



PORTFOLIOM/ETRIX  
Investment Management **by Design**

# PORTFOLIOMETRIX ACTIVE INCOME PRESCIENT AMETF

Strategy Profile and Market Update  
February 2025



# PORTFOLIOMETRIX ACTIVE INCOME PRESCIENT AMETF



## STRATEGY UPDATE – FEBRUARY 2025

### 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 R100bn in assets under management.



**PHILIP BRADFORD**  
BSoc Sci (Economics), CFA®  
Chief Investment Officer



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



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

### MARKET UPDATE & OUTLOOK – FEBRUARY 2025

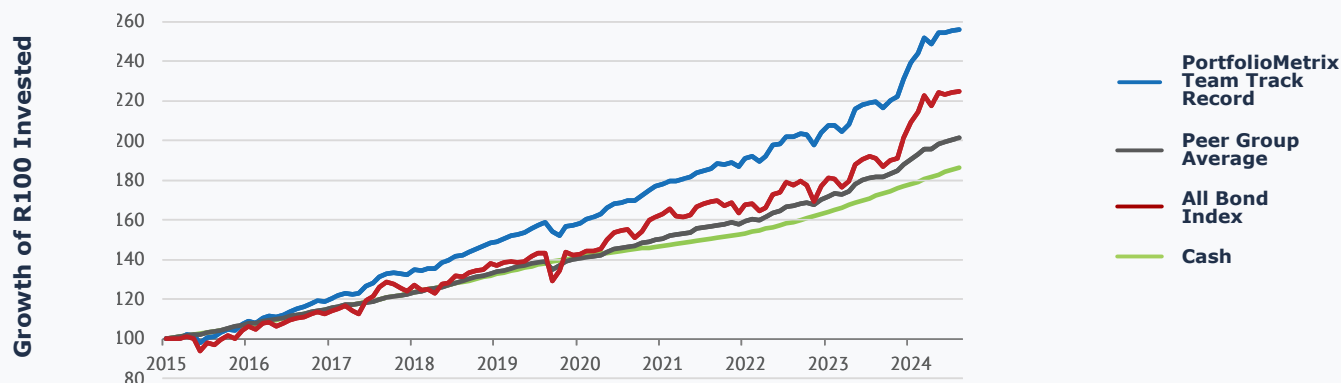
- The **Active Income ETF** completed its first year of performance recording a strong **+16.6% since inception**, significantly outperforming AMETF peers (+10.8%) and cash (+8.3%).
- Government bond yields were only slightly weaker (10bps) despite geopolitical tensions and tariffs. The SA rand weathered the tariff storm relatively unscathed, ending the month flat.
- Local attention has been centred on the delayed budget proposal, which is now scheduled to be presented in Parliament on March 12th.
- The South African coalition government, known as the Government of National Unity (GNU), failed to reach an agreement on the budget in time for its initial February submission.
  - The budget, in its original form, proposed an extra R60bn spend which is quite concerning,
  - Treasury is of the belief that this needs to be financed from revenue collection rather than further debt (a positive for bonds and debt metrics)
  - The increased spend will have limited growth benefits, and a 2% higher VAT rate is unlikely to assist growth either. This makes policy reform-led growth even more urgent
  - Despite this business confidence remains at improved levels, awaiting such reform
- January inflation printed at 3.2%, lower than expectations, and provided positive support for the SA consumer
- In the domestic credit market, ABSA reports that there was a total issuance of R13.8bn, predominantly through private placement. Most interesting were the Bank issuances and Transnet's R2.8bn un-guaranteed 3-year note. Credit spreads remain exceptionally tight.
- The global macro environment saw Donald Trump impose tariffs on various countries, Mexico, Canada, and China in particular. Whilst his election as US President has resulted in high levels of business confidence in the US, it has also caused consumer confidence to fall.
- Global credit spreads are very tight. Bolstered by higher base rates ensures nominal returns are enticing, however, without much reward for the credit risk it does place a slight shadow over the global macro scene should growth begin to fare for the worse.
- Whilst markets are saturated with uncertainty, we remain alert to the opportunity this traditionally presents to the benefit of investors.
- The ETF has a **current gross yield\* of 11.0%**, which is significantly higher than both short and long-term expectations for cash and inflation.

# PORTFOLIOMETRIX ACTIVE INCOME PRESCIENT AMETF

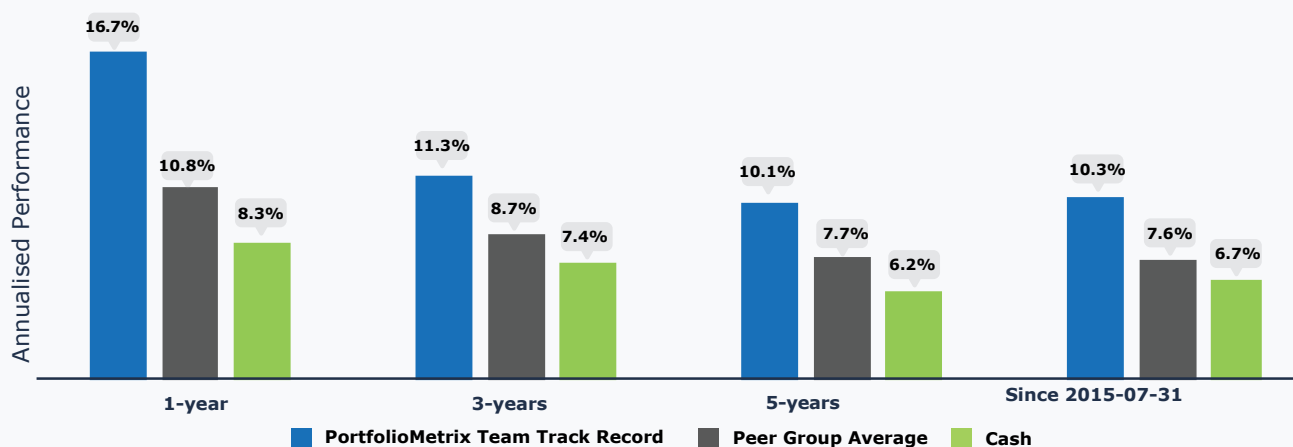


## STRATEGY UPDATE – FEBRUARY 2025

### PORTFOLIOMETRIX TEAM TRACK RECORD



February 2025	PortfolioMetrix Team Track Record	Peer Group Average	All Bond Index	Cash
1 Month	0.3%	0.5%	0.1%	0.6%
3 Months	0.6%	1.6%	0.2%	1.9%
6 Months	4.9%	4.3%	4.9%	4.0%
1 Year	16.7%	10.8%	17.6%	8.3%
3 Years	11.3%	8.7%	9.9%	7.4%
5 Years	10.1%	7.7%	9.4%	6.2%
Since 2015-07-31	10.3%	7.6%	8.8%	6.7%
Cumulative Since 2015-07-31	156.1%	101.3%	124.6%	86.5%



The PortfolioMetrix Team Track Record is the composite of similar fixed income mandates managed since July 2015. 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

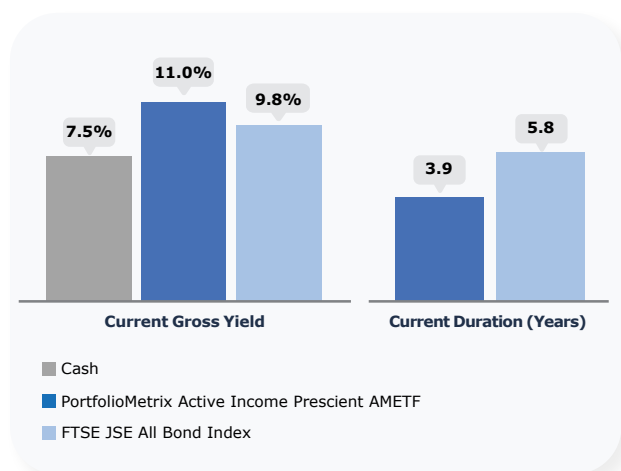
# PORTFOLIOMETRIX ACTIVE INCOME PRESCIENT AMETF



## STRATEGY UPDATE – FEBRUARY 2025

### ETF POSITIONING

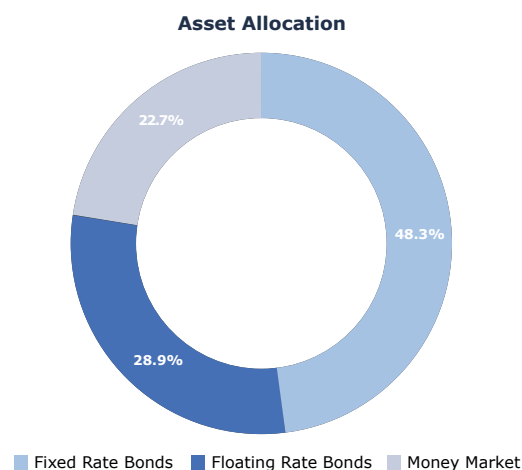
- The Fund's gross current yield\* of 11.0% remains attractive in both absolute terms and relative to cash and the All Bond Index.
- The aggregate duration is currently 3.9, which indicates an interest rate volatility of about two thirds of the All Bond Index, which has a current duration of 5.8.
- We 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 2025/02/28.  
Source: JSE, PortfolioMetrix

### ASSET ALLOCATION

- More than 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 approximately 48% 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 risk in a volatile market environment and take advantage of attractive investment opportunities as they present themselves.



### DISCLAIMERS

This portfolio operates as a white label fund under the Prescient ETF Scheme, which is governed by the Collective Investment Schemes Control Act (No.45 of 2002) (CISCA).

Exchange traded funds (ETFs) are listed on an exchange and may incur additional costs. ETFs vs Unit Trusts: Whilst both unit trusts and ETFs are regulated and registered under CISCA as Collective Investment Schemes (CISs), ETFs trade on stock exchanges just like any other listed, tradable security. Unlike a unit trust, which can be bought or sold only at the end of the trading day, an ETF can be traded intraday, during exchange trading hours.

CISs are traded at the ruling price and can engage in scrip lending and borrowing. The portfolio may borrow up to 10% of its net assets on a temporary basis. Such borrowings are permitted only to meet the portfolio's obligations in relation to the administration of the portfolio relating to purchase or sale transactions, and/or the redemption or cancellation of participatory interests in the portfolio. Borrowings in relation to the administration of purchase or sale transactions are permitted for a period of up to 8 calendar days, while borrowings for redemption or cancellation of participatory interests are limited to a period of 61 calendar days. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate.

CIS prices are calculated on a net asset value (NAV) basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage, and service fees. Forward pricing is used.

Investment performance, including bond yields, is for illustrative purposes only and has been calculated using net NAV to NAV numbers with income reinvested. Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest-bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income, as well as dividend withholding tax.

The Fund's Total Expense Ratio (TER) reflects the percentage of the average NAV of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER should not be regarded as an indication of future TER's. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER.

A schedule of fees, charges and maximum commissions is available on request from the Manager. The Manager retains full legal responsibility for any third party-named portfolio. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks, and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees.

For any additional information such as fund prices, brochures and application forms please go to [www.prescient.co.za](http://www.prescient.co.za).



## COMPANY INFORMATION

PortfolioMetrix Asset Management SA (Pty) Ltd (registration number 2006/026054/07) is an Authorised Financial Services Provider (FSP No: 42383) authorized in terms of the Financial Advisory and Intermediary Services Act 37 of 2002 Act to provide Cat II Discretionary Financial Services. It is a limited liability company registered in South Africa, located at Corner Main Office Park, 2 Payne Road, Bryanston, 2191. Tel: 011 568 3400.

The Manager, Prescient Management Company (RF) (Pty) Ltd (registration number 2002/022560/07) is registered and approved under Cisca. Prescient is a member of the Association for Savings and Investments South Africa. Prescient is a Ring-Fenced limited liability company registered in South Africa, located at Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 Postal address: PO Box 31142, Tokai, 7966. Tel: +27 800 111 899.

The Trustee and Custodian is the Standard Bank of South Africa (registration number 1962/000738/06) and is registered under Cisca. It is a public company with limited liability registered in South Africa, located at Standard Bank Centre, 5 Simmonds Street Johannesburg South Africa, 2001. Tel: 021 441 4100.

[portfoliometrix.com](https://portfoliometrix.com)

This document is for information purposes only and is not intended to constitute financial, legal, tax, investment, or other professional advice. It does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information. If you are a retail investor, your financial adviser can help explain the information provided. Any forecasts, expected future returns or expected future volatilities are not guaranteed and should not be relied upon. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. Past performance is not a reliable indicator of future performance. Portfolio holdings and asset allocation can change at any time without notice.