

Please note that the commentary is for the retail class of the Fund.

### Performance

The Fund generated a return (net of management fees) of 2.15% for the fourth quarter of 2023 (Q4-23) and 8.56% over a rolling 12-month period. This return is ahead of the 3-month Short-Term Fixed Interest (SteFI) benchmark return of 7.83%.

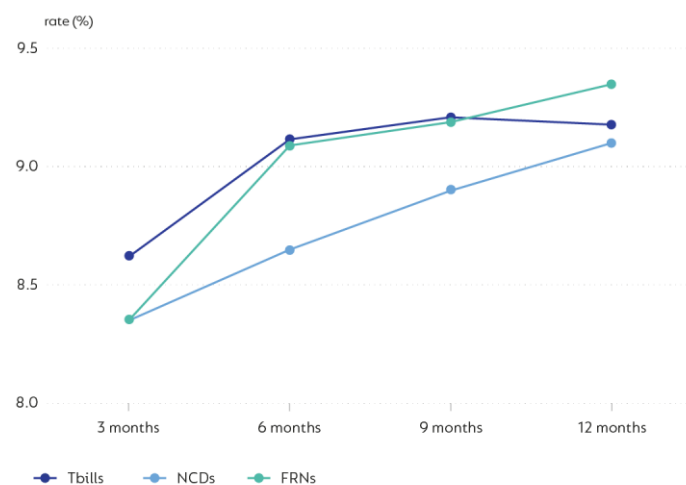
### Positioning and outlook

The South African Reserve Bank (SARB), in a unanimous decision, left the repo rate unchanged at 8.25% at the November Monetary Policy Committee meeting. The post-meeting statement retained a cautious tone, but the aligned votes suggested a de-escalation in concerns about the immediate risks to the outlook for inflation, as well as improved confidence in the longer-term trajectory. The SARB also made minor upward revisions to its growth forecast, reflecting stronger near-term outcomes, with the economy now expected to grow by 0.8% in 2023 and by 1.2% in 2024 compared to previous forecasts of 0.7% and 1%, respectively.

During the last quarter, the 3-month Johannesburg Interbank Average Rate (Jibar) decreased a marginal 0.07% to 8.40%, reflecting the market's view of higher policy rates for longer. The Fund continued to increase its position in T-bills but also added new exposure to one-year money market floating rate notes (FRNs). In addition, we increased the Fund's short-dated inflation-linked government bonds position.

Figure 1

### T-BILLS VS FIXED-RATE NCDs VS FRNs



Source: Bloomberg, SARB

Several corporates and banks accessed the debt capital markets in Q4-23, with R53 billion gross issuance placed in the market. Corporate issuers still enjoyed tighter clearing spreads, while there was a shift in senior bank paper auctions, with most auctions clearing closer to the upper end of price guidance. We managed to get bank senior paper from the primary market and continue to source non-bank issuers in the secondary market. We remain cautious by investing only in instruments that are attractively priced relative to their underlying risk profiles. Capital preservation and liquidity remain a key focus for this Fund.

### Portfolio managers

**Nishan Maharaj, Mauro Longano and Sinovuyo Ndleni**  
 as at 31 December 2023