



Producing consistent returns in an inconsistent world

Philip Bradford, CFA
Chief Investment Officer & Fund Manager

PortfolioMetric BCI Dynamic Income Fund

14th May 2025



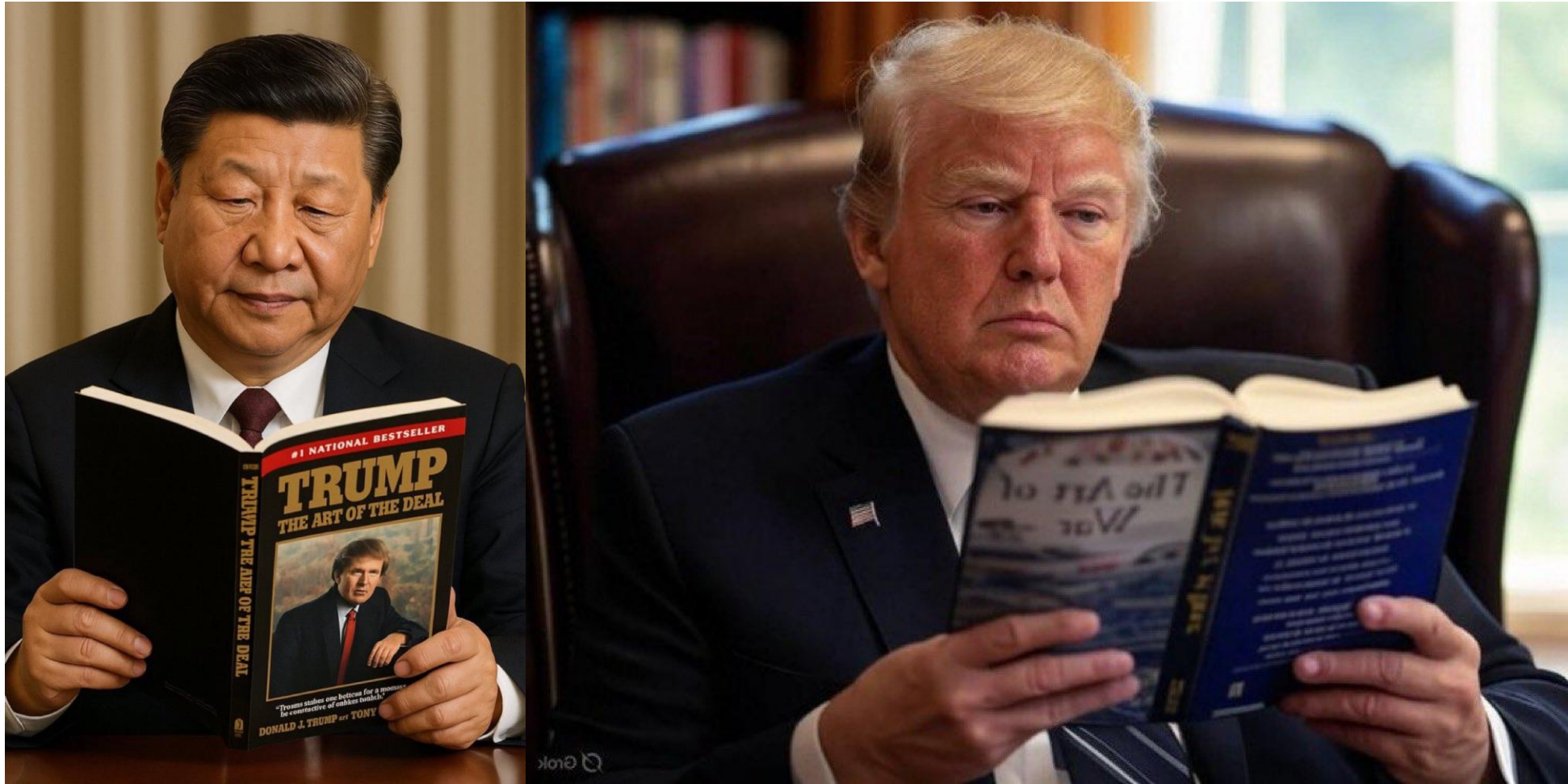
PORTFOLIOMETRIX



When elephants fight it is the grass that suffers

The stArt of the Deal?

Radical uncertainty as global trade is thrown out of kilter



The stArt of the Deal?

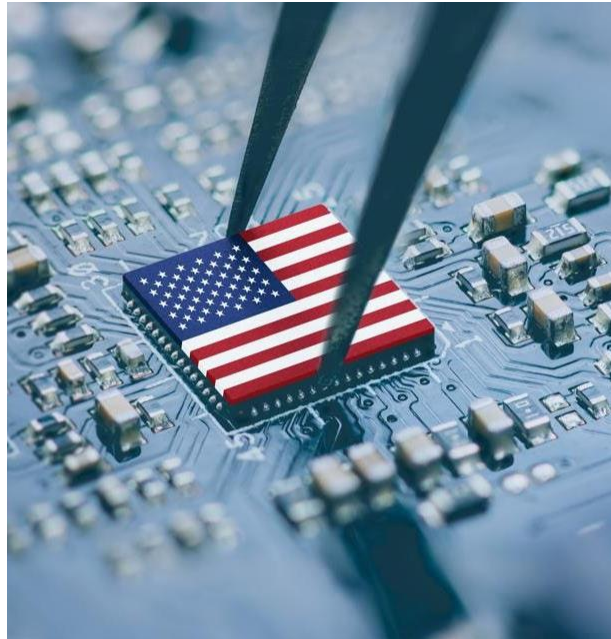
Who holds the cards in this western standoff?

US Exports

- Semiconductors & High-tech equipment
- Aerospace & industrial machinery
- Soy beans & Agri-products

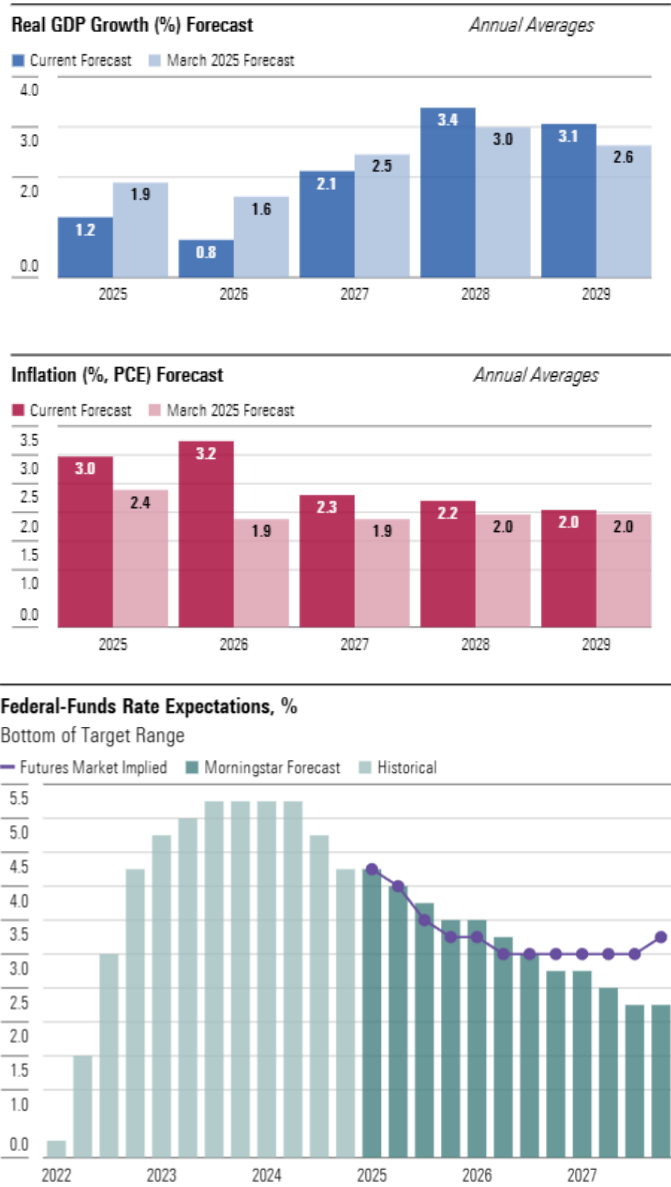
Chinese Exports

- Rare Earth Minerals
- Consumer electronics and specialised manufacturing
- Pharmaceuticals & Chemicals



Macro-Economics

Rising inflation in a lower growth world



Lower Growth

Higher Inflation

Uncertain Rates

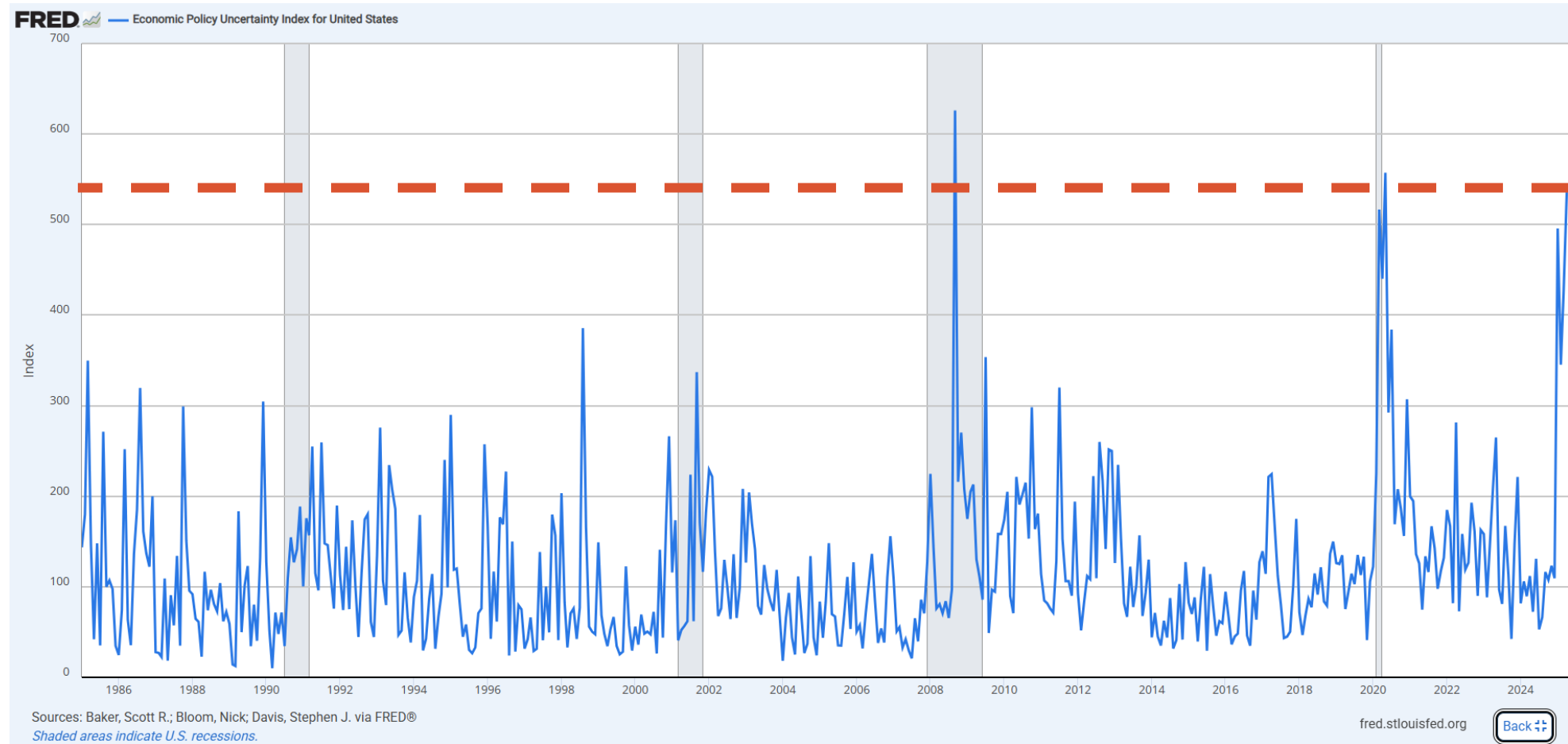
Never let a good crisis go to waste

What investors should really do
when panic strikes



Policy Uncertainty rises to COVID-19 levels

Confidence and Investment likely to waver



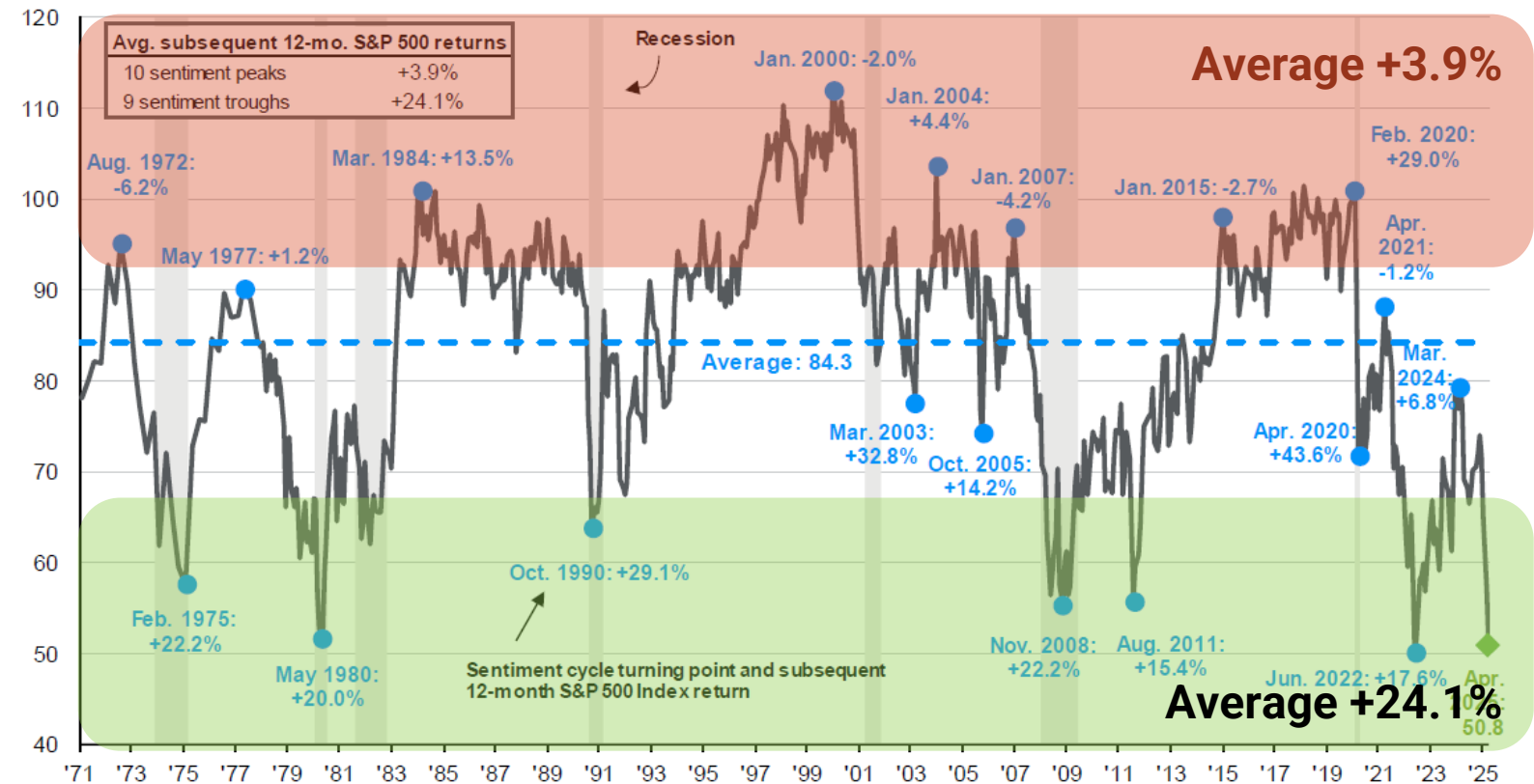
Investing during a crisis

Never waste a good crisis

Sentiment as a contra-indicator?

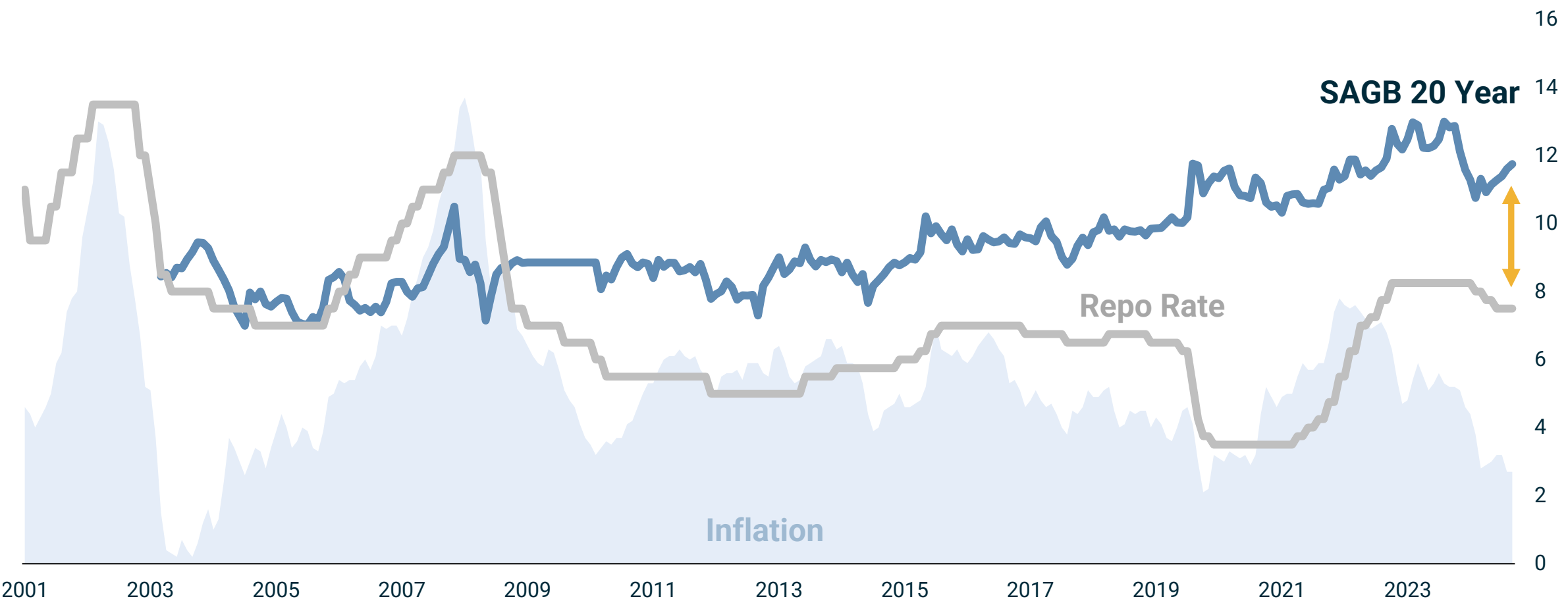
“...be greedy when others are fearful.”

Consumer Sentiment Index and subsequent 12-month S&P 500 returns



The evolution of SA interest rates & bond yields

Bonds now offer much higher yields than cash

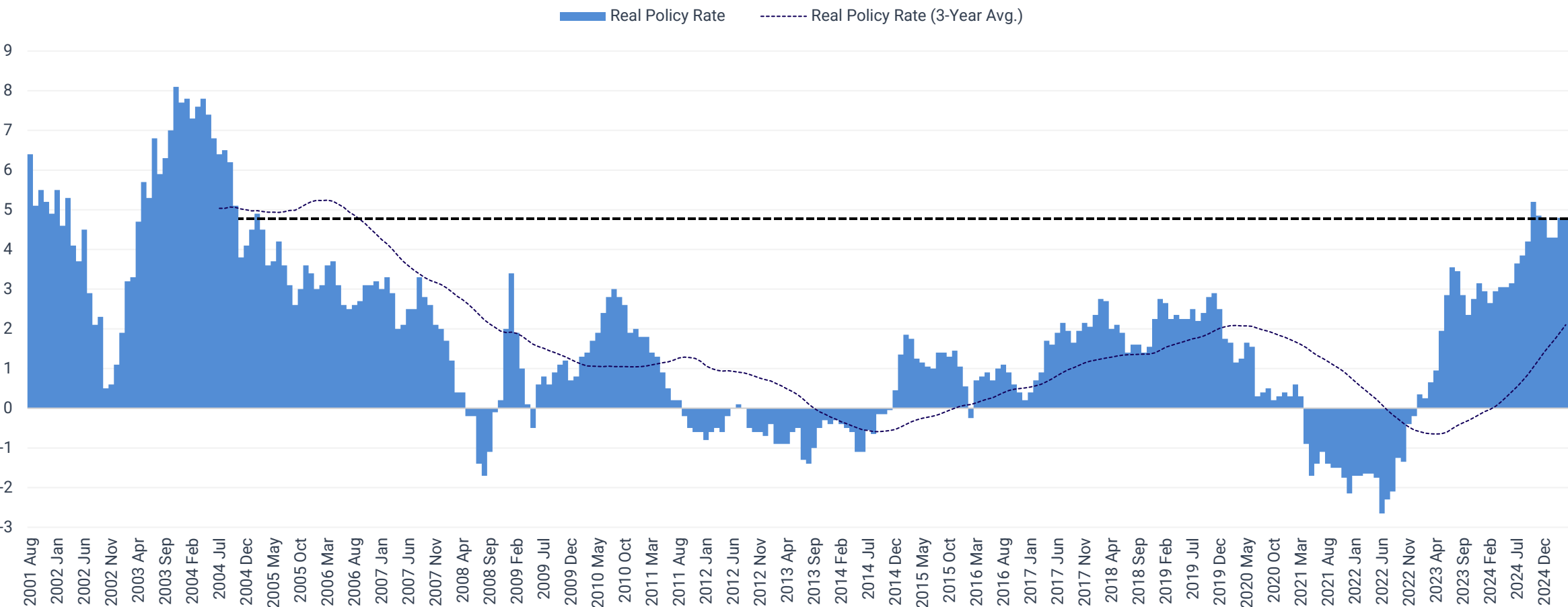


SARB Real Policy Rate

Reserve Bank credibility

Real Policy rate of 4.8%

Repo @ 7.5% | CPI @ 2.7%
post March MPC meeting



Attractive valuations

History suggest attractive forward returns

When returns are predominantly driven by the income component, then high-yield entry points are particularly good, whilst the fundamentals remain intact.

With that said, it is still important to manage the risk and volatility as SA bonds are a risk-asset.

This simplified analysis of more than 20 years of data provides a light guidance as to the expected returns from current level.



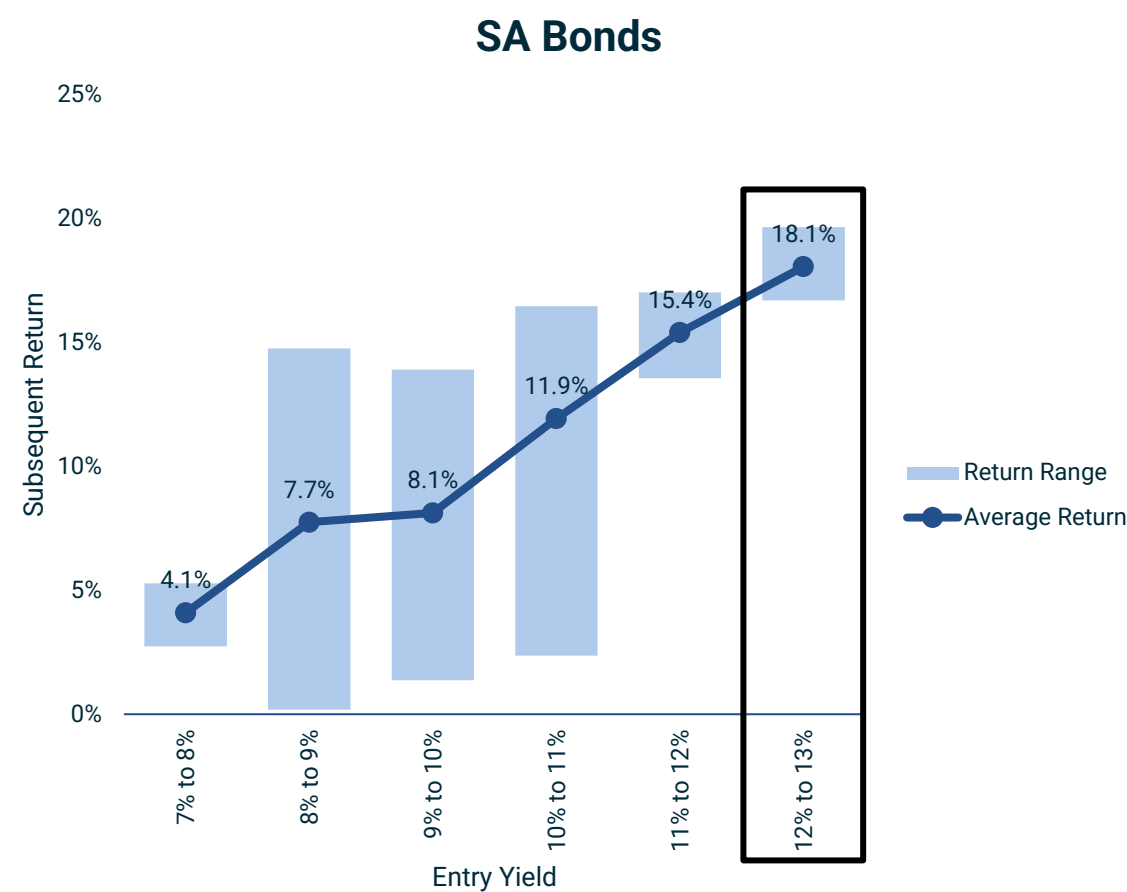
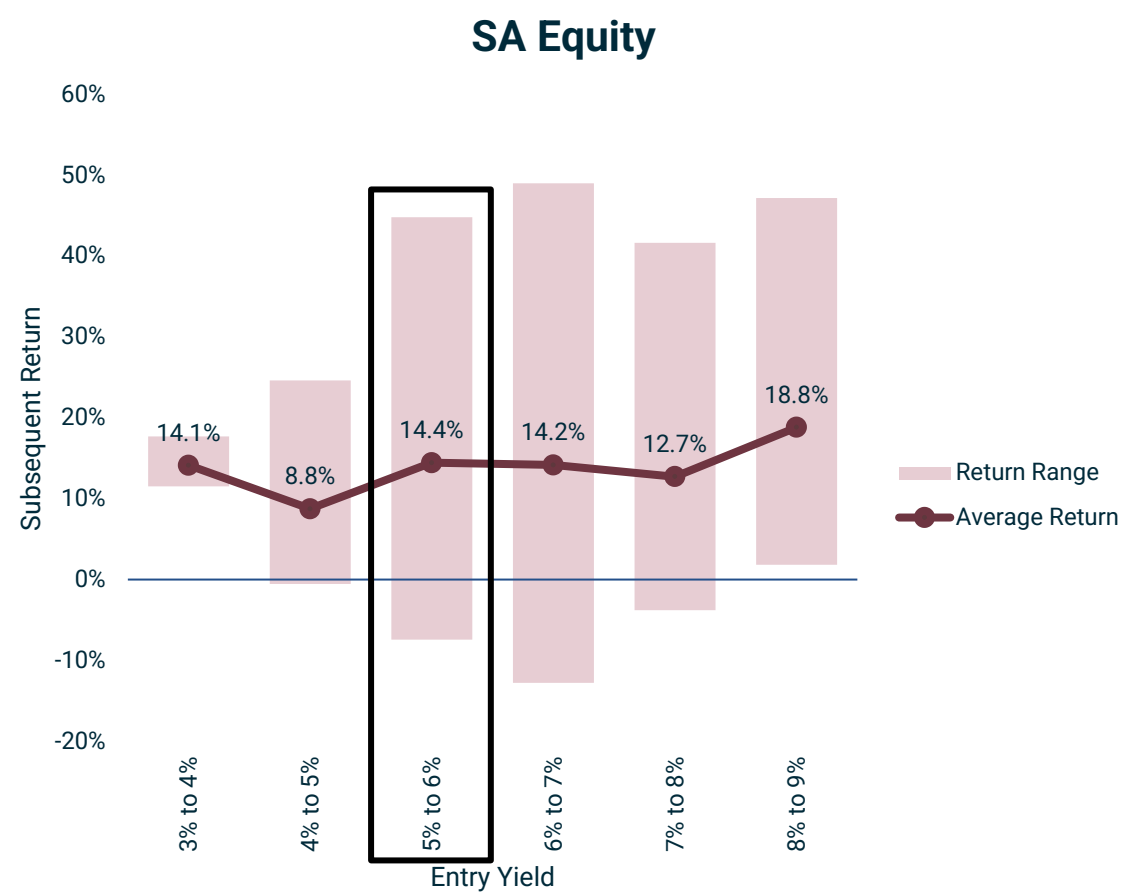
Entry Yield versus Subsequent Return



As of 2025/04/30 Source: Bloomberg, PortfolioMetrix.
Yield and returns of the FTSE/JSE All Bond Index from 2001/02/28. Returns for periods greater than 1 year are annualised. Workings available upon request.

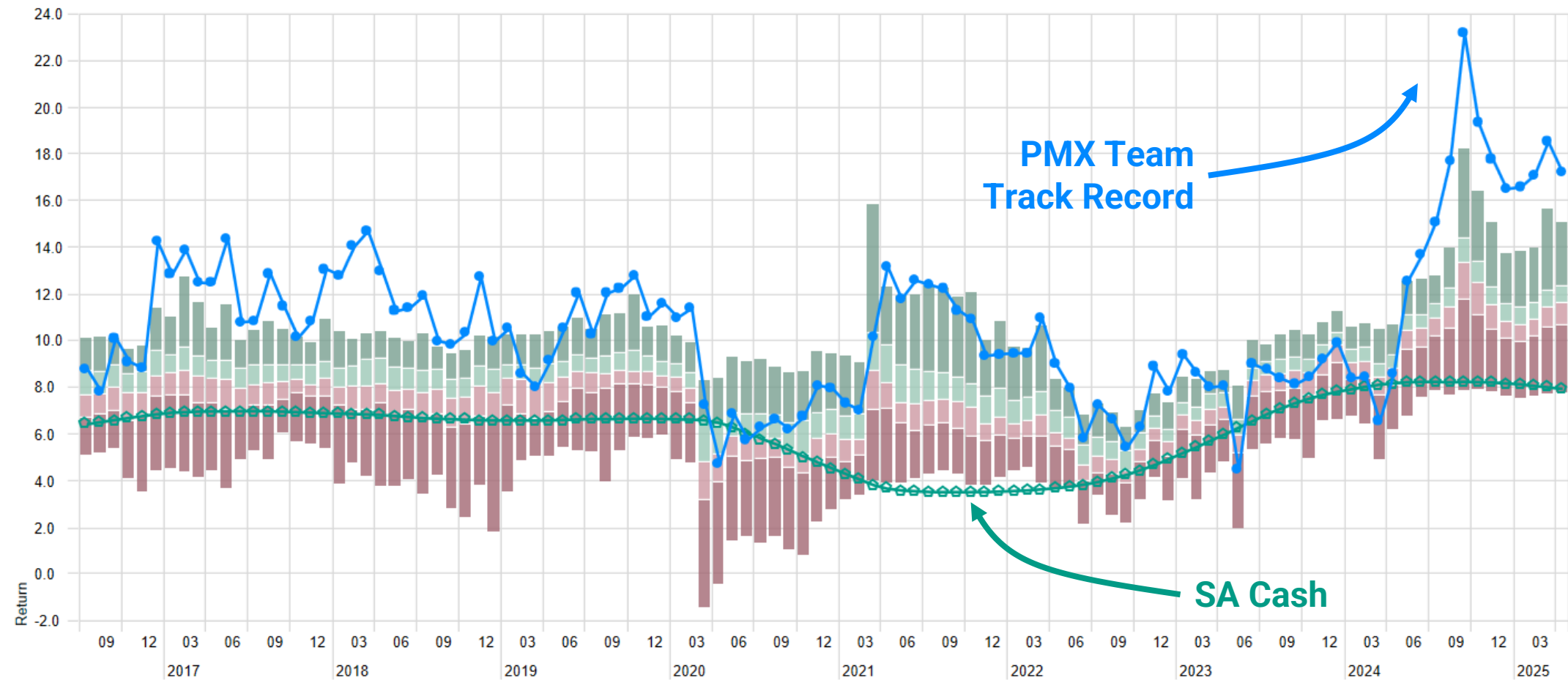
SA Bonds from Current Levels: Higher Reward and Greater Certainty

Subsequent 2-year returns based on entry point



Cash is a 4th Quartile Fund

The certainty of cash comes at a very high cost



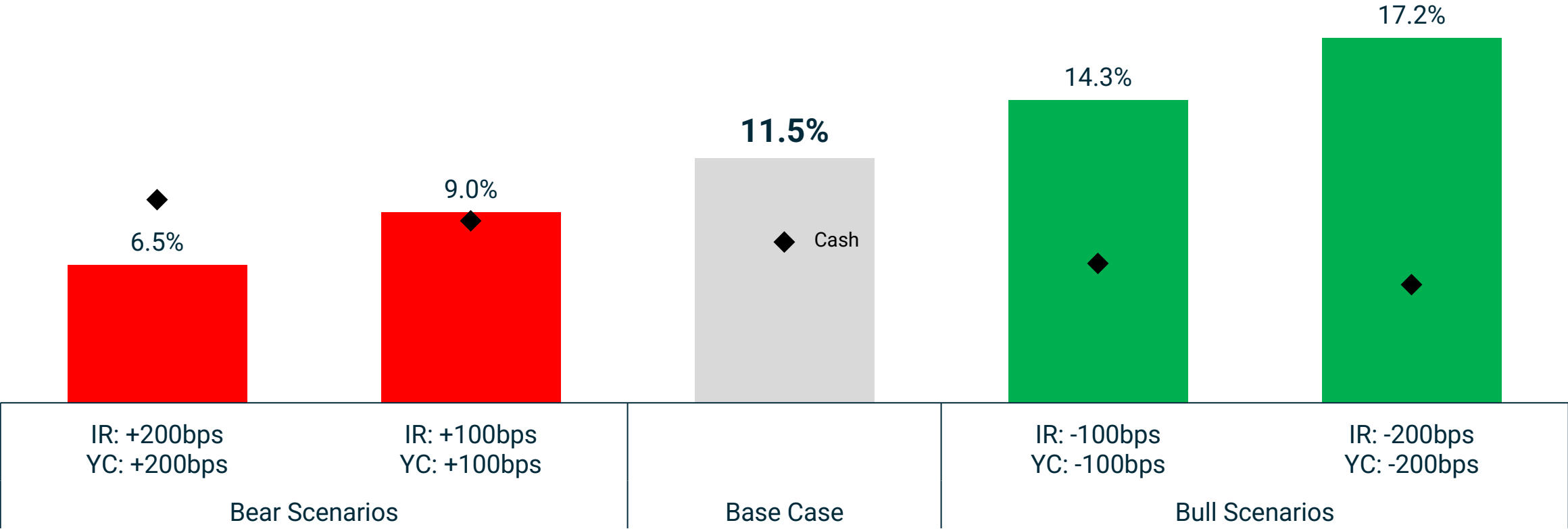
Peer Group (5-95%): Funds - ASISA Sector (South Africa) - (ASISA) South African MA Income Rolling Window: 1 Year 1 Month shift
■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

As of 2025/04/30 | Source: Morningstar, PortfolioMetrix | SA Cash is STeFI Composite
The PortfolioMetrix Team Track Record is the composite of similar fixed income mandates managed since July 2015. Details of this performance track record are available upon request.

Dynamic Income Bull and Bear scenarios – 1 Year

We have engineered the portfolio to protect on the downside and still participate in the upside

Bull and Bear scenarios over the next 12 months



Source: Avior, PortfolioMetrix. As of 2025/03/31. Bull scenario accounts for a parallel -1/200bps shift in the yield curve. Bear scenario accounts for a parallel +1/200bps shift in the yield curve. Base case assumes no change in yields. *Current yields and duration figures are indicative (2025/03/31). Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a gross current yield and is calculated daily

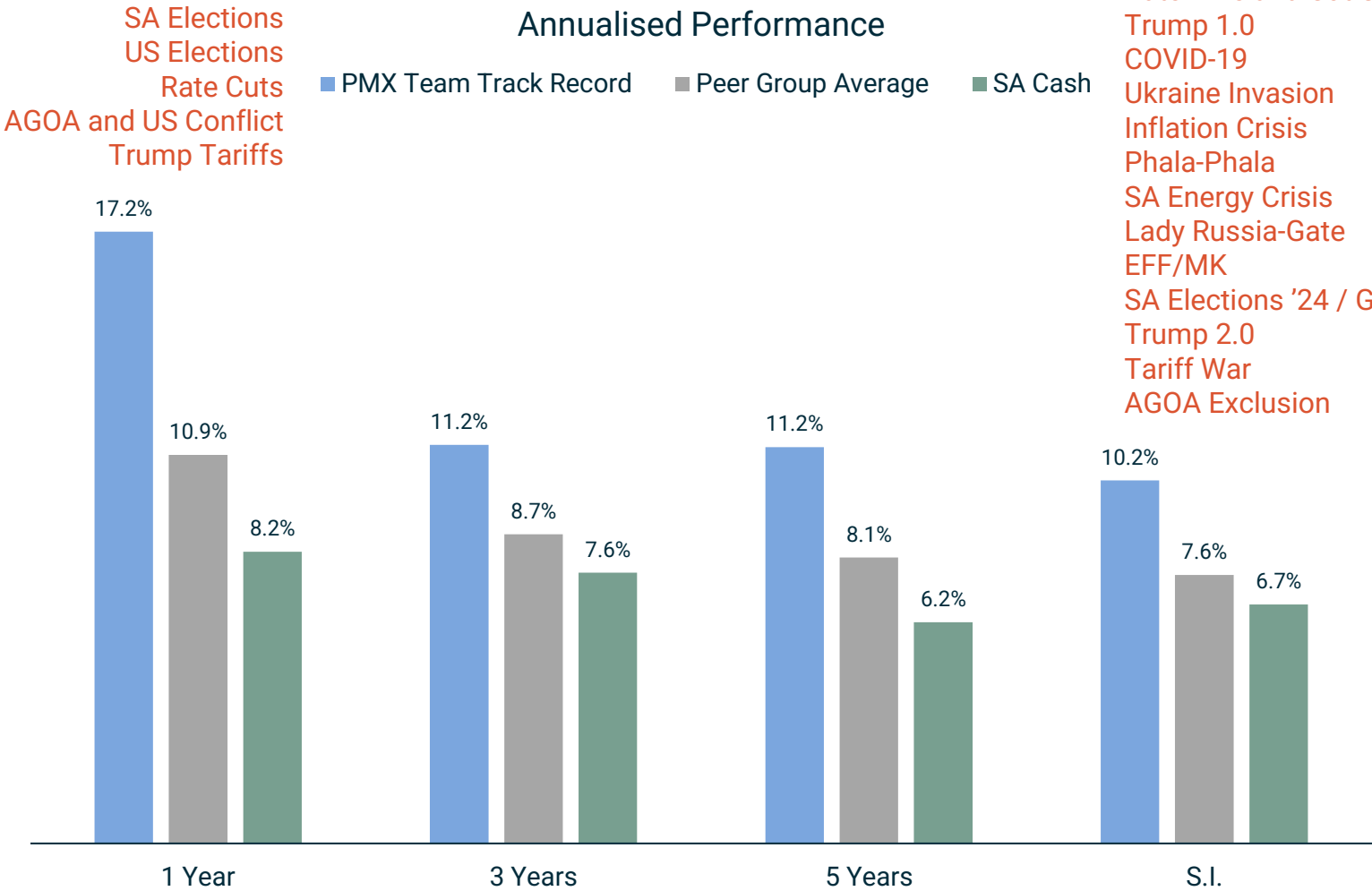
Reliable Outcomes

Consistent and reliable reward for investors

The team has successfully navigated the challenges and rewards of the SA fixed income market for nearly a decade.

The reliability and consistency in which returns have been delivered is attributable to the investment process and philosophy.

A repeatable process that assesses the opportunity and associated risk which the investor must bear.



As of 2025/04/30, since 2015/07/31 | Source: Morningstar, PortfolioMetrix | PMX Team Track Record is a composite of similar fixed income portfolios managed by the current portfolio management team that represent the Dynamic Income Strategy. Details are available upon request.

Wall of Worry

Finding solace in the wall of worry



Howard Marks

“You can't predict.
You can prepare.”

“In investing, what is
comfortable is rarely
profitable.”

Disclaimer

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, 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.

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge.

Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager's products. Access the BCI Privacy Policy and the BCI Terms and Conditions on the BCI website (www.bcis.co.za)



PORTFOLIOMETRIX

Pioneering Precision Investment Management

www.portfoliometrix.com

JOHANNESBURG

Corner Main Office Park, 2 Payne Road,
Bryanston, South Africa

[+27 10 448 1400](tel:+27104481400)

infoSA@portfoliometrix.com

CAPE TOWN

1st Floor Constantia Emporium, Ladies
Mile, Constantia, Cape Town

[+27 82 496 2545](tel:+27824962545) or [+27 82 334 4055](tel:+27823344055)

infoSA@portfoliometrix.com

UNITED KINGDOM

Ground Floor, 66 Buckingham Gate,
London, UK, SW1E 6AU

[+44 207 965 7533](tel:+442079657533)

infoUK@portfoliometrix.com

IRELAND

5 Marine Terrace, Dun Laoghaire,
Dublin A96 H9T8

[+353 1 539 7244](tel:+35315397244)

infoIE@portfoliometrix.com