

# The cost of being wrong.

Is flexibility the new risk management?

R.I.P.





The high cost  
of conviction.

The  
**illusion of  
precision.**

Traditional thinking  
is flawed.

Stubborn  
adherence to  
an investment  
thesis is the  
fastest route to

**Permanent  
capital  
loss.**







9:41

Today

7:14 PM

Edit

Photos

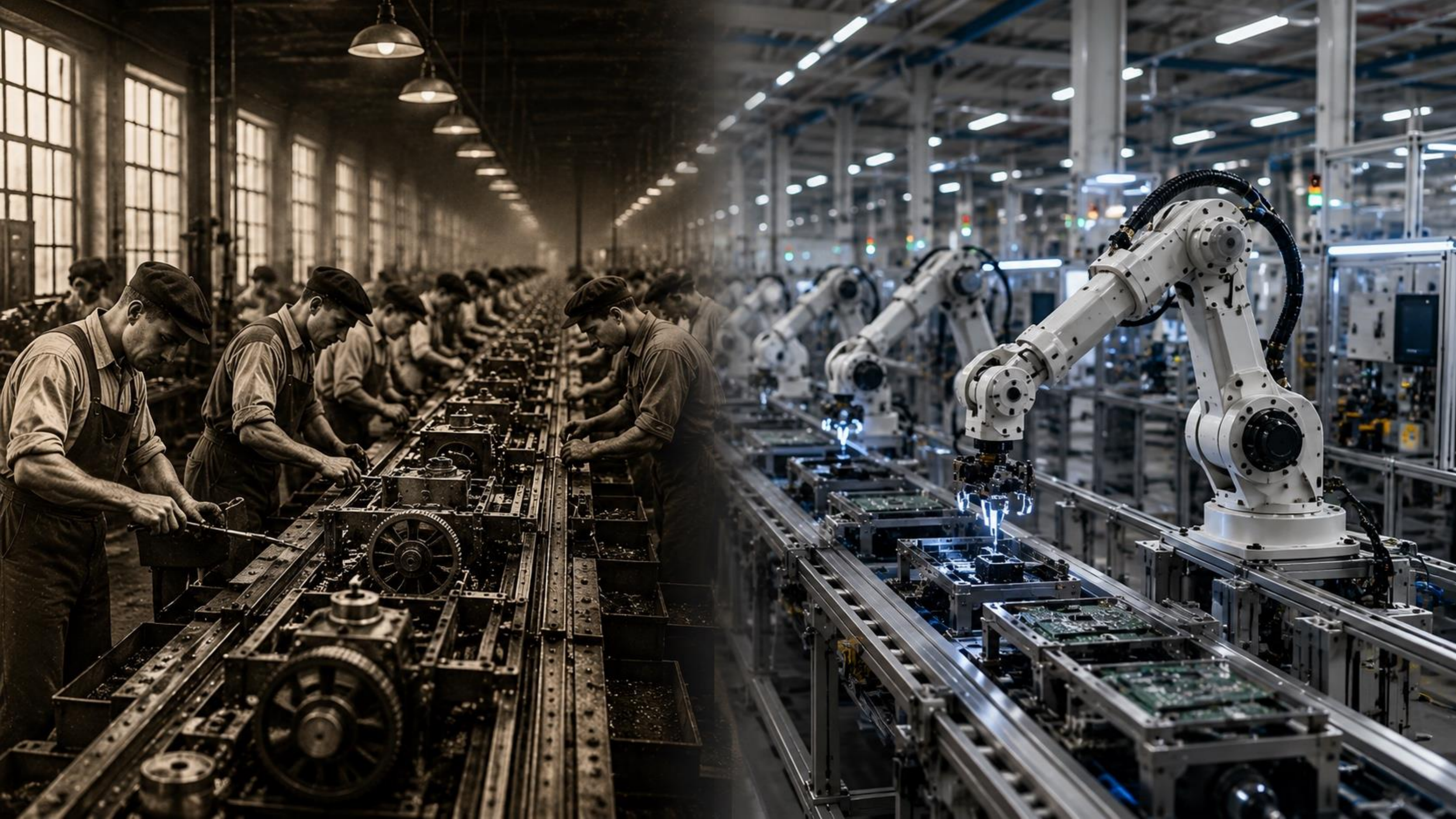
81,342 Photos, 342 Videos

- Library
- For You
- People
- Places
- Favorites
- Recents
- Moments
- Recently Deleted
- Albums
- Media Types
- Shared Albums
- My Albums



120  
Kodak  
400TX  
120

Kodak  
D-76  
developer





NETFLIX

Home TV Shows Movies New & Popular My List

Search, Notifications, Profile icons

# STRANGER THINGS

Play More Info

## Trending Now

- THE CROWN
- OZARK
- NARCOS
- THE WITCHER
- BRIDGERTON
- MONEY HEIST

## Because You Watched The Crown

- THE QUEEN'S GAMBIT
- PEAKY BLINDERS
- HOURS
- LOST IN SPACE
- THE IRISHMAN
- BLACK MIRROR



DEBENHAMS

BHS  
BRITISH HOME STORES

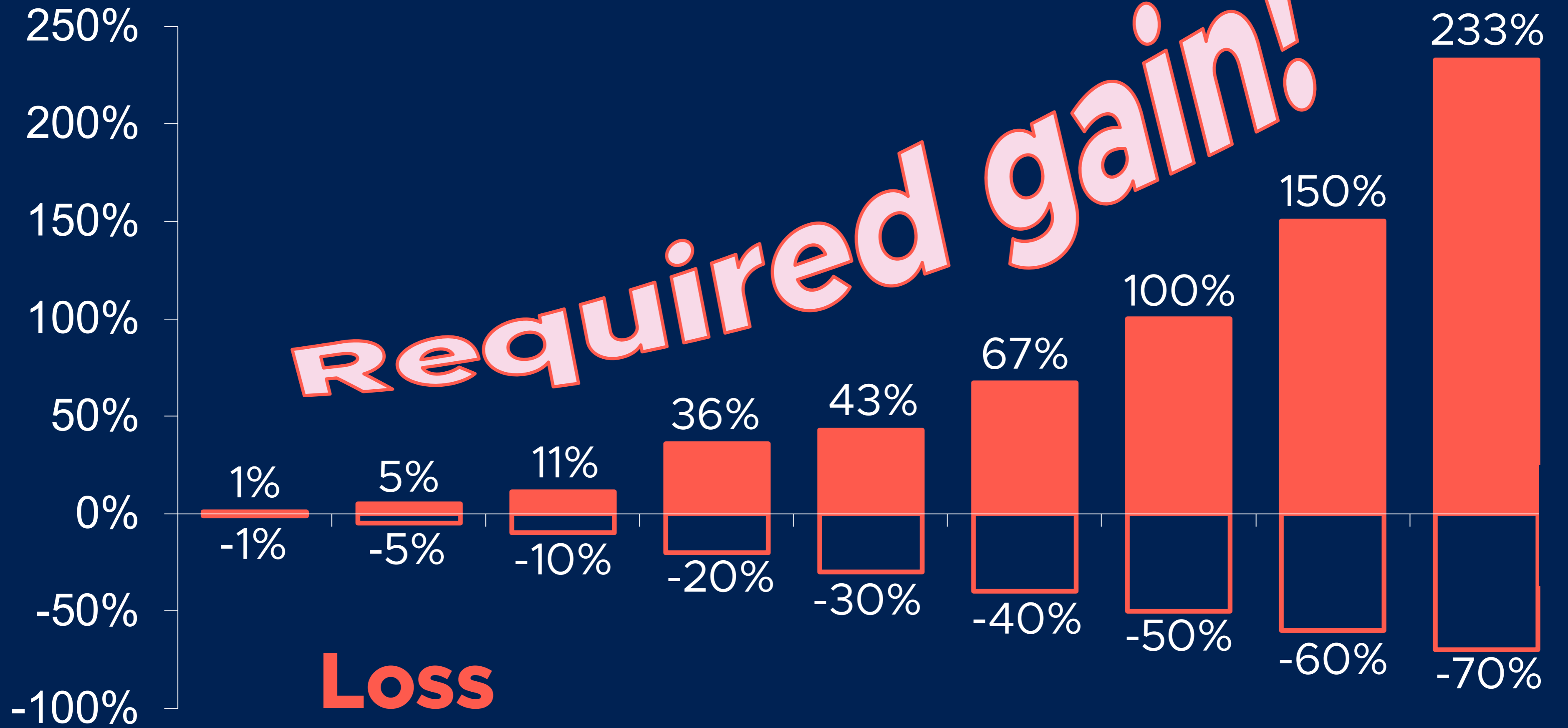
STORE  
CLOSING  
EVERYTHING  
MUST GO!

CLOSED

CLOSED



**Required gain!**



**Loss**

Invest in the value of **experience**.

**>R160bn**

AUM

**Independent**

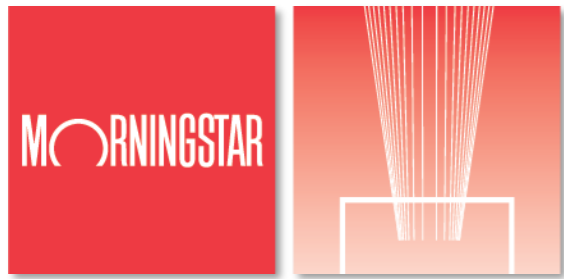
Owner-managed

**18yrs old**

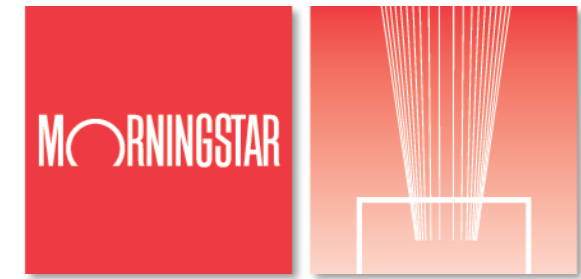
Truffle est. 2008

**>30**

Industry awards



Awards  
2022™



Awards  
2026™



Awards  
2023™



Awards  
2025™



Awards  
2024™



**The new risk paradigm.**

Traditional risk frameworks are failing.

# The new risk paradigm.

Traditional risk frameworks are failing.

	Market Event	Equity	Bond
		S&P 500 %	US Gov 20
<b>2020</b>	COVID19 growth shock	-33.8%	+13.4%
<b>2020</b>	Tech sell-off	-10.6%	-3.1%
<b>2022</b>	Inflation & rates hikes	-24.5%	-31.2%
<b>2023</b>	Inflation higher	-10.1%	-14.8%
<b>2025</b>	Liberation day inflation	-18.8%	-10.5%

# The new risk

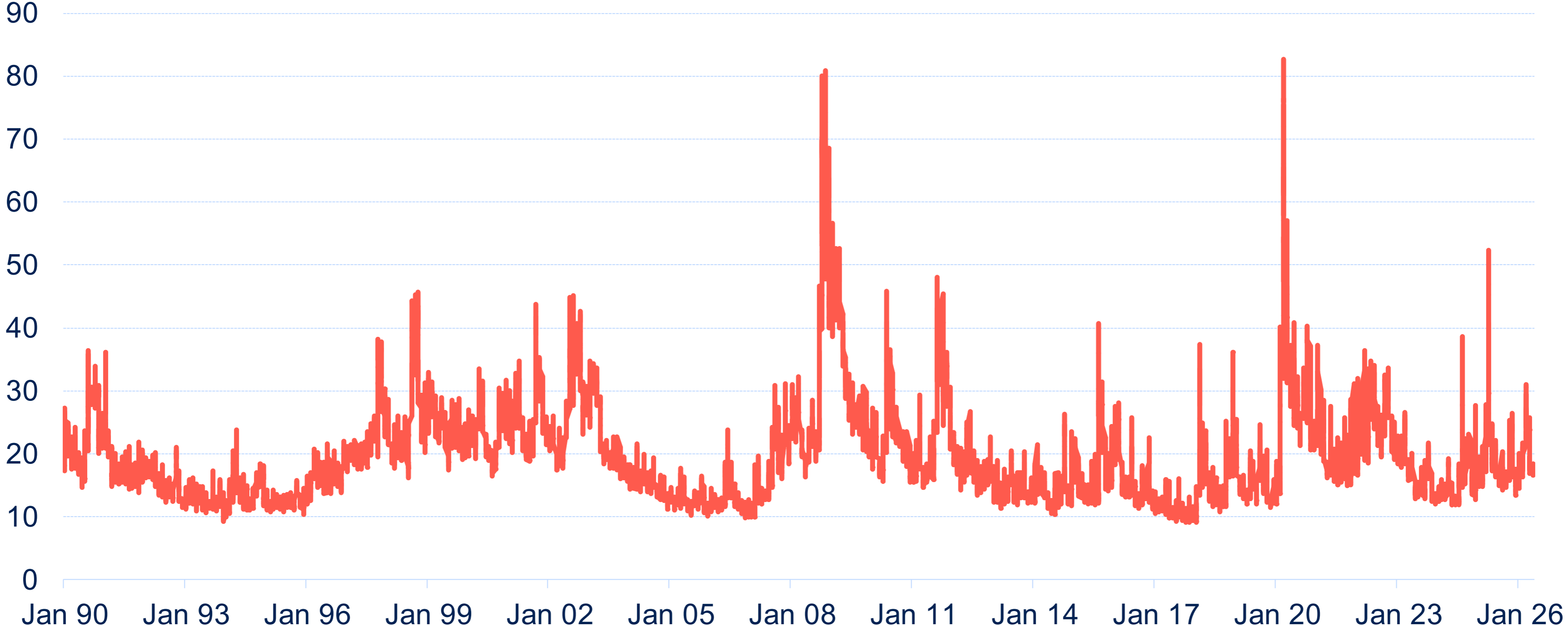
Traditional risk framework

*How do we transition to a risk framework that actually works?*



		nd	
		20	
	-33.8%	+13.4%	
	-10.6%	-3.1%	
2022	s hikes	-24.5%	-31.2%
2023	er	-10.1%	-14.8%
2		-18.8%	-10.5%

# Traditional risk models focus on **VOLATILITY** as a core insight into risk



Source: VIX index since 1990, Bloomberg

Traditional risk models focus on

**VOLATILITY** as a measure of market risk

But volatility measures  
**PRICE VOLATILITY.**

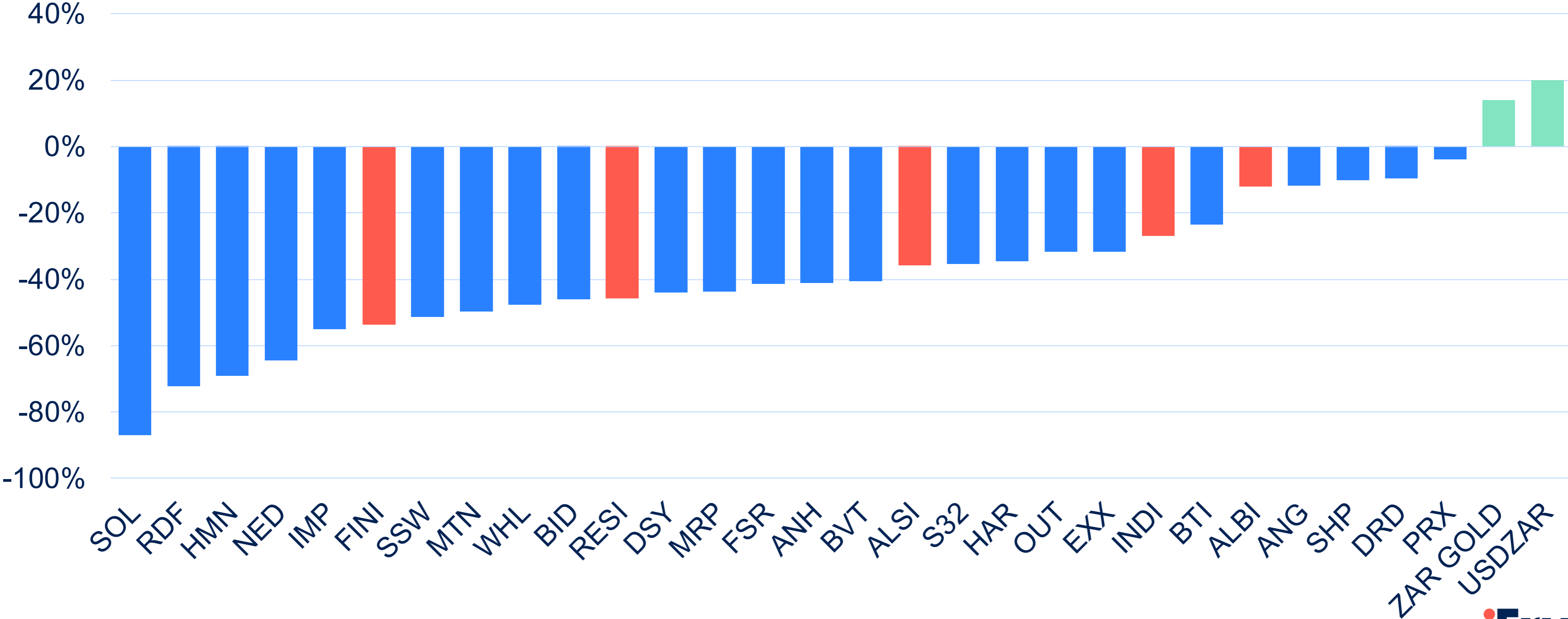
It isn't a measure of  
**STRUCTURAL HAZARD.**

10  
5  
0  
Jan 20 2020 2021 2022 2023 2024

10  
5  
0  
Jan 20 2021 2022 2023 2024

# During a crisis, portfolios are never as diversified as you think!

Price Return (%) Feb–Mar 2020



Source: Bloomberg

# We need to adopt a mindset of flexibility.

Creating resilient portfolios that can survive multiple outcomes and minimise capital loss.



**So, how do we  
build resilience?**

Have some **liquidity**.



# So, how do we build resilience?

Spread capital across  
many independent  
sources of alpha.



# So, how do we build resilience?

Build portfolios with **right tail asymmetry.**

Avoid crowded expensive trades.



# So, how do we build resilience?

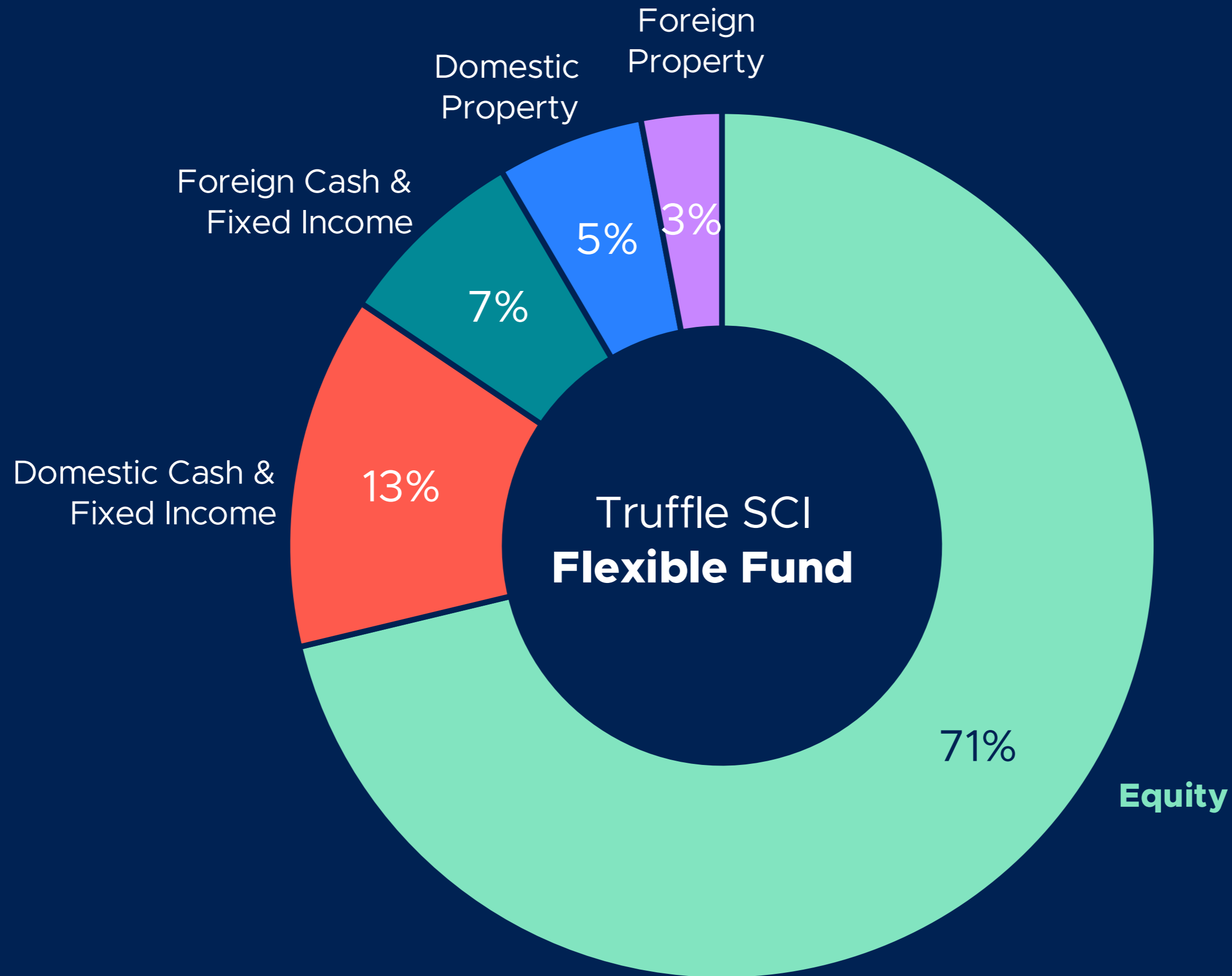
Add **tail risk hedges**, or attractively priced stocks and sectors that do well in times of stress.



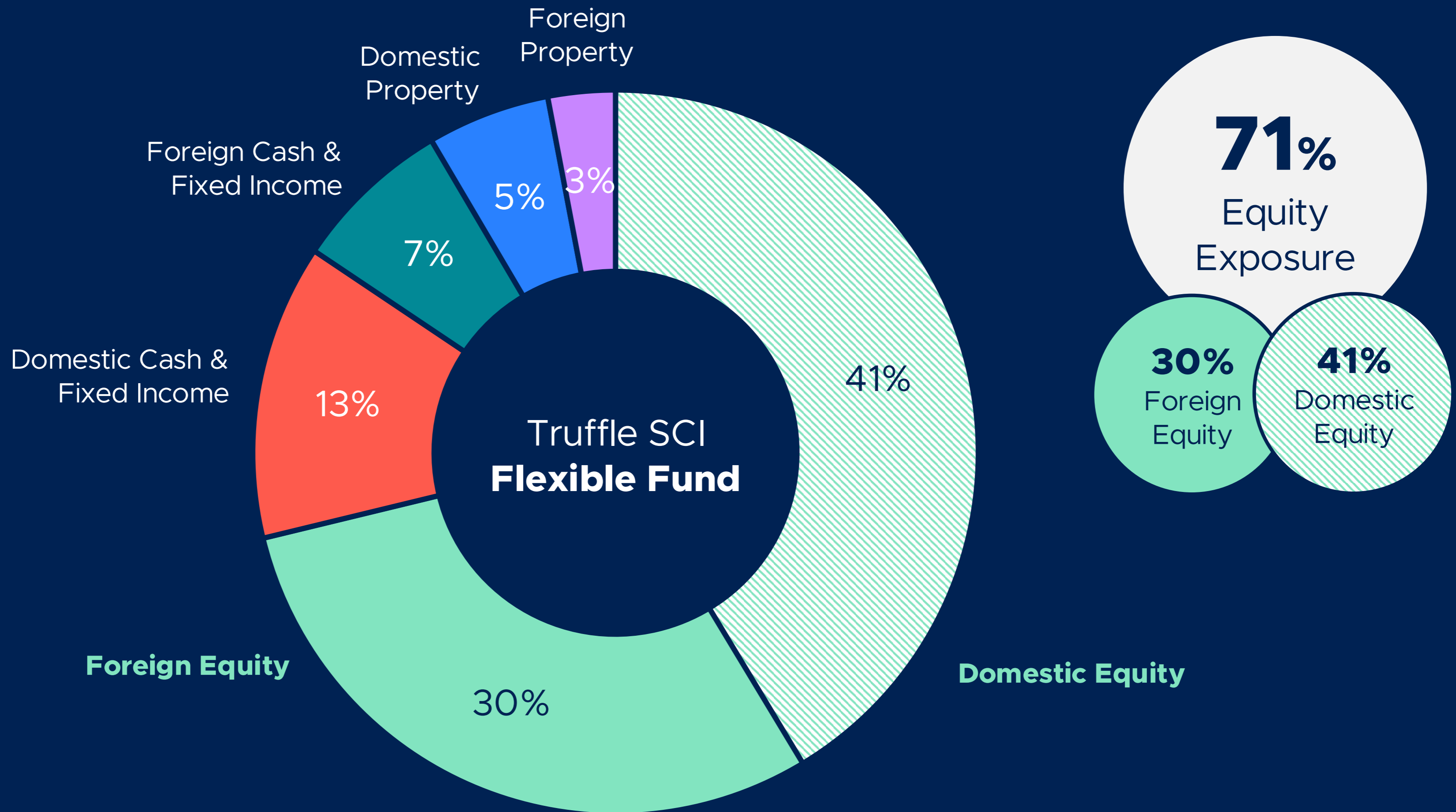
# So, how do we build resilience?

Keep a **flexible mindset**.  
When the facts change,  
change your mind.

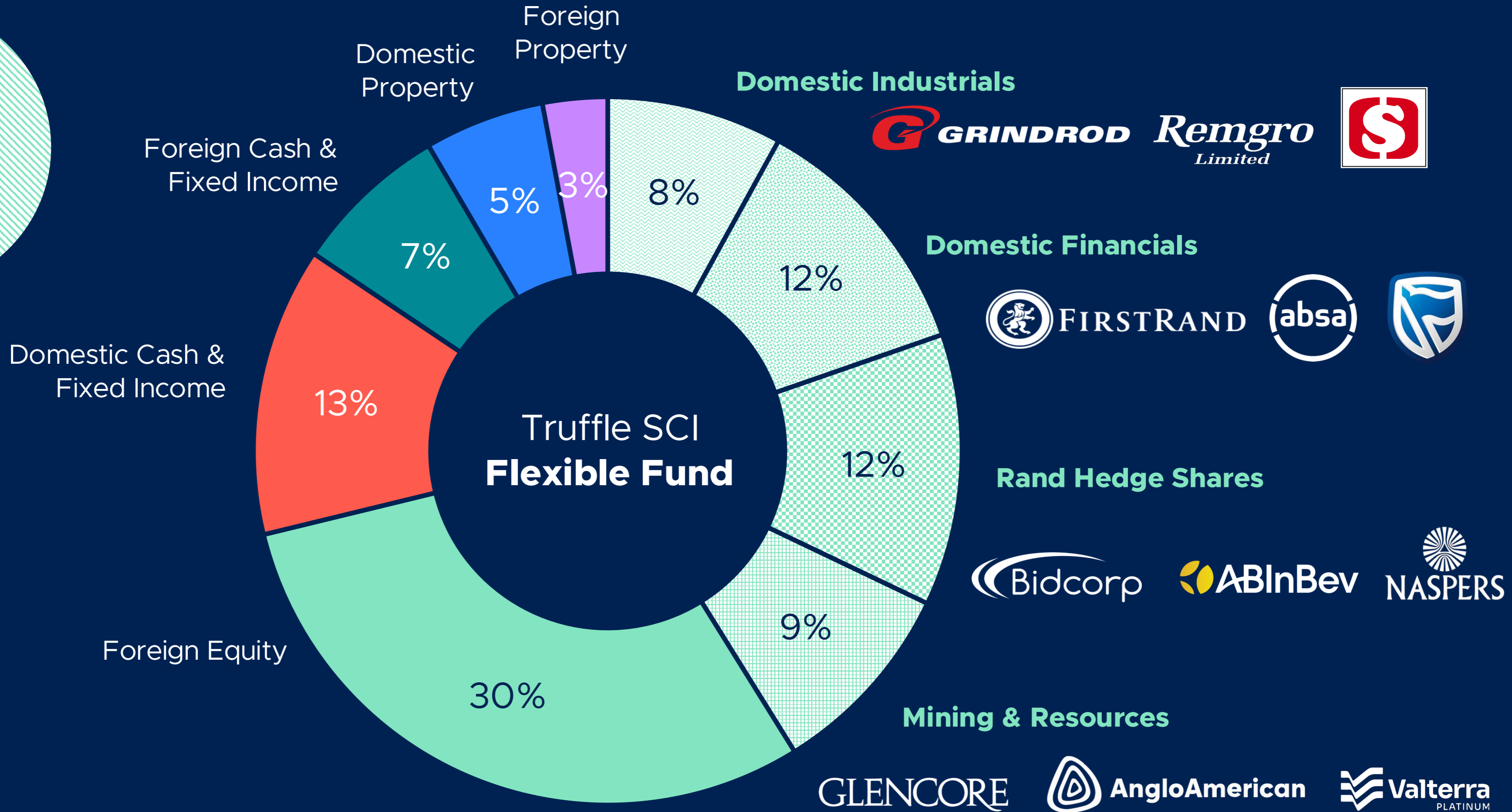




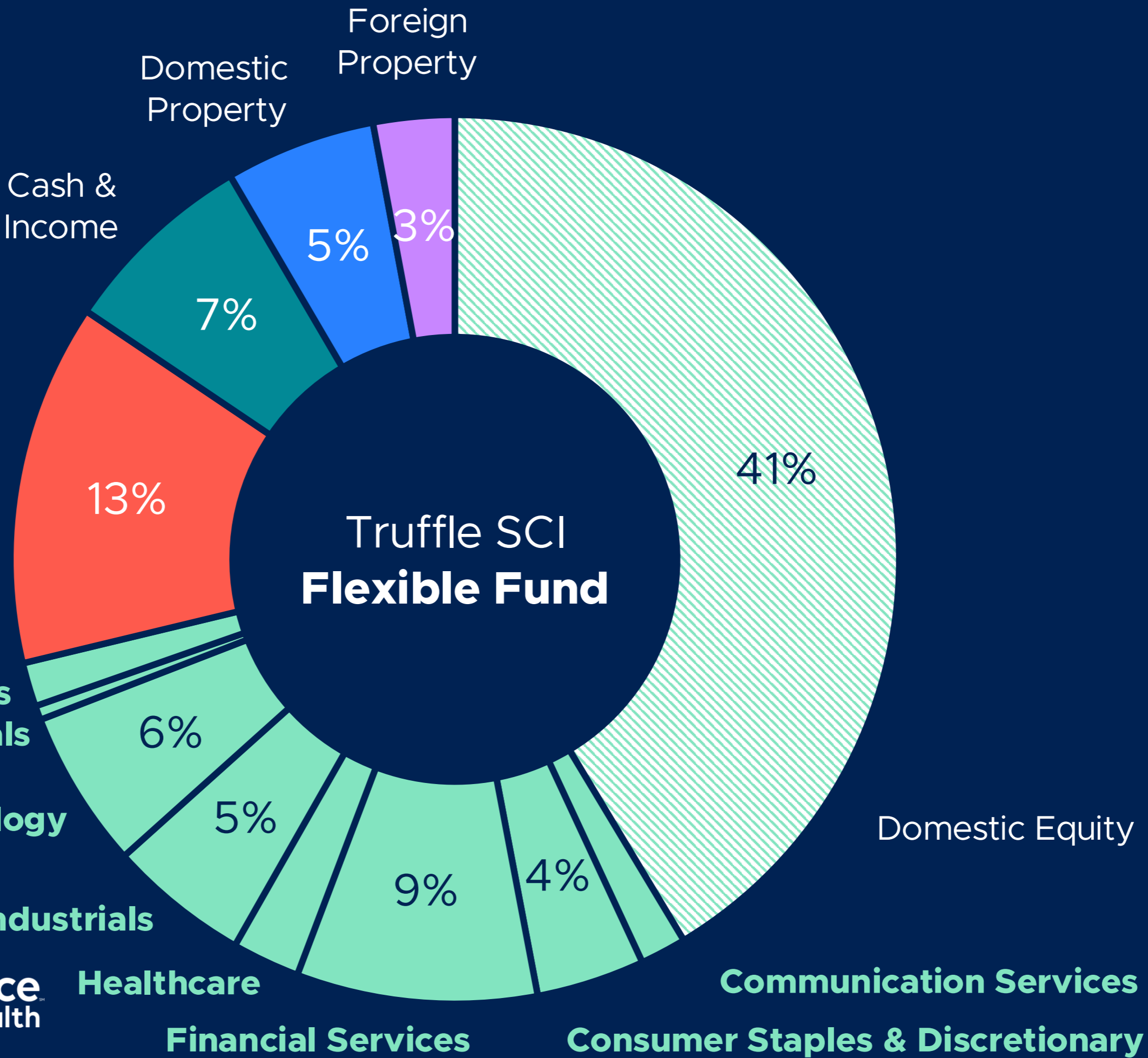
**71%**  
Equity  
Exposure



**41%**  
Domestic  
Equity



**30%**  
Foreign  
Equity



**indra**



**ASML**



Information Technology

**SAMSUNG**

**AIRBUS**

Industrials

**SONY**



Healthcare



Financial Services

Consumer Staples & Discretionary

Domestic Equity

MEET +THE  
Managers

Source: Truffle Asset Management 30 April 2026

**Truffle**

# Embedded return

Truffle SCI Flexible Fund: 1 year forward return



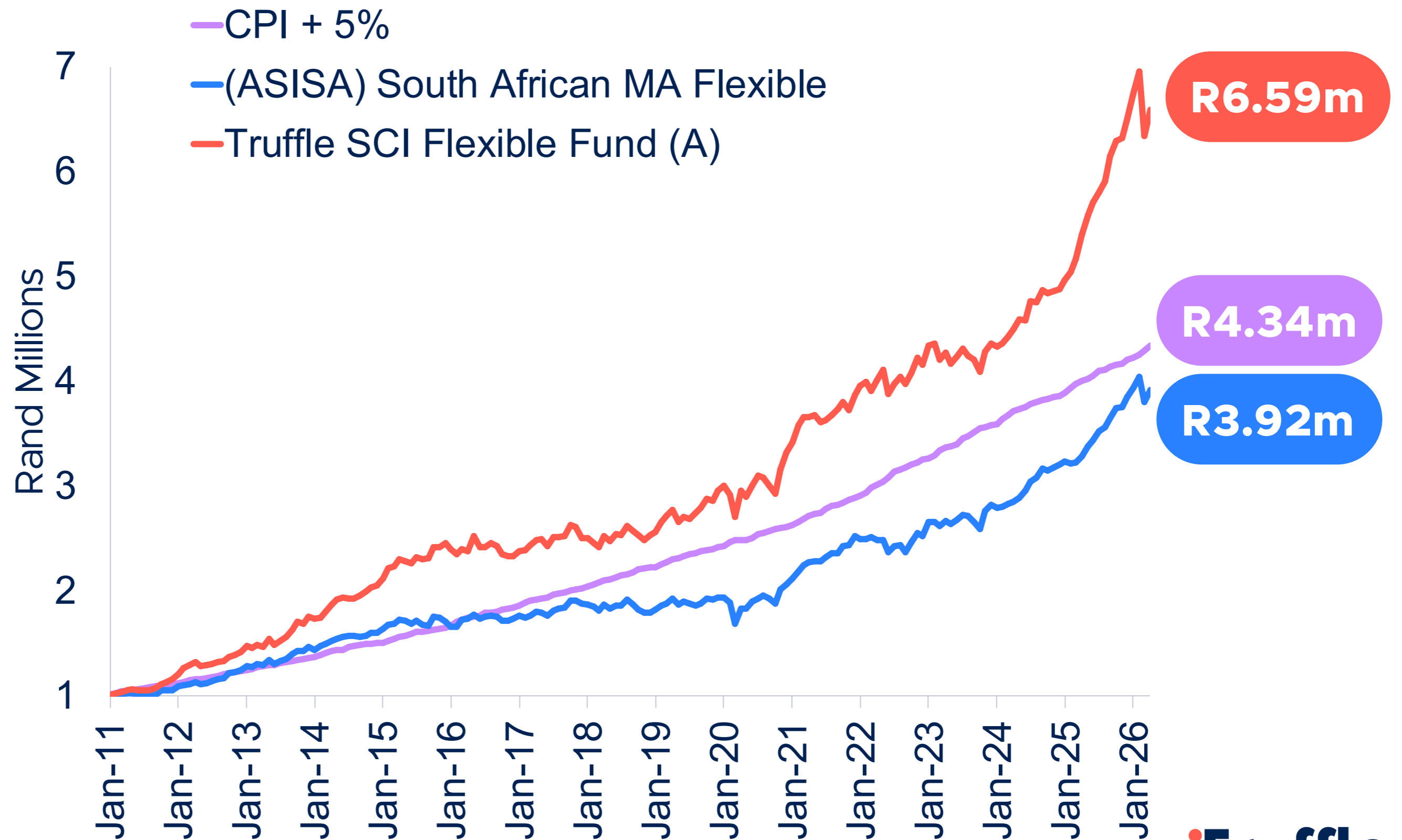
	Earnings growth	Dividend yield	Running yield	Total
<b>Total Fund</b>	<b>14%</b>	<b>4%</b>	<b>7%</b>	<b>14%</b>
Domestic Financials	10%	6%		16%
Domestic Industrials	12%	4%		16%
Foreign JSE	13%	2%		15%
Mining and Resources	14%	3%		17%
Property	7%	7%		14%
Foreign Equity	15%	4%		19%
Domestic Bonds			8%	8%
Foreign Bonds			5%	5%

Source: Truffle Asset Management. Data expected returns as at 30 May 2026

# Outperformance that compounds

**13.1%**  
Annualised net  
return since  
inception

**8%**  
Real return for  
investors\*



Source: Morningstar, A Class. Data as at 30 April 2026 \*Annualised net since inception

# Top performance across **ALL** funds

Fund	Quartile Ranking	Peer Ranking	Inception Date
Amplify SCI Wealth Protector B5	<b>1<sup>st</sup></b>	<b>1<sup>st</sup></b> / <sub>100</sub>	Oct 2016
Nedgroup Inv Balanced A2	<b>1<sup>st</sup></b>	<b>1<sup>st</sup></b> / <sub>58</sub>	Nov 2011
Truffle SCI General Equity A	<b>1<sup>st</sup></b>	<b>1<sup>st</sup></b> / <sub>40</sub>	Jan 2011
Truffle SCI Income Plus A	<b>1<sup>st</sup></b>	<b>1<sup>st</sup></b> / <sub>20</sub>	Oct 2016
Truffle SCI SA Equity E	<b>1<sup>st</sup></b>	<b>1<sup>st</sup></b> / <sub>18</sub>	Jan 2013
Nedgroup Inv Managed A	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b> / <sub>139</sub>	Dec 2016
Truffle SCI Flexible A	<b>1<sup>st</sup></b>	<b>3<sup>rd</sup></b> / <sub>20</sub>	Jan 2011
Truffle SCI SA Flexible A	<b>1<sup>st</sup></b>	<b>5<sup>th</sup></b> / <sub>50</sub>	May 2024
Truffle SCI Enhanced Income A	<b>1<sup>st</sup></b>	<b>7<sup>th</sup></b> / <sub>118</sub>	Nov 2023

Source: Morningstar data as at 30 April 2026. Relative ranking since the inception of the fund. Returns are annualised since inception. Inception date is the start of the first full month after the first 3rd party investment was received.

# Flexibility *is* the new risk management.

The cost of being wrong, can cost you everything.

# Invest with Truffle

Explore our focused fund range.

[truffle.co.za](https://truffle.co.za)

Truffle SCI  
**Income Plus**  
Fund



5 Morningstar Awards  
6 Raging Bull Awards  
3 FundHub Awards

Truffle SCI  
**Enhanced  
Income**  
Fund

Amplify SCI  
**Wealth  
Protector**  
Fund



1 Morningstar Award  
4 Raging Bull Awards  
3 FundHub Awards

Truffle SCI  
**SA Balanced**  
Fund

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Nedgroup  
Investments  
**Balanced**  
Fund



1 Morningstar Award

Truffle SCI  
**SA Flexible**  
Fund

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Truffle SCI  
**Flexible**  
Fund

Truffle SCI  
**SA Equity**  
Fund

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Truffle SCI  
**General Equity**  
Fund

Income Generation

Balanced Solutions

Capital Growth

# Unit Trust Summary

	Income Generation		Balanced Solutions			Capital Growth			
Fund	Truffle SCI Income Plus	Truffle SCI Enhanced Income	Amplify SCI Wealth Protector	Truffle SCI SA Balanced	Nedgroup Inv Balanced	Truffle SCI SA Flexible	Truffle SCI Flexible	Truffle SCI SA Equity	Truffle SCI General Equity
<b>ASISA Category</b>	SA - Interest Bearing - Short Term	SA - Multi Asset - Income	SA - Multi Asset – Low Equity	SA - Multi Asset - SA High Equity	SA - Multi Asset - High Equity	SA- Multi Asset – Flexible		SA - Equity - SA General	SA - Equity - General
<b>Benchmark</b>	STeFI Composite	110% of STeFI Composite	CPI + 3% over a rolling 3-year period	CPI + 4%	ASISA Category Average & CPI + 4%	CPI + 5%		FTSE/JSE Capped All Share Index (J303)	
<b>Risk Rating</b>	Conservative	Conservative - Cautious	Cautious	Moderate		Moderate Aggressive		Aggressive	
<b>Time Horizon</b>	1 - 2 years	2 - 3 years	3 - 5 years	5 - 7 years		8 - 9 years		10 years +	
<b>Equity Exposure</b>	0%	0 - 10%	0 - 40%	0 - 75%		0 - 100%		90 - 100%	80 - 100%
<b>Offshore Exposure</b>	0 - 45%			0%	0 - 45%	0 %	0 - 45%	0%	0 - 45%
<b>Reg 28 Compliant</b>	No	Yes	Yes			No		No	
<b>Income Distribution</b>	Monthly	Quarterly			Semi-annually				
<b>Annual Management Fees (Excl. VAT)</b>	Class A: 0.50%	Class A: 0.70% Class C: 0.50%	Class B5: 0.87%	Class A: 0.90% Class C: 0.75%	Class A2: 1.35% Class G: 0.95%	Class A: 0.90% Class C: 0.75%	Class A: 0.90% Class C: 0.75%	Class C: 0.75%	Class A: 0.90% Class C: 0.75%
<b>Fund Overview</b>	An actively managed fund of fixed income securities, including corporate and government bonds. This fund aims to achieve higher yields of income than money market portfolios, while focusing on preserving capital.	A multi-asset income fund aiming to deliver relatively high income returns and a strong focus on protecting capital. The fund will also seek investment opportunities to grow capital over the medium term.	A multi-asset low equity fund that focuses on protecting capital over the short-term while aiming to generate inflation-beating returns and capital growth over the longer term.	A domestic balanced fund that aims to grow capital over the long term through actively investing in a diversified range of South African assets.	A balanced fund that aims to grow capital over the long term through actively investing in a diversified range of South African and foreign assets.	A domestic unconstrained multi-asset fund that aims to deliver strong inflation-beating returns over the long term through dynamic asset allocation and security selection across a range of assets.	An unconstrained multi-asset fund that aims to deliver strong inflation-beating returns over the long term through dynamic asset allocation and security selection across a range of assets.	A domestic equity fund aiming for superior long-term capital growth through adopting a distinctive stock selection process with significant attention to managing downside risk.	An equity fund aiming to deliver superior long-term capital growth through a distinctive stock selection process, investing across all local and offshore equity sectors.
<b>Why choose this fund?</b>	Capital protection is the central focus of this fund, while still achieving consistent income returns.  Managed by an award-winning team with deep experience and a proven ability to manage interest rate risk.	An actively managed, well-diversified fund investing in a range of fixed income instruments with the flexibility to invest in equity, preference shares, listed property and offshore assets.  Managed by an award-winning team with a proven track record of consistent performance.	An agile approach to asset allocation and security selection to quickly adapt to changing market conditions.  Managed by an award-winning team with a proven track record of protecting capital and limiting volatility of returns over time.	A well-constructed and diversified fund of quality South African assets.  An agile approach to asset allocation and security selection. A deliberate focus on downside risk, aiming to minimise capital loss.	An actively managed fund with an agile approach to asset allocation and security selection.  A disciplined and focused risk management process which aims to minimise capital loss.	Managed with full flexibility to implement ideas efficiently.  Risk is actively managed through asset allocation and security selection across various asset class strategies.  Managed by a highly experienced team with a proven track record of selecting quality assets to deliver long-term capital growth.	A bottom-up valuation-based philosophy for stock selection.  A distinctive approach to fundamental research and valuation to identify investment opportunities.  An investment belief that generating solid investment returns is not only achieved by identifying winners, but also by avoiding value traps and unnecessary risk-taking.		
For more information, refer to the fund fact sheets on our website ( <a href="https://truffle.co.za/investments/">https://truffle.co.za/investments/</a> ).									



## Disclaimer

Truffle Asset Management (Pty) Ltd is an authorised Financial Services Provider (FSP) in terms of the Financial Advisory and Intermediary Services Act, FSP no. 36484. Registration number 2008/009740/07, registered for Categories I and II. Truffle Asset Management is the Investment Manager for the funds referred to in this document.

### Co-branded portfolios

Sanlam Collective Investments (RF) Pty Ltd and Nedgroup Collective Investments (RF) Proprietary Limited are registered and approved managers (“the Managers”) in Securities in terms of the Collective Investment Schemes Control Act 45 of 2002. The Managers retain full legal responsibility for the co-branded portfolios.

### Collective Investment Schemes

Collective Investment Schemes are generally medium to long-term investments. The value of your investment/unit trust may go down as well as up. Past performance is not necessarily a guide to future performance. The Manager does not guarantee the performance of your investment, and even if forecasts about the expected future performance are included, you will carry the investment and market risk, which includes the possibility of losing capital. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee with respect to either the capital or the return of a portfolio. The manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. Where funds may from time to time invest in foreign securities, they may face risks associated with constrained liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the limitations on the availability of information. Income funds derive their income primarily from interest-bearing instruments.

### Further information

For further details on the funds included in this document, refer to the minimum disclosure documents (MDDs) available on the Truffle website <https://truffle.co.za/investments/#factsheets>.

A schedule of fees, charges, and maximum commissions is available from the Manager on request. Additional information, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. This document does not constitute financial advice. Prospective investors are encouraged to inform themselves and obtain appropriate financial and tax advice to aid them in making informed investment decisions.

Full details and basis of awards are available from the Investment Manager.

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Invest in the value of experience.