



PORTFOLIO/METRIX
Investment Management **by Design**

PortfolioMetrix BCI
DYNAMIC INCOME FUND

Fund Profile and Market Update
March 2024

PMX BCI Dynamic Income Fund

PMX

FUND UPDATE – MARCH 2024

FUND OBJECTIVE AND SUITABILITY

- To provide a high level of income for investors with a focus on capital preservation.
- The fund is suitable for low-to-moderate risk investors with an investment horizon of 12 months and longer.

DYNAMIC MANDATE

- The team manages the fund by dynamically investing across the broad universe of income generating investments, whilst actively managing the risk.
- The fund provides investors with diversified exposure to conservative, high income yielding investments typically only accessible by large institutional investors.
- We aim to generate a similar return to the ALBI with less volatility.
- The fund does not have exposure to equity, property, or foreign exchange risk.
- The fund is Regulation 28 compliant.

PORTFOLIOMETRIX FIXED INCOME TEAM

- Experienced Fund Management team with a multiple award-winning track record.
- The team works closely with the global PortfolioMetrix Asset Management team that collectively manages approximately R75bn in assets under management.



PHILIP BRADFORD
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SA Head of Investments
Portfolio Manager



LIAM DAWSON
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MARKET UPDATE & OUTLOOK– MARCH 2024

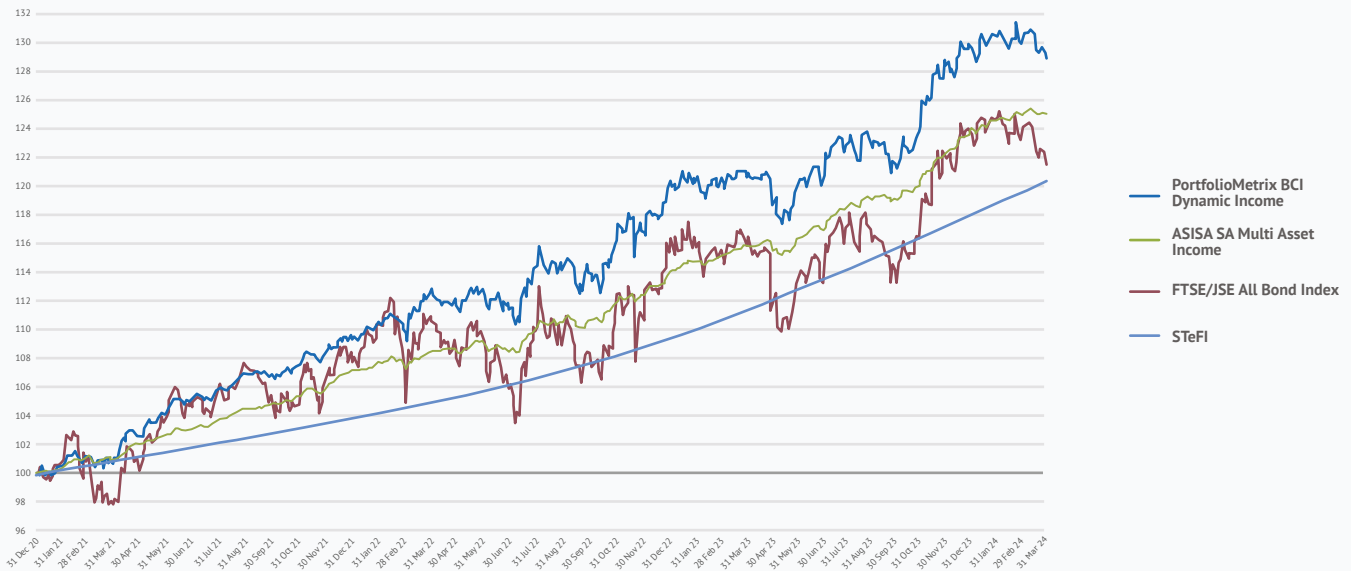
- The **PortfolioMetrix BCI Dynamic Income Fund** has returned +29% since inception, significantly outperforming peers (+25%), the ALBI (+22%) and cash (+21%).
- In a macro environment of uncertainty some positive policy moves in South Africa are taking hold. Amongst these was the reappointment of Lesetja Kganyago as SARB governor for another five-year term, reinforcing the independence and continuity of the Reserve Bank.
- South African inflation printed higher however the SARB held rates at their latest meeting in March. Indicators of future moves in inflation include the easing of producer price inflation.
- The global scene saw interesting central bank action as both Switzerland and Mexico cut rates by 25bps, hope in the UK for a cut increased, and the US held steady but continued to signal three cuts in 2024. The central bank of Japan took a significant step as they raised their policy rate by 25 bps, their first hike in 17 years.
- Whilst SA bonds have had a difficult period since its rally late last year the market does appear to be poised for election risk. Despite this there are many positive developments transpiring in the local economy that will at some point be recognised by the broader fixed income market.
- We remain cautiously optimistic, looking to take advantage of the opportunities on offer. We are closely monitoring global and local events, especially for indications that inflationary pressures could possibly remain higher than expected.
- Despite these concerns we remain quite positive about the return prospects over the next 12 months and longer. As fund managers we have positioned the fund to take advantage of current high interest rates which should benefit investors handsomely over the next few years.
- The fund has a **current gross yield* of 12.3%**, which is significantly higher than both short and long-term expectations for cash and inflation.

PMX BCI Dynamic Income Fund

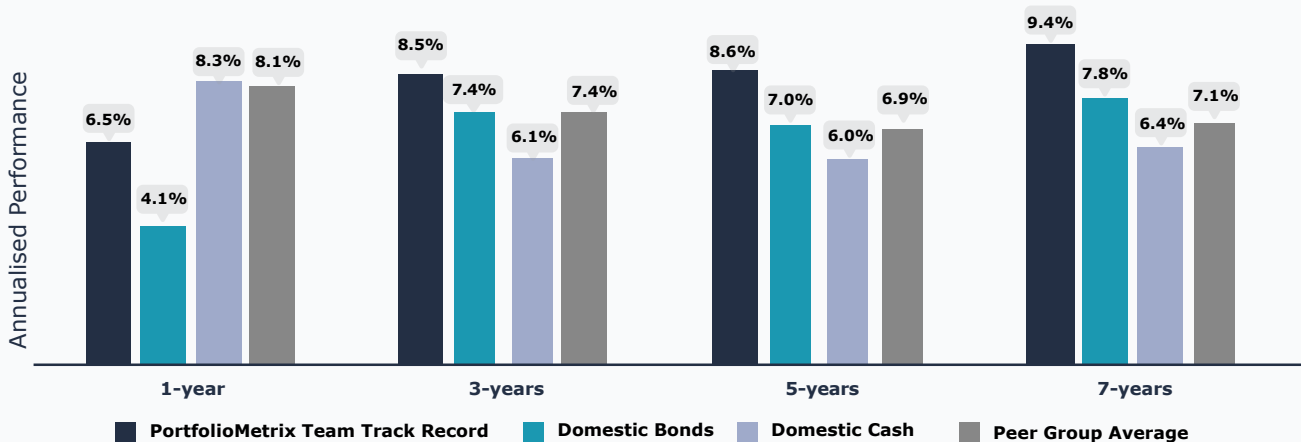


FUND UPDATE – MARCH 2024

PORTFOLIOMETRIX TEAM TRACK RECORD



28 March 2024	PortfolioMetrix BCI Dynamic Income Fund A	ASISA Multi Asset Income	FTSE / JSE All Bond Index	STeFI
1 Month	-1.04%	-0.01%	-2.02%	0.63%
3 Months	-0.55%	1.01%	-1.83%	2.04%
6 Months	5.92%	5.06%	6.10%	4.15%
1 Year	6.55%	8.14%	4.09%	8.32%
2 Years	7.29%	7.48%	4.97%	7.15%
3 Years	8.50%	7.41%	7.39%	6.07%
Since Inception (21 Dec 2020)	8.07%	7.15%	6.35%	5.87%



The PortfolioMetrix Team Track Record is the composite of similar fixed income mandates managed since July 2015 to the end of March 2024. Details of this performance track record are available upon request. All performance is on a Net of Fees basis. Data longer than a period of one year has been annualised.

Source: Financial Express, PortfolioMetrix

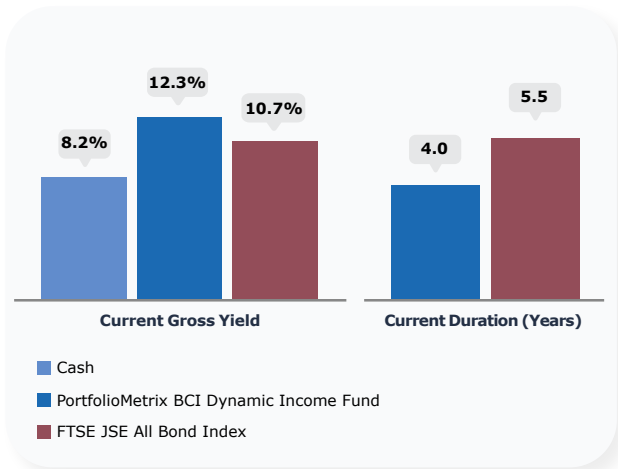
PMX BCI Dynamic Income Fund



FUND UPDATE – MARCH 2024

FUND POSITIONING

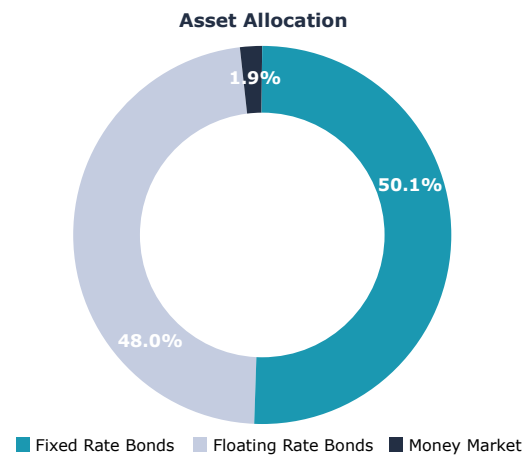
- The Fund’s gross current yield* of 12.3% remains attractive in both absolute terms and relative to cash and the All Bond Index.
- The aggregate duration is currently 4.0, which indicates an interest rate volatility of just over two thirds of the All Bond Index, which has a current duration of 5.5.
- We are confident that the fund is well positioned to provide investors with returns above cash and inflation over the medium-term and into the future.



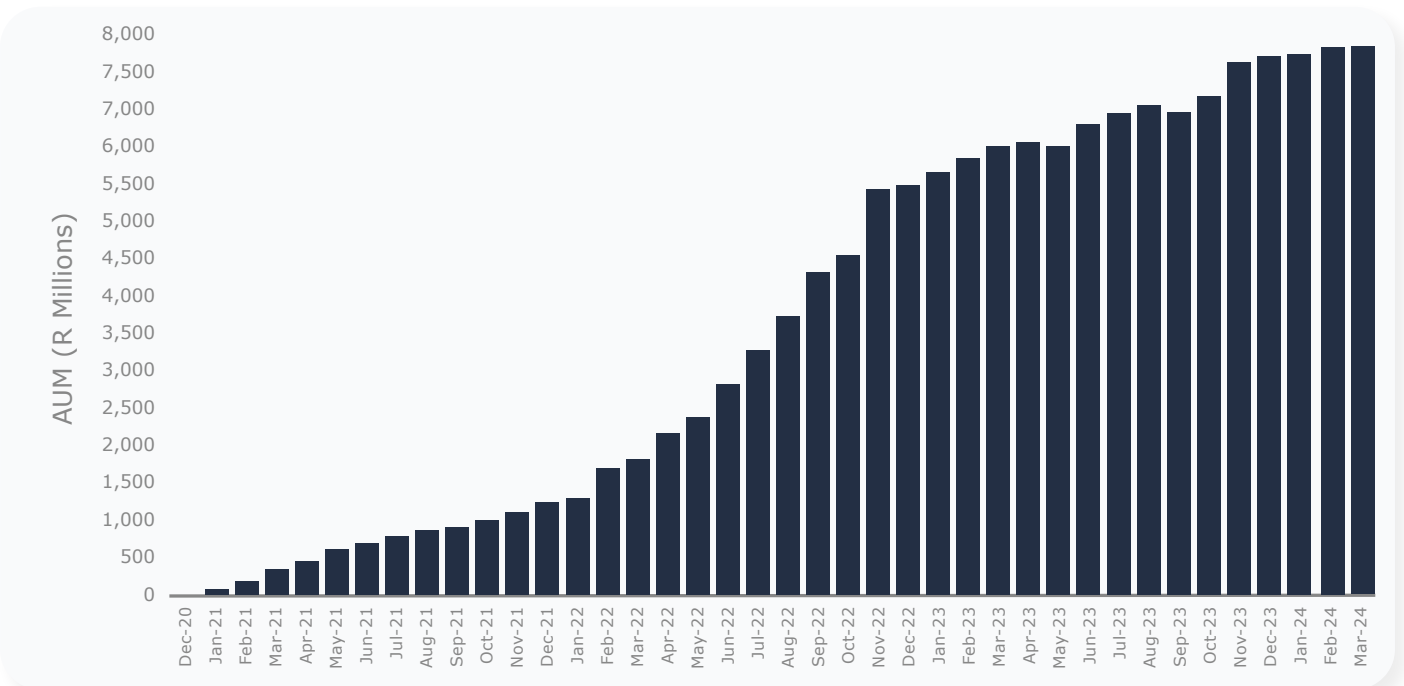
*The indicated gross forward yield is indicative and fluctuates daily and therefore not guaranteed. As of 2024/03/31. Source: JSE, PortfolioMetrix

ASSET ALLOCATION

- Approximately half of the portfolio is invested in money market and floating-rate instruments, which continue to benefit from current high interest rates.
- The fixed rate bond exposure of just under 50% is providing high yields for investors by locking in rates at current high levels.
- We continue to maintain a high level of liquidity in the fund to be able to manage the risk in a volatile market environment and take advantage of attractive investment opportunities as they present themselves.



ASSET UNDER MANAGEMENT



PMX BCI Dynamic Income Fund



FUND UPDATE – MARCH 2024

DISCLAIMERS

Shortform

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Longform

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") and PortfolioMetrix Asset Management SA (Pty) Ltd ("PMX") are the registered Manager of the PortfolioMetrix BCI Dynamic Income Fund.

BCI is approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA.

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A fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure.



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