



FUND INFORMATION

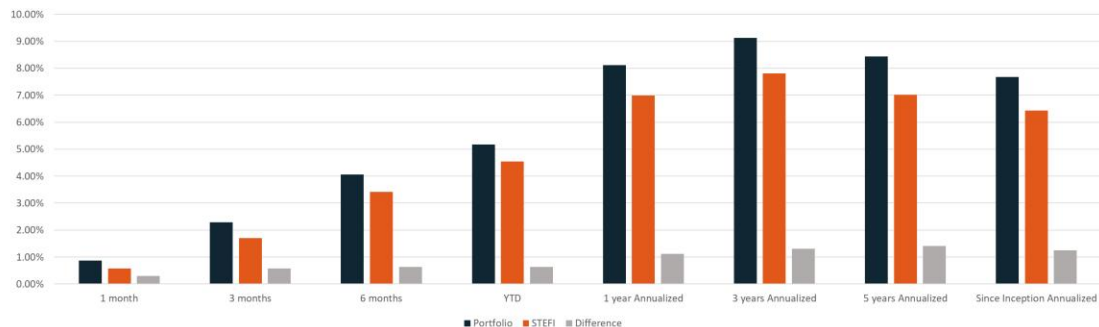
Portfolio Manager:	Kelebogile Moloko, Jacques Simpson
Inception date:	May 2020
Fund size R'millions:	R351.17
Benchmark:	Short Term Fixed Interest ("STEFI") Composite Index
Performance Target:	STEFI + 1.00% p.a.
Minimum Credit Quality:	BBB
Fund Structure:	Segregated

INVESTMENT OBJECTIVE

The Fund seeks to produce returns that are superior to the Short Term Fixed Interest ("STEFI") Composite Index by seeking investment opportunities in the fixed income market that offer value on a relative basis. The Fund's strategy is to build a diversified portfolio that achieves a higher weighted average yield over risk free rates while minimising volatility.

The fund is suitable for institutional clients with various risk profiles and can be allocated in a retirement fund's investment strategy as a portion of the bond allocation in a balanced portfolio.

FUND PERFORMANCE



BOND VIEW AND PORTFOLIO STRATEGY

Following Federal Reserve Chair Kevin Warsh's debut Jackson Hole keynote speech, financial markets reassessed the outlook for U.S. monetary policy. Warsh adopted a notably hawkish tone resulting in US treasuries repricing. For South African markets, the rise in U.S. yields has presented a headwind for domestic fixed income. Higher global risk-free rates reduce the relative attractiveness of emerging-market bonds and increases the required yield premium for holding South African government debt. South African assets continue to offer relatively attractive carry; however, weakening U.S. yields, a stronger dollar and renewed global inflation concerns could constrain the extent of any domestic bond rally in the near term. Over a 3-6 month time frame we are still constructive on local bonds, given the high-risk premiums currently baked into the local yield curve, especially at the belly and longer end of the curve. In our minds, the next local policy rate hike is already discounted in the current bond curve levels.

PORTFOLIO MANAGERS



Kelebogile Moloko
Chief Investment Officer

Qualifications
B.Com (Economics & Finance)
B.Com Honours (FAPM)



Jacques Simpson
Senior Fixed Income Portfolio
Manager

Qualifications
B.Econ (Economics & Transport
Economics)
Masters of Economics

PHYSICAL ADDRESS

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PORTFOLIO RETURNS (%)*

	Portfolio	STEFF	Difference
1 month	0.87%	0.58%	0.30%
3 months	2.29%	1.71%	0.58%
6 months	4.06%	3.42%	0.64%
YTD	5.17%	4.54%	0.63%
1 year Annualized	8.11%	6.99%	1.12%
2 years Annualized	8.85%	7.44%	1.41%
3 years Annualized	9.12%	7.81%	1.31%
5 years Annualized	8.43%	7.02%	1.41%
Since Inception Annualized	7.67%	6.43%	1.24%

*Time Weighted Rate of Return

PERFORMANCE COMMENTARY

In August, the local bond market was shaped primarily by rising global yields and persistent domestic inflation risks. The increase in US Treasury yields, driven by expectations of a less accommodative Federal Reserve, placed upward pressure on South African yields as global investors reassessed the relative attractiveness of emerging-market debt. This pressure intensified following Fed Chair Kevin Warsh's hawkish Jackson Hole speech, which increased expectations of a September rate hike. Domestically, July inflation moderated to 4.3% but remained sufficiently elevated to constrain expectations for near-term SARB easing. Our portfolio positioning continued producing positive alpha for the month.

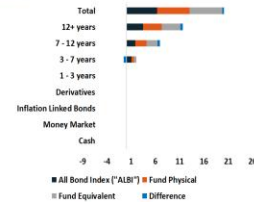
ASSET CLASS RETURNS

Equities were the best performing asset class during the month with a return of 4.65% followed closely by Inflation Linked Bonds (ILBs) at 0.99%. Nominal Bonds yielded a return of 0.69% while Cash had the lowest return of 0.58% for the month.

INTEREST RATE RISK: DURATION AND YIELD

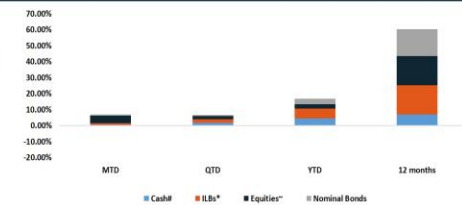
Modified duration as at:	2026/08/31
Portfolio	0.08
ALBI	6.35

Sector	All Bond Index ("ALBI")	Fund Physical	Fund Equivalent	Difference
Cash	0.00	0.00	0.00	0.00
Money Market	0.00	0.02	0.02	0.02
Inflation Linked Bonds	0.00	0.00	0.00	0.00
Derivatives	0.00	-0.34	-0.34	-0.34
1 - 3 years	0.04	0.01	0.01	-0.03
3 - 7 years	1.05	0.05	0.05	-1.01
7 - 12 years	1.75	0.34	0.34	-1.41
12+ years	3.51	0.00	0.00	-3.51
Total	6.35	0.08	0.08	-6.27



ASSET CLASS RETURNS	MTD	QTD	YTD	12 months
Cash#	0.58%	1.74%	4.54%	7.03%
ILBs*	0.99%	2.24%	6.10%	18.12%
Equities~	4.65%	1.99%	2.76%	18.42%
Nominal Bonds	0.69%	0.84%	3.52%	16.61%

source: RMB, INET
* JSE ASSA Total Index Return Inflation Linked Series-IGOV



Sector exposure	All Bond Index ("ALBI")	Fund Physical	Fund Equivalent	Difference
Cash	0.00%	8.68%	8.68%	8.68%
Money Market	0.00%	27.01%	27.01%	27.01%
Inflation Linked Bonds	0.00%	0.00%	0.00%	0.00%
Derivatives	0.00%	-3.33%	-3.33%	-3.33%
1 - 3 years	3.24%	9.29%	9.29%	6.05%
3 - 7 years	28.10%	54.42%	54.42%	26.32%
7 - 12 years	27.73%	3.93%	3.93%	-23.80%
12+ years	40.93%	0.00%	0.00%	-40.93%
Total	100.00%	100.00%	100.00%	0.00%



Spread changes*	July	August	Change
R186/R2023	2.080	2.215	0.135
R2030/R186	1.470	1.425	-0.045
R2048/R186	2.345	2.360	0.015
R186/12 month NCD	0.980	1.090	0.110
12 month NCD/6 month NCD	1.150	1.270	0.120
6 month NCD/3 month NCD	1.030	1.280	0.250

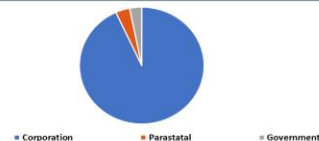




CREDIT EXPOSURE

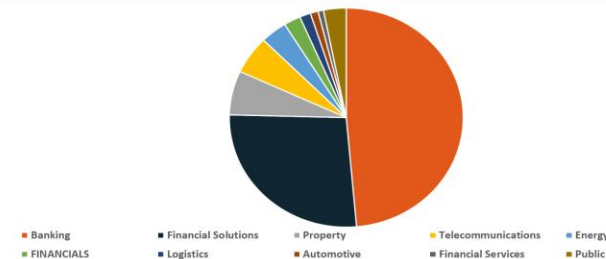
Approximately 0% of the portfolio is invested in NCD's.

Credit Exposure	% Holding
Corporation	99.40%
Parastatal	3.93%
Government	-3.33%
Total	100.00%



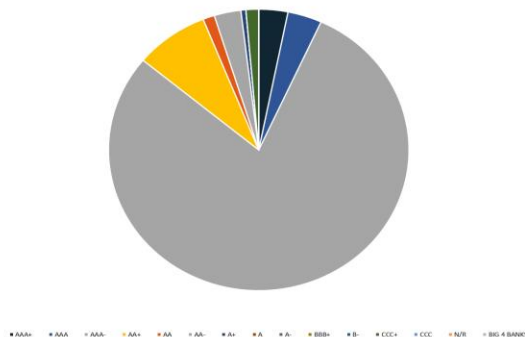
Sector Analysis

Sector	% Holding
Banking	51.83%
Financial Solutions	28.59%
Property	6.94%
Telecommunications	5.96%
Energy	3.93%
FINANCIALS	2.49%
Logistics	1.62%
Automotive	1.16%
Financial Services	0.81%
Public	-3.33%
Total	100.00%



Credit exposure analysis

Credit exposure analysis	% Holding
AAA+	-3.33%
AAA	3.93%
AAA-	84.47%
AA+	8.49%
AA	1.34%
AA-	3.07%
A+	0.58%
A	0.00%
A-	0.00%
BBB+	0.00%
B-	0.00%
CCC+	1.46%
CCC	0.00%
N/R	0.00%
BIG 4 BANKS	0.00%
Total	100.00%



Top 10 Issuer Exposure (excl government)

Issuer	% Holding
Nedbank	20.46%
Standard Bank	14.48%
THE THEKWINI WAREHOUSING CONDUIT (RF) LIMIT	10.42%
FirstRand Bank	10.21%
Toyota Financial Services	7.76%
Absa Bank	6.67%
MTN	5.96%
BNP Paribas Personal Finance	4.71%
Eskom	3.93%
MW Asset Rentals (RF) Limited	2.57%
Total	87.18%

