

BALONDOLOZI

— INVESTMENT LEADERSHIP —

BALONDOLOZI MODEL PASSIVE BOND FUND

September 30, 2023

FACT SHEET

INVESTMENT OBJECTIVE

This fund seeks to perform in line with the All Bond Index (ALBI).

INVESTMENT STRATEGY

This fund seeks out a high level of income which is consistent with the preservation of capital over the medium term. To meet its objective, the fund actively allocates between South African money market instruments, government bonds, corporate bonds and hybrid instruments. Although the fund aims to preserve capital over the medium term, capital depreciation is a possibility over the short term. Quantitative techniques such as the use of derivatives are employed to fine tune strategy and hedge risk factors.

FUND INFORMATION

Fund Classification	South African - Interest Bearing - Variable Term
Benchmark	ALBI
Risk Profile	Moderately Conservative
Fund Managers	Fannuel Tigere, Itumeleng Mojaki, Christopher Pratt, Sindisiwe Mahlangu (Analyst)
Inception Date	01 July 2019
Fund Size	R62 million
Currency	SA Rands
Administration	Prescient Management Company (RF) (Pty) Ltd
Trustees	Standard Bank
Regulator	Financial Sector Conduct Authority (FSCA)
Regulation 28	Compliant

FEES

Initial & Exit Fees	Nil
Total Investment Charge	0.18%
Portfolio TER	0.17%
Management Fees	0.15%
Transaction Costs	0.00%
Audit Fees	0.00%
Other Costs	0.00%
Vat	15.00%
Pricing	Daily at 17:00

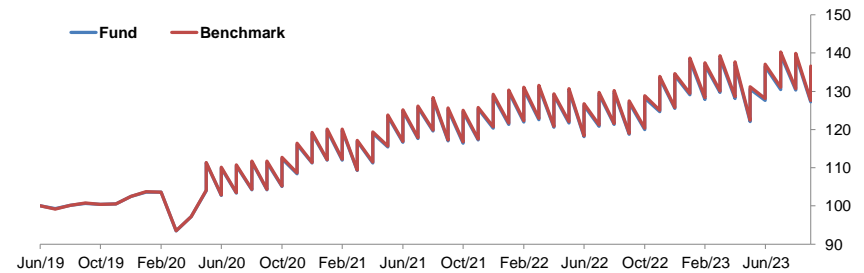
RISK RATIOS

	<i>Fund</i>	<i>Benchmark</i>
Annualised Return	6.87%	6.96%
Sharpe Ratio	0.33	0.34
Sortino Ratio	0.41	0.42
Max Drawdown	-9.78%	-9.75%
Drawdowns	30	30

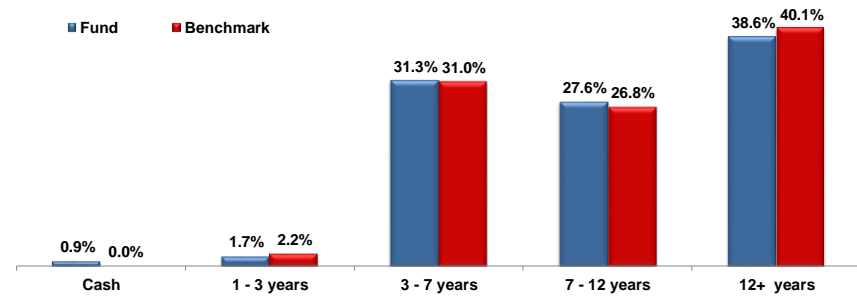
PERFORMANCE (Gross of fees)

	<i>Fund</i>	<i>Benchmark</i>
Sep-23	-2.37%	-2.37%
Year to Date	1.38%	1.47%
Rolling 12 months	7.10%	7.20%
Return p.a. since inception	6.87%	6.96%
Return since inception	66.40%	67.56%
Highest Rolling 1-year Return	56.68%	57.43%
Lowest Rolling 1-year Return	0.39%	0.42%

GROWTH OF R100 INVESTED AT INCEPTION



SECTOR ANALYSIS



FUND COMMENTARY

Despite the moderation of inflation globally, the hawkish stance from central banks continues. In addition to the dramatic slowdown in global growth, rising global interest rates are also increasing the danger of financial stress in emerging market and developing economies.

Nominal government bonds returned -2.36% (GOVI); vanilla credit bonds delivered -2.05% (OTH); inflation linked bonds returned -1.07% (CIL) and cash returned 0.63% as indicated by the STeFi Call Index in Sep 2023. Overall, the ALBI (All Bond Composite Index) returned -2.34% for the month.

After registering a value of 4.7% in Jul 2023, headline inflation for Aug 2023 was 4.8% (consensus 5.2%). On the same note, the price for brent crude oil rose by 6.18%, to end the month at \$92.2 per barrel and the Rand depreciated against the Dollar by -0.26% to close at R18.92 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) nudged up by 5.9 index points to reach 50.7 in Aug 2023.

Overall, the fund delivered -2.37% for the month against the benchmark return of -2.37%.