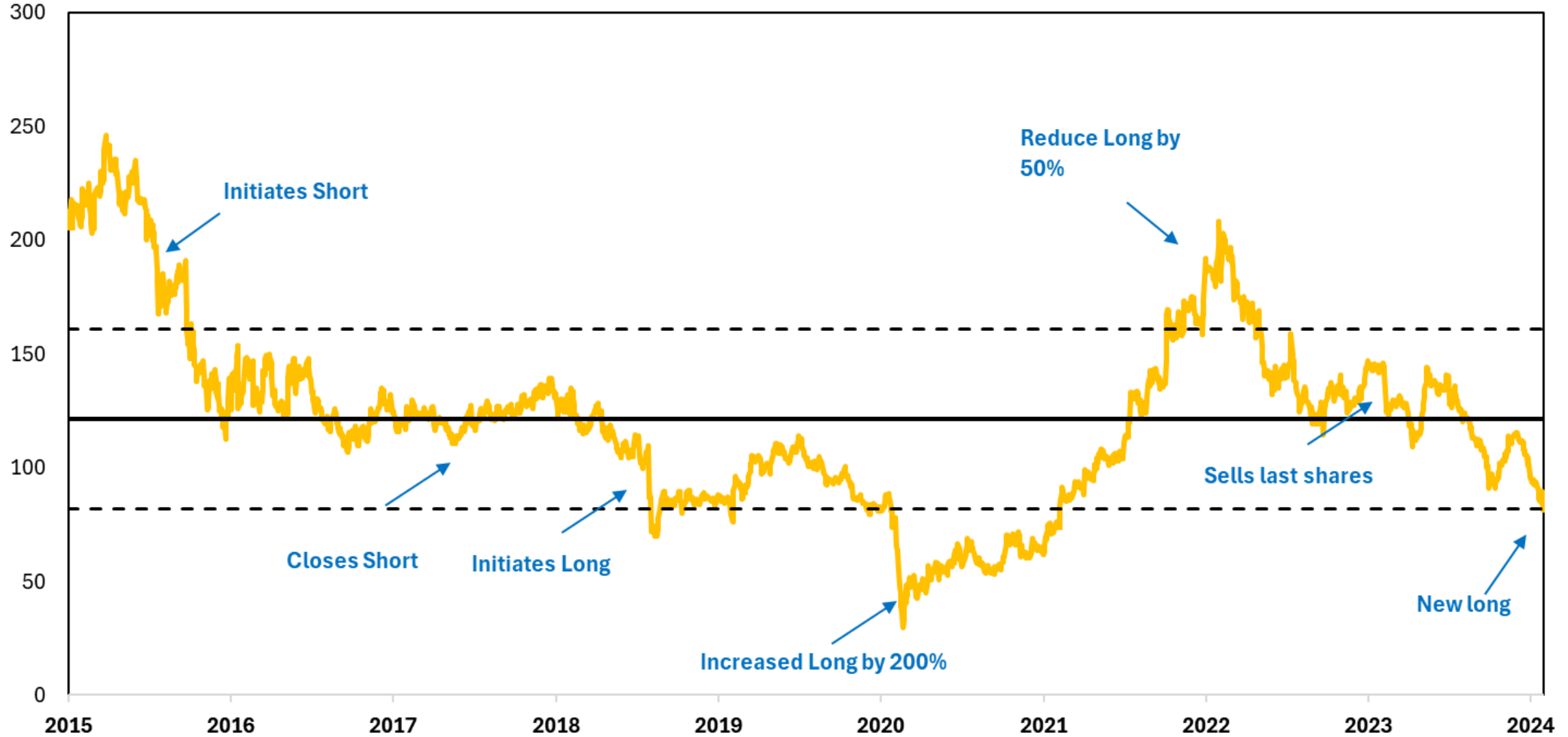


Examples

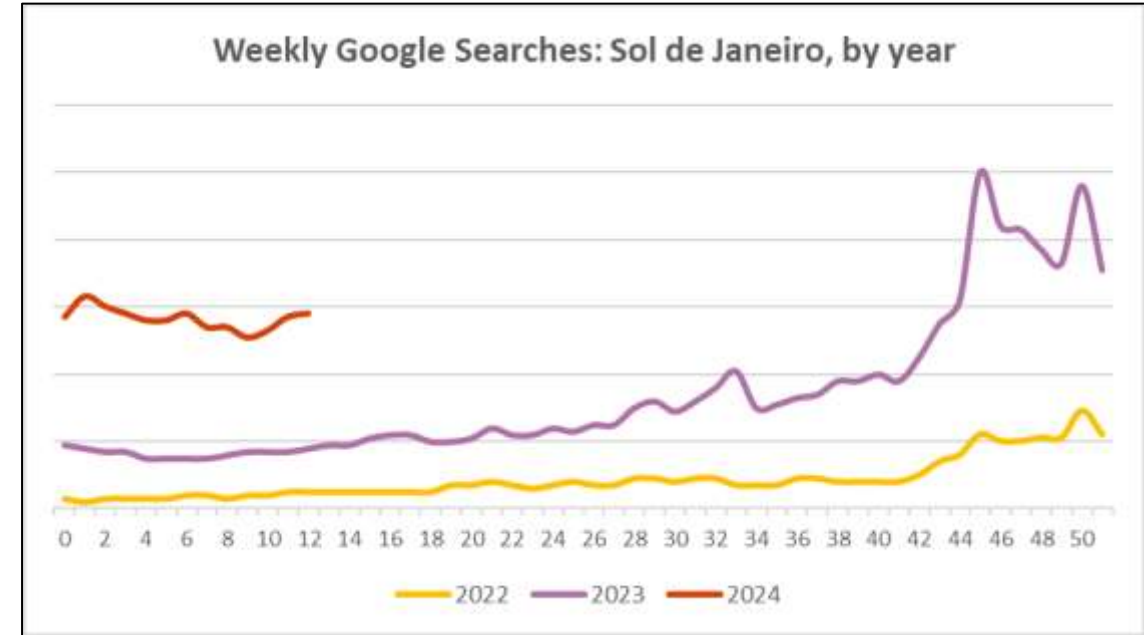
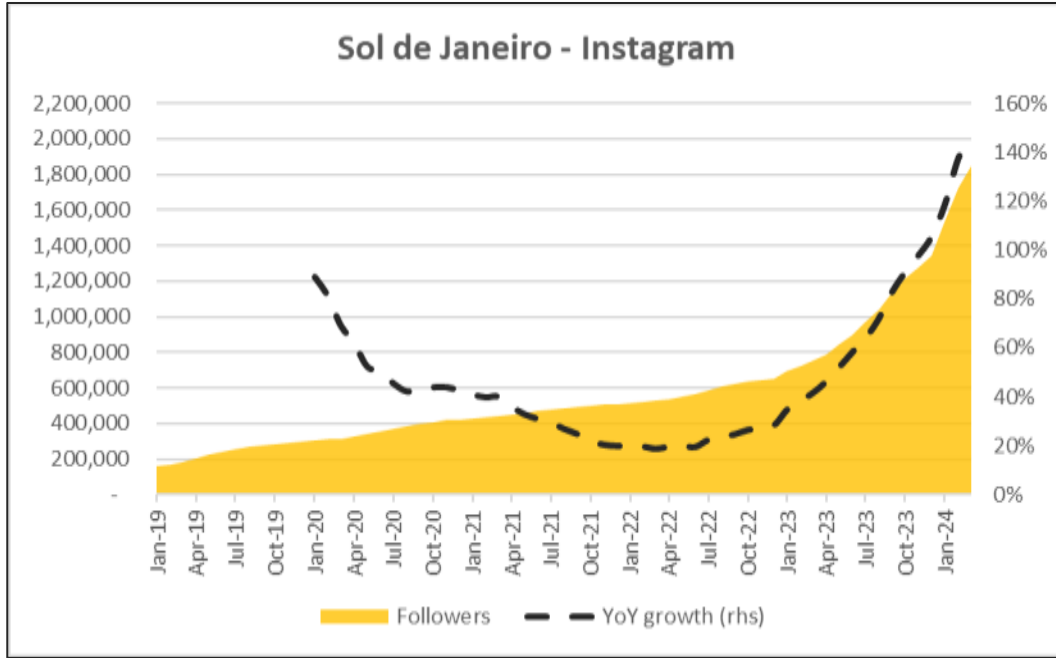
Informational Edge Example: Scuttlebutt



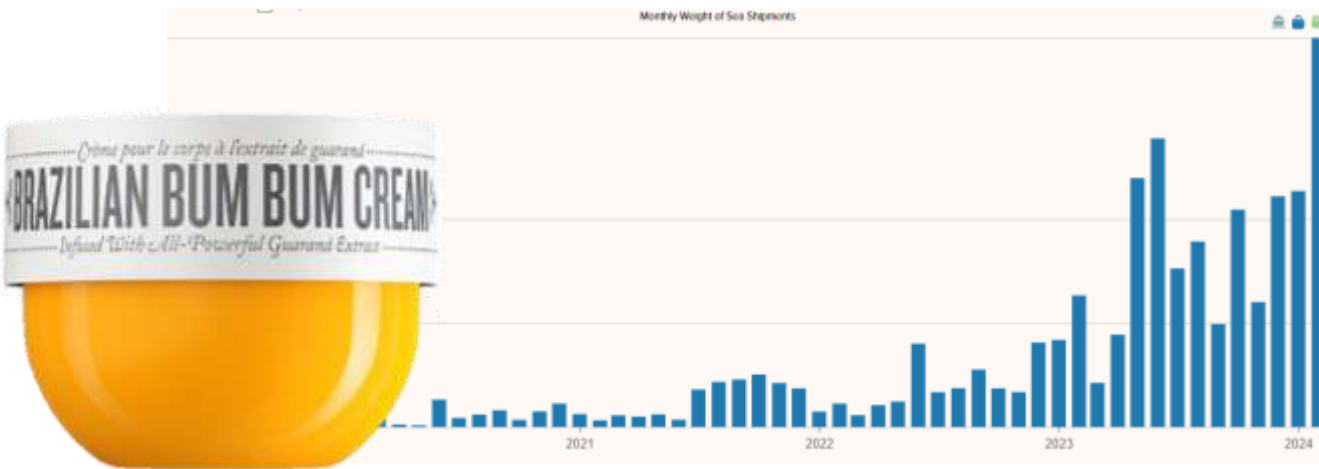
Steyn Capital exposure to MTN



Analytical Edge Example: Big data



Sol de Janeiro USA: Monthly imports by sea (weight)



Amazon Sales Ranking: Fragrance Mist – 90mL

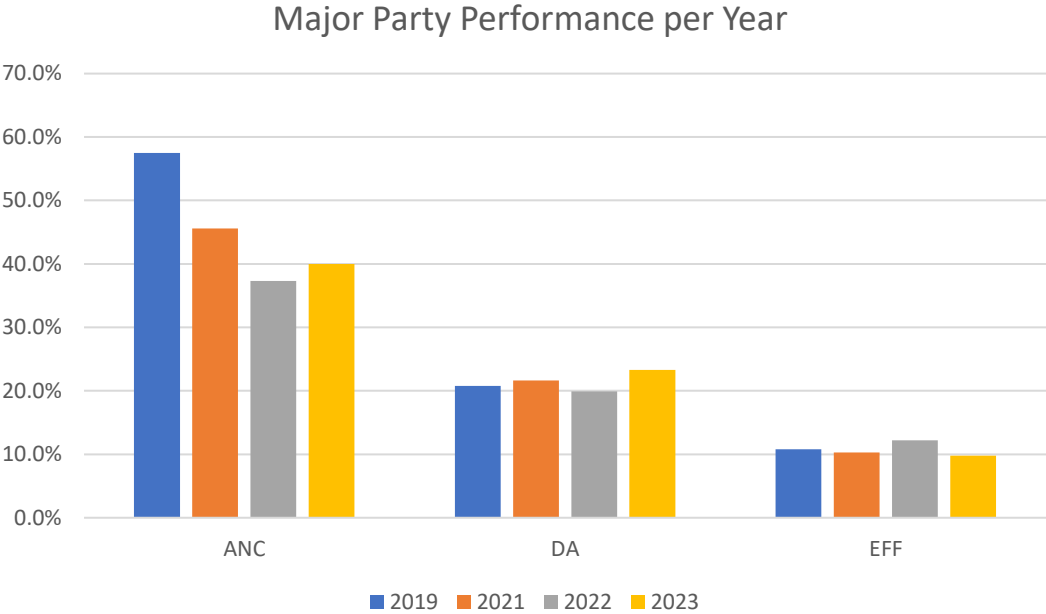
Current & Average

Sales Rank - Current	# 14
Sales Rank - 30 days avg.	# 11
Sales Rank - 60 days avg.	# 12
Sales Rank - 90 days avg.	# 15
Sales Rank - 180 days avg.	# 14



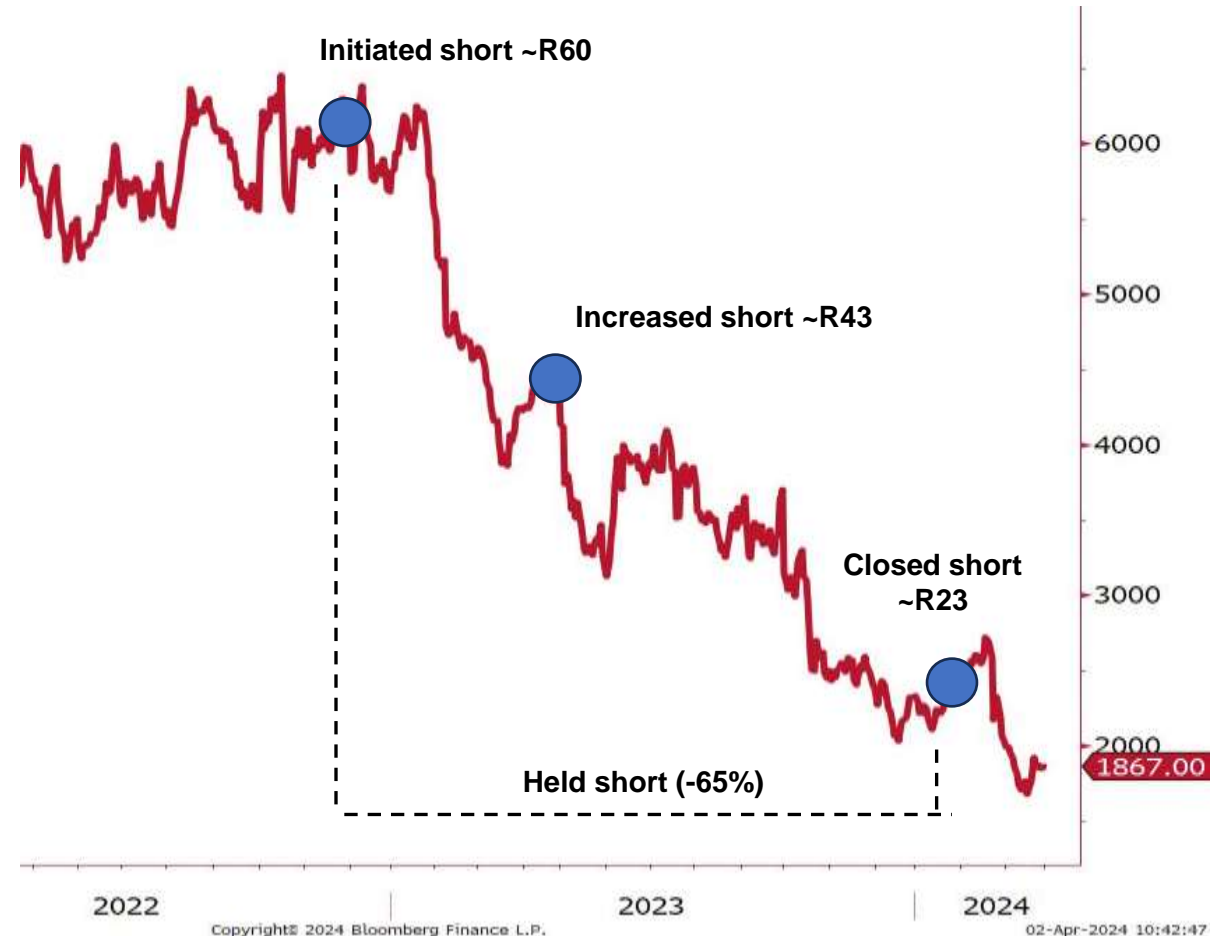
Analytical Edge: Municipal By-Election Analysis

Municipal By-Elections: 2022 - 2024							
Province	Votes	ANC	DA	IFP	EFF	VF	Other
EC	37 653	65.8%	9.5%	0.2%	8.4%	0.0%	16.2%
FS	21 680	45.7%	14.8%	0.5%	22.1%	0.0%	16.9%
GP	57 966	19.4%	48.2%	0.0%	8.8%	6.0%	17.5%
KZN	161 739	39.0%	15.5%	33.5%	3.8%	0.0%	7.7%
LP	13 543	40.4%	14.3%	0.0%	29.4%	11.3%	4.7%
MP	51 555	52.2%	5.9%	1.6%	24.9%	0.2%	14.7%
NC	15 722	40.8%	17.6%	0.2%	7.7%	1.4%	32.4%
NW	37 790	45.1%	15.4%	0.0%	23.7%	4.0%	11.9%
WC	51 901	17.3%	43.9%	0.0%	4.2%	2.6%	32.0%
Grand Total	449 549	38.6%	21.4%	12.6%	10.6%	1.8%	14.7%



A large deterioration in earnings quality indicated that more pain was to come

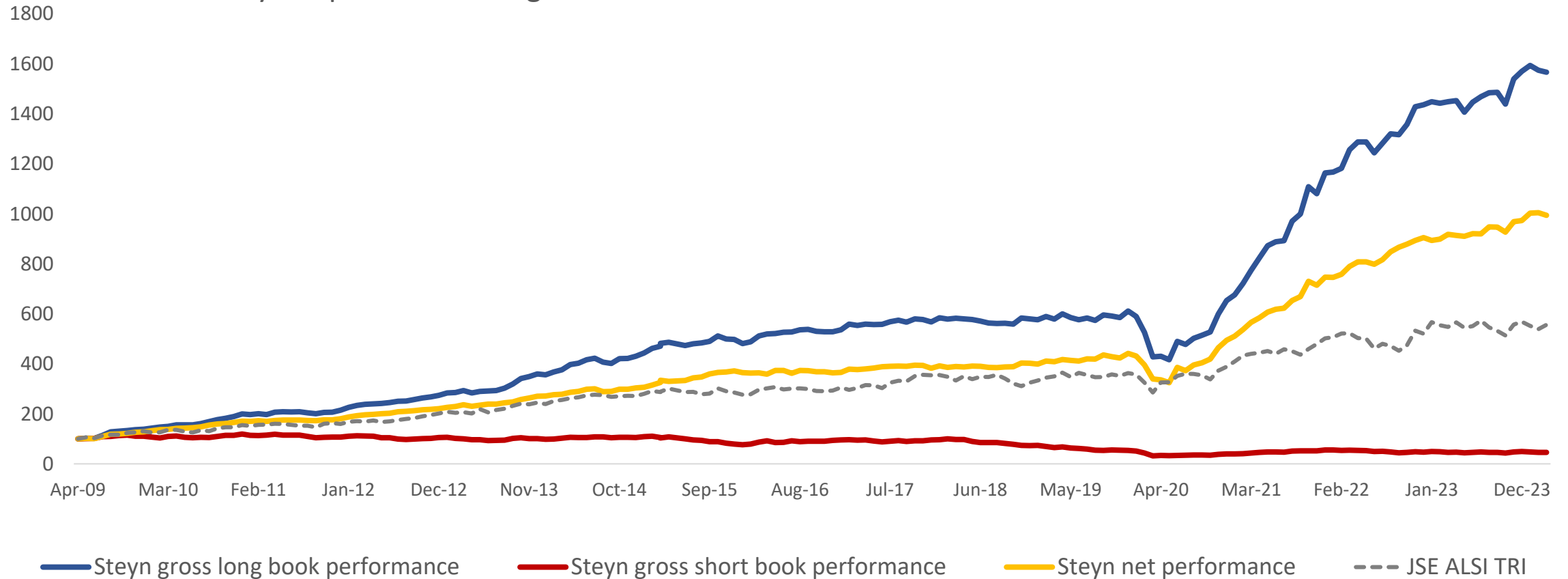
- Payables swelled to 157% of inventories (vs. 99% at Shoprite) boosting cash from operations by 40%
- Days payables outstanding grew from 52 to 60
- Lease remeasurements reduced liabilities by R732m
- Increased forfeiture assumptions on Smart Shopper boosted earnings by R63m
- Overdue receivables swelled 16% to R1bn, while allowances decreased to only 18%



Portfolio Outcomes

South African equity long/short strategy performance since inception

Steyn Capital FR QI Hedge Fund net returns vs the JSE All Share Total Return Index

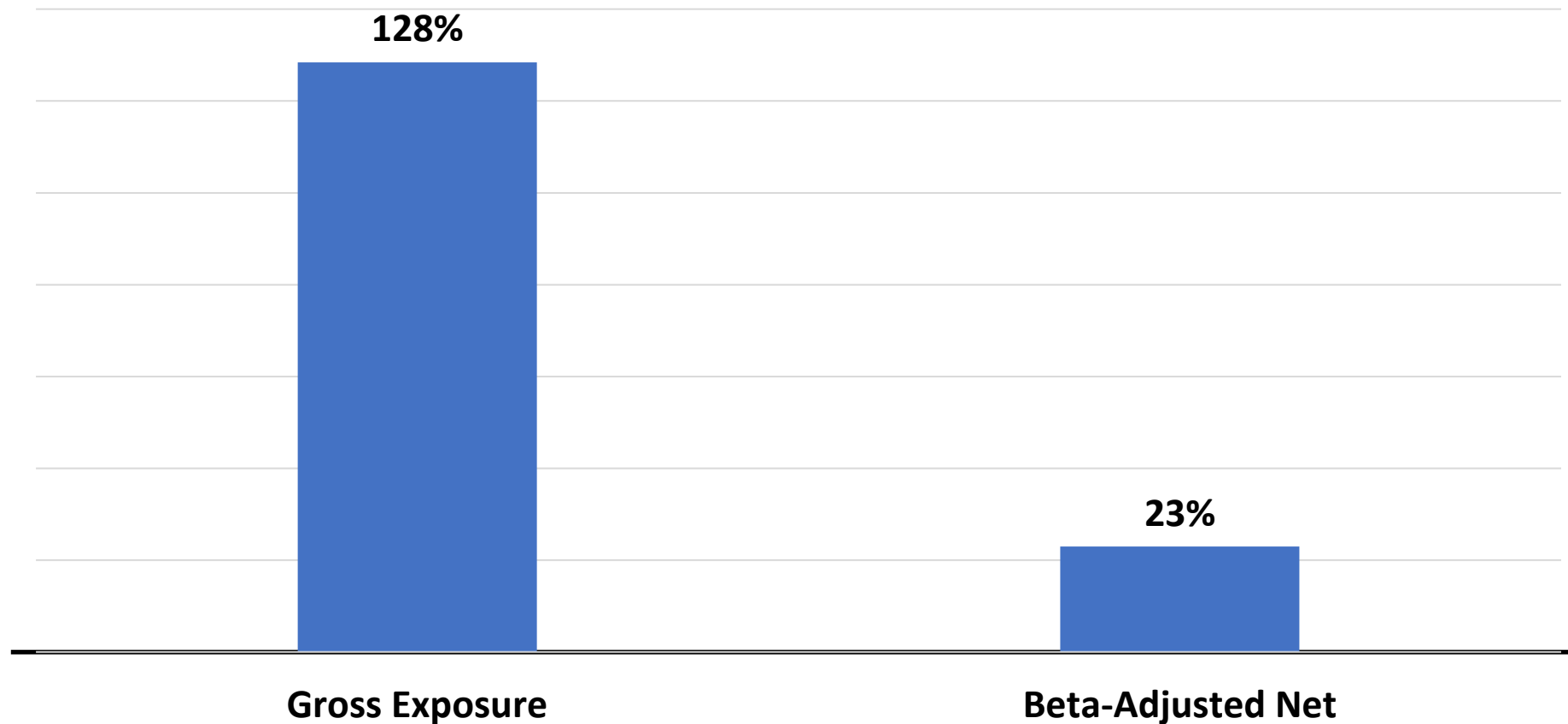


	May to Dec 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q1 2024	Total since Inception	Annualised since Inception
Steyn gross long book	39.13%	43.93%	7.21%	27.89%	30.96%	19.01%	15.68%	6.23%	7.44%	1.81%	4.65%	6.86%	78.14%	23.43%	9.36%	-0.24%	1466.53%	20.35%
Steyn gross short book	-10.62%	-8.36%	10.06%	1.27%	3.10%	-4.35%	29.91%	-17.75%	-3.38%	30.78%	35.48%	19.80%	-29.53%	15.00%	-7.68%	6.77%	51.08%	2.99%
Steyn net performance	28.21%	33.63%	5.67%	22.03%	22.55%	12.28%	22.53%	-2.31%	5.14%	5.26%	9.74%	11.85%	51.04%	21.25%	7.52%	2.62%	894.41%	16.65%
JSE All Share TRI	30.57%	18.98%	2.57%	26.68%	21.43%	10.88%	5.13%	2.63%	20.95%	-8.53%	12.05%	7.00%	29.23%	3.58%	9.25%	-2.25%	456.06%	12.19%

Equity-like returns with significantly lower volatility

Average strategy exposure since inception

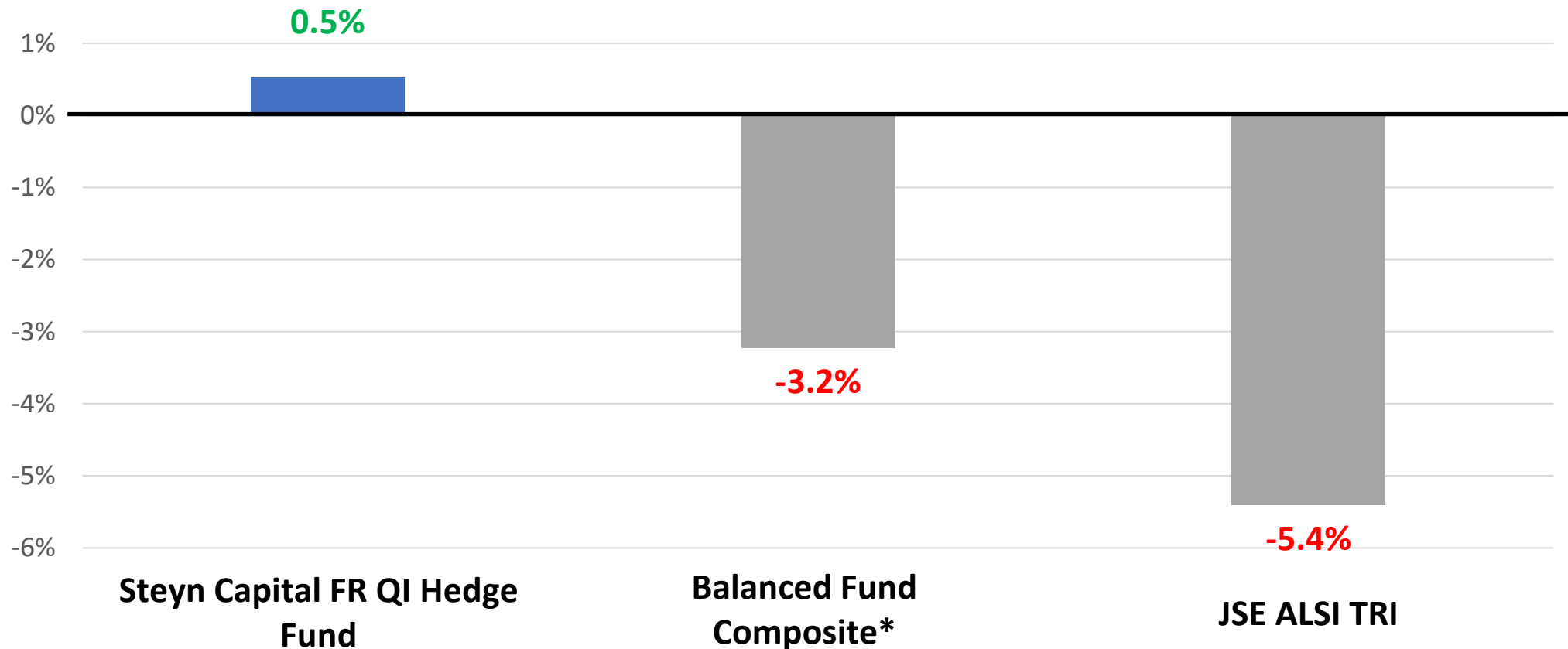
Modest leverage and net market exposure since inception



Equity-like returns with significantly lower volatility

Capital Protection in market drawdowns

Median return in the JSE's 10 largest down-months since inception

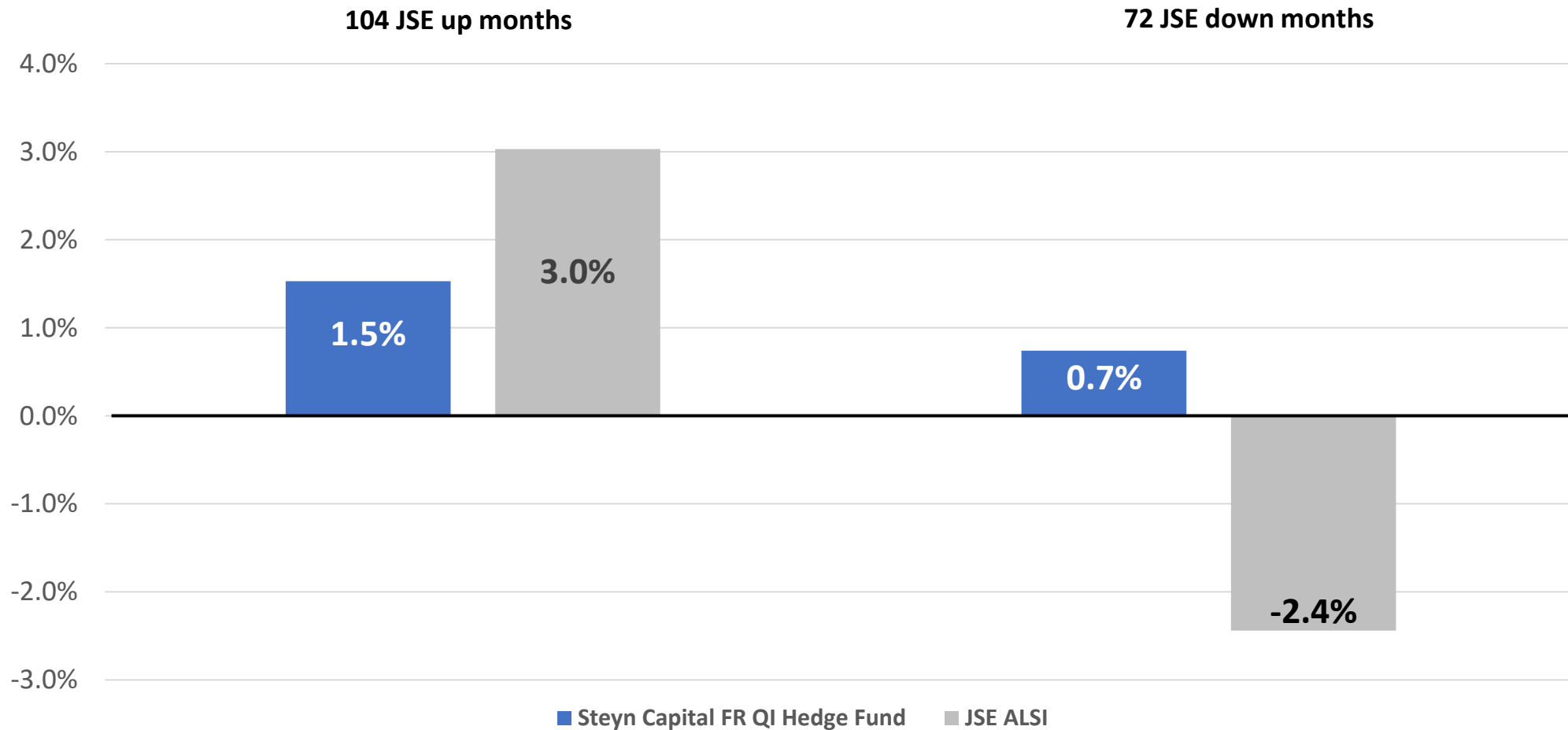


*Composite Index large SA balanced funds

Equity-like returns with significantly lower volatility

Capture upside while avoiding downside risk

Median Performance of Steyn QIF Hedge Fund in JSE up & down months since inception

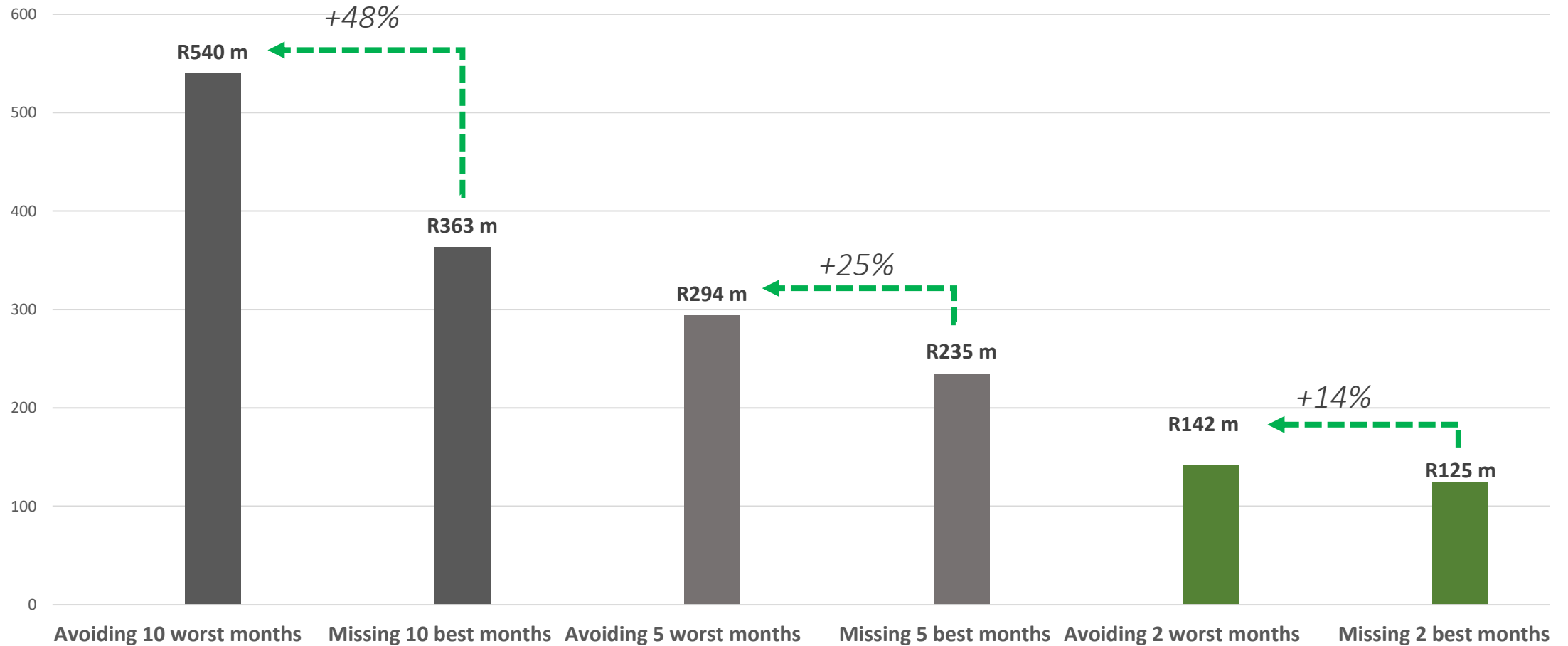


*All data since inception in May 2009 through December 2023

Avoiding drawdowns is critical to long term compounding

Absolute Rand value impact on portfolio (R'm)

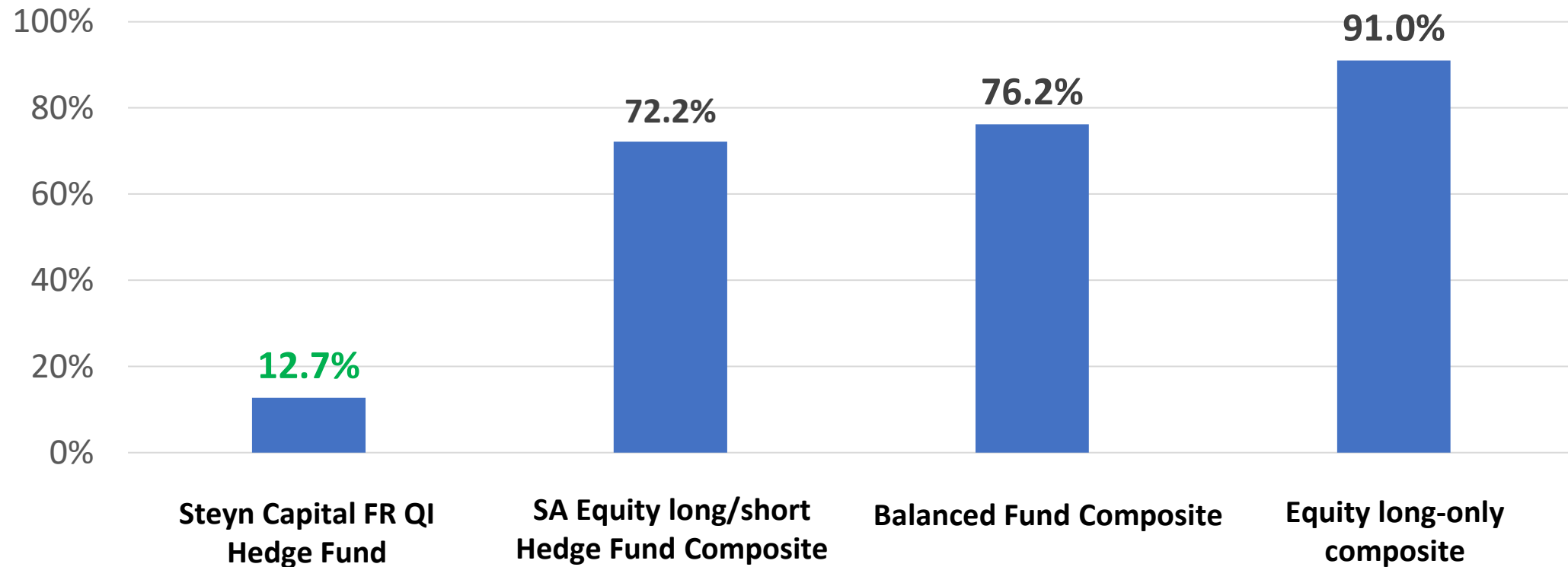
Investor investing R100m on 1 May 2009, results as of 31 December 2023



Low correlation of returns with the market

Low Correlation of returns with the market

R² of returns to the JSE ALSI since Fund inception



*Composites are: HNA Equity long/short category, SA largest balanced funds and largest SA long-only strategies. All since inception date of May 2009

Disclaimer

Steyn Capital Management (Pty) Ltd is an authorised Category I, II and IIA financial services provider in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002 (“FAIS Act”) with FSP number 37550. The information contained herein, should not be construed as advice as defined in the FAIS Act, neither does it constitute a solicitation, invitation or investment recommendation. Investors should take cognisance of the fact that Hedge Funds are collective investment schemes (“CIS”) to which the prescribed provisions of the Collective Investment Schemes Control Act (No. 45 of 2002) apply. The Sanne Management Company (RF)(Pty) Ltd (the “Manager”) retains full legal responsibility for the portfolio and is registered and approved by the Financial Sector Conduct Authority (“FSCA”) under CISCA. CIS’s should be considered as medium to long-term investments. There are risks involved when buying, selling or investing in any financial product. The value of financial products can increase as well as decrease over time, depending on the value of the underlying securities and market conditions. There is no guarantee in respect of capital or returns in a portfolio. Past returns may not be indicative of future returns and an investor should seek independent professional financial, legal and tax advice relevant to their individual circumstances before making any investment decision. CIS’s are traded at the ruling price and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions is available on request from the Manager. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. Performance has been calculated using net NAV to NAV numbers with income reinvested. The validity and accuracy of any illustrations, forecasts or hypothetical data are not guaranteed and are only provided for illustrative purposes by Steyn Capital Management as at June 30, 2023. Full details and the basis of awards are available from the Manager. The offshore strategies are registered with the Cayman Islands Monetary Authority (“CIMA”), and are not regulated by the FSCA, and are not marketed to South African Investors.