



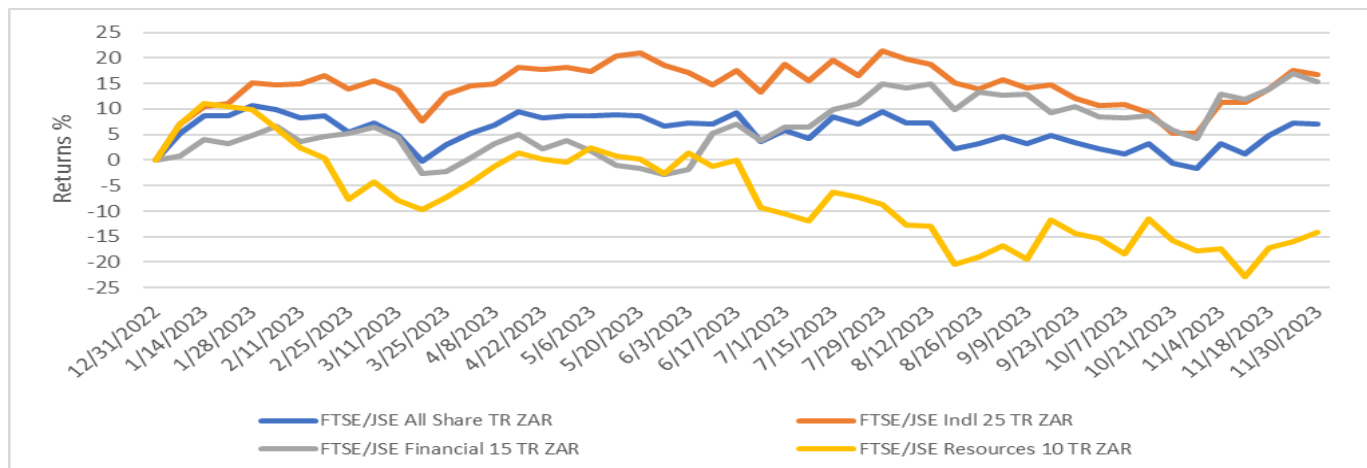
STAR INVESTMENT
PARTNERS



South African Market

After three months of declines, local financial markets experienced a more risk-on month for investors as the FTSE/JSE All Share Index clawed back most of the losses made over the prior period. The Index gained 8.55% during November, while YTD the Index moved back into the green territory ending up 7.11%. It was green across the board on the JSE, with Industrials and Financials being the big winners, up 10.47% and 8.72% respectively. Resources recouped some of the YTD losses gaining 5.86%. SA Listed Property also had a strong month to end November up 9.14%, bringing the asset class back into positive territory YTD.

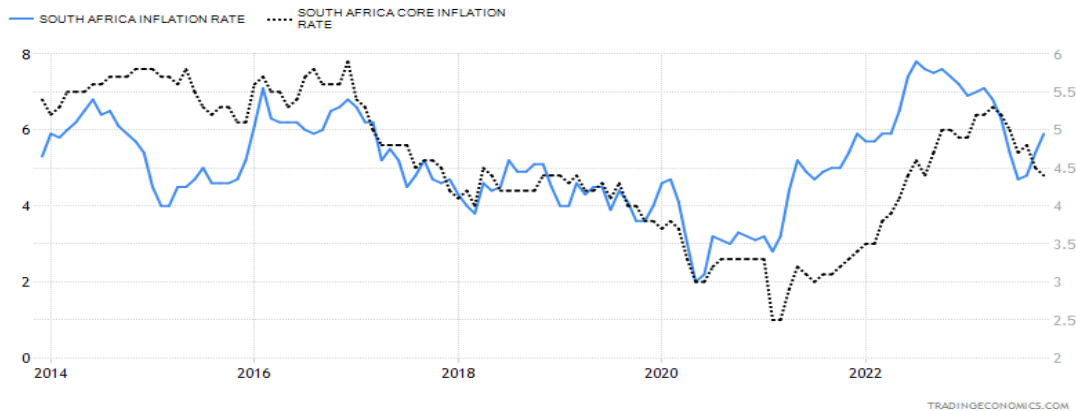
JSE Subsector Returns (YTD):



Local headline inflation rose for a third consecutive month with continued upward pressure coming from higher energy and food prices. Annual inflation accelerated to 5.9%, the highest figure in the last 5 months, up from 5.4% the previous month, nearing the upper limit of the 3%-6% SARB target range. Core Inflation eased to a 14-month low of 4.4%, down from 4.5% the previous month. The inflation rate for food and non-alcoholic beverages experienced a second consecutive monthly increase, reaching 8.7%, up from 8.1%. Transport inflation also jumped to 7.4%, up from 4.2% the previous month. November saw a substantial petrol price cut of R1.78/litre, exerting some downward pressure on the inflation outcome. Even with inflation accelerating over the last three months, the opposite of what the MPC has stated that they would want to see, and the added risk of export challenges (due to failing rail and port infrastructure) that face South Africa, the SARB's monetary policy committee kept interest rates unchanged, in line with economists' expectations at 8.25p.a. for a third consecutive meeting, and the last one for the year.

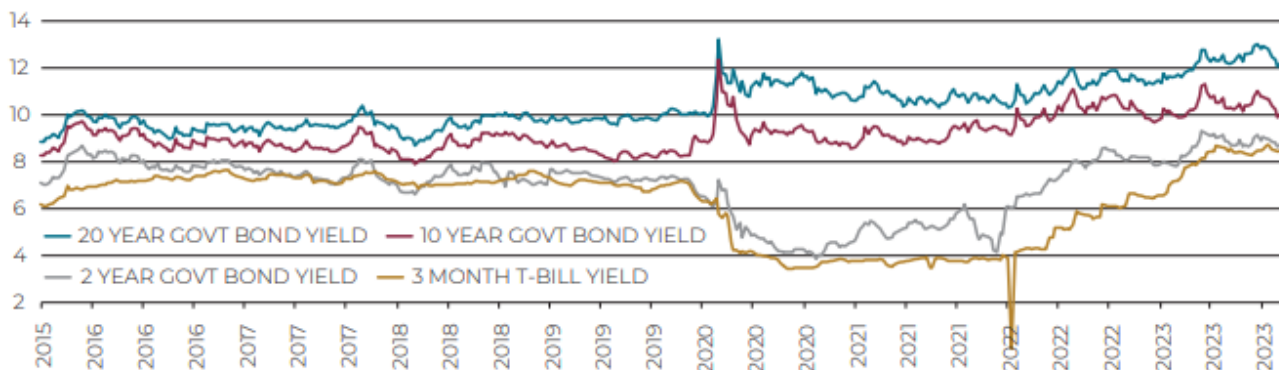


SA Inflation Rate:



November's Medium Term Budget Policy Statement helped to strengthen local sentiment and supported both local bonds as well as the Rand. The ALBI had its best month of the year, with the index gaining 4.73%, bringing the YTD returns up to 8.02%. SA government's long-term borrowing rate followed global bonds lower during November as well, with the SA 10-year bond falling slightly to 11.27%, from 11.57% the previous month. The Rand showed slight weakness in November, but the move was small compared to the exchange rate volatility experienced over the previous 2 months. The Rand ended the month at R18.88/\$ falling (0.73%).

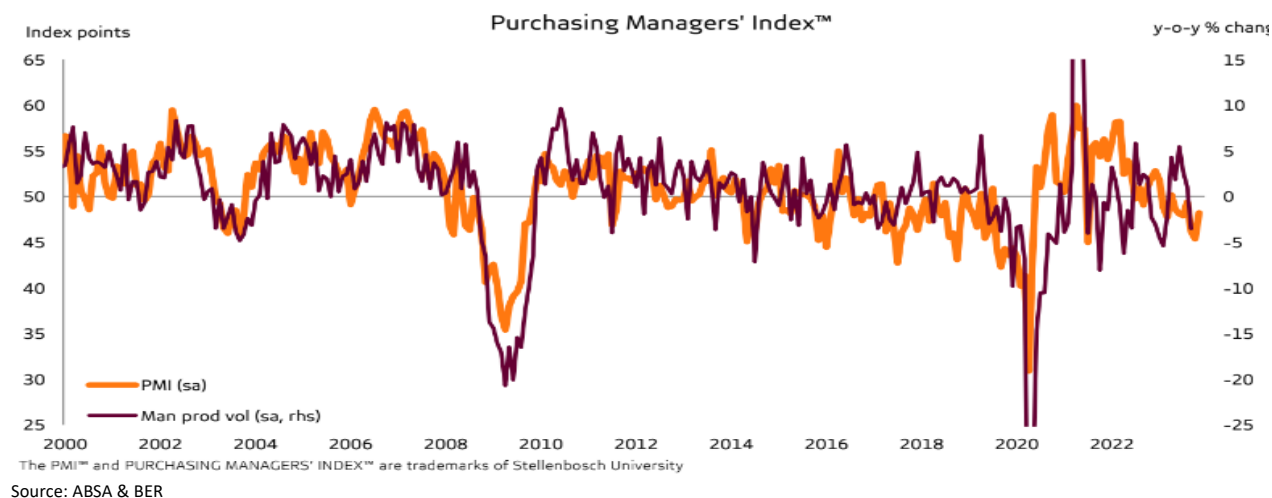
SA Government Bond yields:



Manufacturing production in South Africa fell sharply by (4.3%) for the first time since March this year. This was mainly due to the increase in load shedding as industry once again experienced stage 6 power cuts, this after October saw some slight relief in power cuts. Mining production also shrank by (1.9%) in November, for a third consecutive month, largely due to lower output of metallic minerals, as well as continually struggling with power blackouts and increasing supply chain disruptions at the ports. The Absa Purchasing Managers' Index (PMI) rose significantly to 48.2 in November, from 45.3 the previous month. This was an encouraging sign following two months of a decline in the headline index, although the index failed to return to positive terrain. The business activity and new sales orders indices also still point to declining activity and demand, although it was at a slower rate than before.



SA Retail Sales YoY:



Asset Class Performances in ZAR

As of 30 th November 2023	MTD	YTD	1 Year	3 Years*	5 Years*	10 Years*
Global Equity – MSCI ACWI	10.46	29.08	24.35	13.19	16.24	14.86
Global Property - FTSE EPRA NAREIT DR	12.19	12.44	9.41	7.44	7.43	10.99
Global Bond - Bloomberg GBL AGG	6.00	11.59	12.64	(0.80)	4.95	5.70
Global Cash - ICE LIBOR 1 Month	1.54	16.78	17.34	9.43	8.55	7.88
SA Equity - FTSE/JSE All Share	8.55	7.11	4.69	14.33	12.37	8.89
SA Property - FTSE/JSE SA Listed Prop	9.14	0.22	1.35	16.17	(1.84)	2.07
SA Bond - BEASSA ALBI	4.73	8.09	8.76	7.76	8.06	7.94
SA Cash - STeFI Call Deposit	0.65	7.08	7.67	5.27	5.44	5.86

ZAR/USD (negative = Rand strength)	0.73	11.02	11.32	6.94	6.39	6.37
Gold	3.21	18.49	23.08	8.86	14.51	9.47
Brent Crude Oil	(4.21)	7.38	8.09	28.69	14.03	3.43

*Returns more than 1 year are annualized.



Global Markets

Global markets advanced strongly in November after 3 months of uncertainty in financial markets. Markets grew increasingly confident that US interest rates have peaked, with investors buying into more risky assets as the market narrative is now shifting to the timing of interest rate cuts. The cooler than expected inflation reading boosted rate sensitive areas of the market such as real estate and technology stocks as well as the consumer discretionary sector. The MSCI ACWI rose 9.28% in November, marking global equity benchmark's best month since November 2020, when news of a breakthrough in the race to develop a Covid vaccine lifted markets higher. Both Developed and Emerging Markets finished the month higher, with the MSCI World and Emerging Markets gaining 9.41% and 8.02% respectively.

MSCI ACWI Monthly Returns %:

MSCI All-World equity index, monthly % change



Source: LSEG, DataStream

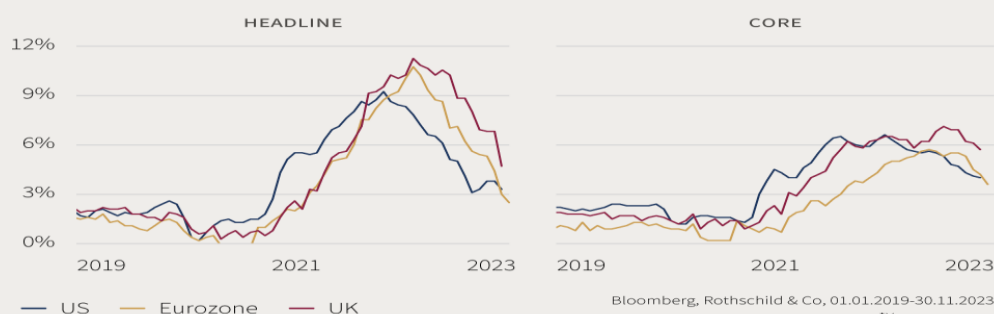
Both headline and core inflation in the US are well on the way down and, although still above the 2% Federal Reserve target it does point to an end of the 'higher for longer' narrative that has placed pressure on markets. Headline inflation YoY slowed to 3.2% in November, from 3.7% the previous month. Most notably, oil prices have witnessed a clear decline from their late September peaks. Furthermore, inflation for used cars also showed price declines month to month. The most significant price level increases were in housing. Core inflation remained stickier with the year-on-year change falling from 4.1% to 4.0% in November. The Federal Reserve announced its decision to keep rates steady at its range of 5.25% to 5.50% in their latest meeting at the beginning of November, this furthered the hawkish pause, whilst expressing that rates remain at a restrictive level. This announcement further supported the broad view that the market has likely seen the last hike of this tightening cycle. The next and last meeting for the year will be held on the 13th of December.



USA Inflation Rates:

Headline and core inflation rates

YOY* (%)



Source: Bloomberg, Rothschild & Co

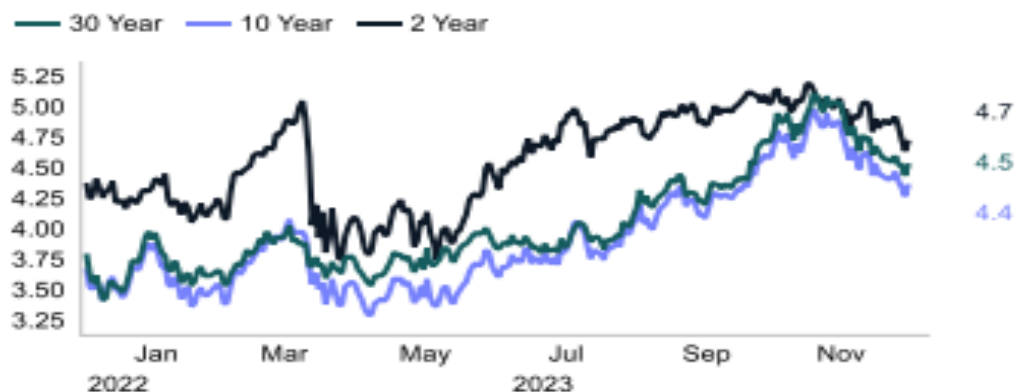
Inflation in the UK showed a sharp slowdown to 4.6% year-on-year in November, well below the 6.7% reading for October. The drop marked the lowest rate for inflation since October 2021, mainly due to the reduction in energy prices. Similarly, the cost of housing utilities also dropped down to 3.5%, compared to 6.9% the previous month. For the second consecutive meeting, the Bank of England's monetary policy committee left interest rates unchanged at 5.25%, at a 15-year high. The data contributed to the hope that the BoE may have finished its series of interest rate hikes. Meanwhile, data from the Office for National Statistics showed no growth in UK GDP in Q3.

US activity softened in November as core retail sales only edged up by 0.1%, and industrial production declined by 0.6%. The ISM said that its manufacturing PMI was unchanged at 46.7 during November. This was the 13th consecutive month that the PMI stayed below 50, which indicates contraction in manufacturing. That is the longest such stretch since the period from August 2000 to January 2002. In recent months, job gains have gradually eased, with the US adding only 150,000 jobs last month, as job openings fell to more than a 2-1/2-year low, another sign of a cooling labour market, while unemployment increased to 3.9%.

November was a positive month for fixed income markets as government bonds, credit and securitised asset all rallied amid speculation that central banks are close to ending rate hikes, with the global bond index delivering its best monthly return in the last 5 years gaining 4.86%. A blend of weaker growth, subsiding inflation pressures, and shifting interest rate expectations resulted in a fall in yields across all major markets. Yields on the 5-year and 10-year treasuries fell by 53 basis points, the most out of any duration on the curve. Led by the US, the 10-year yield dropped to 4.34%, down from 4.87% the previous month, while the UK 10-year yield fell by 34bps to 4.18%. Meanwhile, the US Treasury bond yield curve between 2- and 10-year maturities steepened by 19bps. Despite the ongoing concerns around expansive fiscal policy, the US government's credit plans have been in particular focus after the Treasury announced during November that it would borrow \$112 bn, lower than expected quarterly refunding, and also averting a federal government shutdown. Following on from the downgrade in credit ratings in August, Moody's announced a change to its AAA US rating outlook from stable to negative due to increased downside fiscal risks.



USA Government Bond Yield & Fed Fund Rate:



Source: Goldman Sachs Asset Management

Asset Class Performances in USD

As of 30 th November 2023	MTD	YTD	1 Year	3 Years*	5 Years*	10 Years*
Global Equity – MSCI ACWI	9.28	15.90	11.54	5.80	9.20	7.92
Global Property - FTSE EPRA NAREIT DR	10.99	0.96	(1.87)	0.43	0.93	4.29
Global Bond – Bloomberg GBL AGG	4.86	0.20	1.04	(7.28)	(1.41)	(0.68)
Global Cash - ICE LIBOR 1 Month	0.45	4.86	5.25	2.29	1.97	1.37
SA Equity - FTSE/JSE All Share	7.39	(3.82)	(6.10)	6.87	5.57	2.31
SA Property - FTSE/JSE SA Listed Prop	7.97	(10.01)	(9.09)	8.59	(7.79)	(4.09)
SA Bond - BEASSA ALBI	3.61	(2.95)	(2.44)	0.73	1.52	1.42
SA Cash - STeFI Call Deposit	(0.43)	(3.85)	(3.42)	(1.60)	(0.94)	(0.53)

ZAR/USD (negative = dollar strength)	(0.72)	(9.93)	(10.17)	(6.49)	(6.01)	(5.99)
Gold	2.10	6.39	10.40	1.75	7.57	2.86
Brent Crude Oil	(5.24)	(3.59)	(3.04)	20.29	7.13	(2.81)

*Returns more than 1 year are annualized.



Historic Asset Class Performance Matrix

The below performance matrix shows returns (colour coded) for the 4 main indicative sources of return per asset class and separated for South Africa and Global. **All performance figures here shown in ZAR.** The performances show the one-year performance of each asset class up to the displayed date (X-axis) except for the column showing YTD returns up to 30th November 2023.

Best ↑ ↓ Worst	Global Equity 29.1	Global Equity 24.3	SA Equity 11.1	SA Prop-erty 44.3	Global Equity 21.8	Global Property 23.0	SA Fixed Income 13.1	SA Equity 22.5	SA Cash 6.8	Global Property 32.7	Global Property 31.2	Global Equity 43.1	SA Prop-erty 38.2
	Global Cash 16.8	Global Cash 17.3	Global Cash 7.8	Global Property 31.0	Global Fixed Income 14.7	Global Equity 20.2	SA Cash 6.6	Global Equity 21.8	SA Fixed Income 6.1	Global Cash 30.8	SA Prop-erty 26.5	SA Equity 21.6	Global Property 33.9
	Global Property 12.4	Global Fixed Income 12.6	SA Prop-erty 7.2	SA Equity 28.5	SA Fixed Income 8.0	Global Fixed Income 13.7	Global Property 4.4	SA Prop-erty 17.2	Global Equity 1.9	Global Equity 28.7	Global Equity 17.3	Global Property 21.4	Global Equity 24.9
	Global Fixed Income 11.6	Global Property 9.4	SA Fixed Income 6.4	Global Equity 24.1	Global Cash 6.3	SA Equity 13.1	Global Cash 3.7	Global Property 9.1	Global Fixed Income 0.7	Global Fixed Income 23.8	SA Equity 14.4	Global Cash 14.7	SA Equity 19.8
	SA Fixed Income 8.1	SA Fixed Income 8.8	SA Cash 4.7	SA Fixed Income 8.1	SA Equity 6.0	SA Fixed Income 9.0	Global Equity 0.6	SA Cash 6.9	Global Property 0.0	SA Prop-erty 16.3	SA Fixed Income 13.1	Global Fixed Income 9.6	SA Fixed Income 14.2
	SA Equity 7.1	SA Cash 7.7	Global Equity -6.1	Global Cash 3.6	SA Cash 4.8	Global Cash 8.1	Global Fixed Income -1.2	SA Fixed Income 6.0	SA Equity -0.1	SA Equity 6.8	Global Cash 8.8	SA Prop-erty 7.7	Global Fixed Income 13.7
	SA Cash 7.1	SA Equity 4.7	Global Fixed Income -12.7	SA Cash 3.5	Global Property -6.2	SA Cash 6.6	SA Equity -12.6	Global Fixed Income 3.5	SA Prop-erty -0.8	SA Cash 5.8	Global Fixed Income 7.3	SA Cash 4.8	Global Cash 9.9
	SA Prop-erty 0.2	SA Prop-erty 1.4	Global Property -13.5	Global Fixed Income -0.7	SA Prop-erty -43.6	SA Prop-erty 3.0	SA Prop-erty -21.3	Global Cash -1.7	Global Cash -2.3	SA Fixed Income 1.4	SA Cash 5.3	SA Fixed Income 1.8	SA Cash 5.2
	YTD	11/2023	11/2022	11/2021	11/2020	11/2019	11/2018	11/2017	11/2016	11/2015	11/2014	11/2013	11/2012

Source: Morningstar Direct