

# PORTFOLIOMETRIX ACTIVE INCOME PRESCIENT AMETF (PMXINC)

STRATEGY PROFILE AND MARKET UPDATE

March 2026



## MARKET UPDATE AND OUTLOOK – MARCH 2026

After a strong start to the year, the **PMXINC Active Income AMETF** was down -3.4% in March, as the crisis in the Middle East rattled markets and the All Bond Index fell -6.8%. Despite this, the ETF is still up +18.0% over the past 12 months. Encouragingly, the ALBI has recovered 5.07% month to date (as at 10<sup>th</sup> April).

Since inception, the ETF has generated +39.8%, significantly outperforming peers (+22.0%), and cash (+17.7%)\*.

### MARKET & ECONOMIC HIGHLIGHTS:

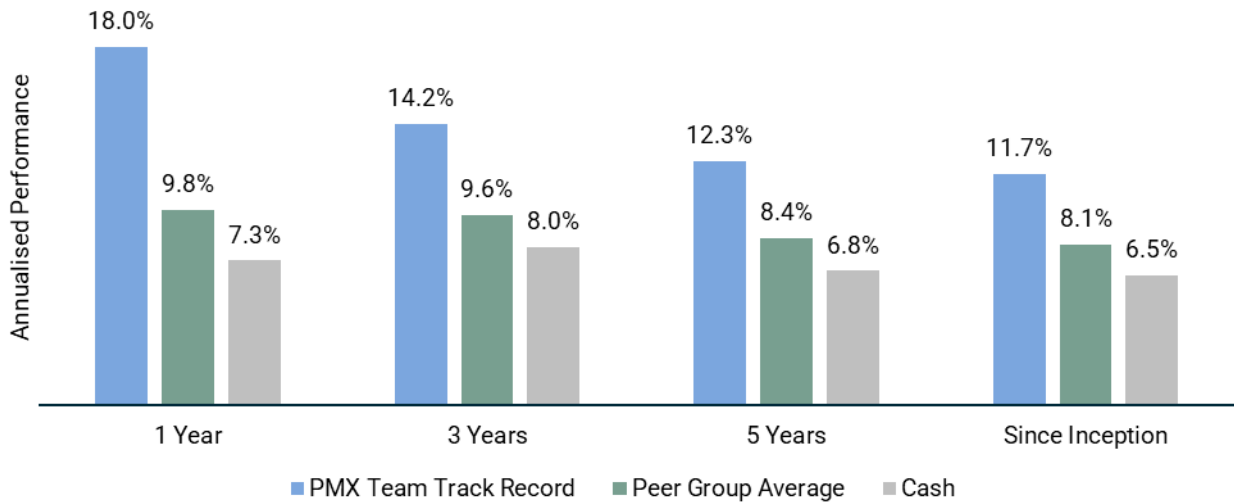
- **Oil shock and inflation outlook:** The Middle East crisis driven oil spike has lifted 2026 inflation expectations and shifted the narrative for Central Banks from possible rate cuts in 2026 to now pricing-in near term rate hikes. However, current expectations are for inflation to reduce again in 2027 once the crisis is resolved and base effects kick in.
- **SARB reaction function:** Unsurprisingly the SARB held the Repo rate at 6.75% in March, citing upside risks to the inflation outlook due to the ongoing Middle East conflict. Their baseline forecast is for higher energy prices to push inflation higher in the near term before gradually easing back towards 3% by late next year. The SARB is likely to remain cautious and keep rates higher for longer to maintain credibility and signal their commitment to achieve the new 3% inflation target.
- **Rand resilience and terms of trade:** The rand has been relatively stable compared to other emerging markets through this volatile period. This is due to supportive commodity exports and a roughly balanced 2026 current account cushioning the oil shock and limiting pressure for aggressive local tightening. The concern does however shift to local growth should the war overwhelm local reform efforts.
- **Fiscal consolidation and debt peak:** Treasury continues to build evidence that South Africa's debt ratio is still likely to peak around 2025/26, with better than budgeted deficits and steady issuance supporting SA bonds. Part of the March Oil shock has been countered by rising coal and commodity prices.

### PORTFOLIO UPDATES

- We have taken advantage of the recent market volatility by locking in yields at higher levels.
- Real yields on various instruments remain attractive and the portfolio is now positioned for an environment of higher short-term rates followed by longer-term lower rates.
- We are maintaining a high level of liquidity to be take advantage of opportunities should further volatility and weakness occur.
- The ETF's **current gross yield\*\* of 9.9% remains high** relative to short and long-term expectations for cash and inflation.

\* Inception date of the fund is 2024/01/31. All performance is on a Net of Fees basis. **Peer Group Average = ASISA SA MA Income Category Average, Cash = STeFI Composite.** Source: Morningstar, PortfolioMetrix

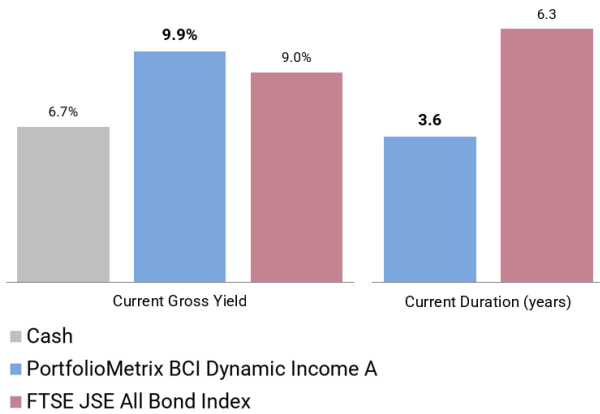
\*\* The current gross yield is indicative and fluctuates daily and therefore not guaranteed. As of 2026/03/31. Source: JSE, PortfolioMetrix



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, unless otherwise stated. Source: Morningstar, PortfolioMetrix.

### ETF POSITIONING

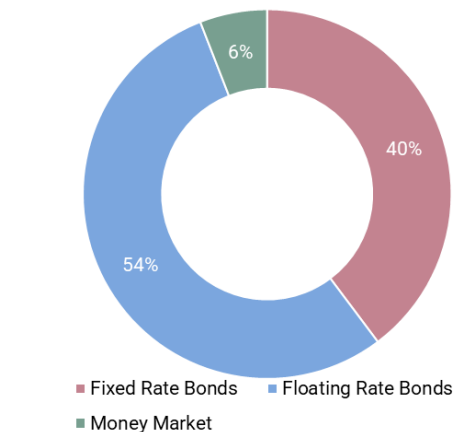
- The ETF's gross current yield\*\* of 10% remains attractive in both absolute terms and relative to current inflation and cash rates.
- The aggregate duration is currently 3.6, which indicates an interest rate volatility of less than two thirds of the All Bond Index, which has a current duration of 6.4 years.



\*\*The indicated current gross yield is indicative and fluctuates daily and therefore not guaranteed. As of 2026/03/31. Source: JSE, PortfolioMetrix

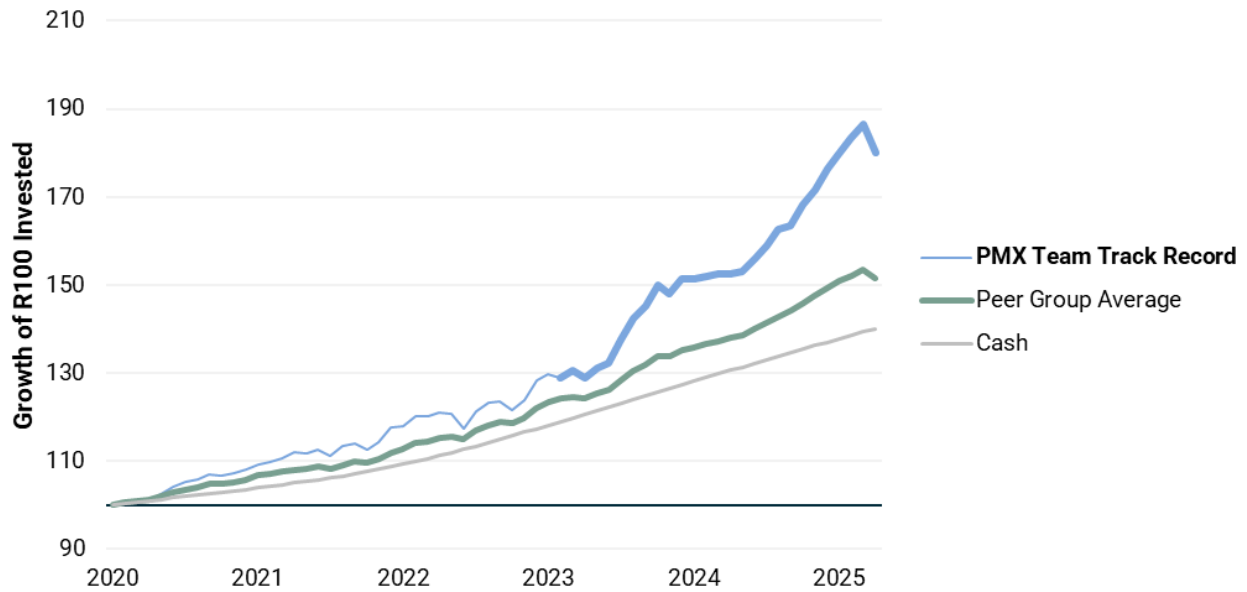
### ASSET ALLOCATION

- 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 40% 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.



Source: JSE, PortfolioMetrix

## PERFORMANCE TRACK RECORD



The PortfolioMetrix Team Track Record is the composite of a similar fixed income mandate, the PortfolioMetrix BCI Dynamic Income Fund A, managed since December 2020, identified in the performance chart as a thin-weight timeseries. Thereafter, the performance is the live PMXINC performance, identified by a thick-weight time series. 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.

March 2026	PMX Team Track Record	Peer Group Average	All Bond Index	Cash
1 Month	-3.4%	-1.3%	-6.8%	0.6%
3 Months	0.1%	0.5%	-3.4%	1.7%
6 Months	7.1%	4.0%	5.3%	3.4%
YTD	0.1%	0.5%	-3.4%	1.7%
1 Year	18.0%	9.8%	19.2%	7.3%
3 Years	14.2%	9.6%	14.3%	8.0%
5 Years	12.3%	8.4%	12.2%	6.8%
Since Inception	11.7%	8.1%	11.1%	6.5%
Cumulative Since Inception	80.0%	51.5%	75.4%	40.1%

Inception date of the fund is 2024/01/31. The PortfolioMetrix Team Track Record is the composite of a similar fixed income mandate, the PortfolioMetrix BCI Dynamic Income Fund A, managed since December 2020. Thereafter, the performance is the live PMXINC performance. 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.

## 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 more than R100bn in assets under management.



**PHILIP BRADFORD, CFA®**



**LIAM DAWSON, CFA®**



**RICCARDO PERETTI, CFA®**

### 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 AMETF by dynamically investing across the broad universe of income generating investments, whilst actively managing the risk.
- The AMETF 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.

## 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).

For professional advisers only. This document is for information purposes only and does not constitute financial, legal, tax or investment advice. It should not be relied upon as such.

The value of investments and the income from them may fall as well as rise and investors may not recover their initial investment. Past performance is not a reliable indicator of future results. Any forecasts or expected returns are not guaranteed and actual outcomes may differ materially.

Portfolio holdings and asset allocation may change without notice. PortfolioMetrix Asset Management SA (Pty) Ltd is an authorised Financial Services Provider (FSP No. 42383).

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).

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