



Delta Flexible Plus Wrap Fund

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Portfolio Manager Comment

The US jobs data was positive for the month when nonfarm payroll employment added jobs. China's stimulus package aided in boosting growth in the country's economy for 2024, allowing it to meet its target, while presenting opportunity for more growth. The Bank of Japan (BoJ) raised rates to the highest level in 17 years, with hopes to push interest rates to 1%. US Retail Sales were positive for the month amid a positive holiday shopping season. The European Central Bank (ECB) cut interest rates to maintain current inflation levels until the target level of 2% has been reached. Locally, President Cyril Ramaphosa signed the Expropriation Bill, stirring controversy both locally and globally. The SA Consumer Price Inflation (CPI) rate also dropped to below the South African Reserve Bank (SARB)'s target, motivating the reserve bank to cut rates.

Developed market equities bounced back from the December wobble, with a strong start to the year as the MSCI World Index ended the month positively at 3.53% in dollar terms. Emerging market equities underperformed relative to developed market equities, however, the MSCI EM Index was still in positive territory at 1.81% month-on-month (m/m) in dollar terms. Global property fared better relative to global bonds at 1.78% m/m and 0.57% m/m respectively. The FTSE Index was the biggest gainer for the month in the global market, ending at 5.52% in pounds. After two years of equity markets led by US mega-cap tech shares, the shape of January returns was different, with the EuroStoxx 50 Index (8.14% m/m) outperforming its US counterpart, the S&P 500 (2.78% m/m). The underperformance of US tech stocks - a significant contributor to the S&P 500's gains - is attributed to the announcement of the development of an AI model, DeepSeek, to replicate the performance of OpenAI. The Dow Jones Index ended the month in positive territory at 4.78% in dollar terms, whereas the Nikkei ended the month in negative territory at -0.80% in yen terms.

South African equity markets bounced back from a three-month losing streak in January with the FTSE/JSE All Share Index at 2.32%. The resurgence of the South African rand hints at shifting market sentiments after a turbulent end to 2024. Industrials, Property, and Financials were in negative territory at -2.60% m/m, -2.34% m/m, and -2.87% respectively. However, Resources and Cash were in positive territory at 16.29% m/m and 0.66% m/m, respectively, with Resources posting the biggest gains for the month. The FTSE/JSE All Bond Index was also positive at 0.44% m/m. Short- and long-term bonds posted gains for the month although the gains were low. Bonds of 1-3 years gained 0.77% m/m; bonds of 3-7 years gained 0.76% m/m; bonds of 7-12 years gained 0.49% m/m; and bonds of 12 years and above gained 0.08% m/m. The rand strengthened in January, ending the month at 1.07% against the US dollar; 0.68% against the euro; and 1.87% against the pound.

Portfolio Managers



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About the Portfolio Manager

Dries is the CEO of Dries du Toit Consulting and specialises in Investment Management and Retirement Planning. Dries retired after 31 years from Sanlam Investments, having served as the Chief Investment Officer (CIO) and Chief Investment Strategist during his last 5 years.

About the Portfolio Manager

Lehan Kruger joined Sanlam Investments Multi Manager as a Portfolio Manager in 2021, having previously worked as an Investment Analyst in the manager research and investment team at Fundhouse for 6 years.



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