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# The investment case for SA Credit

BCI Global Investment Conference  
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14 May 2025



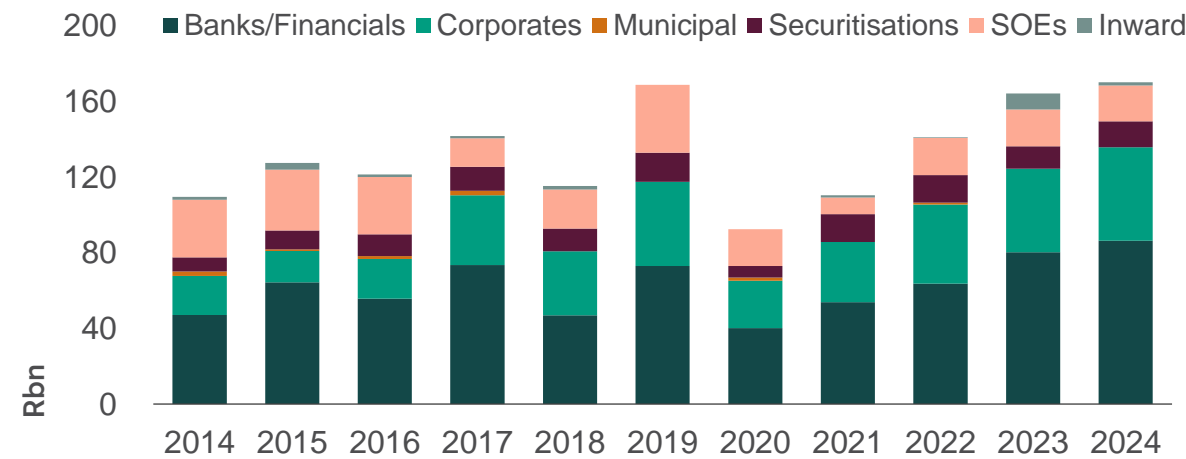
# Why SA Investment Grade Credit?

- **Attractive yields**
  - ~8–9% net yield with cash duration
  - ~11–12% net yield with ALBI duration
- **Strong investor protections**
  - Priority in the capital structure, contractual rights, legal remedies
  - Predictable cashflows
  - Low default experience when combined with sound bottom-up selection
- **Ideal for conservative investors**
  - Cash-beating returns with capital stability
- **Suits short- and long-term investors**
  - Liquid instruments match short-term needs
  - Predictable cashflows allow for stable distributions
- **Supported by macro backdrop**
  - Uncertain environment favours liquidity and low volatility returns

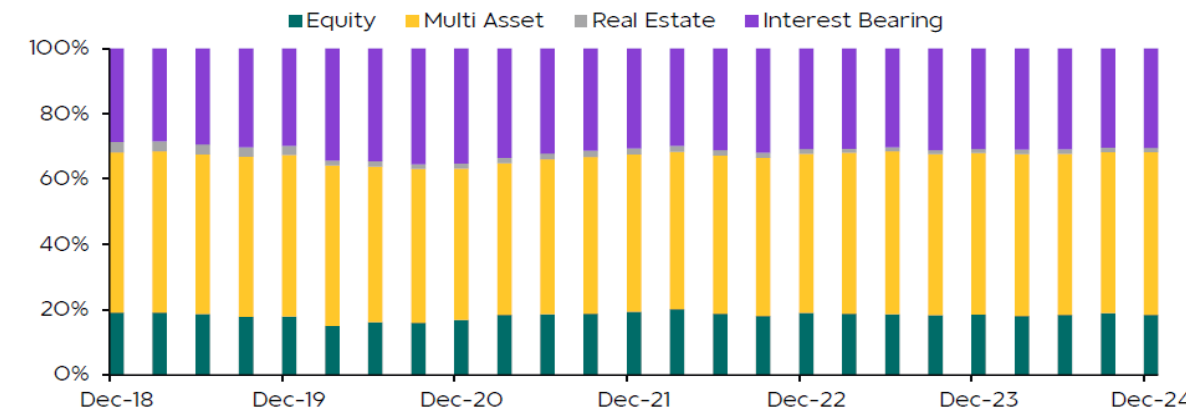


# Market context

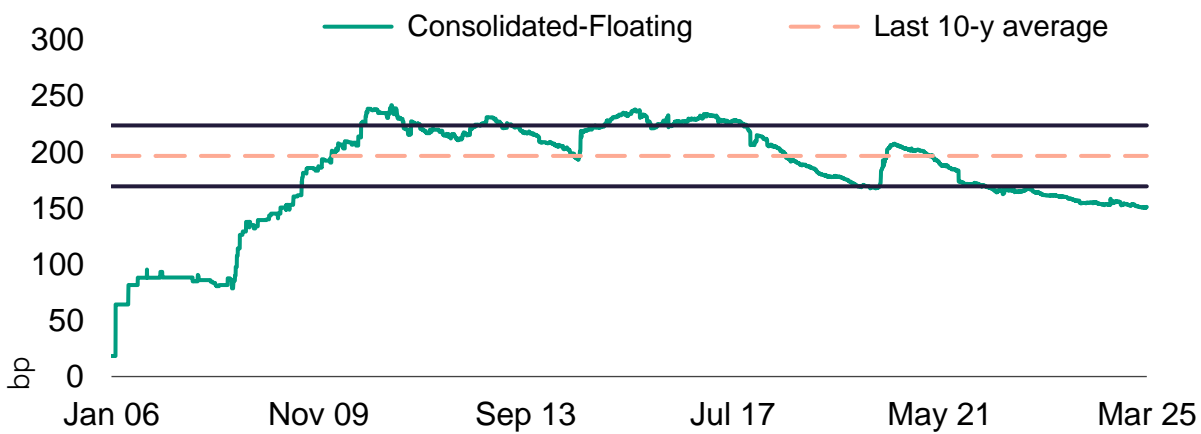
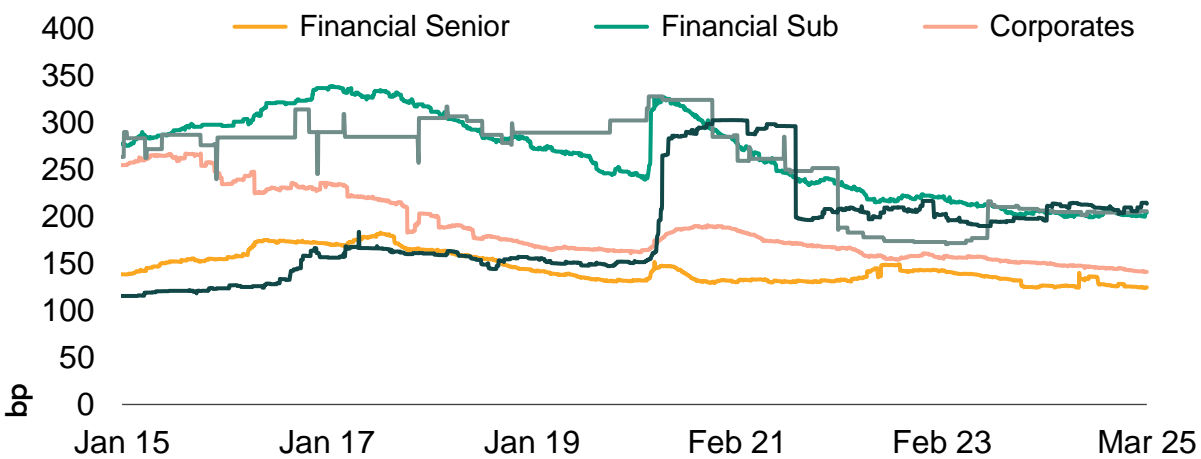
Listed credit market issuance\*



CIS SA Funds AUM



Credit spreads



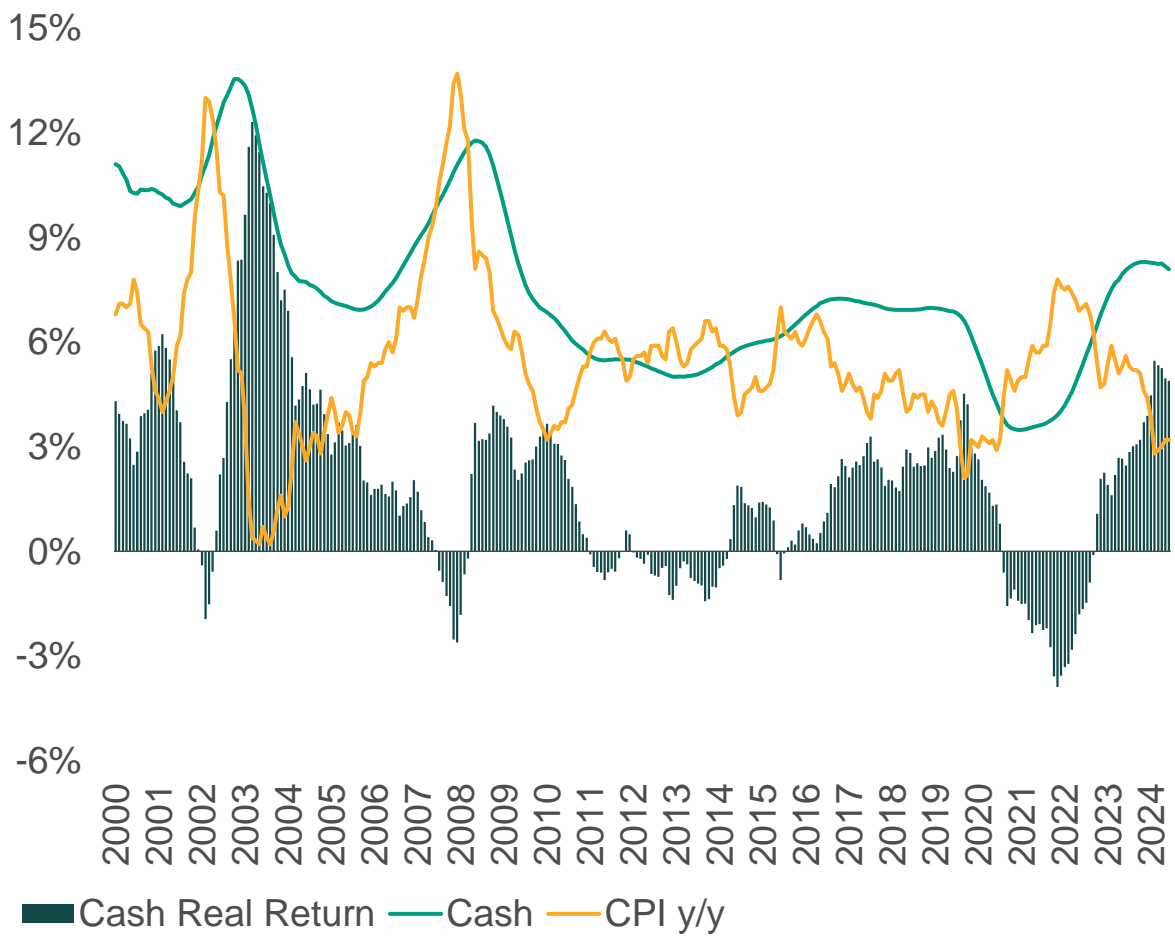
\*Excludes government bonds & credit linked notes  
Source: RMB Markets, JSE



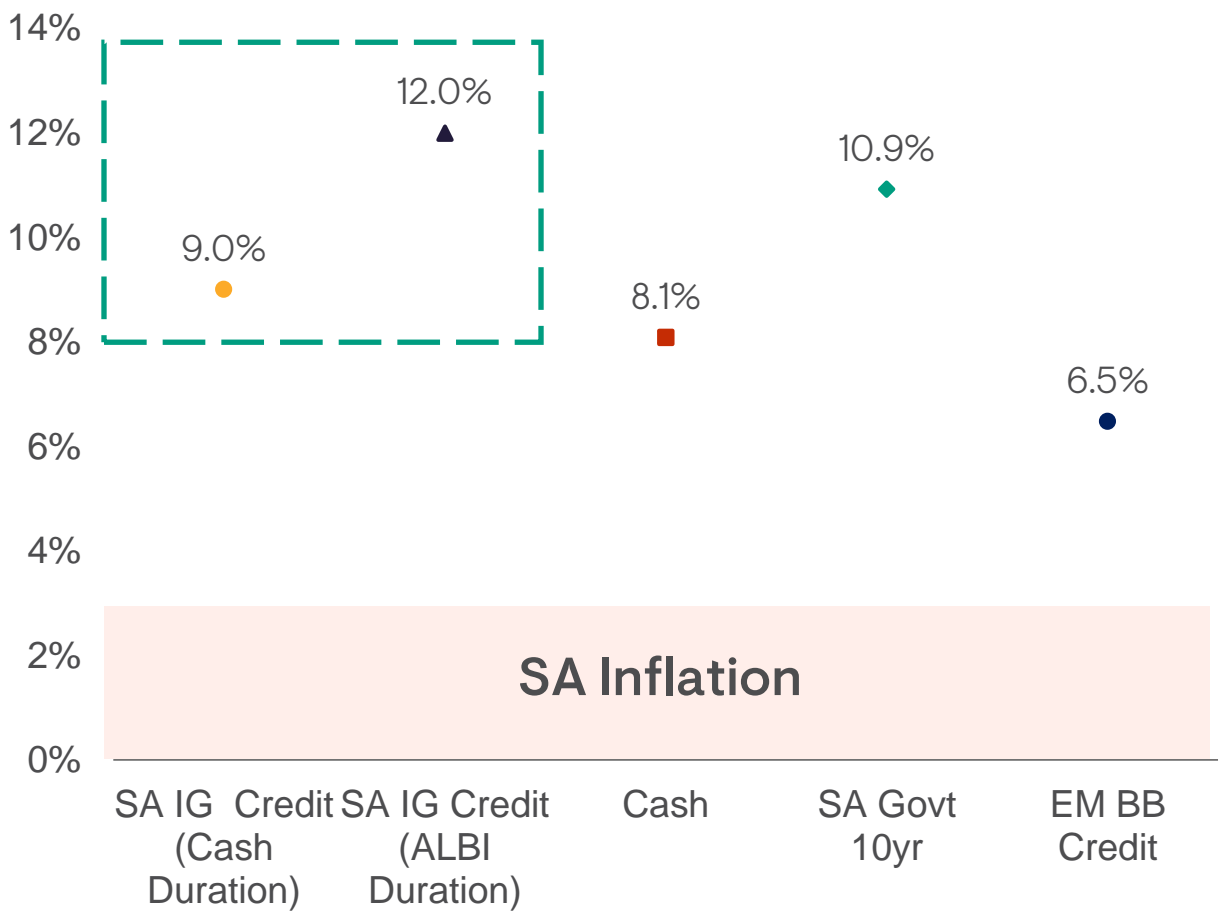
# Yield advantage

Competitive yields in local and global context

## Cash rates are elevated



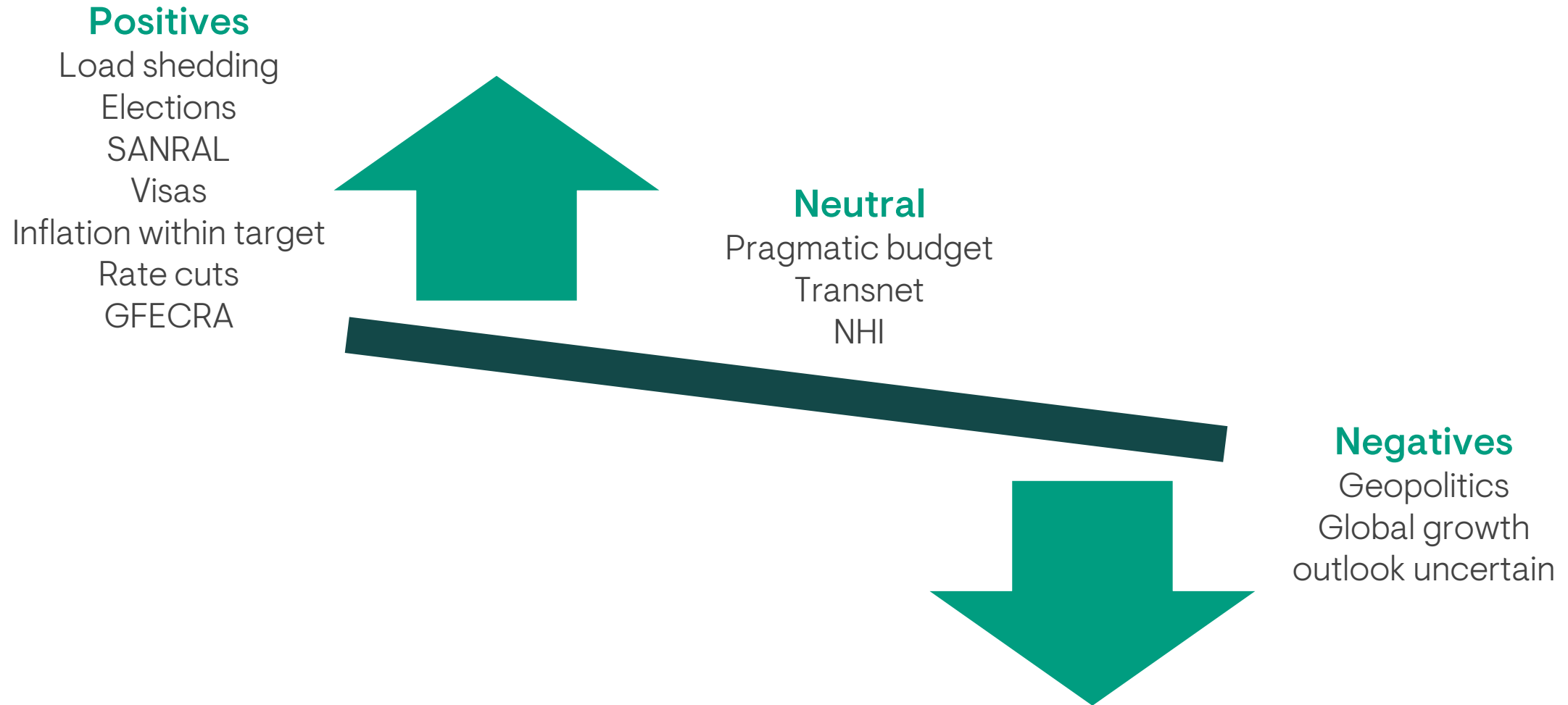
## Credit enhances yield





# Why now?

Uncertain environment supports defensive positioning





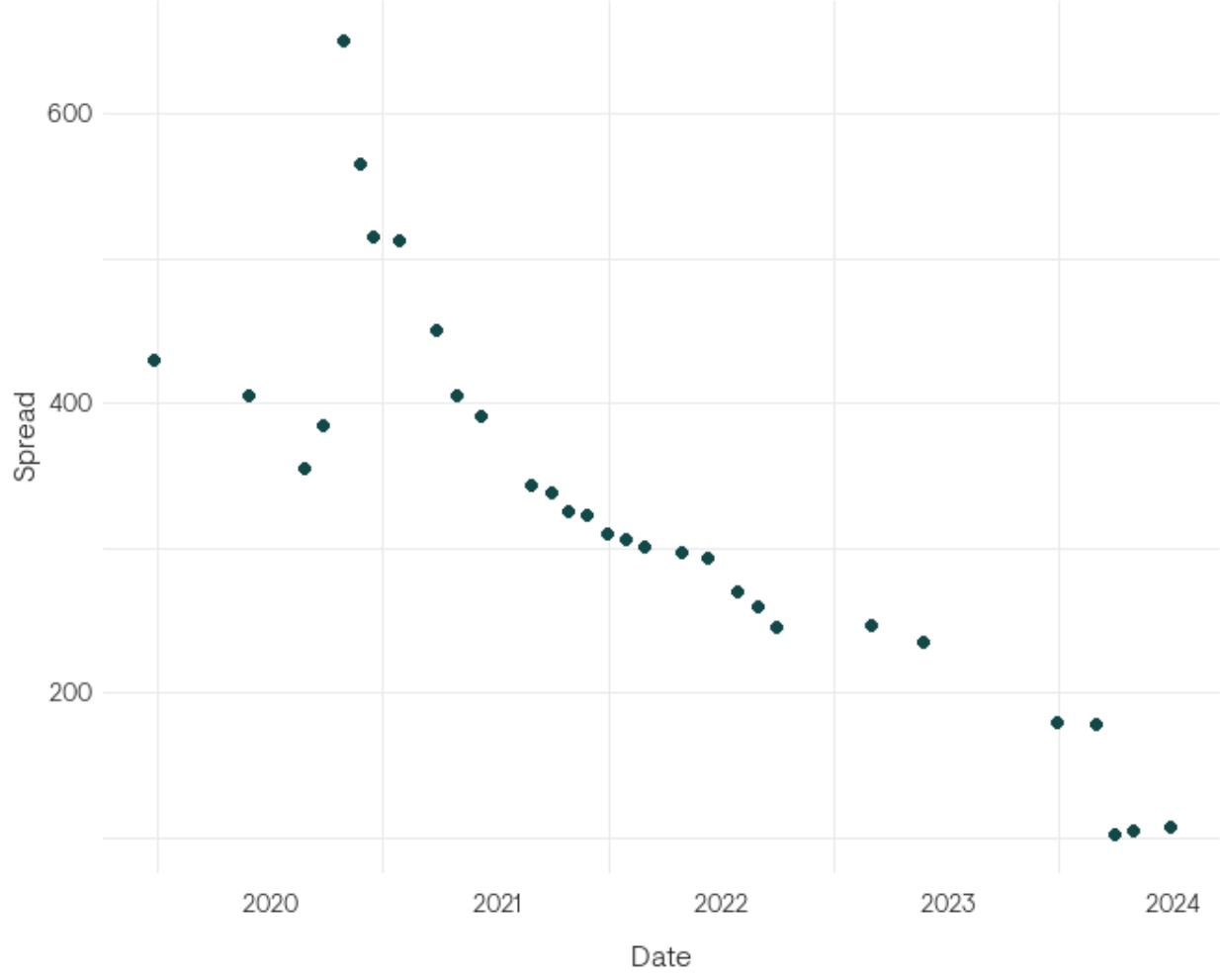
# Credit risk and liquidity considerations

COVID case study – focus on fundamentals

AT1 MTM Spreads



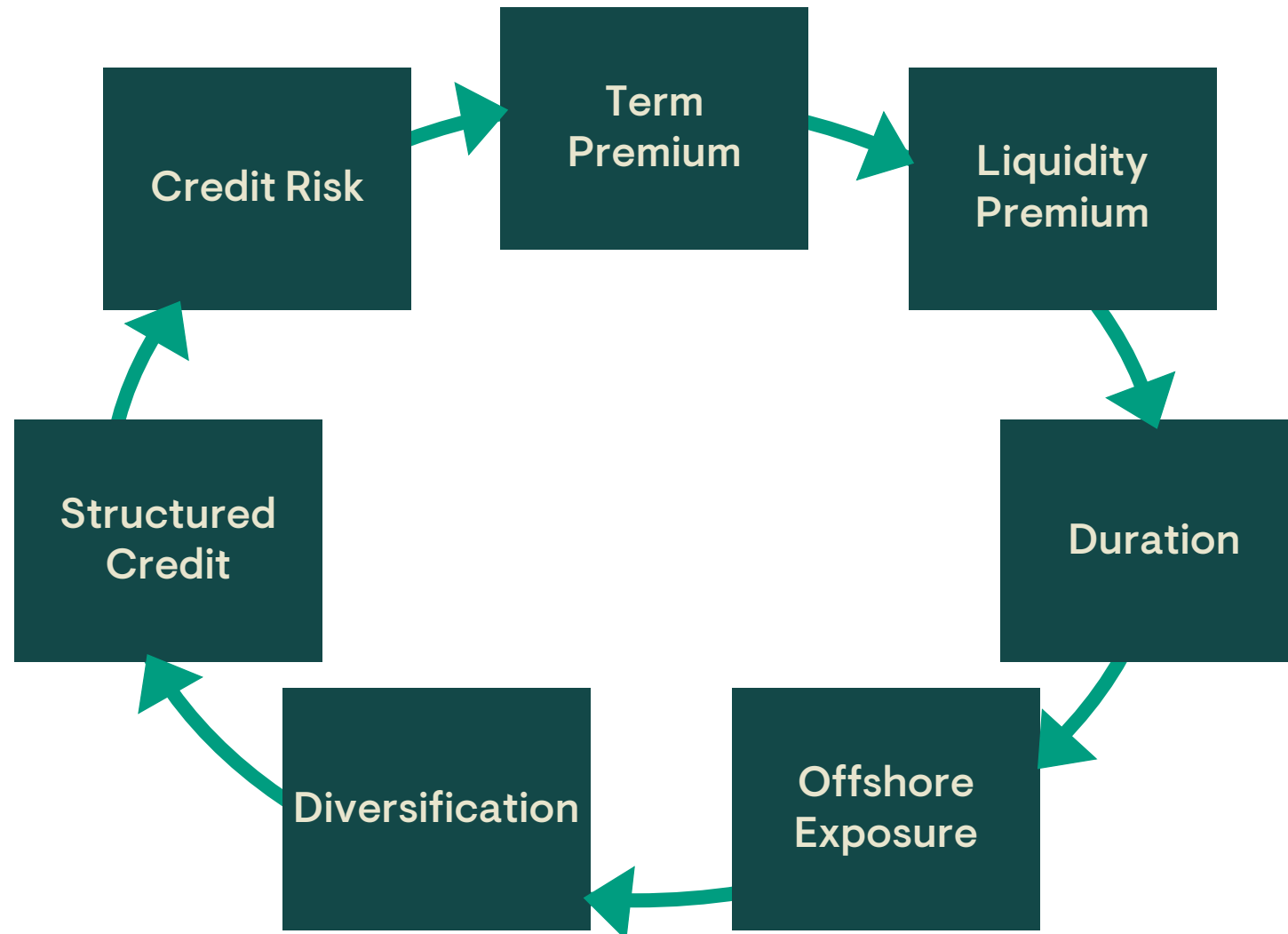
AT1 Instrument MTM





# Portfolio perspective

What levers are there in a credit fund?



# How we think about credit

## Financials

### Senior + Subordinated

J + 180bps

Flight to quality has seen high demand leading to spread compression. Capital gains have contributed to strong total returns. A defensive underpin in the portfolio.



## Infrastructure

### Transport, Energy

J+250bps

Quasi-monopolistic, providing essential services ~ predictable cashflows. Capital preservation, return enhancement, and opportunistic.



## Corporates

### Bias to Quality

J + 150bps

Diversification benefit. High quality corporates, robust balance sheets with stable cashflows.



| Deep experienced team required to identify, assess and close investment opportunities





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Thank you





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