



PORTFOLIO/METRIX  
Investment Management **by Design**

**PortfolioMetrix BCI**  
**DYNAMIC INCOME FUND**

Fund Profile and Market Update  
June 2024

# PMX BCI Dynamic Income Fund

PMX

## FUND UPDATE – JUNE 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 R80bn in assets under management.



**PHILIP BRADFORD**  
BSoc Sci (Economics), CFA®  
**SA Head of Investments**  
**Portfolio Manager**



**LIAM DAWSON**  
BEng (Mechanical Engineering)  
CFA®, CAIA, FDP  
**Portfolio Manager**



**RICCARDO PERETTI**  
BCom (Hons), CFA®  
**Investment Analyst**

### MARKET UPDATE & OUTLOOK– JUNE 2024

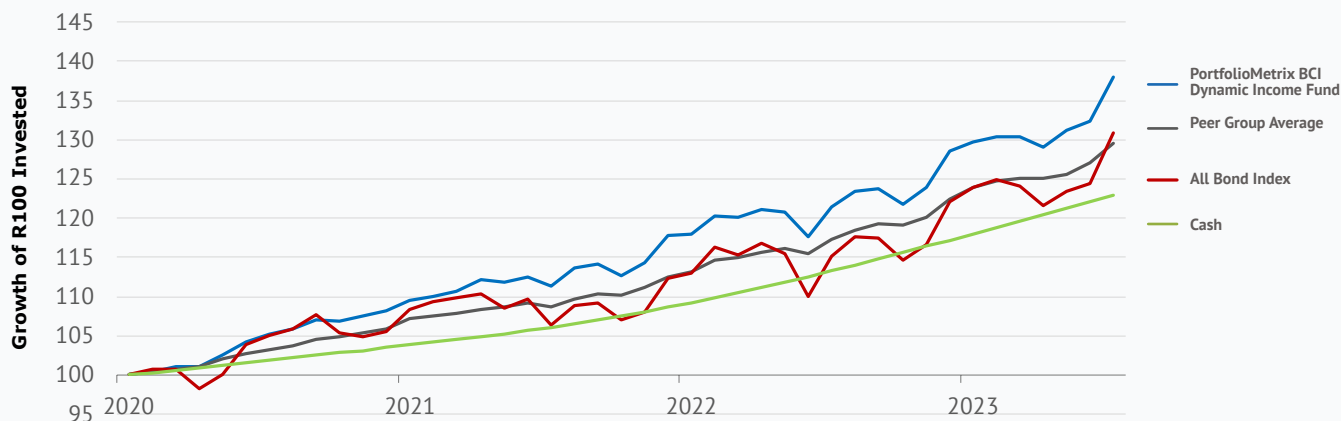
- Despite significant market volatility the **PortfolioMetrix BCI Dynamic Income Fund** has returned **+13.7% over the last 12 months**.
- Since inception the fund has generated +38%, significantly outperforming peers (+30%), the ALBI (+32%) and cash (+23%).
- SA bonds and the ZAR rallied in relief following the free, fair, and peaceful national election.
- Markets have reacted positively to the formation of a Government of National Unity (GNU) led by the ANC, DA, IFP and other partners. This grouping provides the best potential to drive policy reform and improved growth in the domestic economy.
- Global markets are keeping a close eye on the US and the UK in the leadup to their respective elections, this will have a direct impact on risk appetite, and subsequently SA Bonds.
- Currently SA Inflation continues to fall with the last print coming in at 5.2% (May). The Reserve Bank will naturally watch this relative to its current restrictive monetary policy rate.
- SA Government Bond yields rerated following the market-friendly election result and GNU coalition. The generic 10-year yield rallied from 12.25% at the beginning of the month to end June much stronger at 11.41%. The rally was most pronounced in the longer bonds, all in an environment where EM was generally weaker.
- In managing the Dynamic Income Fund strategy our assessment of forward-looking returns remains positive given the high yields still on offer, as well as the improved domestic political landscape.
- The portfolio management team continues to expect volatility, which reinforces the needs for a dynamic, actively managed strategy which takes advantage of opportunities presented by the market.
- The fund has a **current gross yield\* of 11.8%**, which is significantly higher than both short and long-term expectations for cash and inflation.

# PMX BCI Dynamic Income Fund

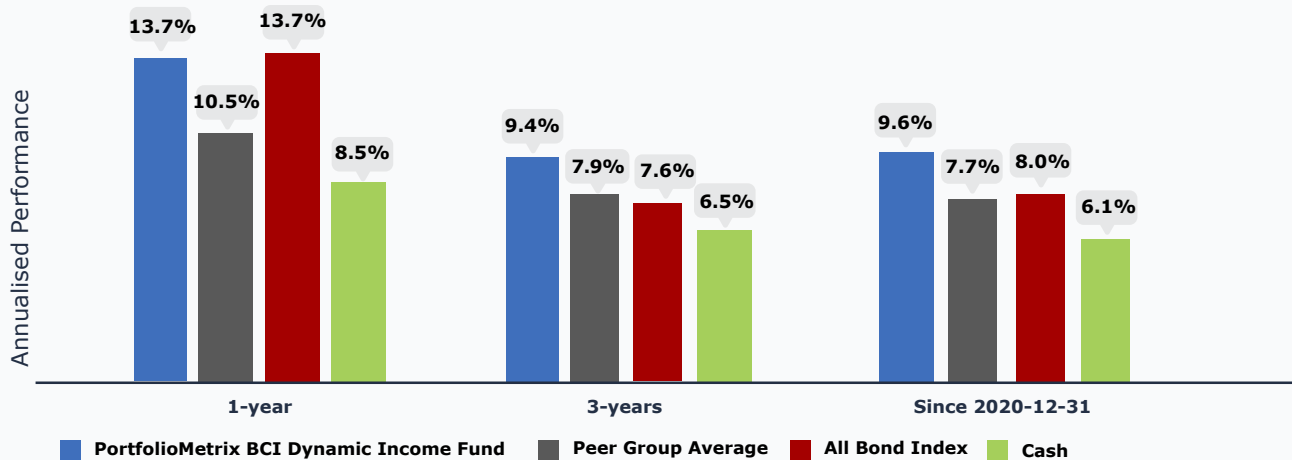


## FUND UPDATE – JUNE 2024

### PORTFOLIOMETRIX TEAM TRACK RECORD



June 2024	PortfolioMetrix BCI Dynamic Income Fund	Peer Group Average	All Bond Index	Cash
<b>1 Month</b>	<b>4.2%</b>	<b>1.9%</b>	<b>5.2%</b>	<b>0.6%</b>
<b>3 Months</b>	<b>6.9%</b>	<b>3.5%</b>	<b>7.5%</b>	<b>2.1%</b>
<b>6 Months</b>	<b>6.4%</b>	<b>4.5%</b>	<b>5.6%</b>	<b>4.2%</b>
<b>1 Year</b>	<b>13.7%</b>	<b>10.5%</b>	<b>13.7%</b>	<b>8.5%</b>
<b>3 Years</b>	<b>9.4%</b>	<b>7.9%</b>	<b>7.6%</b>	<b>6.5%</b>
<b>Since 2020-12-31</b>	<b>9.6%</b>	<b>7.7%</b>	<b>8.0%</b>	<b>6.1%</b>
<b>Cumulative Since 2020-12-31</b>	<b>38.0%</b>	<b>29.5%</b>	<b>30.8%</b>	<b>22.9%</b>



The PortfolioMetrix Team Track Record is the composite of similar fixed income mandates managed since December 2020. 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

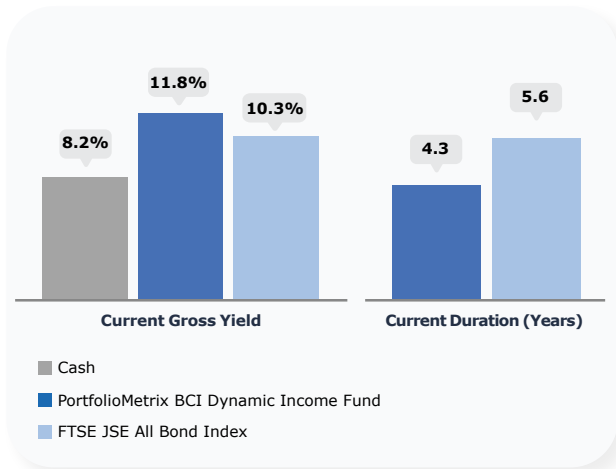
# PMX BCI Dynamic Income Fund



## FUND UPDATE – JUNE 2024

### FUND POSITIONING

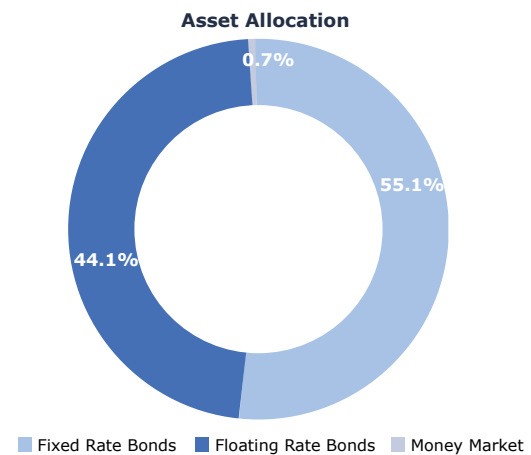
- The Fund’s gross current yield\* of 11.8% remains attractive in both absolute terms and relative to cash and the All Bond Index.
- The aggregate duration is currently 4.3, which indicates an interest rate volatility of around three quarters of the All Bond Index, which has a current duration of 5.6.
- 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 2024/06/30. Source: JSE, PortfolioMetrix

### ASSET ALLOCATION

- Approximately 45% 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 over 55% 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.



### PLATFORM AVAILABILITY

FUND AVAILABILITY													
Fund Name	Class	JSE Code	ISIN Number	Allan Gray	ABSA	Glacier	Hollard	Momentum	Ninety One	Prime	Stanlib	BCI (Direct)	
PortfolioMetrix BCI Dynamic Income Fund	A	PMBDIA	ZAE000292520	Y (Available on Req)	Y Unrestricted	Y Unrestricted	Y Unrestricted	Y Unrestricted	Y Unrestricted	Y Unrestricted	Y Unrestricted	Y (Restricted Available on Req)	Y Unrestricted

# PMX BCI Dynamic Income Fund



## FUND UPDATE – JUNE 2024

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#### **Shortform**

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