



**LAURIUM
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**IN A YEAR OF UNCERTAINTY, WHAT ARE
THE 3 THINGS WE'RE CERTAIN ABOUT IN
THE SA FIXED INCOME MARKET?**

April 2025 – Shwebi Gqosha



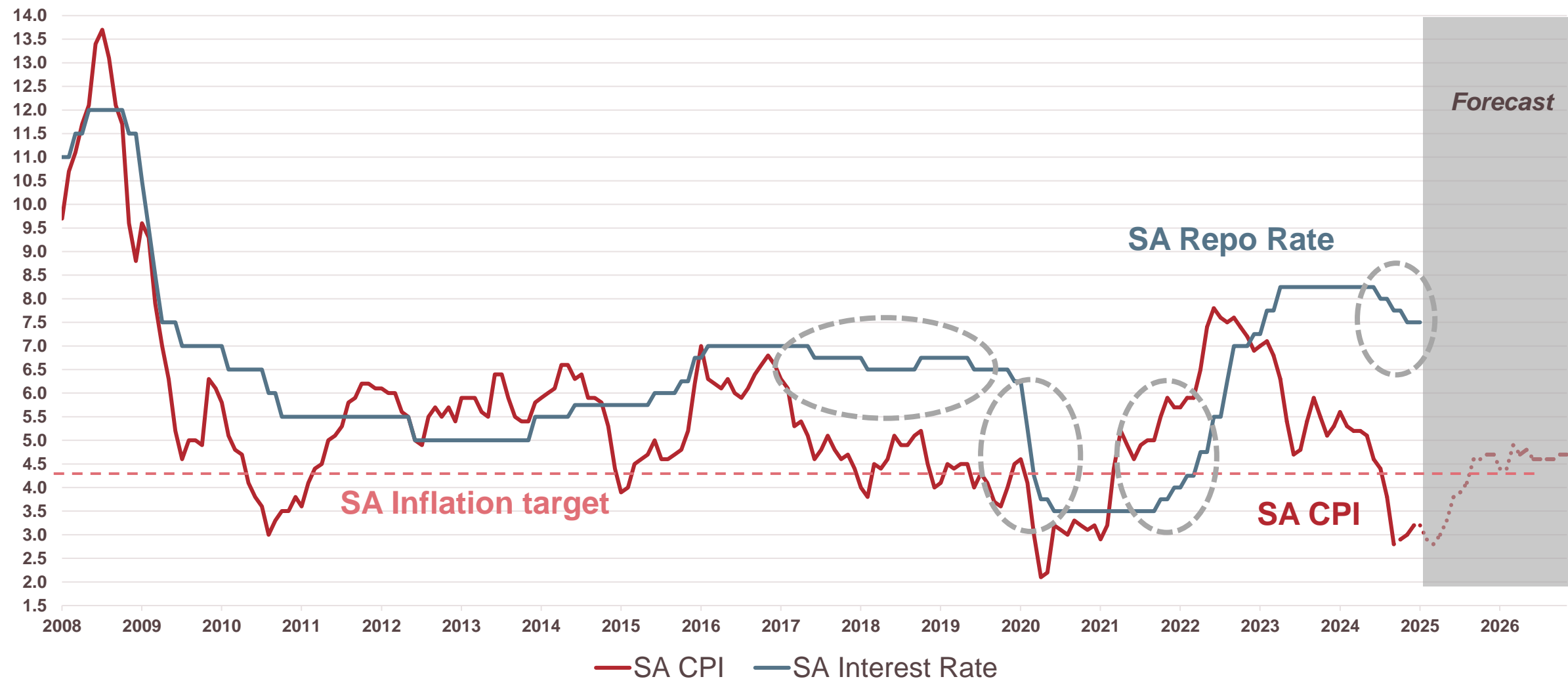
Theme 1: The SARB is a safe pair of hands

- Cautious and conservative
- Well understood reaction function
- Policy orthodoxy
- Independent
- Globally well respected
- Important pillar of SA institutional strength
- Next phase: lowering of inflation target
 - Focus thus far has been on sacrifice ratio, now need to communicate potential benefits



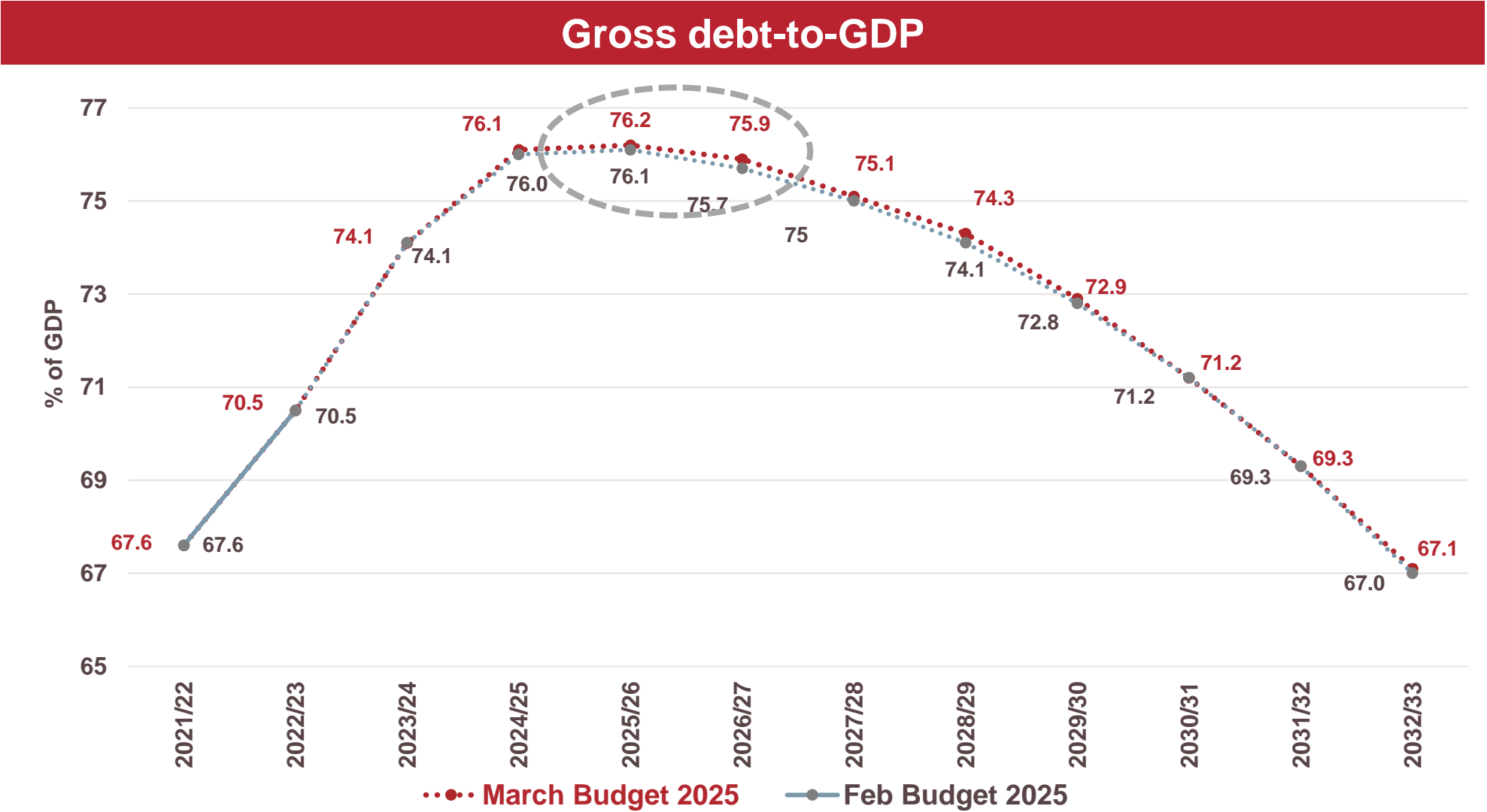
The SARB is a safe pair of hands

Key pillar of institutional strength



Source: Bloomberg, ABSA forecast

Theme 2: Universal buy-in for fiscal consolidation



Source: National Treasury, Laurium

Universal buy-in for fiscal consolidation

- **National Treasury**
- **Cabinet**
- **GNU partners**
- **Parliament**
- **Society**



Theme 3: SA structural growth reforms are moving forward

- GNU reset dynamics
 - Operation Vulindlela
 - Cabinet
 - Private sector



Proposed new focus areas for Operation Vulindlela phase II

Following through on existing reforms



Transform the electricity sector
to achieve energy security



Create a world-class logistics
system to support export growth



Invest in water infrastructure to
ensure water security



Reform the visa system to attract
skills and investment



Expanding to new reform areas



Create dynamic and
integrated cities to enable
economic activity



Harness digital public
infrastructure as a driver of
growth and inclusion



Strengthen local government
and improve the delivery of
basic services

Energy & Electricity: Powering Stability & Growth

What are the game changers?



Policy shift is underway

Lifting of licensing threshold has enabled rapid private sector entry

Appointment of a Minister of Electricity has centralized coordination and accelerated reform

Eskom's unbundling is underway, with Transmission now in an independent subsidiary, a key step toward a standalone SOE and improved grid neutrality and governance



Enabling private investment

Government's REIPPPP continues to bring large-scale solar and wind projects online

Rooftop solar adoption is rising sharply, with over 4 GW estimated on homes and businesses

The lifting of licensing limits has unlocked a wave of private energy projects, particularly from large industrial and commercial users



Grid generation and recovery

Unplanned outages have improved, dropping from ~35% in 2022 to below 30%, signaling a shift toward greater stability

Nearly 9 000 MWs of private renewable **projects have been registered with NERSA** over the past 2 years

Stability efforts remain focused on grid resilience, transmission investment, and diversified supply

Transport & Logistics: Getting Back on Track

What are the game changers?



Reform momentum is building

Rail and Port reform added to structural reform agenda = OV priority list

Government Guarantee Framework: tighter fiscal controls on SOEs with reform-linked support

Rail Infrastructure Manager Reform Process: work has begun to legally separate ownership and operation of rail assets



Private sector role expanding

Network Statement now published – defines how third parties access rail, pricing, capacity, and technical specs

DoT has issued RFIs for operating, maintaining, and investing in lines

Concessioning model progressing, especially for underutilized corridors

LeaseCo structure emerging to unlock rolling stock access for new operators – a key enabler for market entry



Unlocking growth through efficiency

Improved rail performance: Transnet recorded its first rail volume increase in five years. Better freight reliability supports economic activity

Expected next milestones: expanded line concessions, first private operators running under open access and formal launch of TRIM as a standalone entity



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Laurium BCI Strategic Income Fund

How do we build defensiveness in times of uncertainty?

Performance Overview

Laurium BCI Strategic Income Fund

- Collective Investment Scheme. governed by CISCA
- Launch date **7 November 2014**
- Regulation 28 Compliant, Multi-Income ASISA Fund
- Benchmark: STeFi Composite x 110%
- Low volatility, low risk
- **Positive months (93%)**
- **Positive rolling quarters (97%)**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	2.1	0.1	0.3	0.7	0.4	0.6	1.2	0.3	0.7	0.9	0.2	-0.7	6.9
2016	0.4	0.2	1.8	1.3	0.4	0.4	0.8	0.3	0.7	0.3	0.3	0.8	8.0
2017	0.6	0.8	0.6	1.1	0.7	0.3	0.8	0.6	0.9	0.4	0.1	2.0	9.2
2018	0.3	0.8	1.6	0.7	0.2	0.0	0.7	0.1	0.3	0.4	1.0	0.5	6.8
2019	1.3	0.7	0.6	0.8	0.4	0.8	0.3	1.0	0.6	0.4	0.3	0.6	8.0
2020	1.0	0.6	-2.1	2.1	1.9	0.5	0.4	0.6	0.2	0.4	1.5	0.9	8.3
2021	0.4	0.1	0.0	1.1	0.7	0.6	0.5	0.9	0.1	-0.3	0.7	1.5	6.4
2022	0.4	0.3	0.2	0.6	0.6	-0.7	1.1	0.7	-0.3	1.2	1.4	0.7	6.2
2023	1.6	0.2	0.6	0.2	-0.8	1.0	1.2	1.0	-0.7	1.0	2.2	1.3	9.7
2024	0.9	0.2	-0.3	0.6	0.7	2.1	1.6	1.6	1.5	-0.1	1.3	0.6	11.1
2025	0.5	0.6	0.5										1.6

Since Inception (annualised): Fund: 8.0% | Benchmark: 6.8%. | Since Inception (annualised) 10 Years: Fund : 8.0% | Benchmark: 6.8%

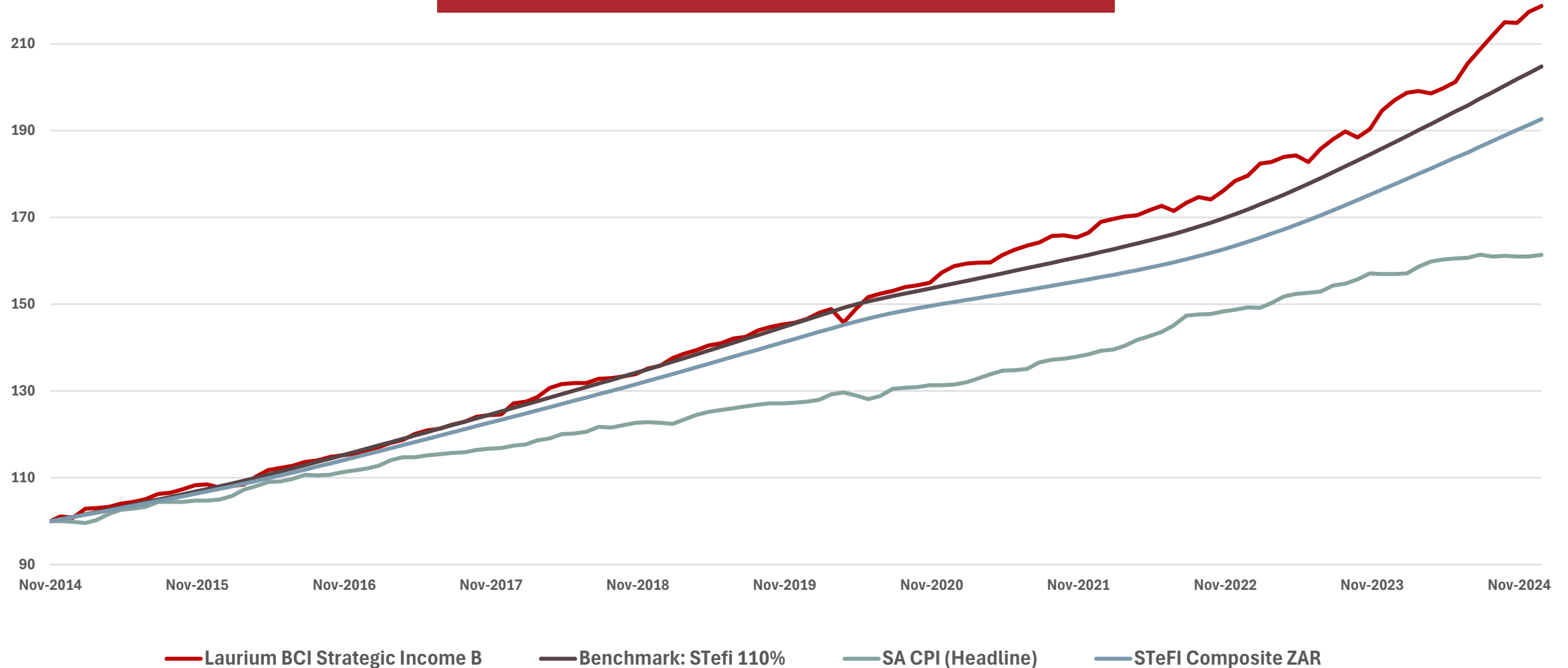
Source: Morningstar, Net performance of the B-class since 1 Jan 2015

Fund Performance



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Laurium BCI Strategic Income Fund (B)



The investment performance shown is for illustrative purposes only. Investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date. Source: Morningstar, Net performance of the B-class since 1 Jan 2015

Laurium BCI Strategic Income Fund

How do we build defensiveness in times of uncertainty?

- Many possible scenarios
- Risk premium needs to be attractive to invest
- Seek opportunities that are pay while you wait
- Diversification is an asset
- Flexibility and agility



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