

# **Mutapa Investment Fund**

## **Sectoral Investment Performance Attribution Report**

Report Date: December 13, 2025

## Executive Summary

This report presents a comprehensive performance attribution analysis of the Mutapa Investment Fund portfolio for the period under review. The portfolio consists of 23 companies across 8 sectors with a total asset value of \$375.98 billion.

### Key Performance Metrics:

- Annualized Return: 13.04%
- Annualized Volatility: 4.78%
- Sharpe Ratio: 0.624
- Total Active Return: -0.68%

The performance attribution analysis reveals that 0.17% of active returns were lost through sector allocation decisions, while 0.53% were lost through stock selection within sectors.

## Portfolio Composition

Sector	Weight	Value (USD M)	# Companies	Ann. Return
Mining	30.1%	\$113306	7	14.7%
ICT	16.8%	\$63203	4	16.0%
Transport	12.9%	\$48589	3	-2.3%
Manufacturing	9.3%	\$34780	2	14.7%
Agriculture	8.9%	\$33496	2	25.7%
Energy	8.8%	\$33255	2	18.5%
Financials	8.7%	\$32624	2	8.8%
Real Estate	4.4%	\$16724	1	10.0%

## Performance Attribution Analysis

The Brinson-Fachler performance attribution model was applied to decompose the portfolio's active returns into three components:

**1. Allocation Effect (-0.165%):**

Returns generated from overweighting or underweighting sectors relative to the benchmark.

**2. Selection Effect (-0.532%):**

Returns generated from selecting securities that outperform or underperform their sector benchmark.

**3. Interaction Effect (0.014%):**

Returns from the interaction between allocation and selection decisions.

**Total Active Return: -0.683%**

Sector	Portfolio Wt.	Return	Allocation	Selection
Agriculture	9.4%	3.91%	0.053%	0.706%
Energy	7.5%	2.08%	0.095%	0.495%
Financials	9.4%	1.24%	-0.226%	-0.766%
ICT	16.5%	-0.58%	0.099%	-0.378%
Manufacturing	8.9%	0.09%	-0.193%	-0.666%
Mining	31.7%	0.56%	-0.413%	0.340%
Real Estate	3.9%	-0.35%	0.415%	0.561%
Transport	12.6%	-0.91%	0.005%	-0.822%

## Performance Visualizations

The following visualizations are included in the interactive dashboard:

- Sector allocation pie chart
- Historical performance line chart
- Risk-return scatter plot
- Attribution waterfall chart
- Rolling Sharpe ratio
- Commodity price correlations

Please refer to the Power BI dashboard or Jupyter Notebook for interactive visualizations.

## Conclusions & Recommendations

### **Key Findings:**

1. The portfolio demonstrates strong diversification across sectors
2. Mining sector shows highest correlation with commodity price movements
3. Sector allocation decisions have been the primary driver of active returns
4. Stock selection within sectors has opportunities for improvement

### **Recommendations:**

1. Continue monitoring commodity price exposure in Mining sector
2. Review underperforming assets within high-allocation sectors
3. Consider rebalancing to capitalize on emerging sector opportunities
4. Enhance stock selection processes to capture additional alpha
5. Implement more sophisticated risk management for volatile sectors