

# Adaptive Alpha: The Case for Rules- Based Active Investing

Charl Keet

2026

MEET THE  
Managers



# **Adaptive Alpha:** **The Case for Rules-Based Active Investing**





# Agenda

- **About our Business**
- **Performance**
- **Investment Philosophy and implementation**
- **Portfolio Positioning**
- **Conclusion**





# Background and Investment Team

- **Established Jan 2016:** Independent, specialist boutique asset manager
- **Owned by management and employees**
- **Offering a broad range of Unit Trust funds across the risk spectrum** - Fixed Income, Multi-Asset, Equity, Global and Hedge
- **Small, focused team;** focused on investment management and outsourcing operations.
- **Broad Client Base:** No Client concentration risk, no product concentration risk
- **Total AUM: R13bn**



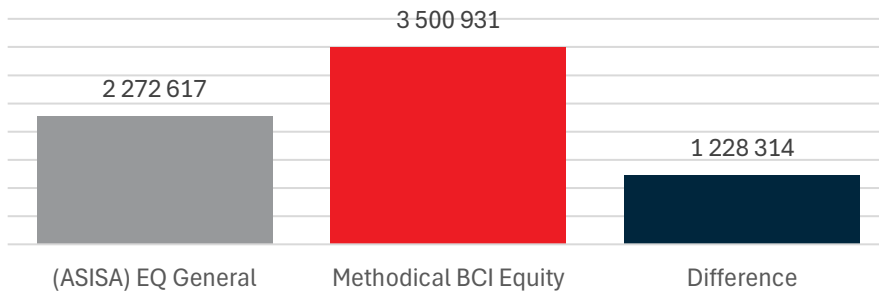


# Annualised Performance as at 31 May 2026

## Methodical BCI Equity Fund

Period	Methodical BCI Equity Fund	(ASISA) South African EQ General	% Peer Group Beaten	Fund Rank
1 Year	59.4%	21.4%	100%	1 / 129
2 Years	36.2%	20.7%	100%	1 / 122
3 Years	27.5%	16.7%	100%	1 / 116
4 Years	22.6%	12.8%	100%	1 / 112
5 Years	19.9%	12.6%	100%	1 / 107
6 Years	20.7%	16.1%	96%	5 / 101
7 Years	19.9%	11.9%	100%	1 / 96
8 Years	17.0%	10.3%	99%	2 / 89
9 Years	15.9%	9.5%	100%	1 / 83
10 Years	13.4%	8.6%	100%	1 / 75

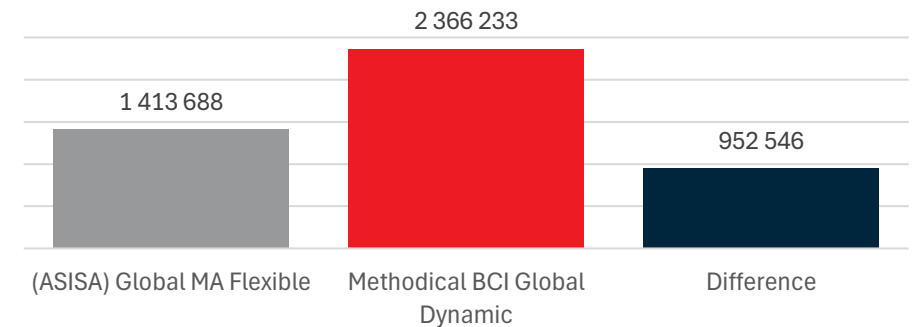
Value of R1mil invested at fund launch



## Methodical BCI Global Dynamic Fund

Period	Methodical BCI Global Dynamic Fund	(ASISA) Global MA Flexible	% Peer Group Beaten	Fund Rank
1 Year	53.7%	6.0%	100%	1 / 69
2 Years	30.1%	5.1%	100%	1 / 64
3 Years	24.4%	5.7%	100%	1 / 60
4 Years	25.2%	10.1%	100%	1 / 57
5 Years	21.2%	8.5%	100%	1 / 44
Since Inception	17.0%	7.7%	100%	1 / 41

Value of R1mil invested at fund launch



Source: Methodical, Morningstar, May 2026.

Annualised return is the weighted average compound growth over the period measured. Fund launch 1 June 2016

Methodical BCI Equity - Highest Rolling 1-year 40.16%, Lower Rolling 1 Year -19.01%, Launch date: 1 June 2016

Methodical BCI Global Dynamic – Highest Rolling 1 year 48,37%, Lowest Rolling 1 year -15,77%, Launch date: 1 December 2020

Quartile Table performance – Morningstar May 2026

# Methodical BCI Equity & Global Dynamic Fund

## Philosophy and Implementation





# Investment Philosophy and Process

## Our process **IS...**

- **Systematic** – Rules-based, repeatable and unemotional
- **Active** – seeking opportunities wherever markets create them
- **Differentiated** – low correlation to traditional equity managers
- **Proven** - grounded in mathematics, data and centuries of market history

## Our process **IS NOT...**

- Dependent on forecasting earnings, valuations or macro-outcomes
- Smart-Beta packaged as active management
- A black box or machine-learning model
- New or experimental
- Tied to a single style such as value, growth or quality





# Momentum Investing

A Long History. A Proven Edge



**~300 BCE**  
MESOPOTAMIA



**18<sup>th</sup> - 19<sup>th</sup> CENTURY**  
COMMODITY AND  
SHIPPING MARKETS



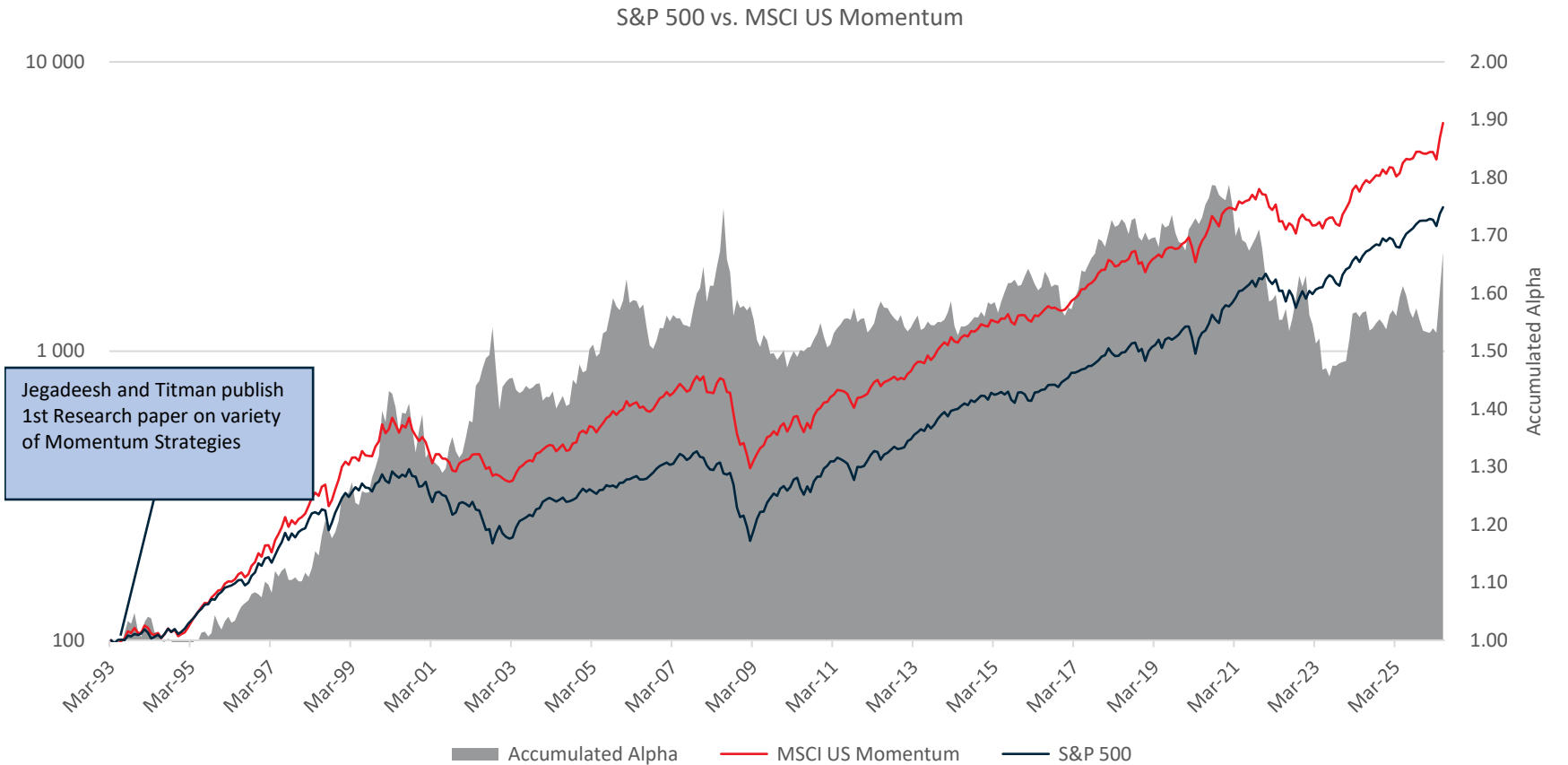
**17<sup>th</sup> CENTURY**  
JAPANESE RICE MARKETS



**1980s - 1990s**  
MODERN PORTFOLIO  
RESEARCH



**2000s - TODAY**  
GLOBAL ADOPTION





# Momentum Factor

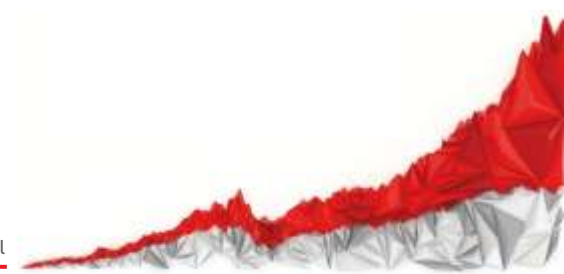
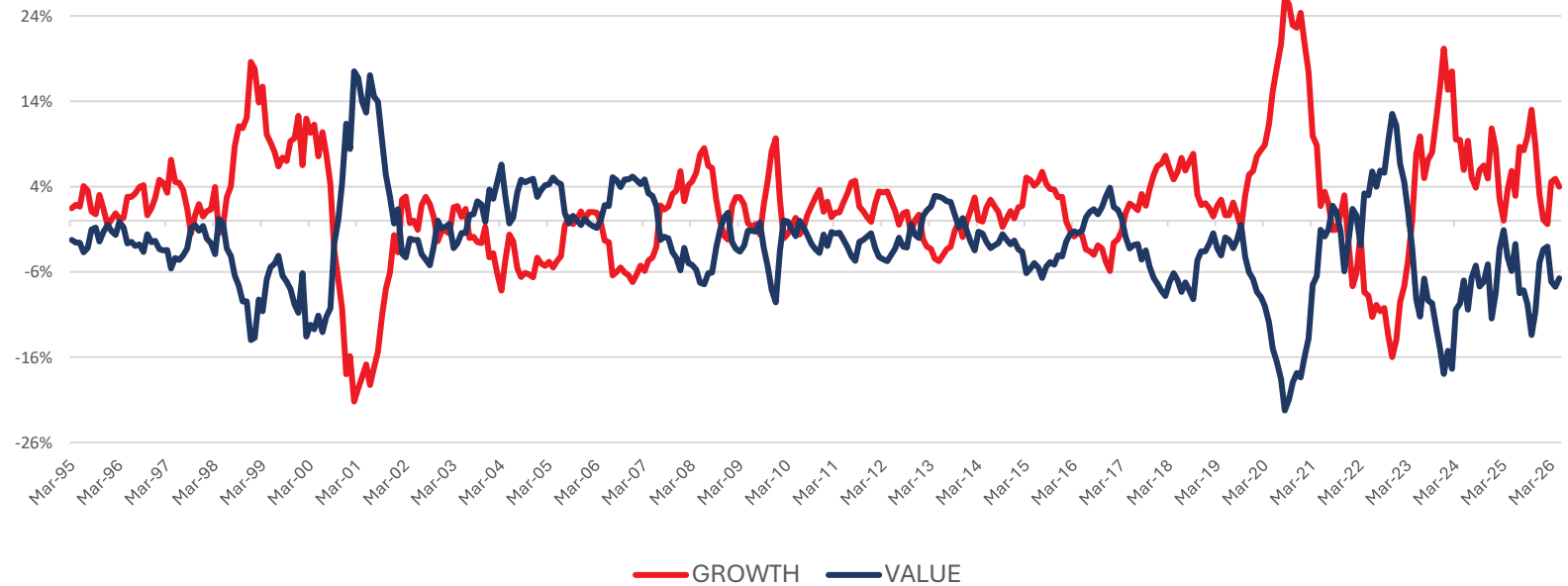
Momentum does not predict. It responds to leadership



**Momentum is style agnostic**

It does not predict the next winning factor.  
It follows leadership wherever it emerges

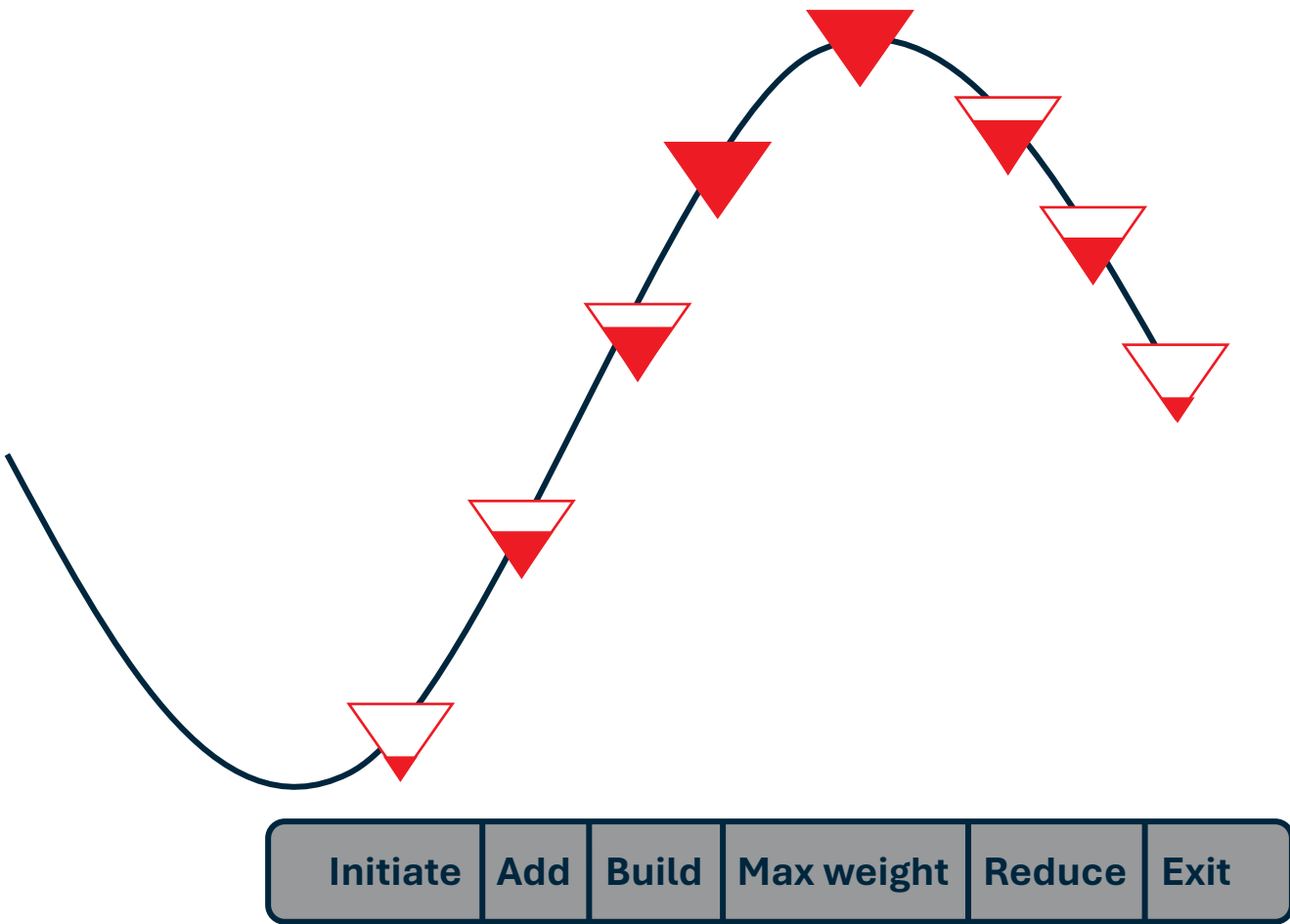
**12-Month Rolling Alpha - US Value vs. Growth**





# Portfolio Construction Process

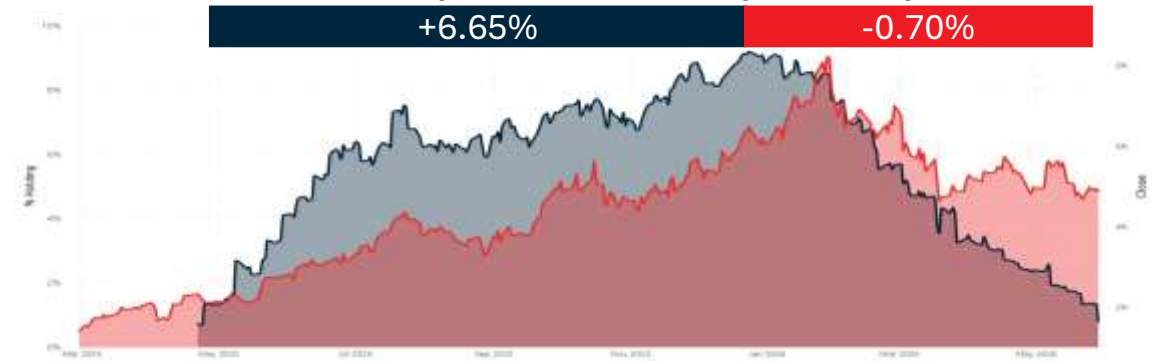
Adding to Strength. Reducing Weakness



Sibanye Stillwater Ltd – May 2025 – May 2026

+6.65%

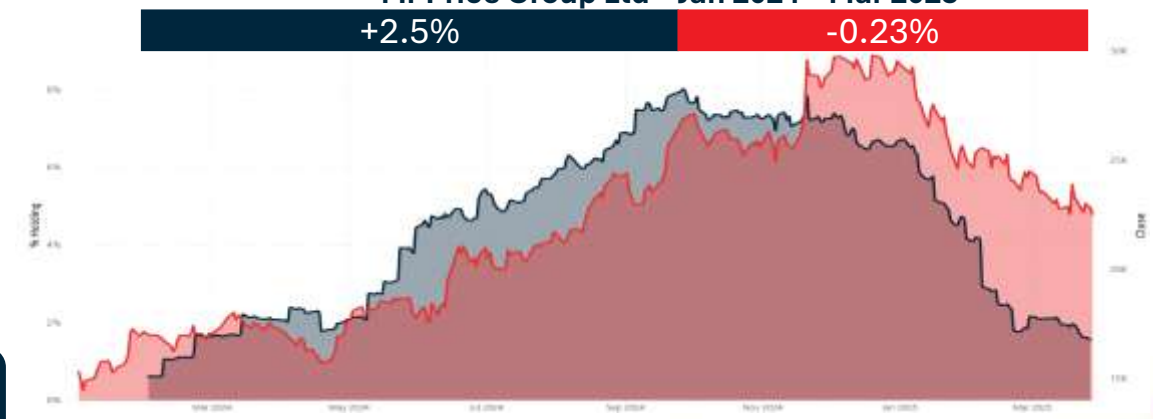
-0.70%



Mr Price Group Ltd – Jan 2024 – Mar 2025

+2.5%

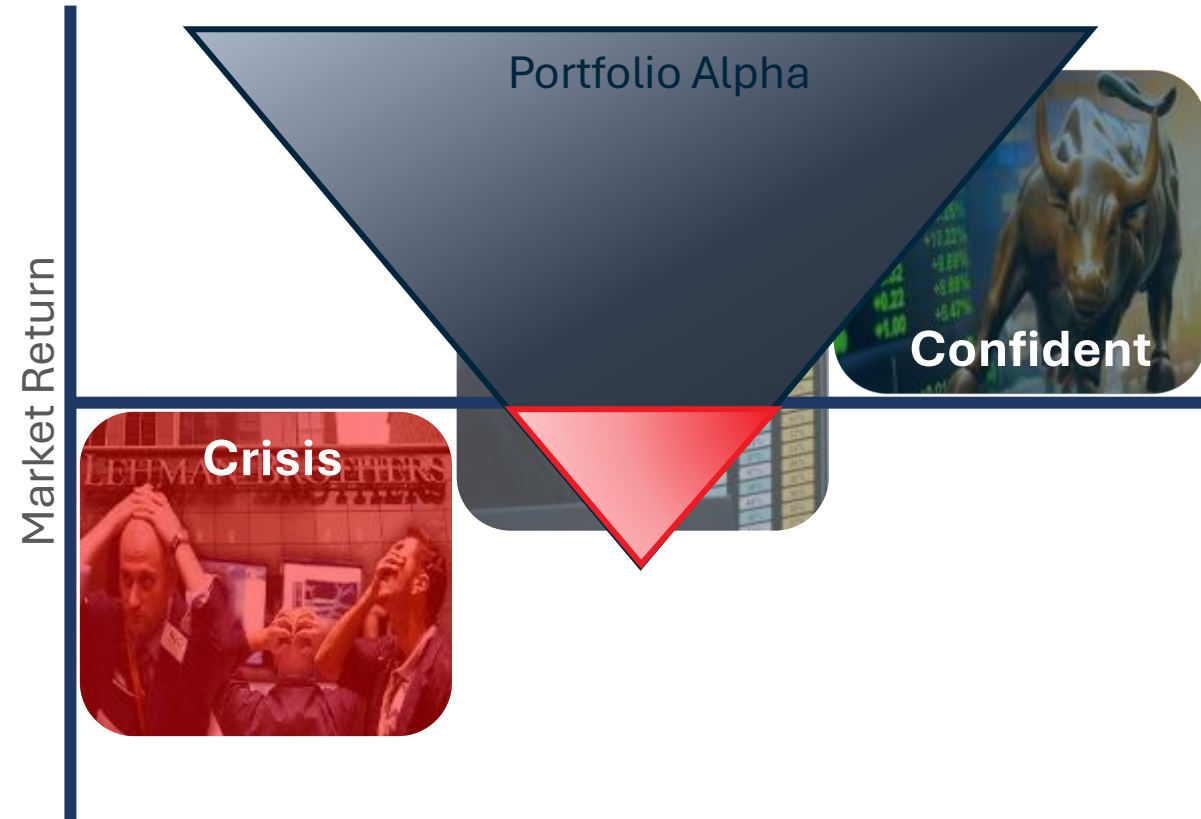
-0.23%



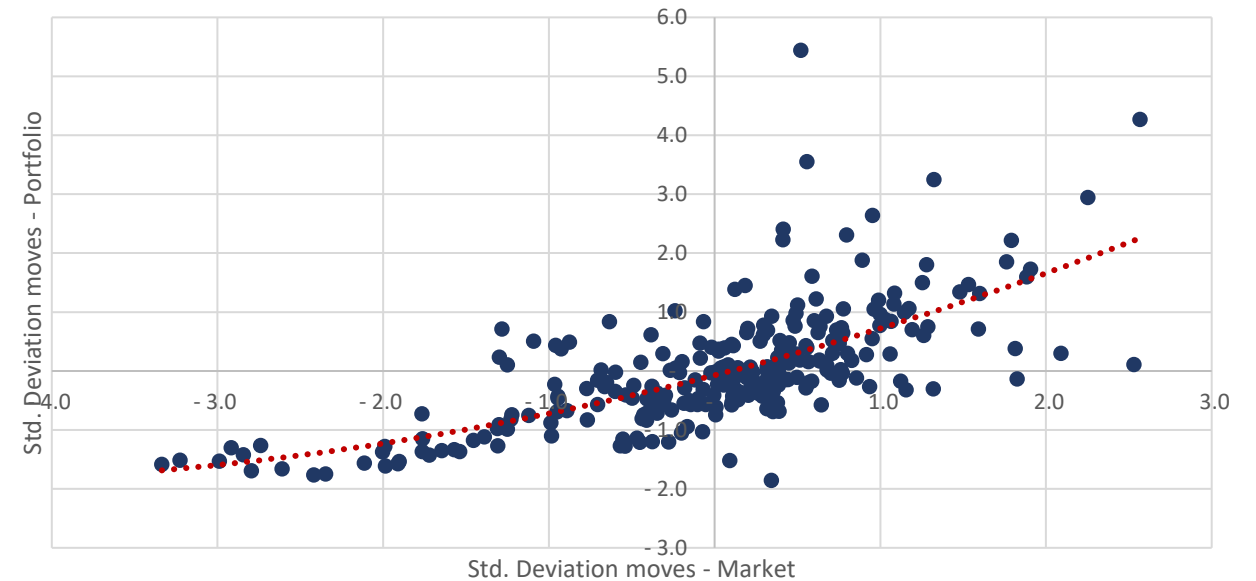


# Portfolio Convexity

Construct a portfolio that aims to deliver Alpha in Bull and Bear markets



Upside Participation / Downside Protection



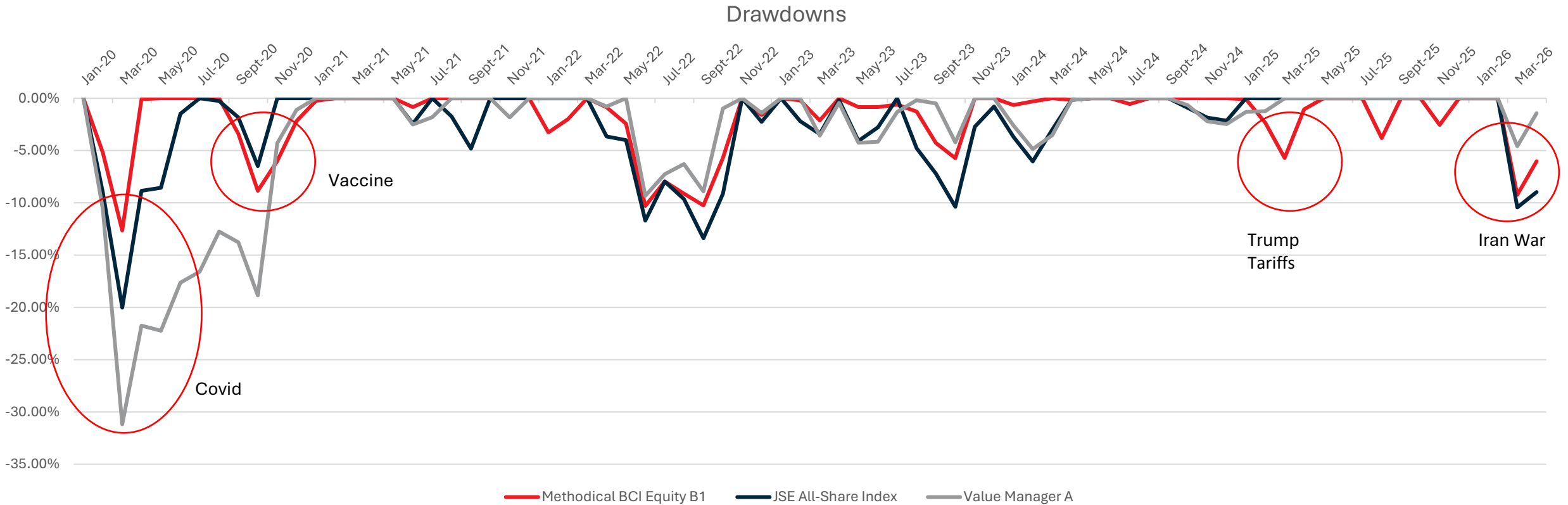
## Portfolio Convexity

- When Markets rise, participation increases
- When markets fall, downside is dampened



# When Momentum Struggles

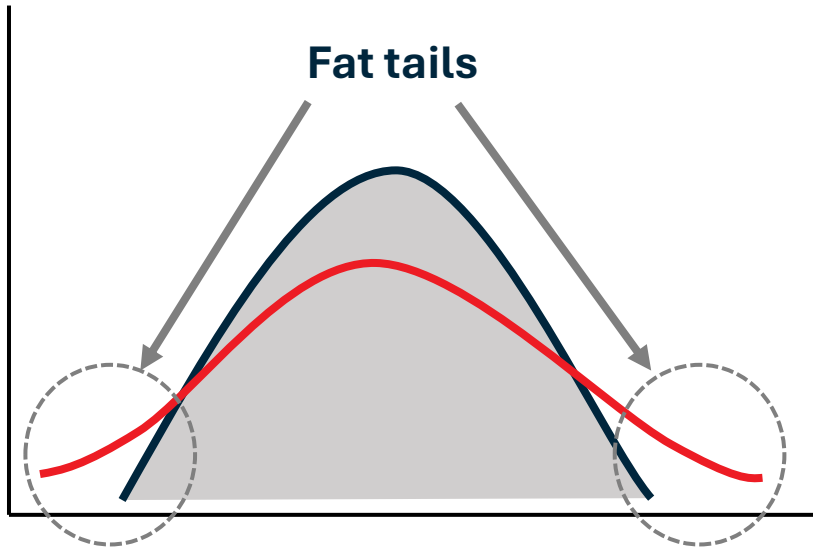
## Understanding Momentum Drawdowns



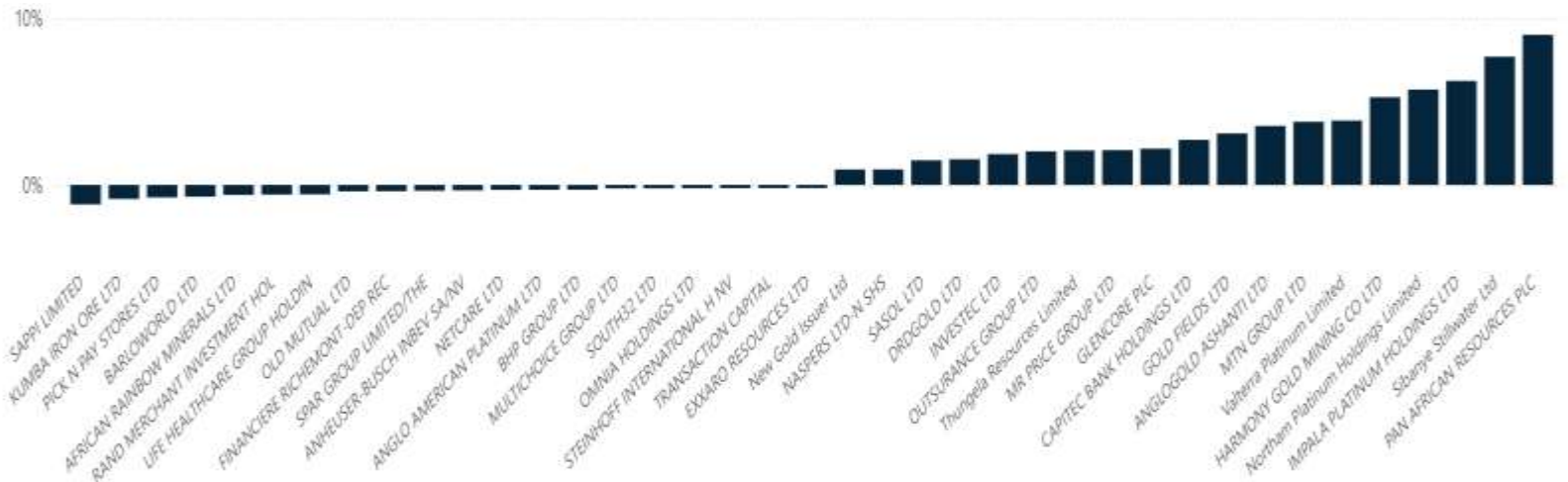


# Portfolio Convexity

Avoid left tails while participating in the right tails



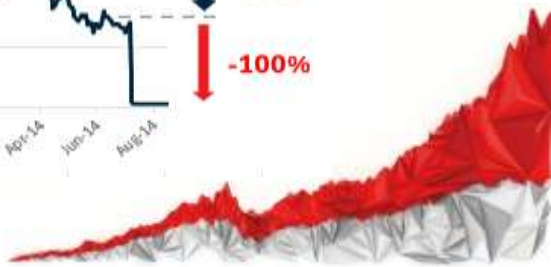
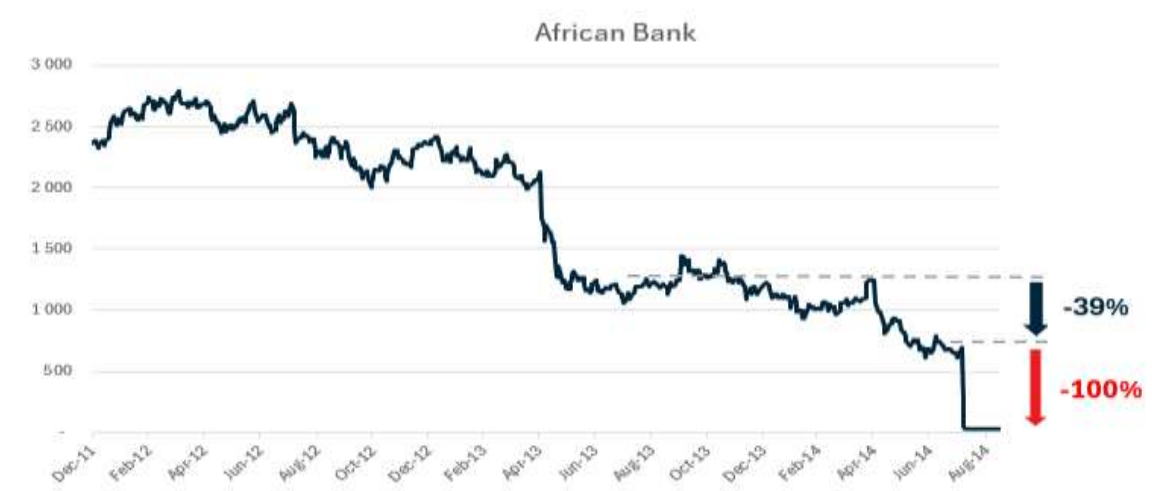
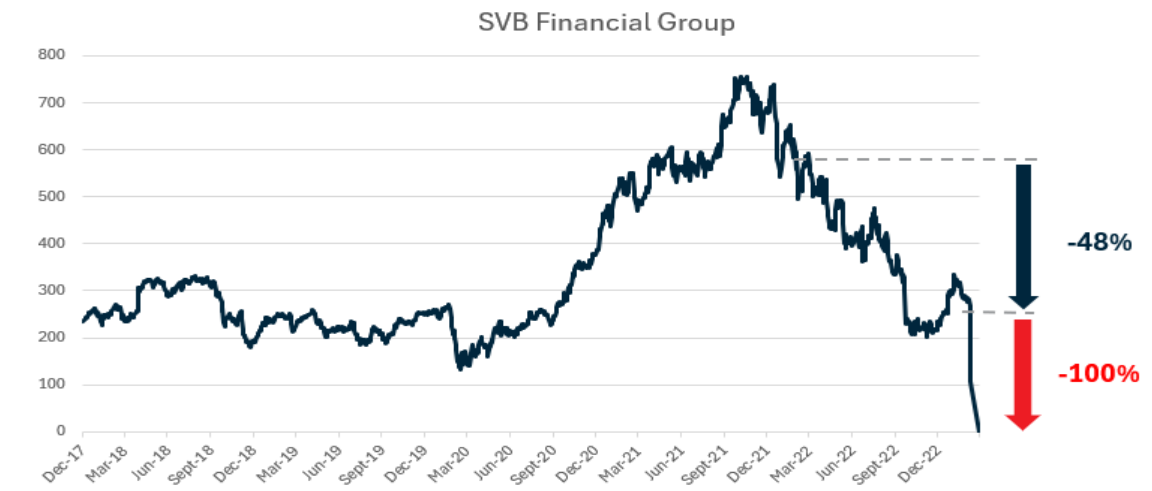
## Attribution per share – past 5 years





# Portfolio Convexity

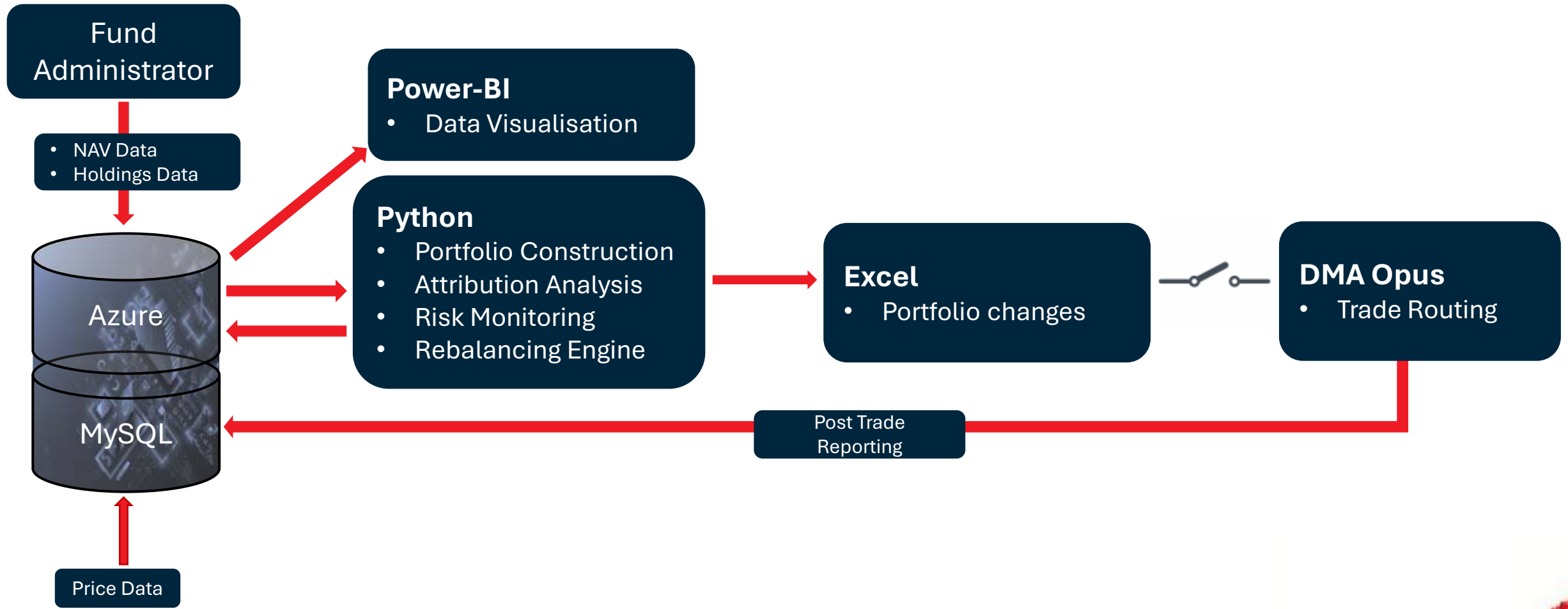
Value Traps – Gradually then suddenly





# Data, Analytics and Execution Framework

An integrated investment process



# Methodical **BCI Equity Fund** Positioning





# Top 10 Holdings – Dec 2024 vs Dec 2025 vs May 2026

Name	% Holding
MR PRICE GROUP LTD	6.7%
OUTSURANCE GROUP LTD	6.2%
THE FOSCHINI GROUP LTD	6.0%
PAN AFRICAN RESOURCES PLC	5.8%
DISCOVERY LTD	5.6%
CAPITEC BANK HOLDINGS LTD	4.5%
PEPKOR HOLDINGS LTD	3.9%
PICK N PAY STORES LTD	2.9%
MOMENTUM METROPOLITAN HOLDIN	2.6%
LIFE HEALTHCARE GROUP HOLDIN	2.5%

Name	% Holding
Sibanye Stillwater Ltd	8.8%
PAN AFRICAN RESOURCES PLC	8.5%
Northam Platinum Holdings Limited	7.9%
Valterra Platinum Limited	7.9%
IMPALA PLATINUM HOLDINGS LTD	7.4%
DRDGOLD LTD	7.2%
MTN GROUP LTD	4.2%
TELKOM SA SOC LTD	2.9%
SASOL LTD	2.8%
GROWTHPOINT PROPERTIES LTD	2.2%

Name	% Holding
GLENCORE PLC	5.4%
PAN AFRICAN RESOURCES PLC	4.8%
Thungela Resources Limited	4.8%
SASOL LTD	4.7%
BHP GROUP LTD	4.6%
SOUTH32 LTD	3.9%
ANGLO AMERICAN PLC	3.8%
Valterra Platinum Limited	3.4%
MTN GROUP LTD	3.0%
Northam Platinum Holdings Limited	2.9%

Sector	%_Holding
Financial	23.2%
Consumer, Cyclical	20.5%
Basic Materials	8.7%
Consumer, Non-cyclical	5.3%
Industrial	0.9%
Consumer Staples	0.8%
Communications	0.7%
Consumer Discretionary	0.7%
<b>Total</b>	<b>60.7%</b>

Sector	%_Holding
Basic Materials	52.6%
Communications	9.5%
Financial	3.9%
Consumer, Non-cyclical	1.8%
Real Estate	0.5%
Industrial	0.4%
Technology	0.3%
Energy	0.0%
<b>Total</b>	<b>69.0%</b>

Sector	%_Holding
Basic Materials	39.6%
Energy	5.1%
Consumer, Non-cyclical	3.5%
Communications	3.1%
Industrial	0.9%
Financial	0.1%
<b>Total</b>	<b>52.2%</b>



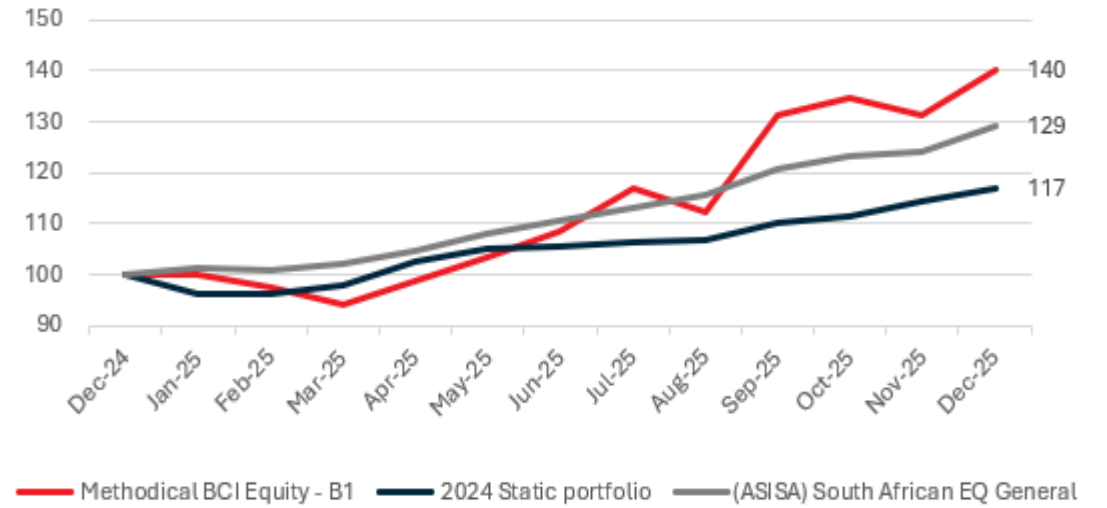


# The Value of Active Repositioning

### 2024 Portfolio



### 2025 Portfolio





# Top 10 Holdings – Methodical vs Largest Managers in SA

## Methodical BCI Equity Fund

Glencore PLC	5.4
Pan African Resources PLC	4.8
Thungela Resources Ltd Ordinary Shares	4.8
Sasol Ltd	4.7
BHP Group Ltd	4.6
South32 Ltd	3.9
Anglo American Plc	3.8
Valterra Platinum Ltd	3.4
MTN Group Ltd	3.0
Northam Platinum Holdings Ltd	2.9

Holdings	Manager A	Manager B	Manager C	Manager D
Glencore PLC	2.85	6.99	3.19	4.01
Naspers Ltd	7.45	0.00	5.02	4.56
Standard Bank Group Ltd	4.57	2.66	4.56	5.02
Anglogold Ashanti PLC	5.49	4.05	4.01	2.91
Gold Fields Ltd	6.12	0.00	2.91	0.00
Northam Platinum Holdings Ltd	0.00	3.19	2.45	2.75
MTN Group Ltd	3.79	0.00	1.87	1.68
Valterra Platinum Ltd	3.54	3.17	0.00	0.00
Anheuser-Busch InBev SA/NV	0.00	4.31	0.00	2.37
Firststrand Ltd	3.72	0.00	2.37	0.00
Discovery Ltd	0.00	6.09	0.00	0.00
Absa Group Ltd	0.00	2.83	2.75	0.00
Capitec Bank Holdings Ltd	3.74	0.00	1.68	0.00
Sanlam Ltd	2.78	0.00	0.00	1.87
Barrick Mining Corp	0.00	4.04	0.00	0.00
Nedbank Ltd	0.00	0.00	0.00	3.19
Noble Corp PLC Class A	0.00	2.82	0.00	0.00
Aspen Ltd	0.00	0.00	0.00	2.45



# Adaptive Alpha

The Case for Rules-Based Investing

- **Philosophy** – Markets trend. We adapt
- **Process** – Systematic. Scalable. Repeatable
- **People** – Conviction in the philosophy. Discipline in the execution
- **Performance** – Top-ranked through multiple market cycles

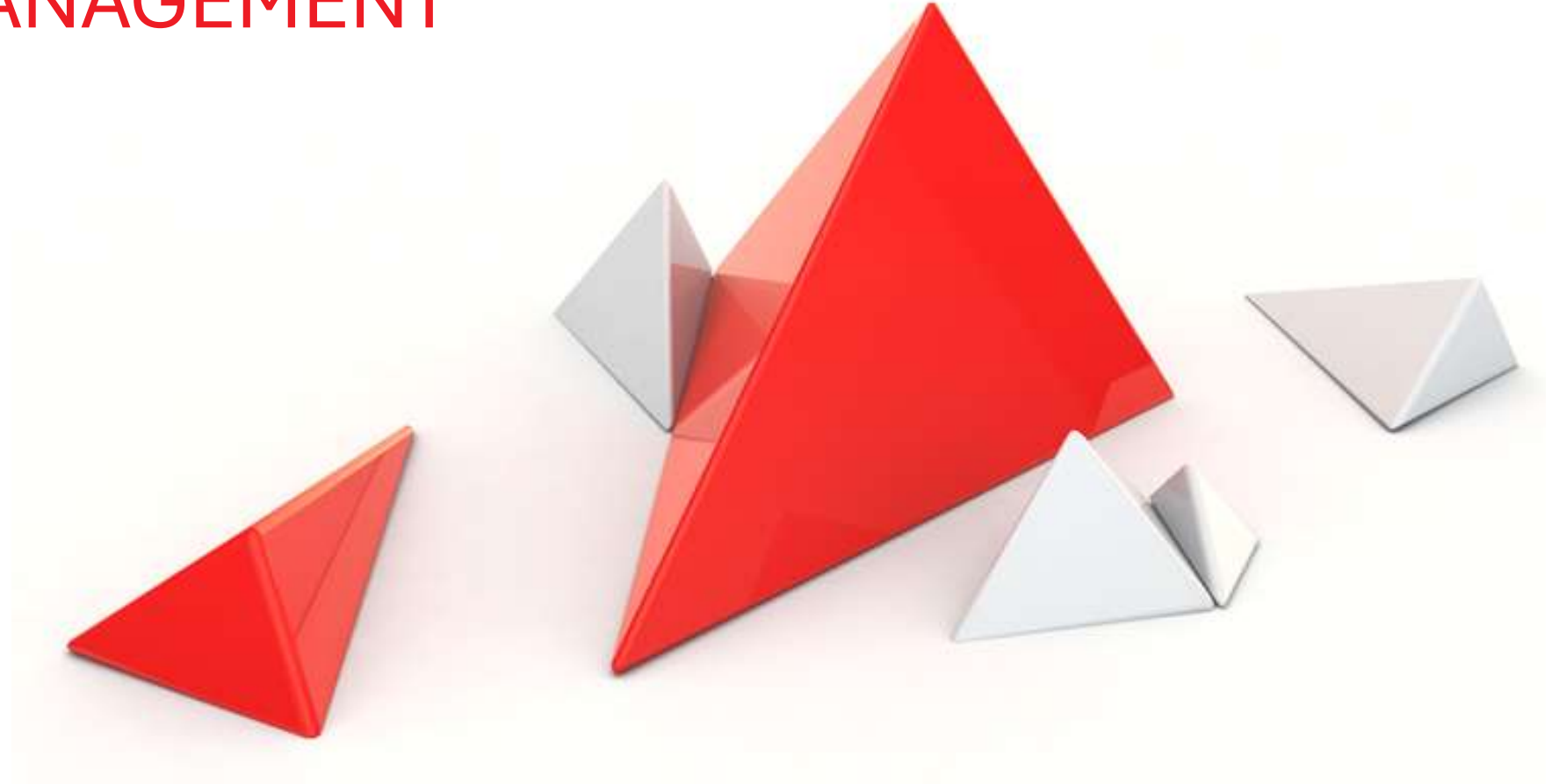


# METHODICAL INVESTMENT MANAGEMENT

## THANK YOU

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2026

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