

# Consider This Q2 2024 CEO Letter

July 2024



**Marius Botha**  
CEO

As we reach the halfway point of the year, it is an opportune time to reflect on the current market dynamics and provide insights into what lies ahead for investors in the coming months. The year 2024 has been marked by significant shifts in narratives surrounding interest rate cuts and the remarkable rally of global stock markets to record highs. Against this backdrop, our Chief Investment Officers (CIOs), fund managers, and investment experts at M&G Investments UK have delved into the implications of these developments in our [Investment Perspectives Mid-Year 2024 Outlook](#).

The prevailing theme in this latest outlook revolves around central banks cutting interest rates amidst macroeconomic and political uncertainties, signalling a potentially turbulent path ahead for financial markets. However, we remain optimistic that such market volatility can present opportunities for astute long-term investors.

The prospect of rate cuts holds promise for fixed income investors, while the current macroeconomic environment is deemed supportive for investment-grade credit. Additionally, we maintain a positive outlook on equity markets, emphasizing the importance of selectivity in identifying innovative investment opportunities.

Despite the global interest rates remaining stable and market performances showing resilience, particularly in developed equity markets, we acknowledge the challenges posed by emerging markets. In South Africa, following the elections, there is a sense of cautious optimism due to the favourable outcome for the market. The establishment of a national unity government and ongoing discussions are now shaping the future policy direction. Thus far, we've seen both markets and the rand having been boosted by the positive sentiment surrounding the progress to date. While this recent watershed moment in politics has shifted investor sentiment on SA, we have long held the view that the valuation of South African assets is attractive and believe there is a significant risk premium built into SA bonds, SA equities, SA listed property, and even SA cash. Our current portfolio positioning reflects an overweight stance on SA bonds, a neutral position on SA equities, and strategic underweights on SA listed property, global bonds, and equities. As such, our portfolios were already positioned to benefit from a rally in South African bonds and equities, and a strengthening rand.

The recent changes within our investment team underscore our commitment to delivering excellence to our clients. We bid farewell to Simon Kendall, a stalwart in the financial services industry, and welcome Unathi Loos as a Portfolio Manager, bringing a wealth of experience and expertise to our resource mandates and to our asset allocation committee. We also acknowledge the valuable contribution to M&G of departing team members over the years and wish them well on their future endeavours. I have every confidence that the new additions of talented individuals will further bolster our capabilities across various functions.

On a celebratory note, we are proud to announce that M&G Investments has been recognized as Group of the Year at the Investment Week Fund Manager of the Year Awards 2024. This accolade, along with the recognition of our funds in different categories, underscores our dedication to delivering consistent performance and value to our investors. As we navigate the evolving market landscape, we remain steadfast in our commitment to our long-standing investment philosophy and process, client-centric service, and sustainable growth. We're pleased to share the latest document from our ESG team around formulating a plan for a Just Transition that is equitable for all stakeholders. We invite you to explore further details on our insights [here](#).

Thank you for your continued trust and support in M&G Investments.

---

---

**Disclaimer.**

This document is for information purposes only and is not an offer to or solicitation for investors to invest in any of the capabilities or products offered by MandG Investment Managers (Pty) Ltd [M&G Investment Managers] (Registration no. 2013/051515/07) and MandG Investments (Namibia) (Pty) Ltd (Registration no. 1996/85) [M&G Namibia] or any of their associates, being MandG Investments Unit Trusts South Africa (RF) Ltd (Registration no 1999/005242/06) and MandG Investments Unit Trusts (Namibia) Ltd Registration no. 2007/609. M&G Investment Managers is an authorised discretionary financial services provider by the Financial Sector Conduct Authority of South Africa [FSP45199] in terms of the Financial Advisory and Intermediary Services Act, and has its registered offices at 5th Floor Protea Place, 30 Dreyer Street, Claremont, 7708. M&G Namibia is an approved person in terms of section 4 of Stock Exchanges Control Act and has its registered offices at 6 Feld Street, Windhoek, Namibia. Information given in this document has been obtained from, or based upon sources believed to be from an accurate and timely source but M&G Investment Managers and M&G Namibia make no representations or warranty, express or implied, with respect to the correctness, accuracy or completeness of the information and opinions. This information is not intended to constitute a basis for any specific investment decision. Investors are advised to familiarise themselves with the unique risks pertaining to their investment choices. Investors should seek the advice of a properly qualified financial consultant/adviser before investing. The value of an investment will fluctuate and past performance is not necessarily an indication of future returns.