

Fibonacci House View Income Strategy

28 February 2025

Strategy Details

Cost Ratios (excluding VAT):	
Total Expense Ratio (TER%):	0.62%
Transactions Costs Ratio (TC%):	0.00%
Total Investment Charges (TIC%):	0.62%
Performance Fee:	0.00%
Fees (excluding VAT):	
	Management Fee - 0.6%
	Performance Fee - 0%
Benchmark:	STeFI Total Return Index
Income Distribution:	March, June, September and December

Investment Objective

The portfolio aims to provide a return in excess of Money Market portfolios and is suitable for investors that are seeking relatively high levels of income, minimised volatility and a low risk of capital loss.

This is a subjective market house view research report of Fibonacci based on if a hypothetical portfolio was set up with the stated objectives inception dates and illustrative performance figures. Figures shown are based on real data.

Investment Policy

This income generating strategy with the aim of achieving a high level of sustainable income and stability of capital invested. The strategy will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act, subject to a maximum equity of 10% of the strategy's net asset value. Investments to be acquired for the strategy may include equity securities, property securities, property related securities, interest bearing securities, non-equity securities, notes, money market instruments, preference shares and assets in liquid form. The strategy may invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in South Africa and other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa. The strategy may from time to time invest in listed and unlisted financial instruments, in order to achieve the strategy's investment objective. The manager may also include forward currency, interest rate and exchange rate swap transactions for efficient strategy management purposes.

Investor Risk Profile

Low Low-Medium Medium Med-High High

The portfolio is likely to suit investors that looking for:

- Investment returns in excess of those available in bank deposits over a period greater than 12 months
- Actively managed exposure to a variety of fixed income instrument
- Income rather than capital appreciation primarily

The portfolio is unlikely to be ideally suited to investors with a time horizon less than 12 months or investors that are uncomfortable with investment value fluctuations over the short term

Net Returns to Investors

Year	0.80%	1.05%	0.91%	1.19%	1.05%	1.08%	0.89%	0.91%	1.11%	0.97%	0.98%	0.84%	12.45%
2019	0.80%	1.05%	0.91%	1.19%	1.05%	1.08%	0.89%	0.91%	1.11%	0.97%	0.98%	0.84%	12.45%
2020	1.10%	1.44%	0.60%	-3.83%	1.33%	1.43%	0.84%	1.48%	1.58%	1.24%	0.57%	0.64%	8.63%
2021	0.71%	0.52%	0.75%	0.62%	0.77%	0.54%	0.59%	0.64%	0.55%	0.84%	0.71%	0.49%	8.02%
2022	0.66%	0.58%	0.55%	0.59%	0.54%	0.56%	0.47%	0.68%	0.56%	0.72%	0.73%	0.71%	7.59%
2023	0.75%	0.73%	0.40%	0.65%	0.73%	0.81%	0.89%	0.83%	0.79%	0.99%	1.08%	0.75%	9.82%
2024	0.83%	0.61%	0.66%	0.60%	0.38%	1.27%	1.01%	1.12%	0.83%	0.17%	1.14%	0.79%	5.49%
2025	0.28%	1.03%											

All returns quoted net of fees

Strategy Statistics

Performance Comparison	Strategy	ALBI	STeFI
Inception date	Sep-18	Sep-18	Sep-18
Current month	Feb-25	Feb-25	Feb-25
Total months	77	77	77
Analysis currency	ZAR	ZAR	ZAR

Return Analysis

Current month	1.03%	0.07%	0.59%
Total Return (Since Inception)	66.55%	80.38%	50.02%
1 Year	10.06%	17.63%	8.35%
3 Years (annualised)	9.15%	9.93%	7.44%
5 Years (annualised)	7.57%	9.42%	6.20%
Since Inception (annualised)	8.16%	9.50%	6.44%
Highest 12 month rolling return	11.85%	26.14%	8.56%
Lowest 12 month rolling return	2.50%	-2.99%	3.78%

Consistency Analysis

% Up months (since inception)	97.44%	70.51%	100.00%
% Up months (last 12 months)	100.00%	75.00%	100.00%
+Standard Deviation (si - annualised)	1.08%	8.91%	0.10%

Risk Analysis

+Downside Deviation (si - annualised)	1.76%	4.77%	0.00%
Largest monthly drawdown	-3.83%	-9.75%	0.28%
Average monthly drawdown	-3.10%	-1.77%	-
Largest cumulative drawdown	-6.11%	-9.79%	-0.65%

Risk/Return Analysis

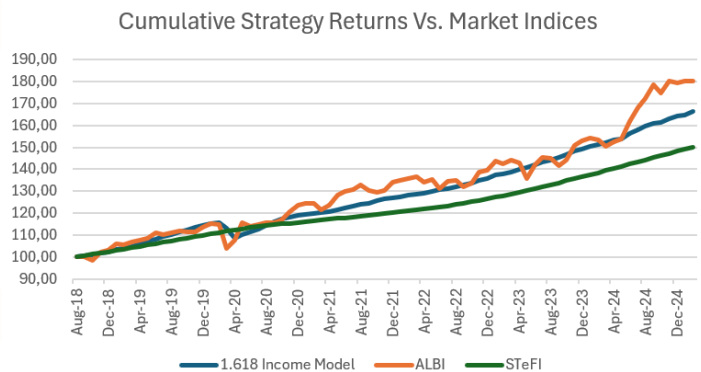
Total gain / Total loss	1.89	4.14	1.50
Largest gain / Largest loss	0.43	0.72	-2.50
Average gain / Average loss	0.24	1.05	-
+*Sharpe ratio (si - annualised)	1.59	0.34	0.00
+*Sortino ratio (si - annualised)	0.98	0.64	-

The above benchmark(s) are for comparison purposes with the fund's performance.

* Net of risk free rate

+ Deviation calculated based on monthly deviations and multiplied by the square root of 12 to obtain an annualized convention

Cumulative Strategy Returns vs Market Indices



Fund Source: Apex Fund and Corporate Services SA as of February 2025

Index Source: Bloomberg as of February 2025

The investment performance is for illustrative purposes only; the investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown; assuming income is reinvested on the reinvestment date.

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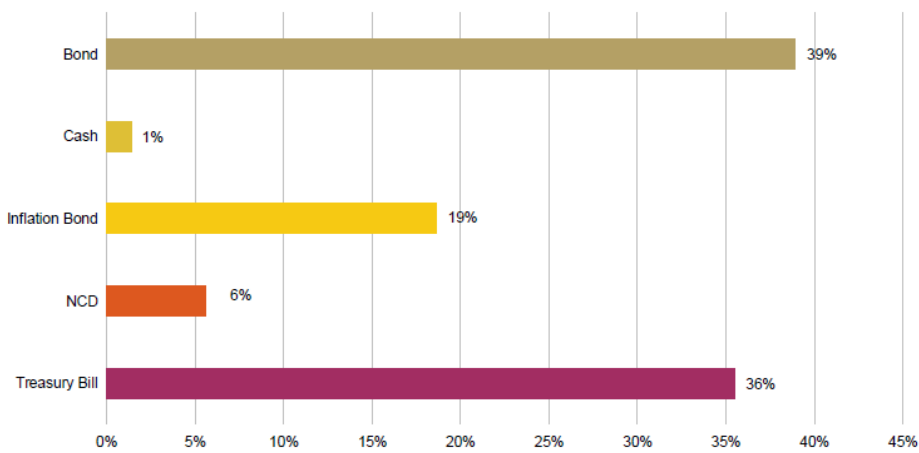
Market Commentary

The nominal yield curve bull flattened during April on the back of better-than-expected fiscal data and more hawkish SARB policy rate expectations. The growing possibility of more issuance cuts from the National Treasury also led to a decline of real yields on the month, while breakeven yields narrowed as investors postponed their interest rate cut expectations.

Consequently, nominals (+1.3%) outperformed linkers (+0.2%) on the month, but both asset classes underperformed equities (+3.0%) for the second consecutive month. Year-to-date nominals (-0.4%) have underperformed linkers (-0.1%) and cash (+3.0%) while equities have returned (-1.5%).

Please note: The above commentary is based on reasonable assumptions and is not guaranteed to occur.

Portfolio Asset Allocation Report



Market Commentary

- Interest Rate Risk:** There is an inverse relationship between the values of bonds and other debt securities and the change in interest rates. The hazard associated with interest rates is usually higher for investments with longer terms and when the market does not anticipate an alteration in the interest rates.
- Credit Default Risk:** The possibility that the government agency or corporation that created the bond may experience financial troubles and be unable to pay the interest or reimburse the principal at maturity. Debt investments, such as bonds, carry a degree of credit risk. The greater the credit rating, the less likely it is that the issuer will be unable to fulfil their obligations.
- Net Asset Value (NAV):** Means net asset value, which is the total market value of all assets in a portfolio including any income accruals and less and deductible expenses such as audit fees, brokerage and service fees.
- Annualised Return:** Is the weighted average compound growth rate over the performance period measured.
- Highest & Lowest Return:** The highest and lowest rolling twelve-month performance of the portfolio since inception.
- Total Expense Ratio (TER):** Reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.
- Transaction Costs (TC):** Is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns.
- Total Investment Charge (TIC):** Should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager.
- Total Investment Charges (TIC%):** =TER (%) + TC (%): The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC).

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Glossary

Standard Deviation:	The deviation of the return of the portfolio relative to its average
Downside Deviation:	Disparity of returns below the average return of the portfolio
Drawdown:	The greatest peak to trough loss until a new peak is reached
Sharpe Ratio:	The ratio of excess return over the risk-free rate divided by the total volatility of the portfolio.
Sortino Ratio:	The ratio of excess return over the risk-free rate divided by the downside deviation of the portfolio.
MTD:	Month to date return.



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