



PORTFOLIOMETRIX BCI DYNAMIC INCOME FUND
FUND PROFILE AND MARKET UPDATE
JULY 2025

PORTFOLIOMETRIX

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

- An 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.



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MARKET UPDATE AND OUTLOOK – JULY 2025

The **PortfolioMetrix BCI Dynamic Income Fund** returned **+1.1% for July** and **+13.8% over 12 months**. The fund has generated **+62% since inception**, significantly outperforming peers (+43%), and cash (+34%).

Market Highlights:

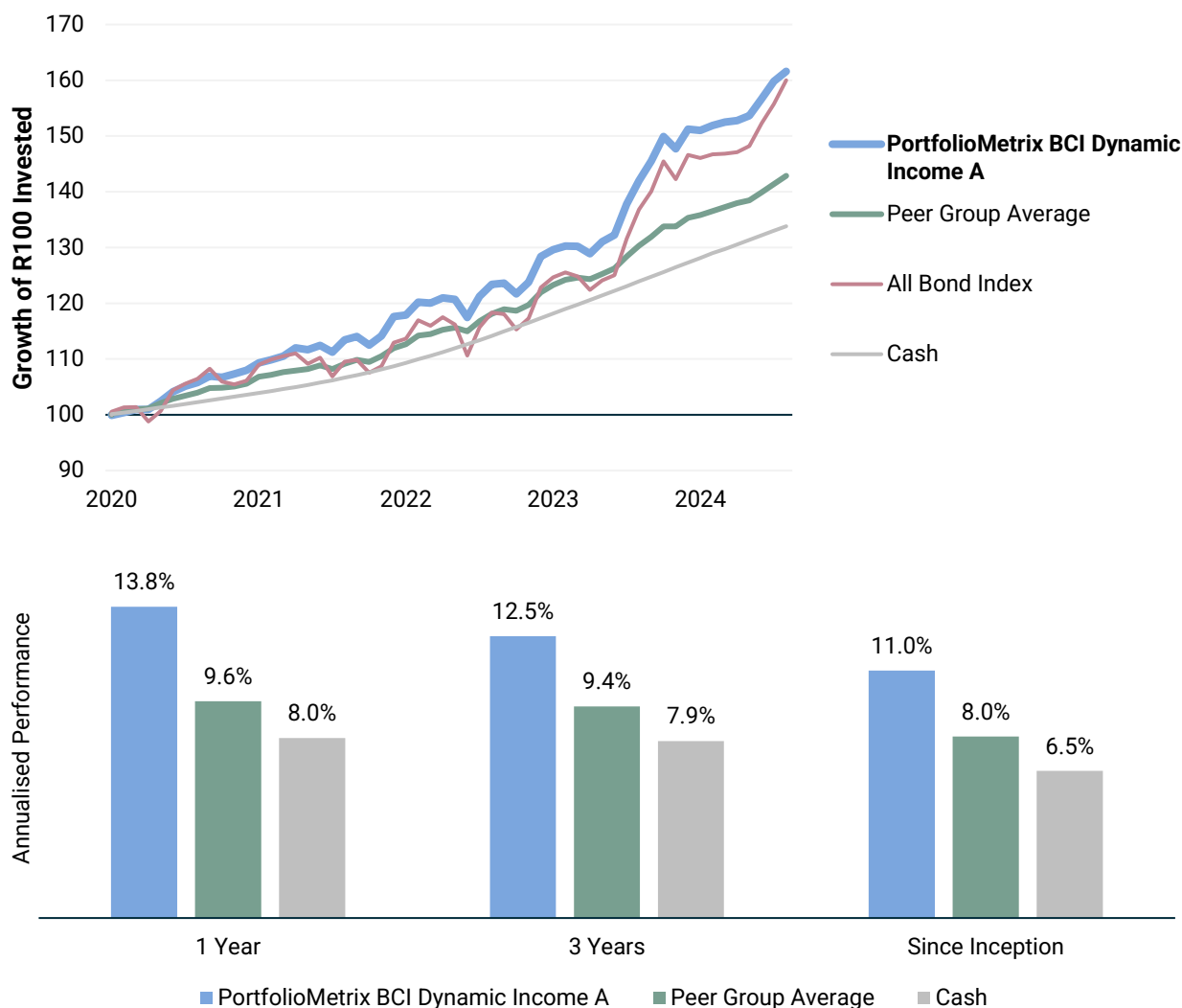
- **SARB Rate Cut:** The SARB cut the repo rate by 25bps to 7% (prime 10.5%), in line with expectations. In a significant move, Governor Kganyago indicated the MPC will now target the bottom of the 3–6% inflation band without a formal Treasury mandate change.
- **Inflation Trends:** June CPI rose 3% (Est. 3.1%, Prev. 2.8%), staying near the target floor for nine consecutive months. Core inflation slowed to a 4-year low.
- **Budget Resolution:** Parliament passed the Appropriation Bill, the final step in the nation's budget process, averting a potential fiscal crisis. The DA withdrew its opposition after President Ramaphosa dismissed the higher education minister accused of misleading parliament.
- **US Tariff Threat:** SA secured a one-week delay (until Aug 7) on planned 30% US tariffs, with ongoing negotiations aimed at avoiding penalties that could cost an estimated 100,000 jobs. SA's offer includes LNG and agricultural imports from the US, plus investment commitments in mining, metals recycling, critical minerals, pharmaceuticals, and agri-machinery.
- **Transnet Support:** Government approved R94.8bn in guarantees for Transnet, covering debt redemptions over five years and reducing downgrade risks. Yields on its \$1bn 2028 bonds fell to 6.43%, a record low since issuance in February 2023.
- **FATF Grey List Review:** The FATF Africa Joint Group completed its final on-site assessment (29–30 July) in Pretoria. This is the last step before the October 2025 plenary considers removing SA from the grey list.

Portfolio Updates:

- **We have maintained our bias to fixed-rate bonds**, which has significantly benefitted investors as SA bonds have recovered over the last 3 months.

- Markets remain uncertain and the portfolio is positioned to take advantage of opportunities should further weakness occur
- PortfolioMetrix BCI Dynamic Income Fund current gross yield* 10.7%

PORTFOLIOMETRIX BCI DYNAMIC INCOME TRACK RECORD

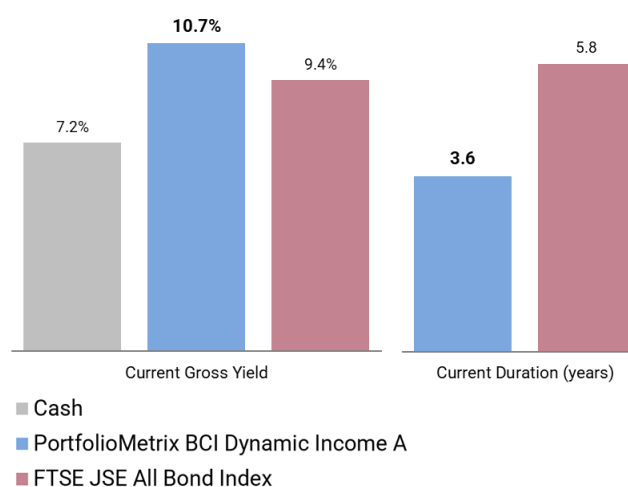


July 2025	PortfolioMetrix BCI Dynamic Income Fund A	Peer Group Average	All Bond Index	Cash
1 Month	1.1%	1.0%	2.7%	0.6%
3 Months	5.2%	3.2%	7.9%	1.9%
6 Months	6.4%	4.6%	9.1%	3.7%
YTD	7.0%	5.2%	9.5%	4.4%
1 Year	13.8%	9.6%	17.0%	8.0%
3 Years	12.5%	9.4%	13.5%	7.9%
Since Inception	11.0%	8.0%	10.7%	6.5%
Cumulative Since Inception	61.6%	42.9%	60.0%	33.8%

Inception date of the fund is 2020/12/21. 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, unless otherwise stated. Source: Morningstar, PortfolioMetrix

FUND POSITIONING

- The Fund's gross current yield* of 10.7% remains attractive in both absolute terms and relative to cash and the All Bond Index.
- The aggregate duration is currently 3.6, 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.



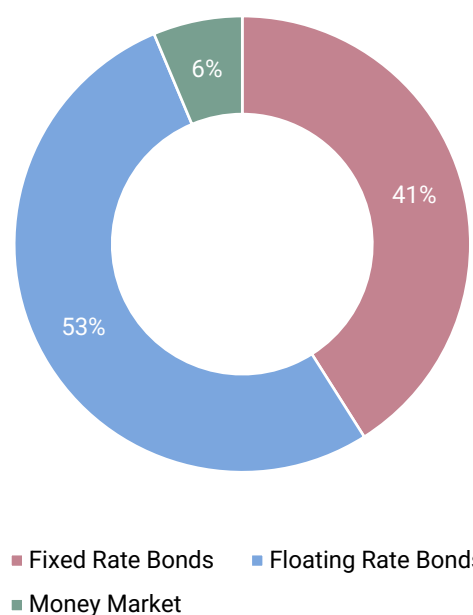
*The indicated gross forward yield is indicative and fluctuates daily and therefore not guaranteed.

As of 2025/07/31.

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 41% 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

Shortform

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Longform

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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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