

BALONDOLOZI

— INVESTMENT LEADERSHIP —

BALONDOLOZI MODEL PASSIVE BOND FUND

August 31, 2024

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, Sindisiwe Mahlangu
Inception Date	01 July 2019
Fund Size	R79 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	0.17%
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

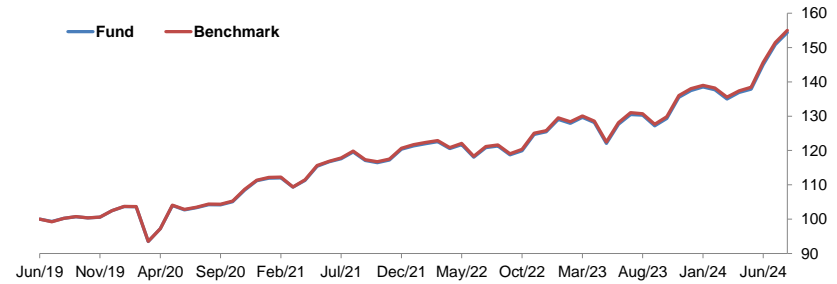
RISK RATIOS

	<i>Fund</i>	<i>Benchmark</i>
Annualised Return	8.77%	8.85%
Sharpe Ratio	0.49	0.50
Sortino Ratio	0.55	0.56
Max Drawdown	-9.78%	-9.75%
Drawdowns	19	19

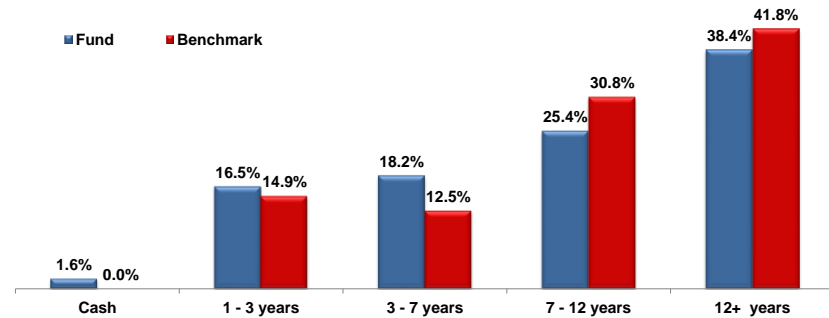
PERFORMANCE (Gross of fees)

	<i>Fund</i>	<i>Benchmark</i>
Aug-24	2.35%	2.35%
Year to Date	12.30%	12.31%
Rolling 12 months	18.50%	18.57%
Return p.a. since inception	8.77%	8.85%
Return since inception	54.38%	55.01%
Highest Rolling 1-year Return	21.37%	21.45%
Lowest Rolling 1-year Return	0.39%	0.42%

GROWTH OF R100 INVESTED AT INCEPTION



SECTOR ANALYSIS



FUND COMMENTARY

The global economic outlook presents a complex and varied picture when considering the four economies, the US, Euro Area, China and South Africa. Recent indications suggest that imminent interest rate reductions by central banks and a decline in inflation are contributing to improved economic sentiment. Despite rising unemployment in certain regions and underperformance in the manufacturing sector in others, several countries continue to demonstrate resilience and strength in the broader economic market.

Nominal government bonds returned 2,35% (GOVI); vanilla credit bonds delivered 2,7% (OTHI); inflation linked bonds returned 2,24% (CIL) and cash returned 0,65% as indicated by the STeFi Call Index in August 2024. Overall, the ALBI (All Bond Composite Index) returned 2,35% for the month.

During the same period; the yield for the R2030 (benchmark bond) fell by -20 basis points to end the month at 9,19%.

Concurrently, the R2048/R2030 spread ticked down by -7 basis points to 202 bps whilst medium-term break-evens widened by +0,13% to 4,81%. Foreigners bought bonds worth +R4,1 billion as yields rallied during the month of August 2024.

Overall, the fund delivered 2.35% for the month against the benchmark return of 2.35%.

After registering a value of 5.1% in June 2024, headline inflation for July 2024 was 4.6% (consensus 4.6%). On the same note, the price for Brent crude oil fell by -4.84%, to end the month at \$76.93 per barrel and the Rand appreciated against the Dollar by 2% to close at R17.83 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) nudged up by 5.8 index points to reach 49 in July 2024.