



FUND INFORMATION

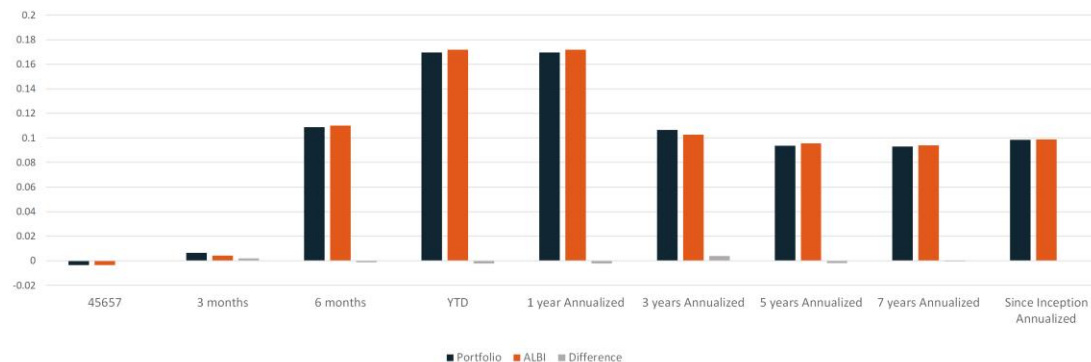
Portfolio Manager:	Kelebogile Moloko, Jacques Simpson
Inception date:	March 2016
Fund size R'millions:	R1 786.70
Benchmark:	All Bond Index ("ALBI")
Performance Target:	ALBI + 1.25% p.a.
Minimum Credit Quality:	A-
Fund Structure:	Segregated

INVESTMENT OBJECTIVE

The Fund seeks to produce returns that are superior to the JSE All Bond Index (ALBI) 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 invests in off benchmark nominal bonds including listed corporate debt. For liquidity purposes the fund must hold a minimum of 30% of ALBI constituents.

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

Last month, the South African Reserve Bank (SARB) reduced the repo rate by 25 basis points to 7.50%. The SARB has indicated that while inflation remains within its target range, global uncertainties and domestic risks necessitate a cautious approach to future rate adjustments. There is optimism among investors that lower U.S. interest rates in the future could renew demand for emerging market debt, but the road to get there will most likely be characterized by high volatility as global markets grapple with trade war tariffs from the Trump administration.

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	ALBI	Difference
31 January 2025	0.45%	0.44%	0.01%
3 months	3.32%	3.14%	0.17%
6 months	7.35%	7.26%	0.09%
YTD	0.45%	0.44%	0.01%
1 year Annualized	16.64%	16.86%	-0.22%
2 years Annualized	12.42%	11.99%	0.42%
3 years Annualized	10.53%	10.10%	0.42%
5 years Annualized	9.20%	9.40%	-0.20%
7 years Annualized	9.17%	9.17%	0.00%
Since Inception Annualized	9.79%	9.82%	-0.03%

*Time Weighted Rate of Return

PERFORMANCE COMMENTARY

South African bonds experienced a sell-off primarily due to global market volatility and investor risk aversion. A significant factor was the sharp global sell-off linked to advances by Chinese artificial intelligence startup DeepSeek, which led investors to question the high valuations of major U.S. technology and AI companies. A hawkish hold by the FOMC at the January meeting and strong U.S. economic indicators, strengthened the U.S. dollar which in turn exerted pressure on risk-sensitive currencies like the South African rand. These combined factors led to increased yields on South African government bonds. Our curve positioning resulted in marginally negative alpha for the month.

ASSET CLASS RETURNS

Equities were the best performing asset class during the month with a return of 2.32% followed closely by Cash at 0.66%. Nominal Bonds yielded a return of 0.44% while Inflation Linked Bonds (ILBs) had the lowest return of -0.32% for the month.

INTEREST RATE RISK: DURATION AND YIELD

Modified duration as at:	Friday, 31 January 2025
Portfolio	5.81
ALBI	5.73

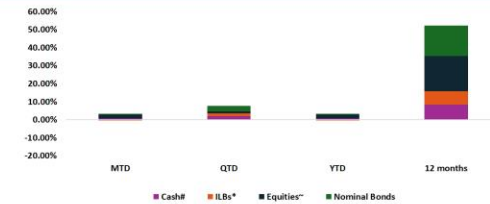
Sector	ALBI	Fund Physical	Fund Equivalent	Difference
Cash	0.00	0.00	0.00	0.00
Money Market	0.00	0.01	0.01	0.01
Inflation Linked Bonds	0.00	0.00	0.00	0.00
Derivatives	0.00	0.62	0.62	0.62
1 - 3 years	0.22	0.10	0.10	-0.13
3 - 7 years	0.79	0.53	0.53	-0.26
7 - 12 years	1.48	1.93	1.93	0.45
12+ years	3.24	2.63	2.63	-0.61
Total	5.73	5.81	5.81	0.08



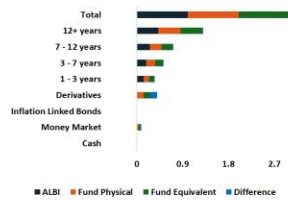
ASSET CLASS RETURNS	MTD	QTD	YTD	12 months
Cash#	0.66%	1.99%	0.66%	8.42%
ILBs*	-0.32%	1.54%	-0.32%	7.36%
Equities~	2.32%	1.06%	2.32%	19.58%
Nominal Bonds	0.44%	3.14%	0.44%	16.86%

source: RMB, INET

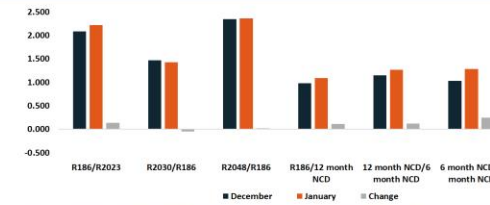
* JSE ASSA Total Index Return Inflation Linked Series-IGOV



Sector exposure	ALBI	Fund Physical	Fund Equivalent	Difference
Cash	0.00%	-8.56%	-8.56%	-8.56%
Money Market	0.00%	3.08%	3.08%	3.08%
Inflation Linked Bonds	0.00%	0.00%	0.00%	0.00%
Derivatives	0.00%	13.25%	13.25%	13.25%
1 - 3 years	13.76%	10.80%	10.80%	-2.95%
3 - 7 years	18.65%	16.66%	16.66%	-1.98%
7 - 12 years	25.72%	31.63%	31.63%	5.90%
12+ years	41.87%	33.13%	33.13%	-8.74%
Total	100.00%	100.00%	100.00%	0.00%



Spread changes*	December	January	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

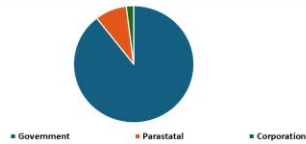




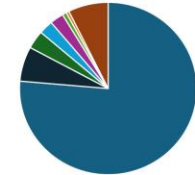
CREDIT EXPOSURE

The weighted yield enhancement of the portfolio is 31 basis points versus 10 basis points for the ALBI.

Credit Exposure	% Holding
Government	89.45%
Parastatal	8.56%
Corporation	1.99%
Total	100.00%

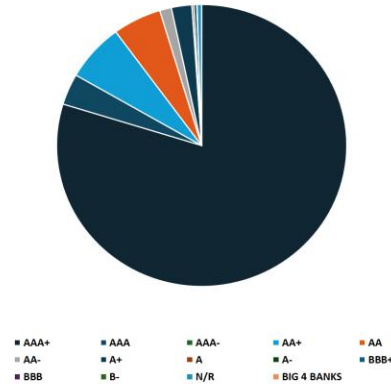


Sector Analysis	% Holding
Public	89.45%
Telecommunications	7.62%
Roads	4.00%
Development Finance	3.03%
Financial Solutions	2.93%
Water and Sanitation	0.90%
Municipalities	0.62%
Banking	-8.56%
Total	100.00%



Public
Development Finance
Municipalities
Telecommunications
Financial Solutions
Banking
Roads
Water and Sanitation

Credit exposure analysis	% Holding
AAA+	89.45%
AAA	4.00%
AAA-	0.00%
AA+	7.40%
AA	-6.08%
AA-	1.47%
A+	2.55%
A	0.24%
A-	0.00%
BBB+	0.38%
BBB	0.00%
B-	0.04%
N/R	0.56%
BIG 4 BANKS	0.00%
Total	100.00%
Weighted Average Fund Credit Quality	AAA



AAA+
AAA
AAA-
AA+
AA
AA-
A+
A
A-
BBB+
BBB
B-
N/R
BIG 4 BANKS

Top 10 Issuer Exposure (excl government)	% Holding
MOBILE TELEPHONE NETWORKS HOLDINGS LIMIT	6.50%
SA NATIONAL ROADS AGENCY GG	4.00%
TRANSSEC (RF) LIMITED	2.56%
INDUSTRIAL DEVELOPMENT CORPORATION SA LT	1.76%
TELKOM SA LTD	1.12%
THE STANDARD BANK OF SOUTH AFRICA LIMITED	0.86%
RAND WATER BOARD	0.85%
ABSA BANK LIMITED	0.83%
DEVELOPMENT BANK OF SOUTHERN AFRICA	0.72%
LANDBANK	0.56%
Total	19.74%

