



## FUND INFORMATION

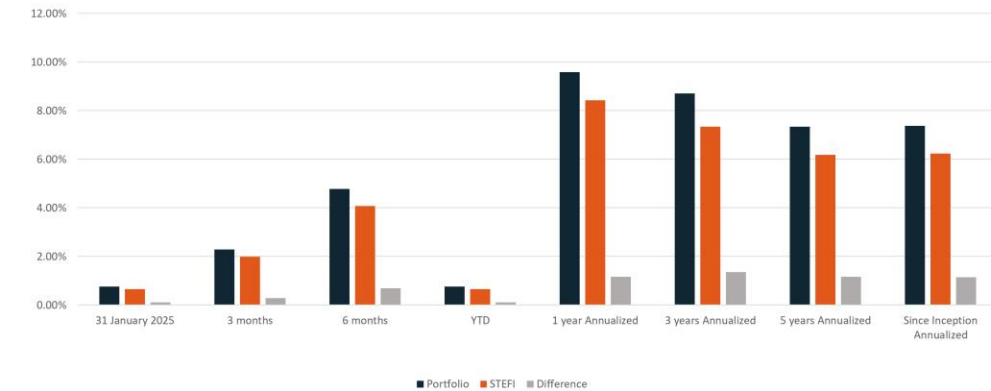
Portfolio Manager:	Kelebogile Moloko, Jacques Simpson
Inception date:	November 2019
Fund size R'millions:	R130.73
Benchmark:	Short Term Fixed Interest ("STEFI") Composite Index
Performance Target:	STEFI + 0.50% p.a.
Minimum Credit	F3
Fund Structure:	Segregated

## 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 money market allocation in a balanced portfolio.

## FUND PERFORMANCE



## MONEY MARKET VIEW AND PORTFOLIO STRATEGY

South Africa's inflation rate increased marginally to 3% in December, up from 2.9% in November. Inflation continues to print below the 4.5% mid-point target set by the SARB for a fifth month in a row. In January the FOMC kept the target range of the fed funds rate at 4.25% to 4.5% and reiterated that they will employ a wait-and-see approach to cutting rates as they digest incoming inflation data and the impact of the Trump administration's changes to trade and immigration policy. Locally, the SARB delivered a hawkish 25 basis points cut to the repo rate citing concerns to inflation in the medium term. Given developments in global trade and trade tariffs, we expect the SARB to leave the repo rate unchanged at the next meeting in March.

## 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	STEFI	Difference
31 January 2025	0.76%	0.66%	0.11%
3 months	2.28%	1.99%	0.29%
6 months	4.77%	4.08%	0.69%
YTD	0.76%	0.66%	0.11%
1 year Annualized	9.58%	8.42%	1.16%
2 years Annualized	9.65%	8.30%	1.35%
3 years Annualized	8.70%	7.35%	1.36%
5 years Annualized	7.34%	6.19%	1.16%
Since Inception Annualized	7.37%	6.23%	1.14%

\*Time Weighted Rate of Return

PERFORMANCE COMMENTARY

For the money market curve, the 3-month and 6-month Jibar rates rallied by 19 and 13 basis points respectively, while the 12-month Jibar rates rallied by 1 basis points in January. The spread between 12x15 FRA rates and 3m Jibar rates widened by 28 basis points during this period. At the last MPC meeting in January, policymakers opted for a 25 basis point cut to the repo rate. The 3-month Jibar rate being higher than the 12x15 FRA by 22 basis points meant that the derivatives market ended the month expecting the monetary policy committee to cut rates by a 25 basis points over the next 12 months. Our curve and credit positioning resulted in positive alpha for the month.

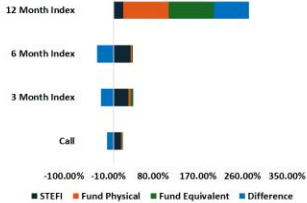
ASSET CLASS RETURNS

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

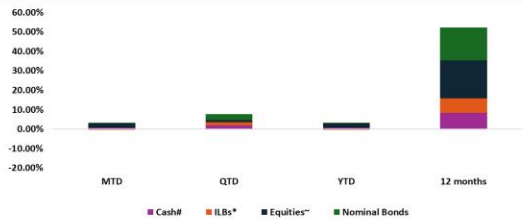
Modified duration as at: **Friday, 31 January 2025**  
Portfolio Average Weighted MD in days: 39.46  
Portfolio Average Term to Maturity: 498.27

Sector	STEFI	Fund Physical	Fund Equivalent	Difference
Call	15.00%	2.04%	2.04%	-12.96%
3 Month Index	30.00%	4.95%	4.95%	-25.05%
6 Month Index	35.00%	1.90%	1.90%	-33.10%
12 Month Index	20.00%	91.11%	91.11%	71.11%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

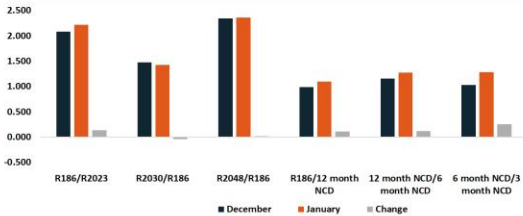


ASSET CLASS RETURNS	MTD	QTD	YTD	12 months
Cash#	0.66%	1.99%	0.66%	8.42%
ILBs*	-0.32%	1.54%	-0.32%	7.36%
Equities~	2.32%	1.06%	2.32%	19.58%
Nominal Bonds	0.44%	3.14%	0.44%	16.86%

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



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



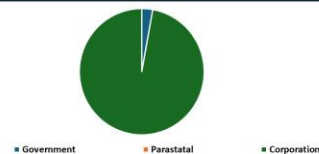




## CREDIT EXPOSURE

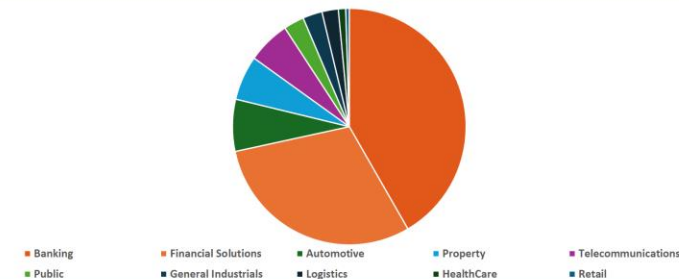
Approximately 1.05% of the portfolio is invested in NCD's.

Credit Exposure	% Holding
Government	2.83%
Parastatal	0.00%
Corporation	97.17%
<b>Total</b>	<b>100.00%</b>



## Sector Analysis

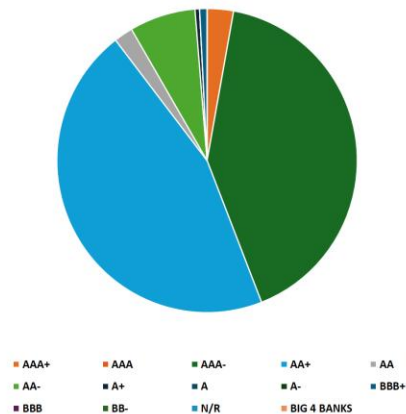
Sector Analysis	% Holding
Banking	41.64%
Financial Solutions	29.99%
Automotive	7.11%
Property	6.09%
Telecommunications	5.88%
Public	2.83%
General Industrials	2.69%
Logistics	2.26%
HealthCare	1.02%
Retail	0.49%
<b>Total</b>	<b>100.00%</b>



Credit exposure analysis	% Holding
AAA+	2.83%
AAA	0.00%
AAA-	41.26%
AA+	45.47%
AA	2.04%
AA-	7.11%
A+	0.49%
A	0.00%
A-	0.00%
BBB+	0.80%
BBB	0.00%
BB-	0.00%
N/R	0.00%
BIG 4 BANKS	0.00%
<b>Total</b>	<b>100.00%</b>

Weighted Average Fund Credit Quality

AA



## Top 10 Issuer Exposure (excl government)

Top 10 Issuer Exposure (excl government)	% Holding
THE STANDARD BANK OF SOUTH AFRICA LIMITED	12.60%
NEDBANK LIMITED	11.31%
FIRSTRAND BANK LIMITED	8.81%
ABSA BANK LIMITED	8.66%
THEKWINI 4 LTD	6.73%
DAIMLER TRUCK SOUTHERN AFRICA LIMITED	6.11%
Equites Property Fund Limited	6.09%
MERCEDES-BENZ SOUTH AFRICA LIMITED	6.07%
BNP PARIBAS PERSONAL FINANCE SOUTH AFRICA	5.93%
MOBILE TELEPHONE NETWORKS HOLDINGS LIMITE	5.88%
<b>Total</b>	<b>78.19%</b>

