



ALUWANI  
CAPITAL PARTNERS

# BCI GLOBAL INVESTMENT MANAGER CONFERENCE

## *FLEXIBLE INCOME – OPPORTUNITIES & RISKS*

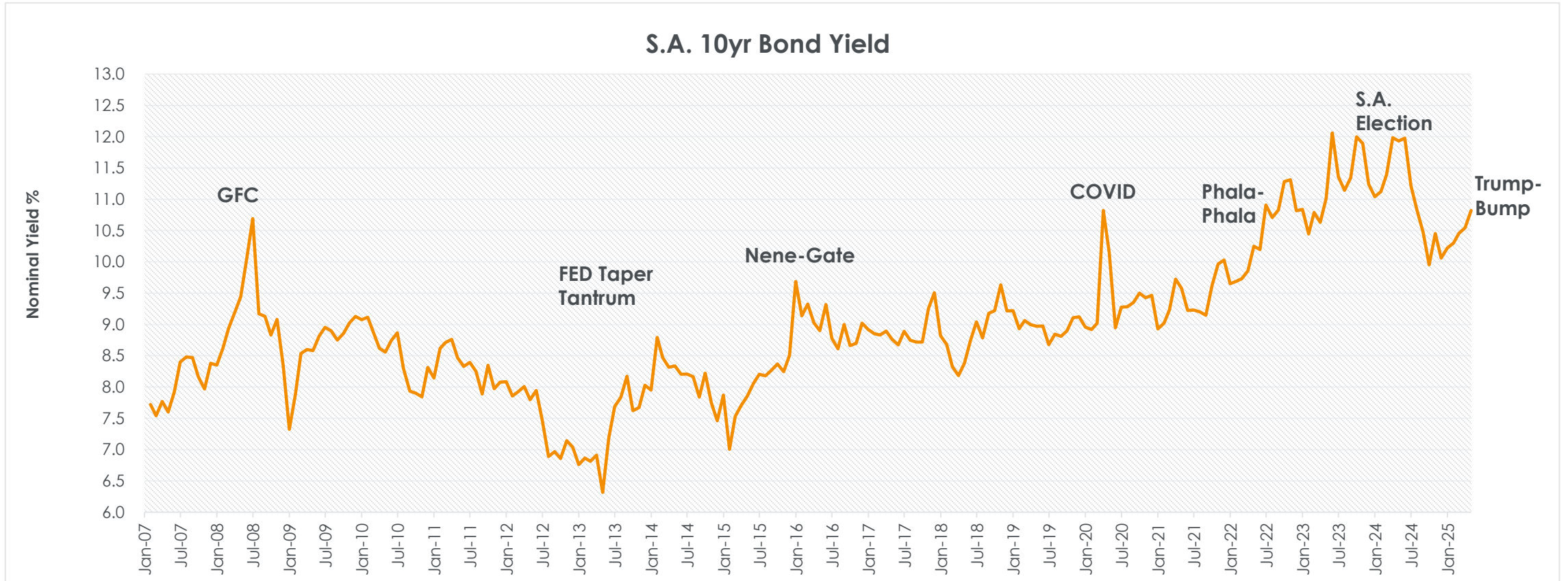
**Conrad Wood**  
Head of Fixed Income Strategies



Finding a better way



# LOCAL BONDS, THE ROLLERCOASTER RIDE



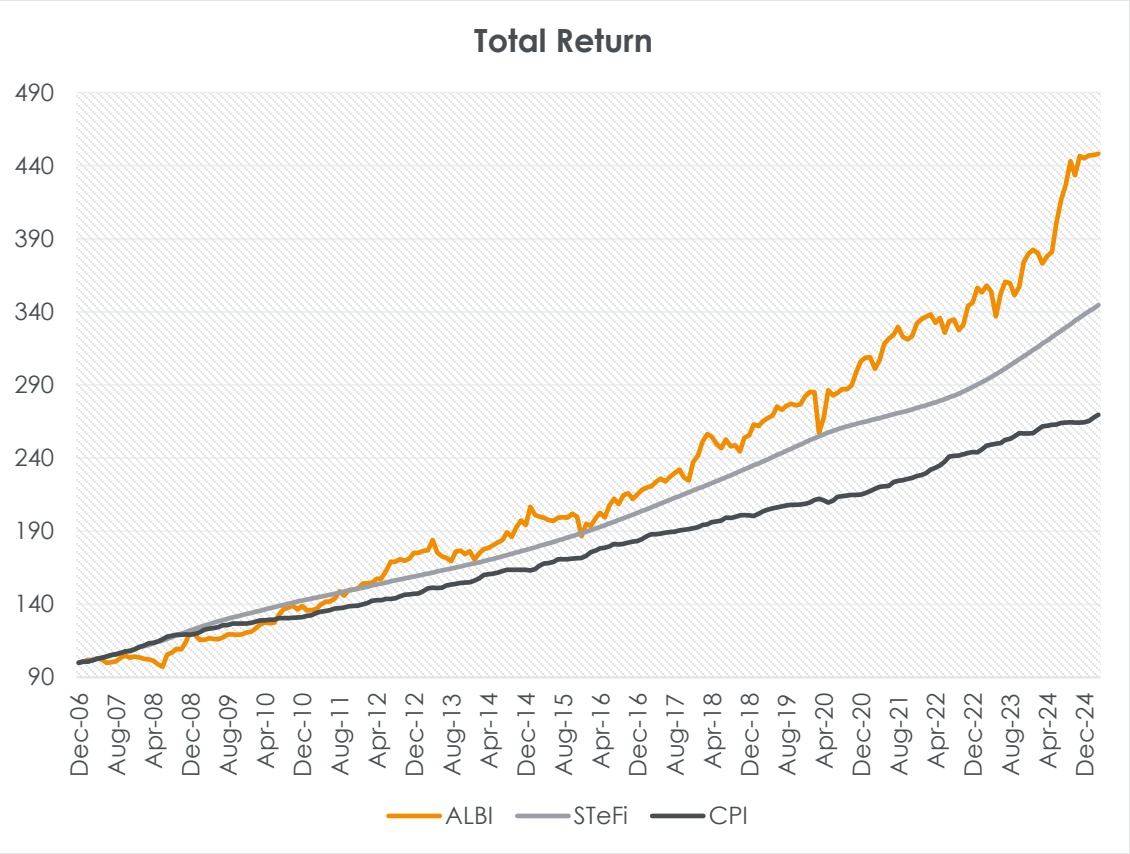
Source: ALUWANI Capital Partners

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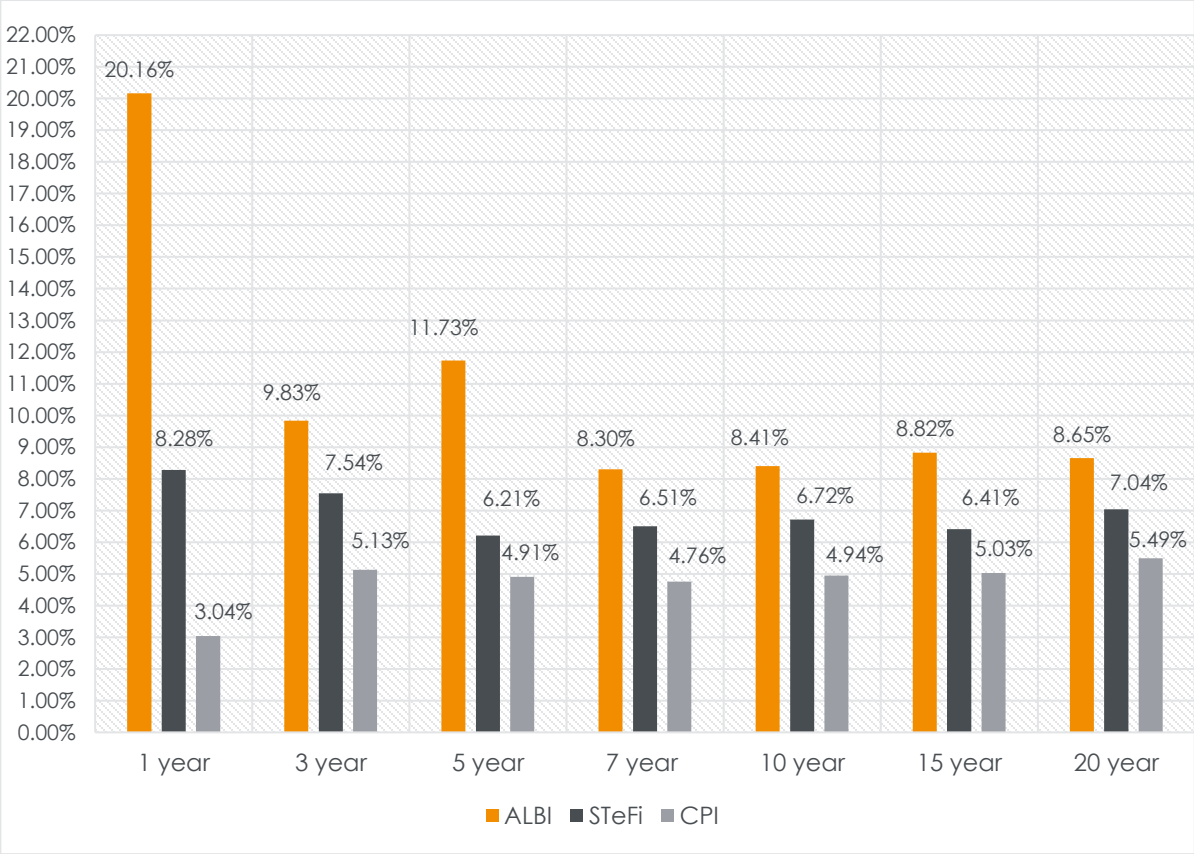
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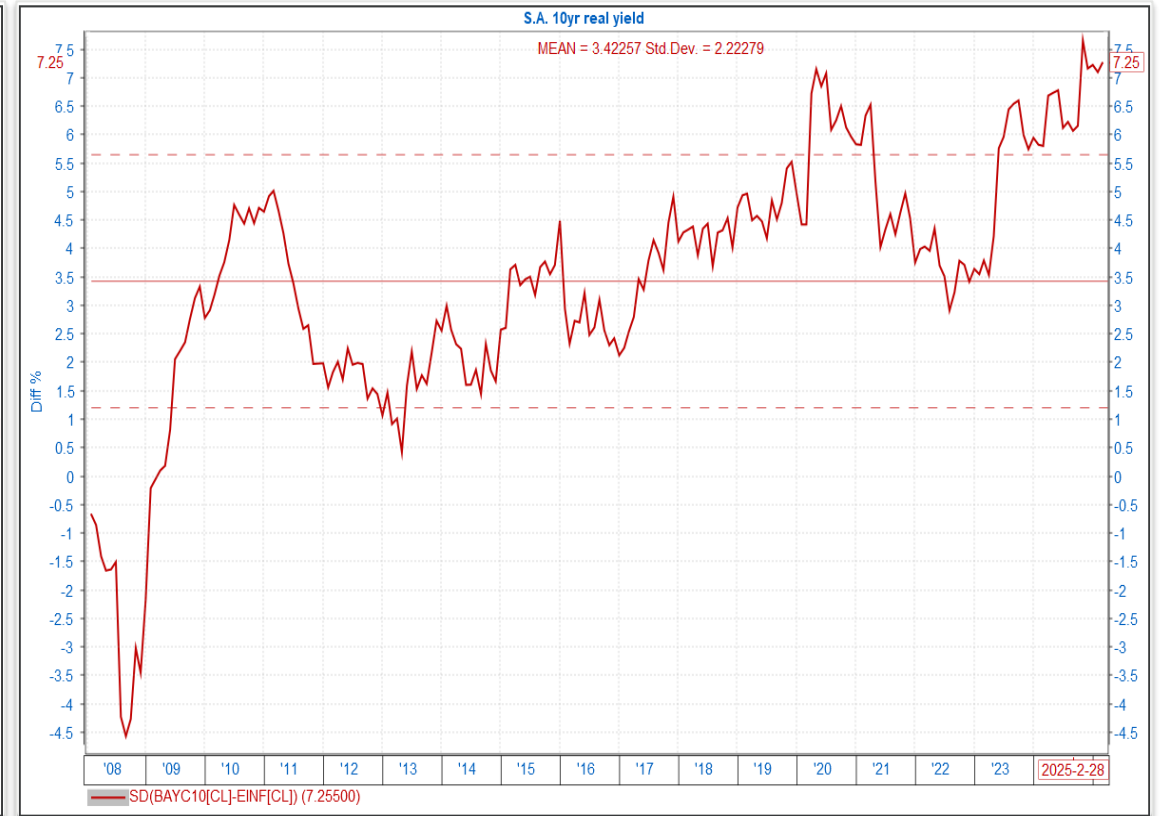
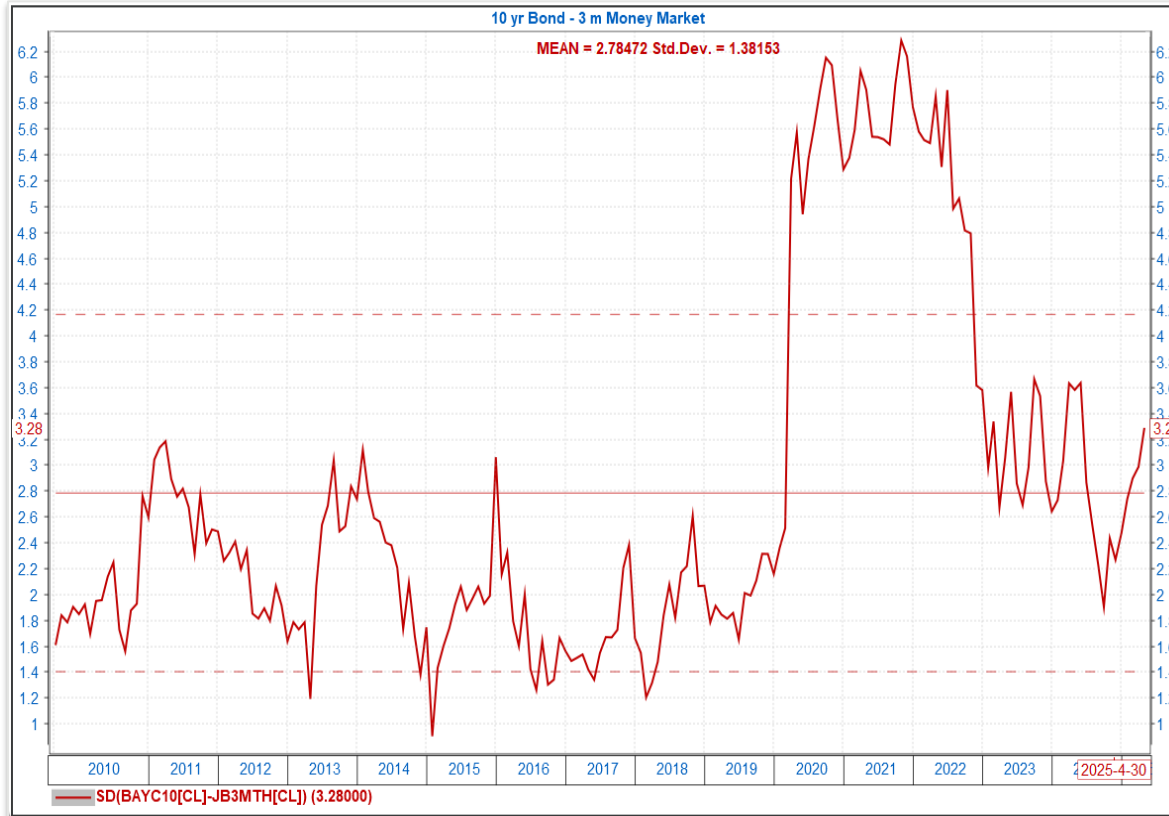
# RESILIENT BONDS DELIVER STELLAR RETURNS



Source: ALUWANI Capital Partners, INET, Performance reported gross of fees.



# THE OPPORTUNITY – YIELDS ARE VERY ELEVATED



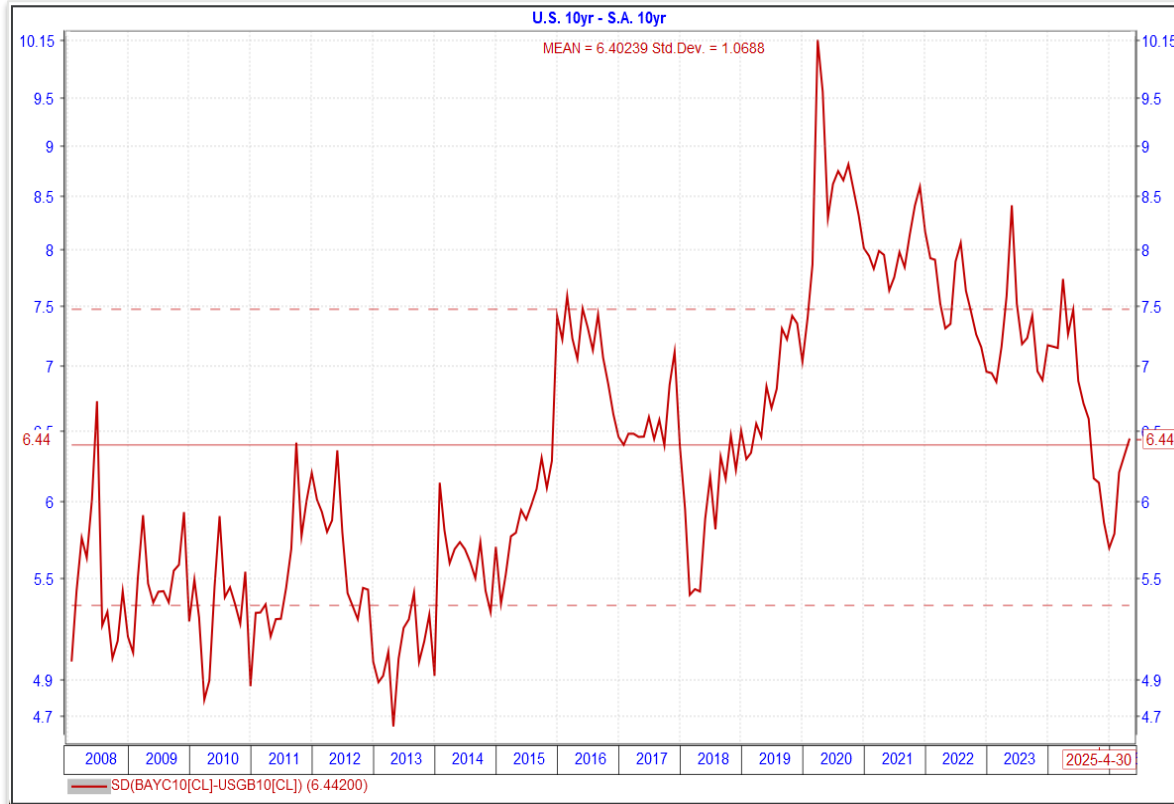
Source: ALUWANI Capital Partners, IRESS

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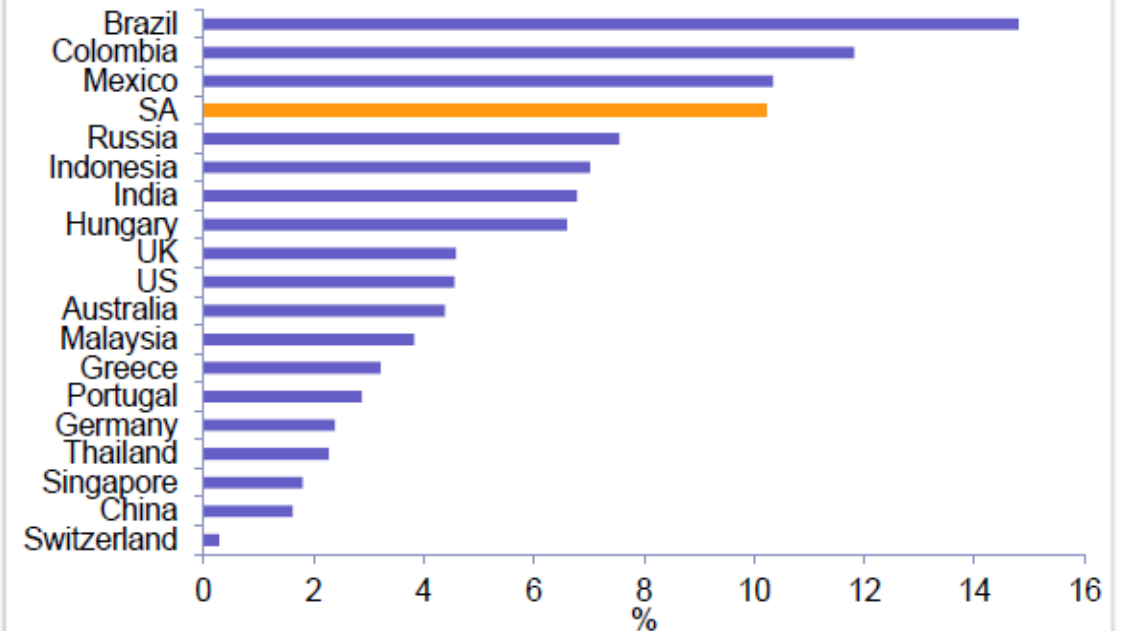
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# THE OPPORTUNITY – YIELDS ARE VERY ELEVATED



## SA generic 10-year yield high in a global context



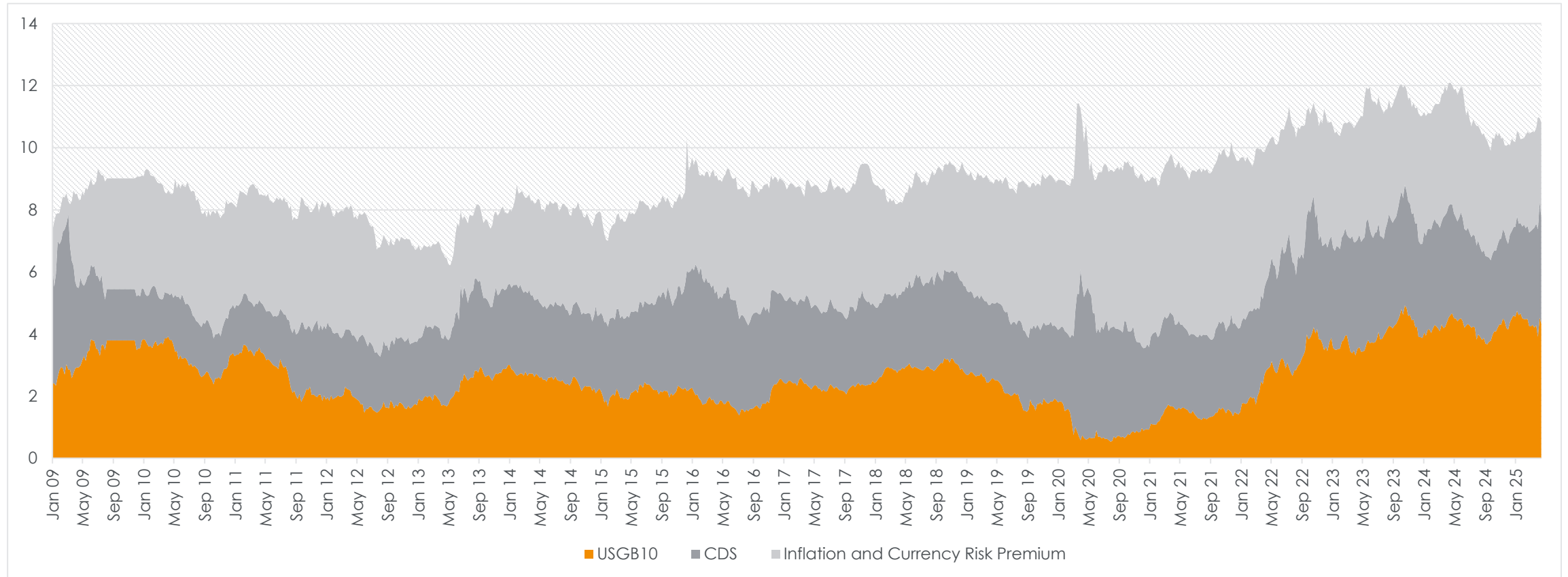
Sources: Bloomberg, Standard Bank Research

Source: ALUWANI Capital Partners, IRESS

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# DECOMPOSITION OF THE 10-YEAR BOND YIELD



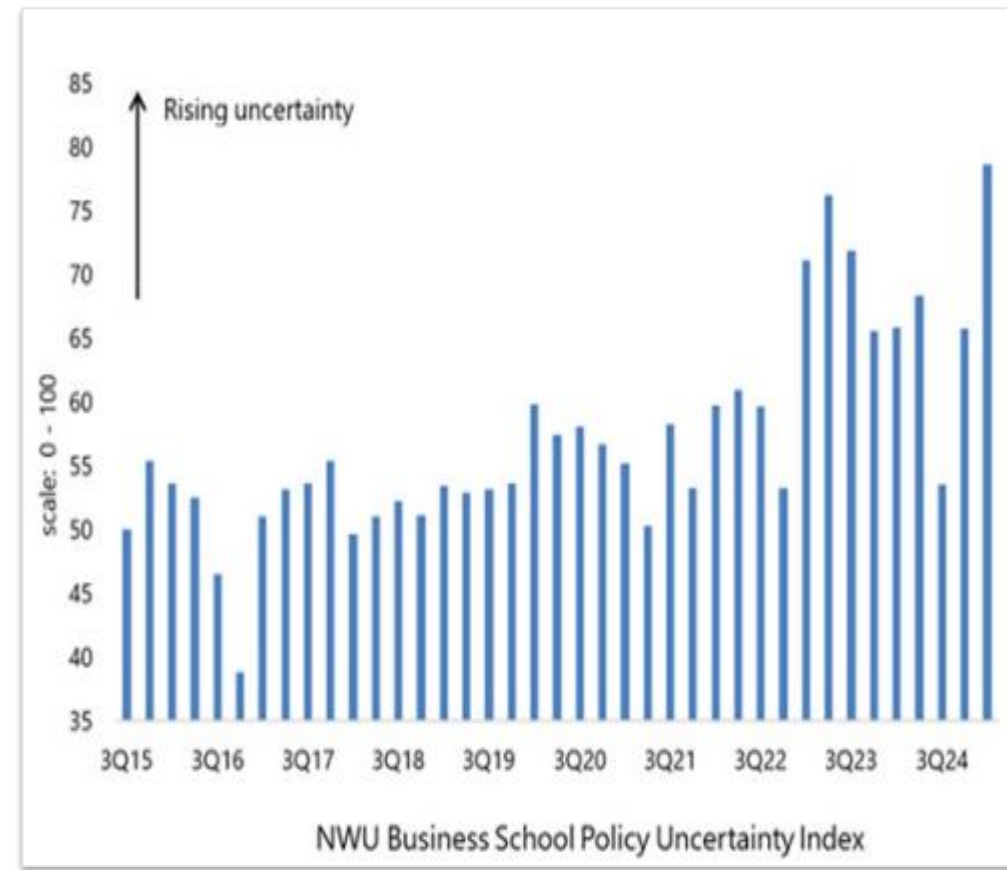
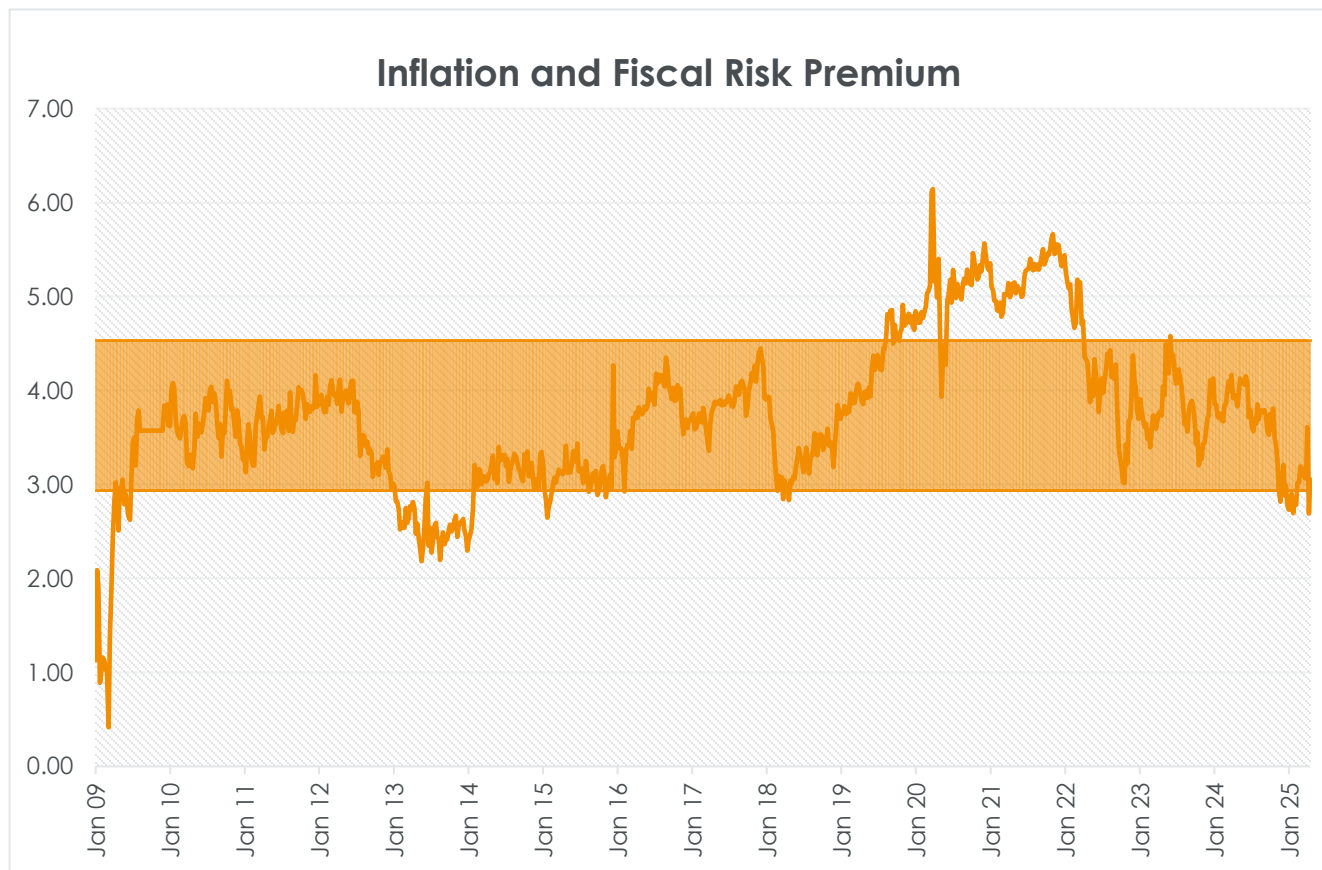
Source: ALUWANI Capital Partners, IRESS, Refinitiv

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# SA RISK PREMIUM – SIGNIFICANT UNCERTAINTY



Source: ALUWANI Capital Partners

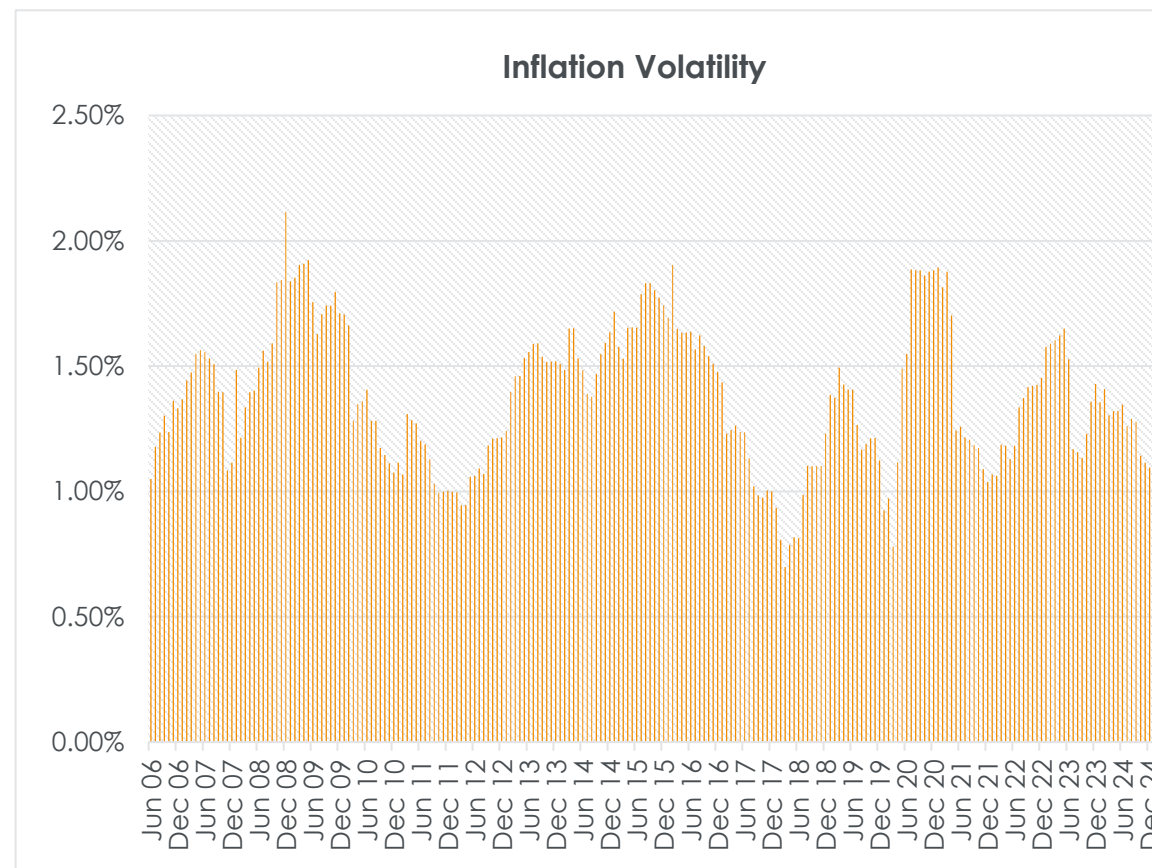
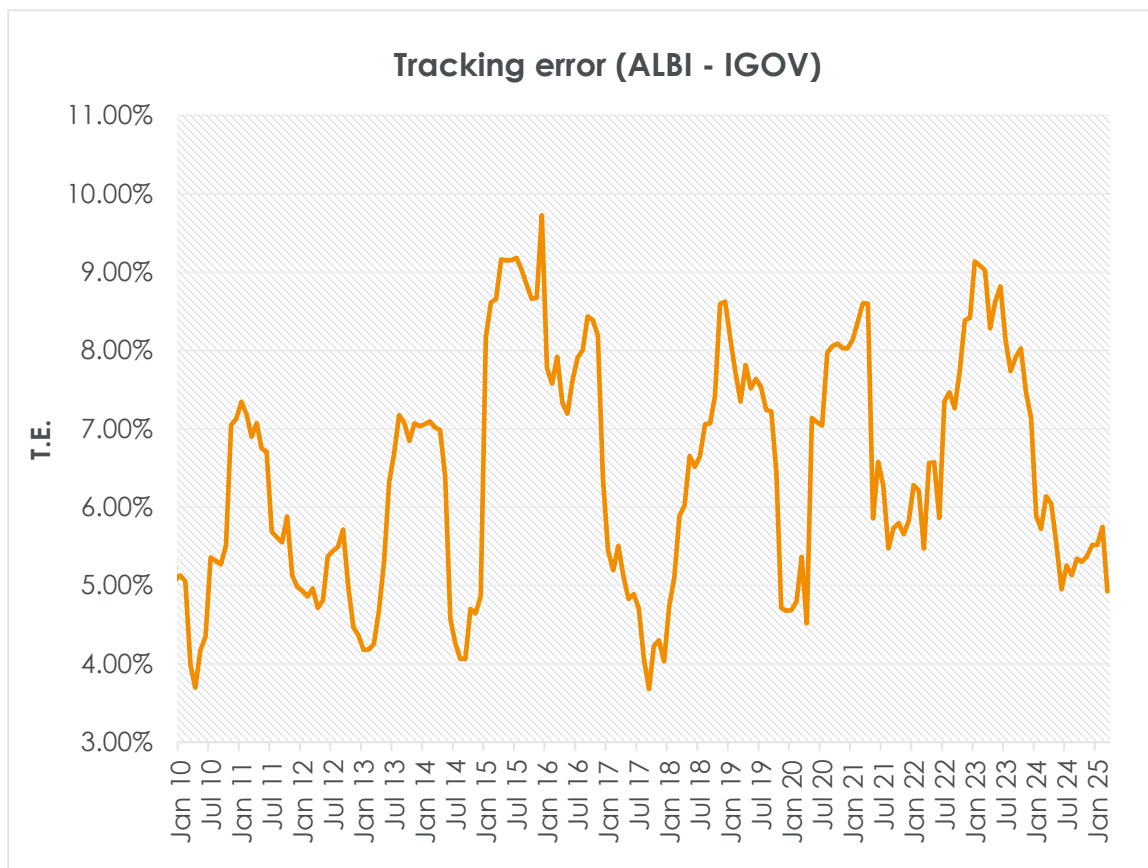
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# WE DON'T HAVE AN INFLATION RISK PROBLEM



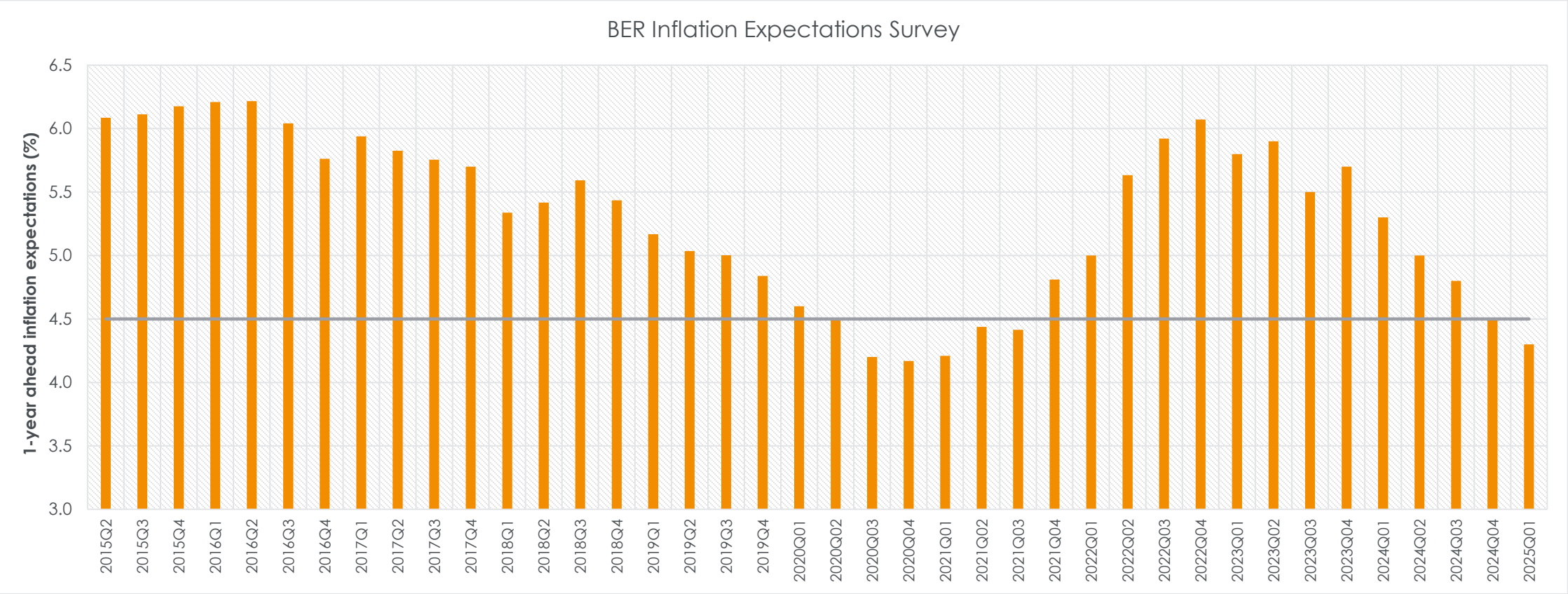
Source: ALUWANI Capital Partners, IRESS, Refinitiv

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# EXPECTATIONS INCREASINGLY ANCHORED AT A LOWER LEVEL



Source: BER, South Africa's one-year-ahead inflation expectations for households



# INFLATION BACKDROP

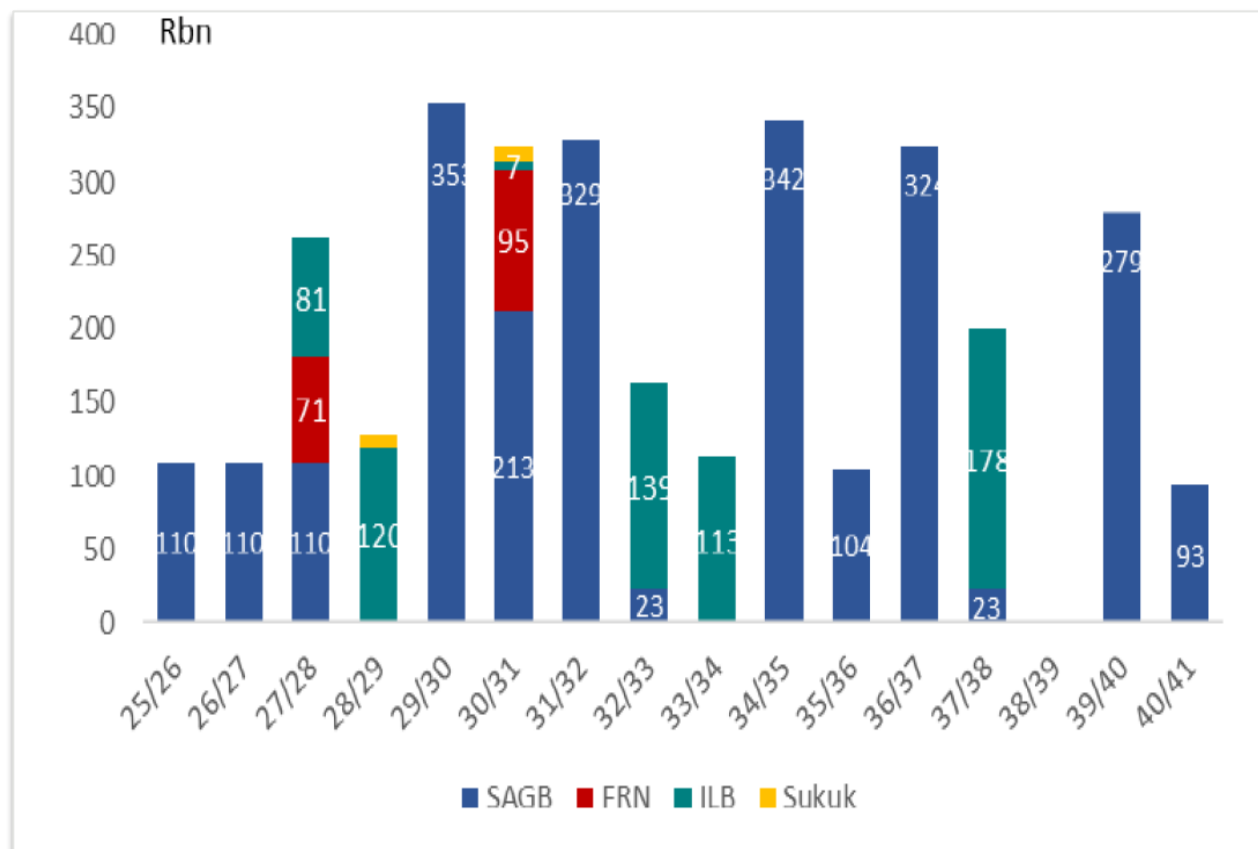
- Tariff effect – one off price shock offset by slowdown in growth and activity
- Confidence, sentiment, investment lower
- Monetary policy restrictive
- Chinese export deflation – redirect exports, dumping etc
- AI enhanced productivity

## Risk:

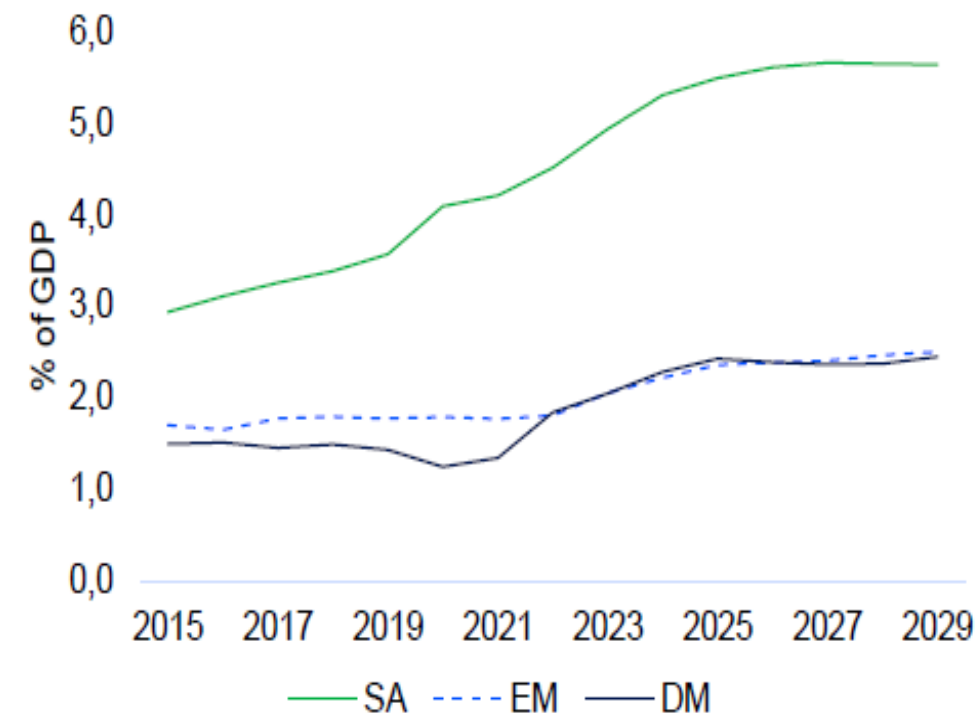
- Weak dollar? Huge rotation out of \$ assets
- Supply chain blockages
- Pre-emptive ramp up in activity / tariff front running



# FISCAL RISK WEIGHING ON BONDS



## Government debt-servicing costs high



Source: ICIB

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# FISCAL CONSOLIDATION VITAL

- Debt burden:
  - Extent
  - Cost
  - Refinance risk
- Global growth is at risk .... everywhere, but particularly our main trading partners
- Fiscal consolidation continues
- Local policy reform and growth initiatives
- Fiscal anchor & spending review
- Grey Listing
- U.S. sanctions – U.S. – S.A. Bilateral Relations Review Act 2025 (120 days)
- Sovereign credit rating



# CONCLUSION



Backdrop is very uncertain



Elevated yields provide a huge shock absorber



Bond resilience should continue



Very supportive of returns in Flexible Income portfolios



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Category Description	Advice Non-automated	Intermediary Other
<b>CATEGORY I</b>		
Long-Term Insurance subcategory C	X	X
Shares	X	X
Money market instruments	X	X
Debentures and securitised debt	X	X
Warrants, certificates and other instruments	X	X
Bonds	X	X
Derivative instruments	X	X
Participatory interests in a collective investment scheme	X	X
Long-term Deposits	X	X
Short-term Deposits	X	X
Securities and Instruments	X	X

Category Description	Advice Non-automated	Intermediary Other
<b>CATEGORY II - Discretionary FSP</b>		
Structured Deposits		X
Long-term Insurance subcategory C		X
Shares		X
Money market instruments		X
Debentures and securitised debt		X
Warrants, certificates and other instruments		X
Bonds		X
Derivative instruments		X
Participatory interests in one or more collective investment schemes		X
Long-term Deposits		X
Short-term Deposits		X
Securities and Instruments		X





# FAIS DISCLOSURE

## AUTHORISED REPRESENTATIVES

The people listed in the following table have been appointed as Key Individuals and/or Authorised Representatives:

Individual	Status
Lindiwe Teboho Buthelezi	Representative
Lonwabo Dambuza	Key Individual and Representative
Monica Jaglal	Representative
Sibusiso Comfort Mabuza	Key Individual and Representative
Mila Mafanya	Representative
Bafana Patrick Mathidi	Representative
Sabelo Sydney Sibusiso Mbhele	Representative Under Supervision
Franklin Munetsi	Representative
Siduduziwe Mtshali	Representative
Njabulo Ngcobo	Representative
Necessity Ngorima	Representative
Bongani Ngwanya	Representative
Kgothatso Matladi	Representative
Elton Oliver	Representative
Zahira Osman	Representative
Mishnah Seth	Key Individual and Representative
Christopher Twycross	Representative
Ruaan van Wyk	Representative
Shoaib Ahmed Vayej	Representative
Conrad Wood	Representative

As at date of appointment, the above people all meet the necessary personal character qualities of honesty and integrity as well as the competency requirements relating to experience and minimum qualifications. They receive remuneration in the form of a monthly salary. None of them earn any commission on any products or services sold. ALUWANI accepts responsibility for the activities of these employees performed within the scope of their employment contracts.



# FAIS DISCLOSURE

## CONFLICTS OF INTEREST

ALUWANI has implemented a Conflicts of Interest Management Policy in accordance with the General Code of Conduct issued in terms of the Financial Advisory and Intermediary Services Act 37, 2002. All employees have signed and acknowledged their acceptance of this Policy. A copy is available on written request to the Compliance Officer.

ALUWANI does not have any Soft Commission Agreements in place and the company's only form of income is fee income in terms of the client's mandate.

## CONTRACTS WITH PRODUCT SUPPLIERS

ALUWANI offers financial products from a limited number of product suppliers (Please see Annexure A).

## PROFESSIONAL INDEMNITY, FIDELITY INSURANCE OR GUARANTEES

ALUWANI is covered by a comprehensive Financial Institutions, Directors & Officers Liability Insurance Programme. The cover includes Fidelity cover and Professional Indemnity.

## CONFIDENTIALITY & DATA PRIVACY

Information disclosed to ALUWANI or any of its authorised representatives in their professional capacity will be treated as confidential unless written consent is obtained to disclose such information or the disclosure of such information is required in the public interest or under a particular law.

ALUWANI shall take all reasonable measures to protect your personal information and for the purpose of this disclaimer "personal information" shall be defined as detailed in the Promotion of Access to Information Act, Act 2 of 2000 ("PAIA") and the Protection of Personal Information Act, Act 4 of 2013 ("POPIA").

If you have any questions or wish to complain about the processing of your personal information, or if you wish to exercise any of your rights as a data subject, you can contact ALUWANI's Information Officer. The Information Officer's contact details are as follows:

Name: Sibusiso Mabuza

Landline: +27 21 204 3800

Email: [sibusiso@aluwani.com](mailto:sibusiso@aluwani.com)

Postal Address: Private Bag 9959, Sandton, 2146

In accordance with Section 51 of the Promotion of Access to Information Act No.2 of 2000 and the Protection of Personal Information Act No. 4 of 2013, ALUWANI has compiled a PAIA Manual and Data Privacy Policy & Statement. The PAIA Manual Data Privacy Statement is available for download on ALUWANI's website: [www.aluwani.com](http://www.aluwani.com)



# FAIS DISCLOSURE

## COMPLAINTS

ALUWANI will reply to any written complaints, as defined in the Financial Advisory and Intermediary Services Act, 37 of 2002 and which are addressed to the Compliance Officer and submitted via email to [regulatorycompliance@aluwani.com](mailto:regulatorycompliance@aluwani.com)

If you are dissatisfied with the response, you may contact the Ombud for Financial Services, at:

PO Box 74571

Lynwood Ridge

0040

Tel: +27 12 470 9080 or +27 12 762 5000

Website: [www.faisombud.co.za](http://www.faisombud.co.za)

## FAIS COMPLIANCE

The appointed Compliance Officer is Mr. Nick Howse of eComply Consultants (Pty) Ltd, a licensed Compliance Practice, CO 744, who is contactable on (021) 671 8162 or email: [regulatorycompliance@aluwani.com](mailto:regulatorycompliance@aluwani.com)



# FAIS DISCLOSURE

## PRODUCT SUPPLIERS

### Boutique Collective Investments (RF) (Pty) Ltd

- BCI Money Market Fund
- ALUWANI BCI Enhanced Yield Fund
- ALUWANI BCI Flexible Income Fund
- ALUWANI BCI High Yield Fund
- ALUWANI BCI Balanced Fund
- ALUWANI BCI Top 25 Equity Fund
- ALUWANI BCI Global Balanced Feeder Fund

Registration number: 2003/024082/07

Address:  
Catnia Building  
Bella Rosa Village  
Bella Rosa Street  
Bellville  
7530

Contact: [clientservices@bcis.co.za](mailto:clientservices@bcis.co.za) / +27 (0)21 914 1880

### Momentum Metropolitan Life Limited

- ALUWANI Active Bond Fund
- ALUWANI Active Money Market Fund
- ALUWANI Core Equity Fund
- ALUWANI Flexible Income Fund
- ALUWANI Active Inflation-Linked Bond Fund
- ALUWANI Global Multi-Asset Fund
- ALUWANI Optimiser Fund
- ALUWANI Capped SWIX Equity Fund
- ALUWANI Regulation 30 Income Fund

Registration number: 1904/002186/06

Address:  
268 West Avenue  
Centurion  
0157

Contact: +27 12 671 8911



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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.

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A money market portfolio is not the same as a bank deposit account. The price is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield, but that in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yield is calculated using an annualised seven day rolling average.

Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a current yield and is calculated daily.



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BETTER WAY**



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