



GLOBAL MACRO FACTORS DRIVING LOCAL FIXED INCOME

Maitse Motsoane, Multi Asset Class Portfolio Manager
6 May 2024



ASSET MANAGEMENT

A REGISTERED FINANCIAL SERVICES PROVIDER | FSP 835



- 19 YEARS IN BUSINESS
- Established in April 2005



GOVERNANCE

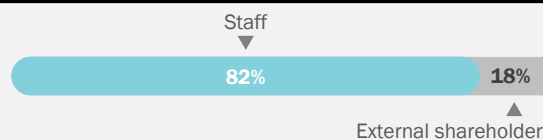
- FSCA Regulated License number 835 (Cat I & II)
- Majority Non-Executive Board Members
- Auditors SNG Grant Thornton
- GIPS Compliant & Verified (SNG Grant Thornton)



TRACK RECORD

Fixed Income **19 years**
 Equities **18 years**
 Multi Asset **18 years**
 Flexible Income **11 years**

OWNERSHIP STRUCTURE



STAFF COMPLEMENT

| | Total staff complement | Combined Investment Experience |
|-------------------------------|------------------------|--------------------------------|
| Total staff complement | 33 | |
| Equities team | 6 | 104 years |
| FI & Multi Asset Class teams | 4 | 63 years |
| Portfolio Analytics & Dealing | 4 | 56 years |
| CEO & COO | 2 | 66 years |
| Support | 17 | |

KEY OUTSOURCED PARTNERS

- Apex (formally Maitland) Group (ISAE 3402)
- eComply (Compliance)
- IT.Com (IT support)

TRANSFORMATION

- Level 1 B-BBEE status
- Valid until 19 November 2024

Investment team | 67% PDI representation

Total staff | 85% PDI representation

Total female staff | 61% representation

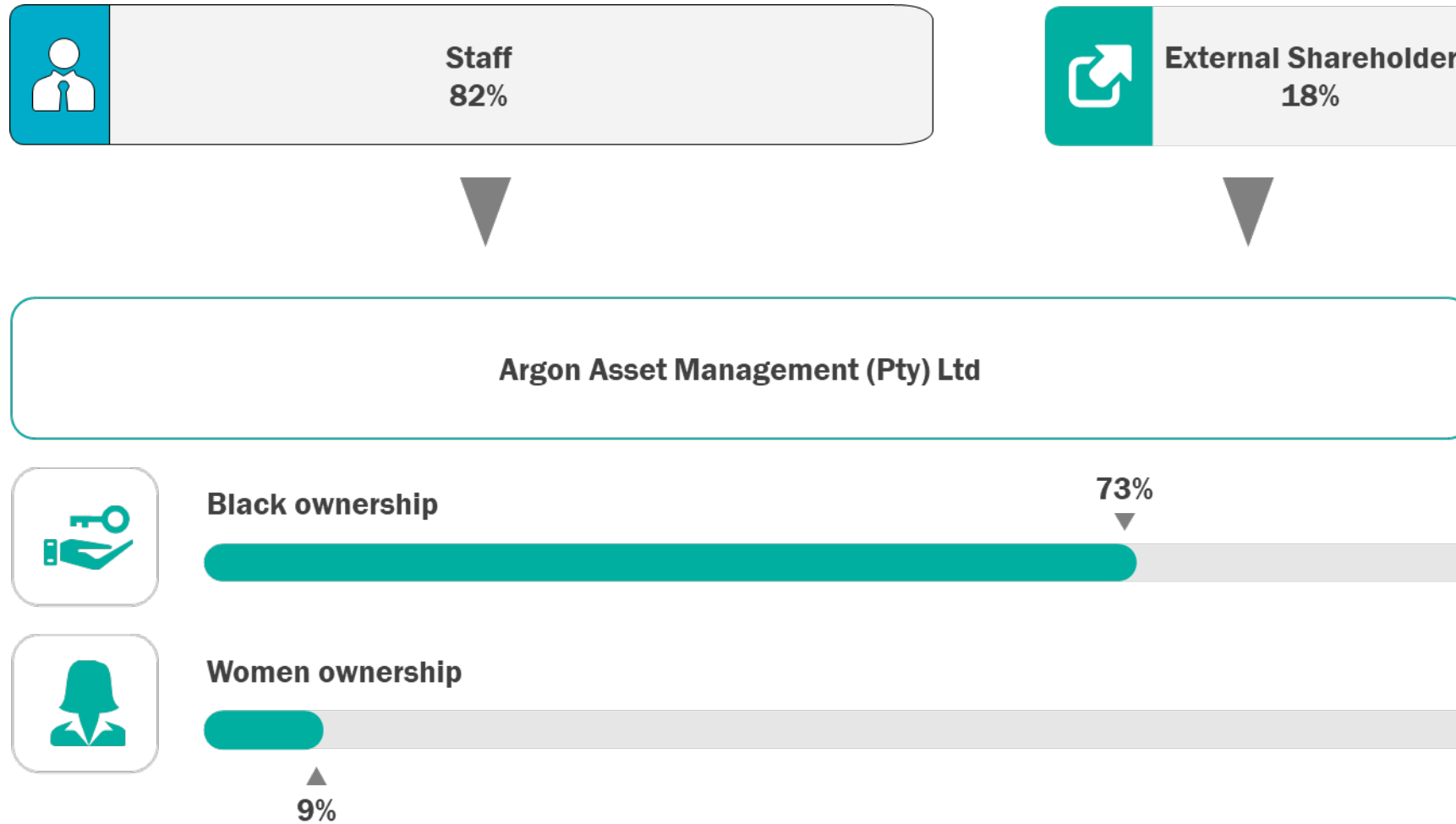
BUSINESS CONTINUITY

- PI Cover in place
- Team-based approach
- Multiple back-up centres

OWNERSHIP STRUCTURE



ASSET MANAGEMENT



PRODUCTS AND ASSETS UNDER MANAGEMENT

Argon Asset Management (Pty) Ltd is a registered financial services provider





SEGREGATED ONLY

- SWIX
- Capped SWIX
- ALSI
- Bespoke benchmarks

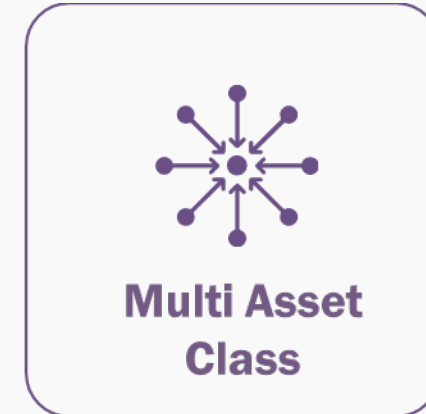


SEGREGATED & UNIT TRUST

- SA Bond
 - ALBI
 - GOVI
- Flexible Income
 - STeFI x110%
 - STeFI +2%

SEGREGATED ONLY

- Money Market
 - STeFI



SEGREGATED

- Absolute Return
 - CPI+3% to 6%
 - Domestic & Global
- Balanced

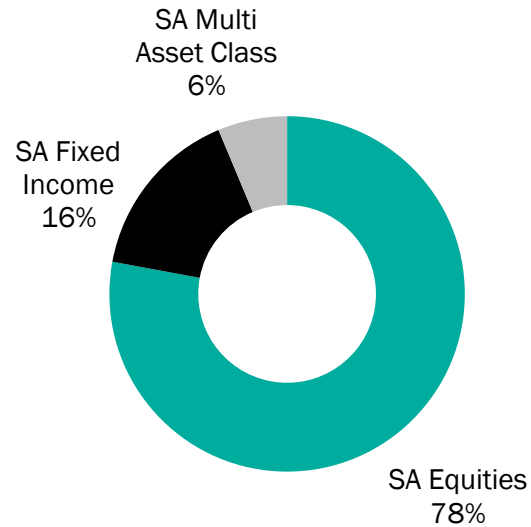
UNIT TRUST

- Argon BCI Absolute Return Fund

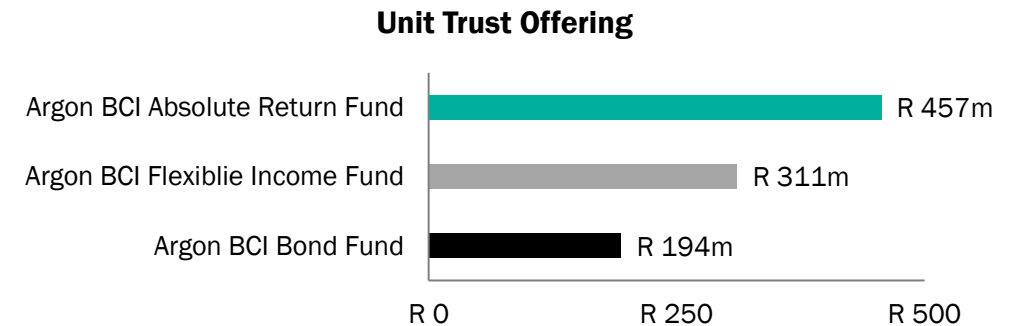
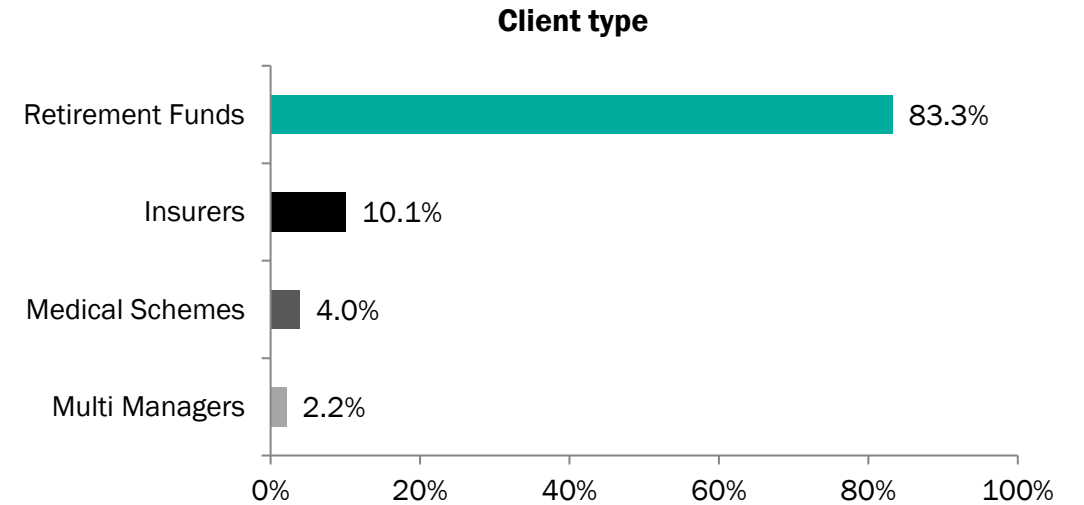
ASSETS UNDER MANAGEMENT

31 MARCH 2024

R29.8 billion (47 institutional mandates - 33 segregated and 14 unitized)



| Mandates type | AUM |
|-------------------|---------------|
| Equities | R22.5 billion |
| Fixed Income | R5.4 billion |
| Multi Asset Class | R1.9 billion |



GLOBAL MACRO FACTORS DRIVING LOCAL FIXED INCOME



US ECONOMIC EXPECTATIONS



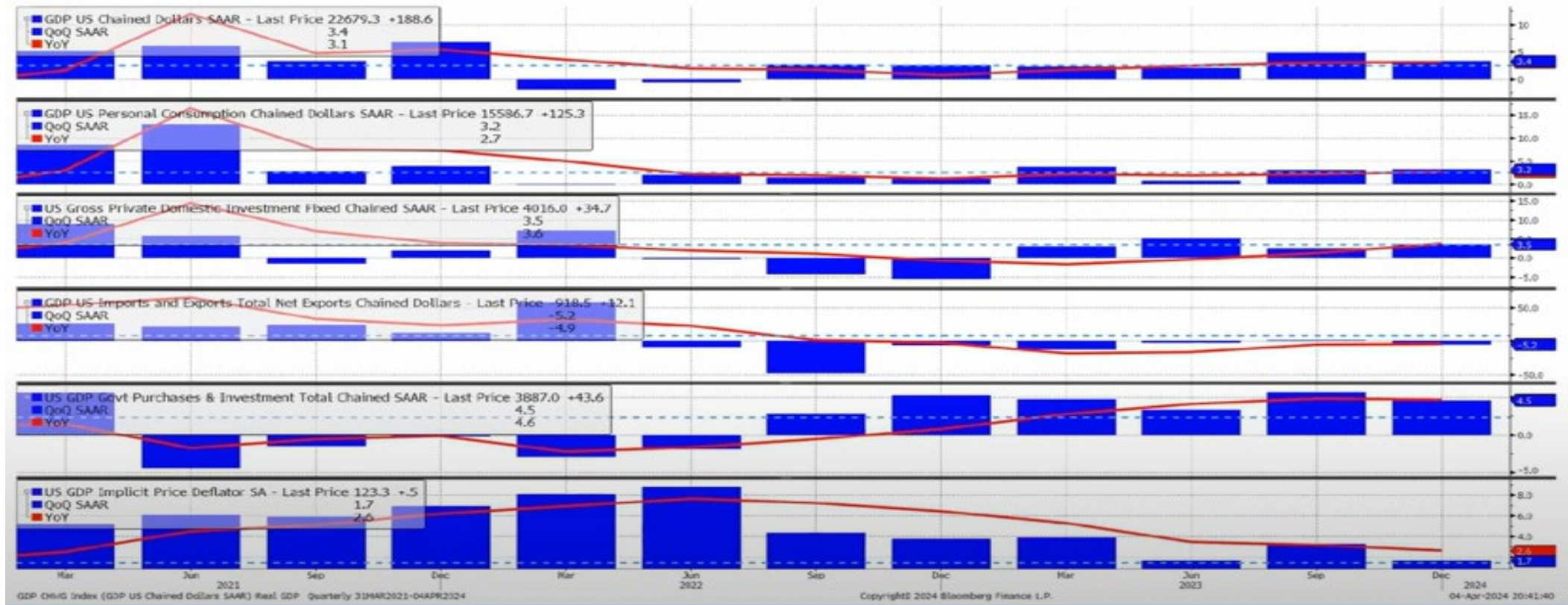
Source: Bloomberg

Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, March 2024

Percent

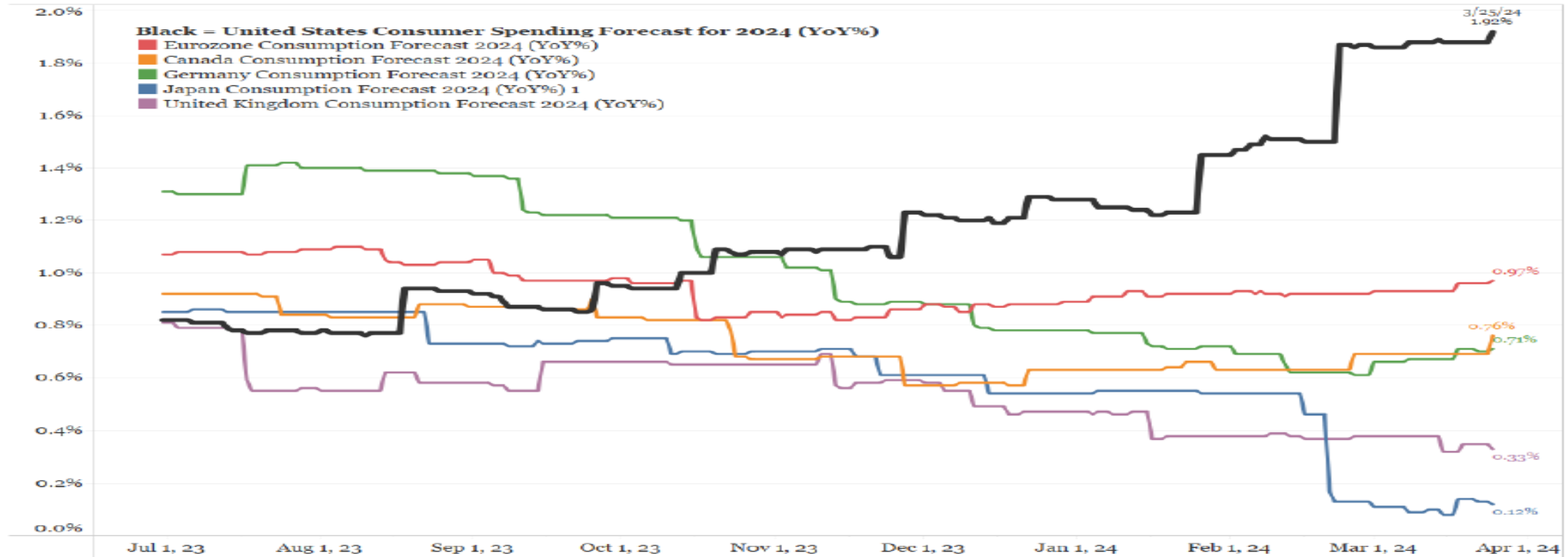
| Variable | Median ¹ | | | | Central Tendency ² | | | | Range ³ | | | |
|---|---------------------|------|------|------------|-------------------------------|---------|---------|------------|--------------------|---------|---------|------------|
| | 2024 | 2025 | 2026 | Longer run | 2024 | 2025 | 2026 | Longer run | 2024 | 2025 | 2026 | Longer run |
| Change in real GDP | 2.1 | 2.0 | 2.0 | 1.8 | 2.0-2.4 | 1.9-2.3 | 1.8-2.1 | 1.7-2.0 | 1.3-2.7 | 1.7-2.5 | 1.7-2.5 | 1.6-2.5 |
| December projection | 1.4 | 1.8 | 1.9 | 1.8 | 1.2-1.7 | 1.5-2.0 | 1.8-2.0 | 1.7-2.0 | 0.8-2.5 | 1.4-2.5 | 1.6-2.5 | 1.6-2.5 |
| Unemployment rate | 4.0 | 4.1 | 4.0 | 4.1 | 3.9-4.1 | 3.9-4.2 | 3.9-4.3 | 3.8-4.3 | 3.8-4.5 | 3.7-4.3 | 3.7-4.3 | 3.5-4.3 |
| December projection | 4.1 | 4.1 | 4.1 | 4.1 | 4.0-4.2 | 4.0-4.2 | 3.9-4.3 | 3.8-4.3 | 3.9-4.5 | 3.8-4.7 | 3.8-4.7 | 3.5-4.3 |
| PCE inflation | 2.4 | 2.2 | 2.0 | 2.0 | 2.3-2.7 | 2.1-2.2 | 2.0-2.1 | 2.0 | 2.2-2.9 | 2.0-2.5 | 2.0-2.3 | 2.0 |
| December projection | 2.4 | 2.1 | 2.0 | 2.0 | 2.2-2.5 | 2.0-2.2 | 2.0 | 2.0 | 2.1-2.7 | 2.0-2.5 | 2.0-2.3 | 2.0 |
| Core PCE inflation ⁴ | 2.6 | 2.2 | 2.0 | | 2.5-2.8 | 2.1-2.3 | 2.0-2.1 | | 2.4-3.0 | 2.0-2.6 | 2.0-2.3 | |
| December projection | 2.4 | 2.2 | 2.0 | | 2.4-2.7 | 2.0-2.2 | 2.0-2.1 | | 2.3-3.0 | 2.0-2.6 | 2.0-2.3 | |
| Memo: Projected appropriate policy path | | | | | | | | | | | | |
| Federal funds rate | 4.6 | 3.9 | 3.1 | 2.6 | 4.6-5.1 | 3.4-4.1 | 2.6-3.4 | 2.5-3.1 | 4.4-5.4 | 2.6-5.4 | 2.4-4.9 | 2.4-3.8 |
| December projection | 4.6 | 3.6 | 2.9 | 2.5 | 4.4-4.9 | 3.1-3.9 | 2.5-3.1 | 2.5-3.0 | 3.9-5.4 | 2.4-5.4 | 2.4-4.9 | 2.4-3.8 |

Source: US Federal Reserve



Source: Bloomberg

US Consumption Outpaces The World
 Regularly Updated 2024 Consumption Forecasts
 From a Survey of About 70 Economists Conducted By Bloomberg

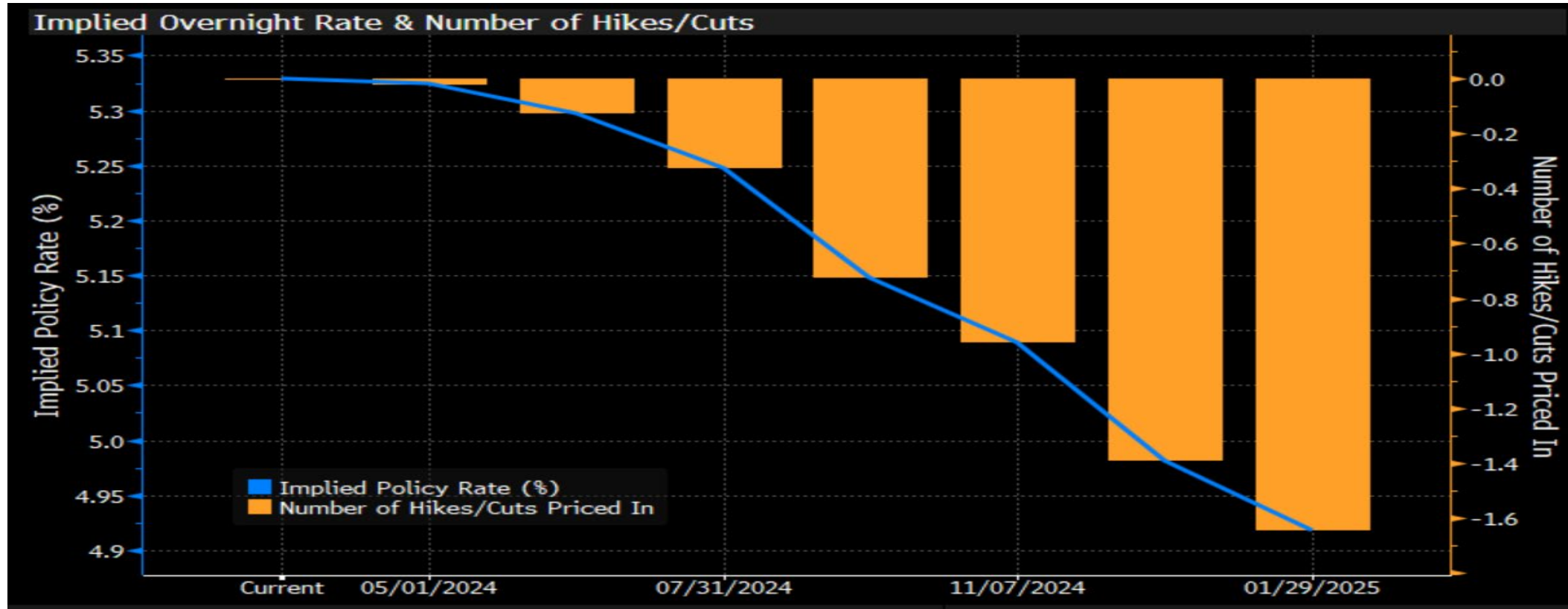


Source: Bloomberg

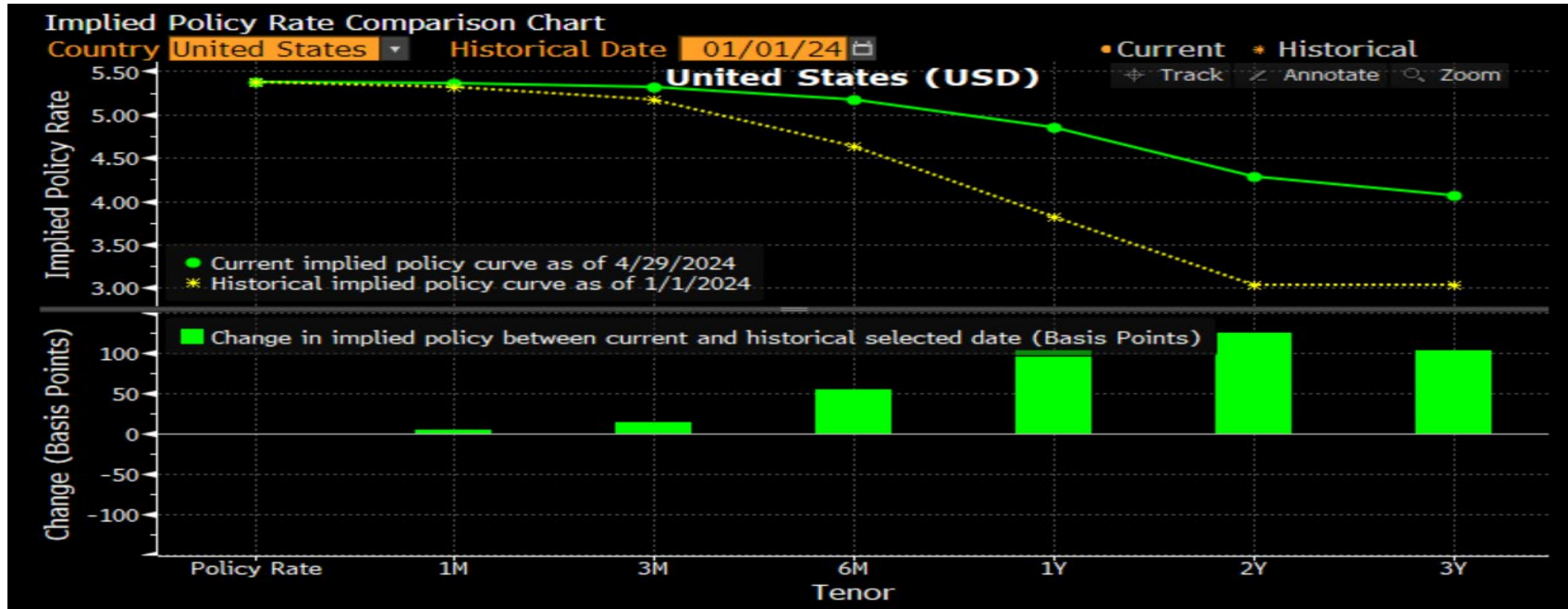
US ECONOMIC SURPRISES



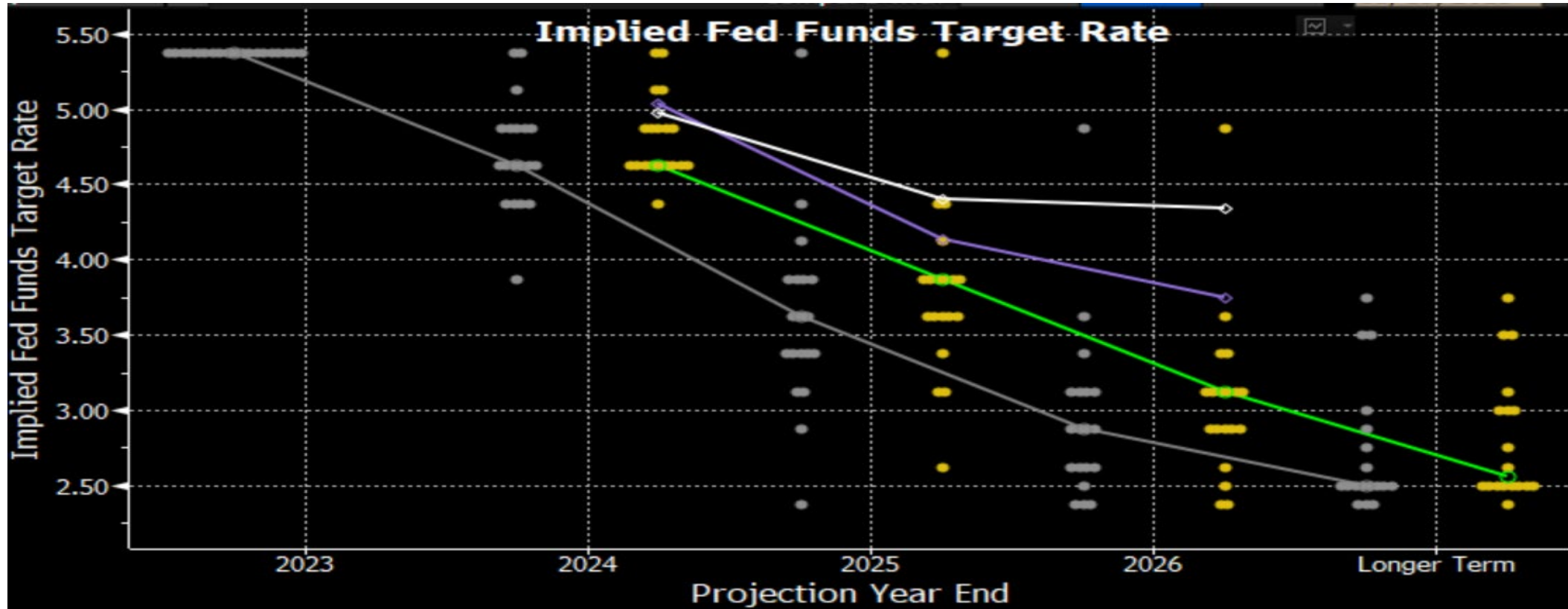
Source: Bloomberg



Source: Bloomberg



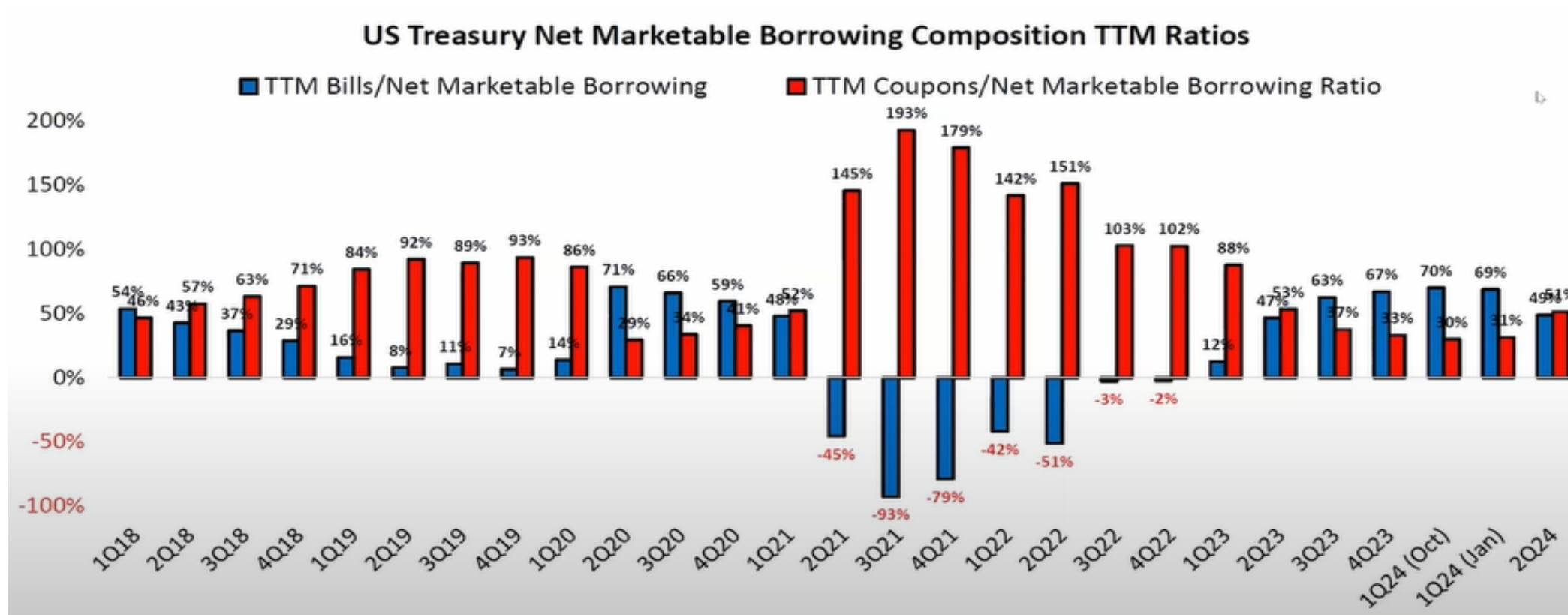
Source: Bloomberg



Source: Bloomberg

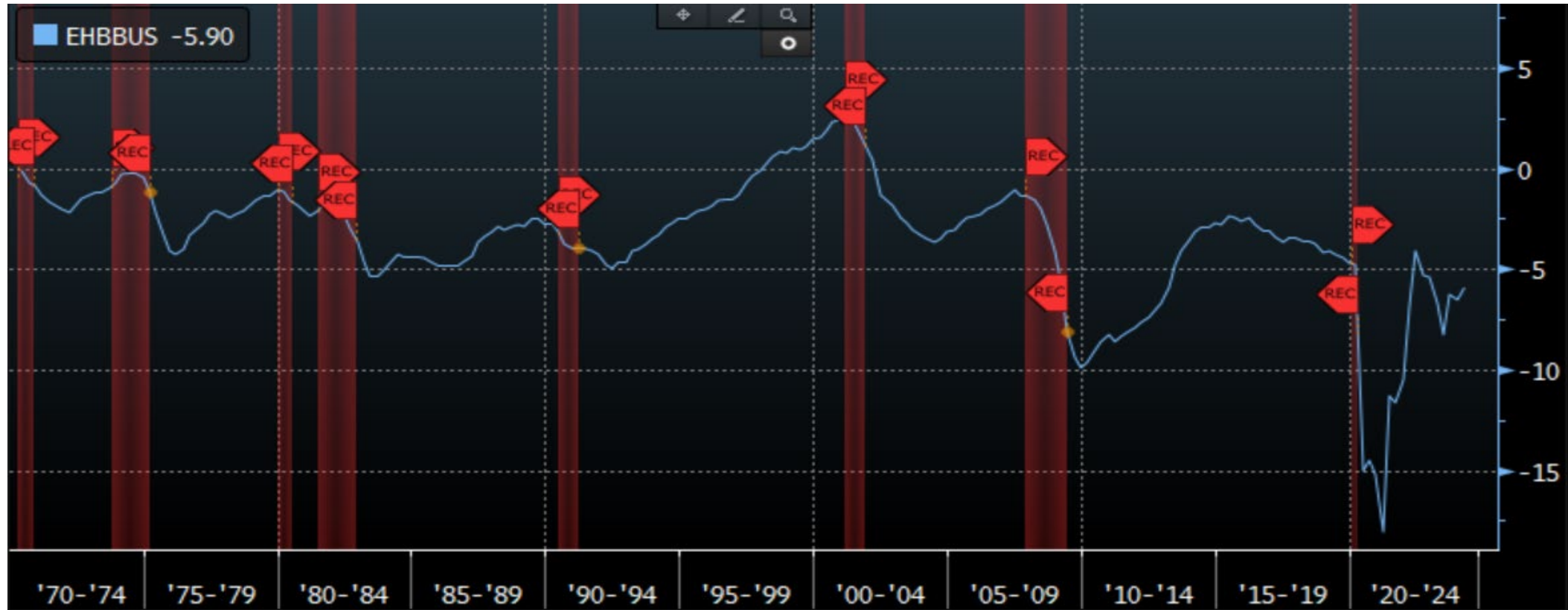


Source: Bloomberg



Source: 42 Macro

US BUDGET BALANCE % GDP

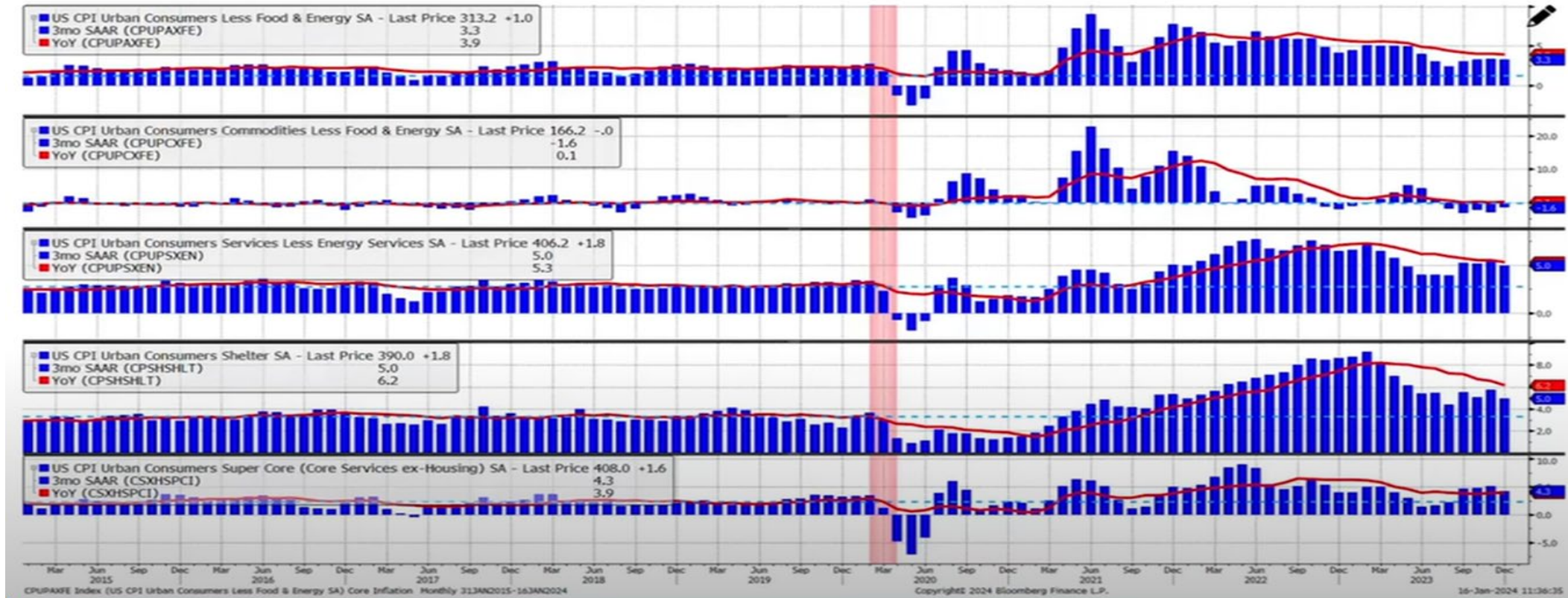


Source: Bloomberg

US FISCAL IMPULSE REMAINS POSITIVE



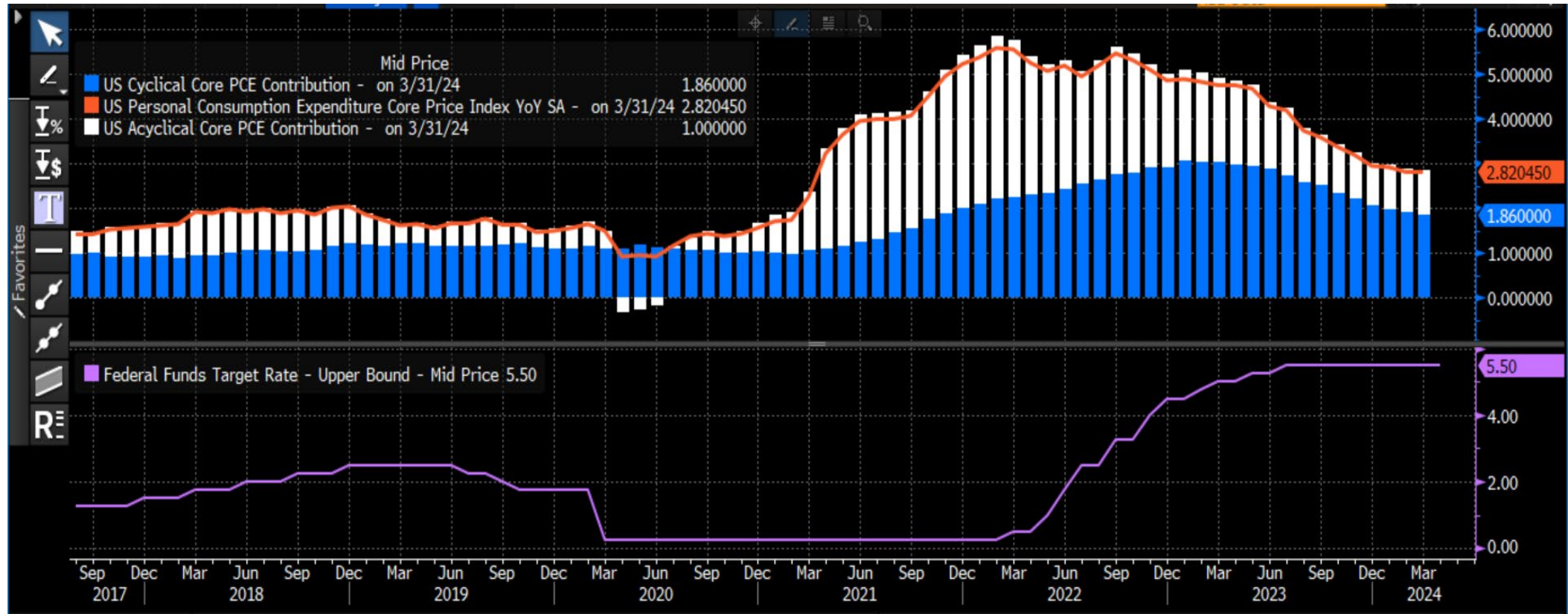
Source: Bloomberg



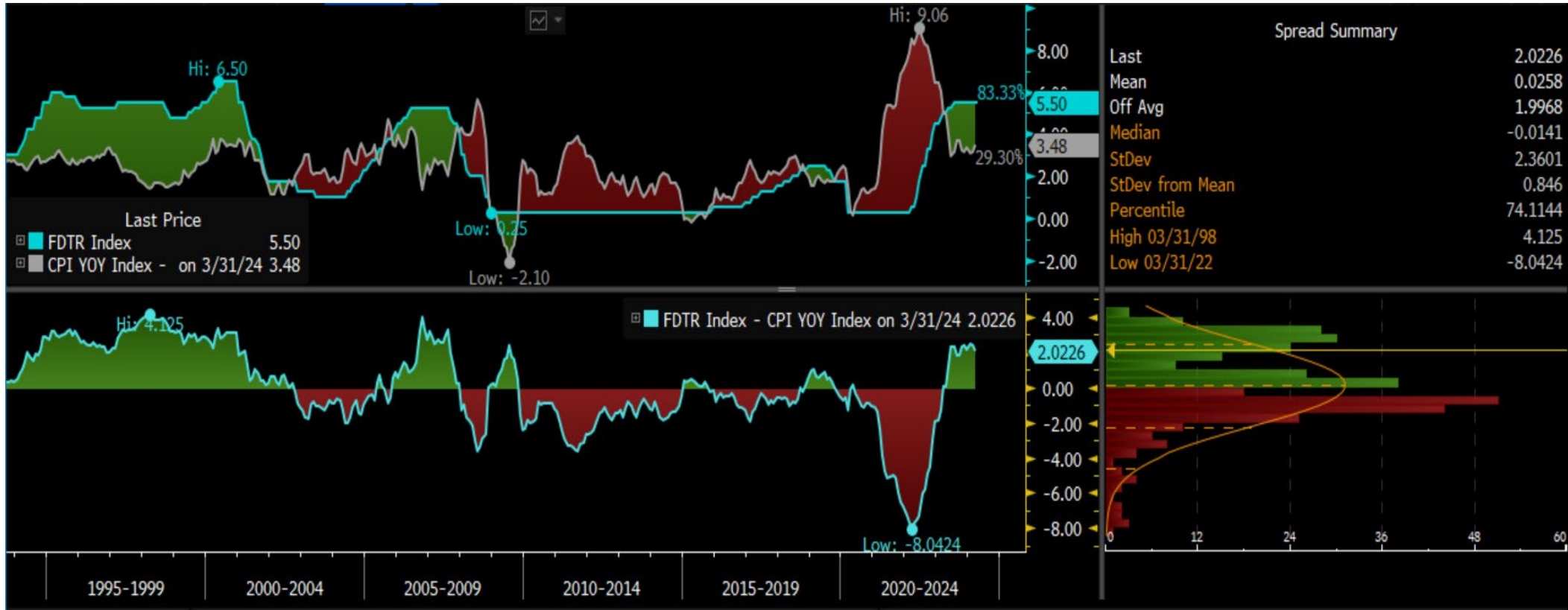
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

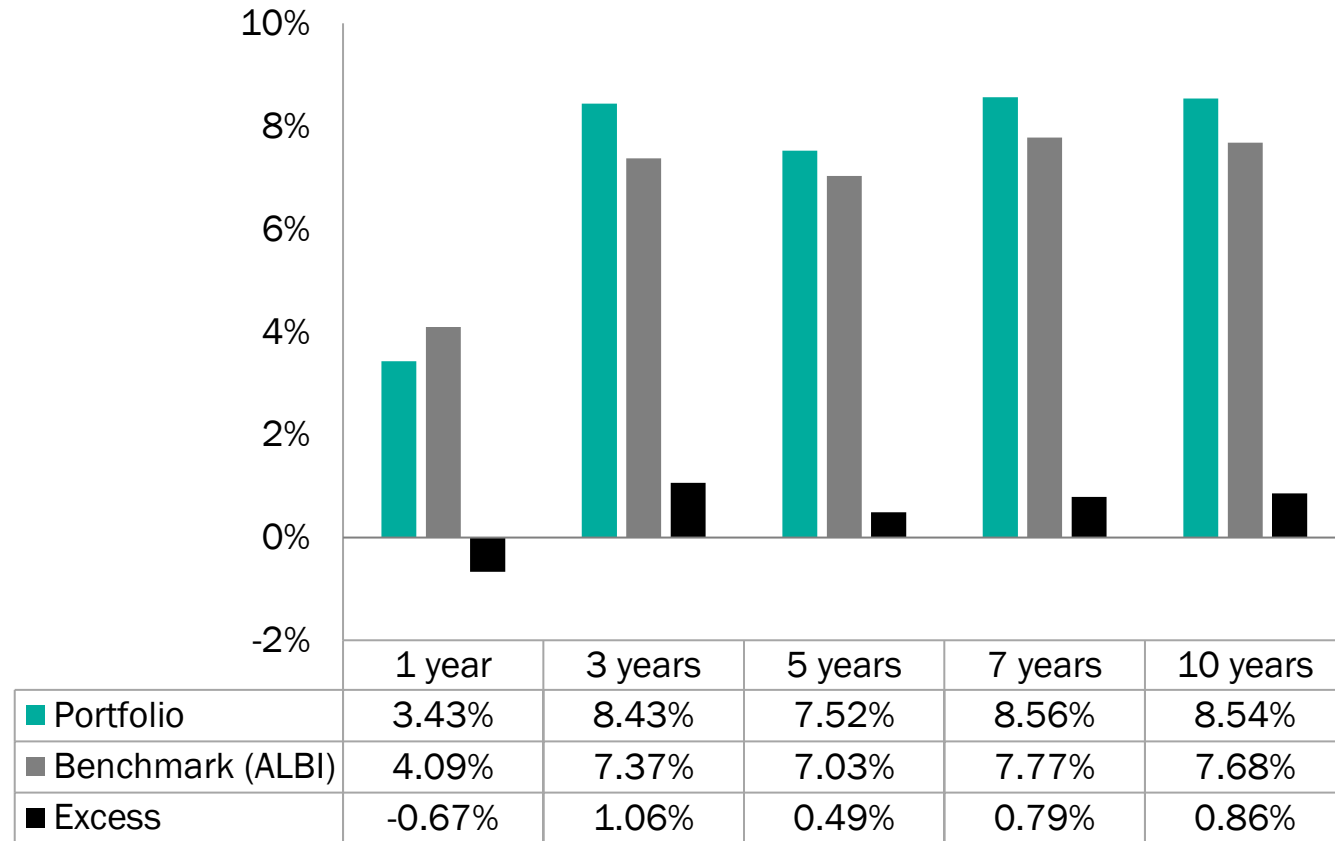


Source: Bloomberg

ARGON SA BOND FUND (SEGREGATED PORTFOLIO) PERFORMANCE TO 31 MARCH 2024



ASSET MANAGEMENT



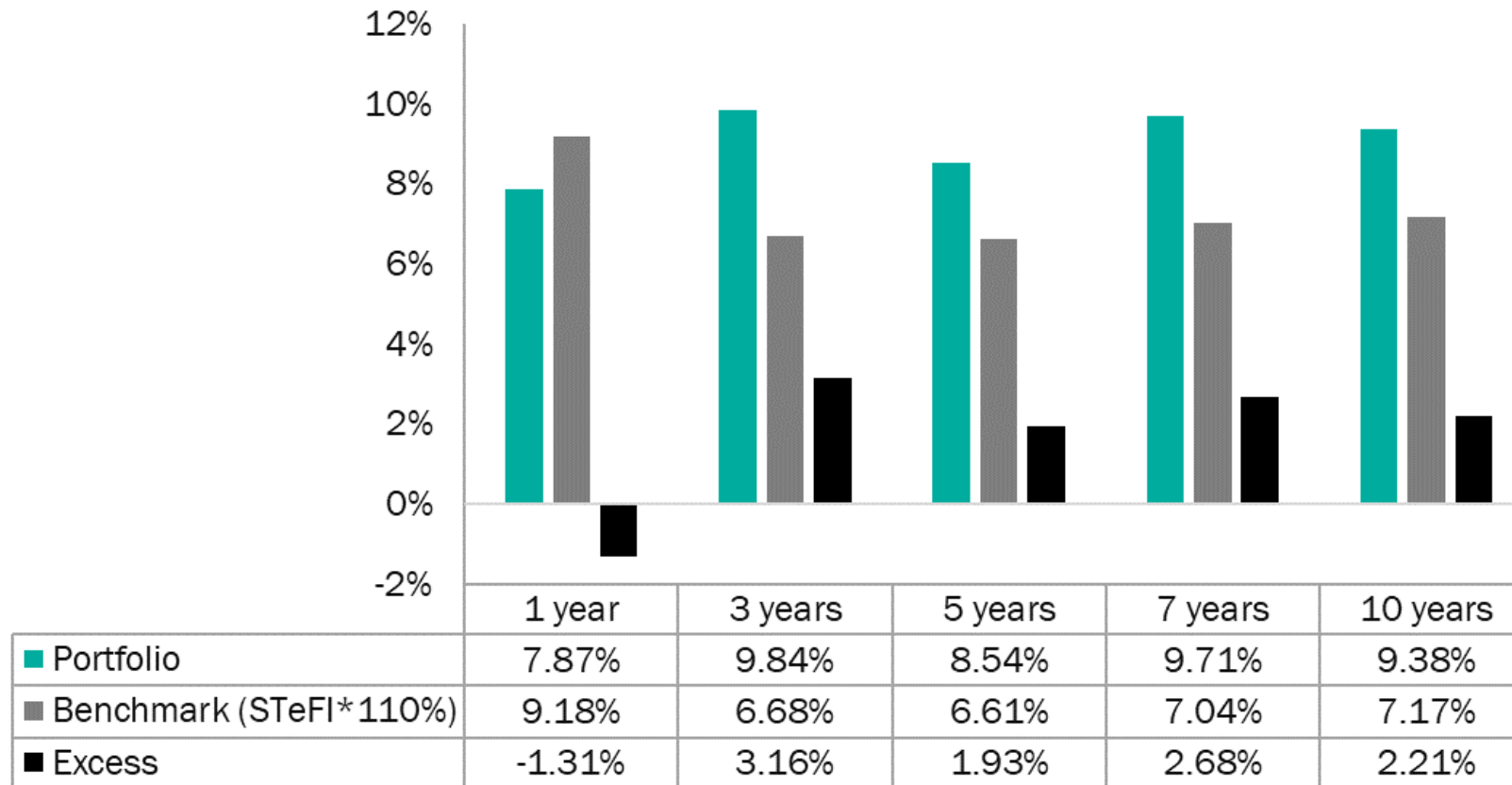
Performance numbers are gross of fees. Annualised return is the weighted average compound growth rate over the period measured. Actual annual figures are available to the investor on request.

Source: Argon Asset Management. Calendar year performance since inception: High: 8.17% | Low: -11.09%

ARGON FLEXIBLE INCOME FUND (SEGREGATED PORTFOLIO) PERFORMANCE TO 31 MARCH 2024



ASSET MANAGEMENT



Performance numbers are gross of fees. Annualised return is the weighted average compound growth rate over the period measured. Actual annual figures are available to the investor on request.

Source: Argon Asset Management. . Calendar year performance since inception: High: 4.47% | Low: -9.25%

THANK YOU



FAIS DISCLOSURES

Argon Asset Management (Pty) Ltd is a registered financial services provider



Argon Asset Management (Pty) Ltd (“Argon”) and is a licensed Financial Services Provider, license numbers and Company Registration number as per below. Copies of the license is available upon request.

| Company | License Number | Company Registration Number |
|----------------------------------|----------------|-----------------------------|
| Argon Asset Management (Pty) Ltd | FSP 835 | 2002/016801/07 |

Disclaimer

There are certain risks associated with investments in financial products, including market, credit & currency risks. Past performance is not necessarily an indication of future performance. All returns are rand returns, unless otherwise stated.

1. Basis of advice

Argon has duly authorised the individuals stated in Annexure C to render intermediary services as defined in terms of FAIS in respect of the attached FAIS Product Categories.

As at date of appointment, the above individuals stated in Annexure C met 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.

Argon accepts responsibility for the activities of these individuals performed within the scope of their employment contracts.

Note: Several representatives are rendering services under supervision as defined in the Determination of Fit & Proper requirements in respect of the attached product categories. See attached list (refer to Annexure B).

2. Exemptions with regard to any matter covered by the FAIS Act

The following exemptions are applicable to Argon license:

- Exemption of investment managers and linked investment services providers and their related functionaries from fit and proper requirements (Board Notice 97 of 2003).
- Exemption of financial services providers as regards to representatives (Board Notice 95 of 2003).

3. Financial Services and Products

Argon is authorised to render advice and recommend financial products in respect of the financial product types attached (refer to Annexure A). However, our strict business practice is that we do not offer advice or recommend financial products.

4. Contracts with Product Suppliers

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

Please see Annexure A for the following information of the product supplier: Physical location, Telephone contact details.

5. What will you have to pay us for our services?

Fees – Argon earns management fees, which are calculated as a percentage of the assets we manage on behalf of the client, and through performance fees where relevant. All fees will be clearly disclosed in our application forms and Minimum Disclosure Documents.

6. Compliance with Financial Advisory and Intermediary Services Act “FAIS”

The compliance of Argon with the FAIS Act is monitored by Mr Tim Howse of eComply Consultants (Pty) Ltd, a licensed Compliance Practice, CO 744 who is contactable on (021) 671 8162 or email tim@ecomply.co.za

7. Conflicts of Interest

In accordance with Argon’s conflicts management policy, Argon places a high priority on its clients’ interests. As conflicts of interest affecting clients could undermine the integrity and professionalism of our business, any instances must be identified as early as possible. If conflict situations cannot be avoided, they must be managed equitably and in the client’s interest. Detecting potential or recognised conflicts of interest that could compromise the interest of its clients and managing and limiting the impact of conflicts of interest therefore constitute an integral part of Argon’s duties and obligations.

Potential conflicts of interest are inherent in any business and therefore it is not the aim of Argon to avoid all conflicts but rather to take steps to identify and manage conflicts of interest to ensure that our clients are not unduly prejudiced.

Argon maintains an active Conflicts of Interest Management Policy which can be obtained from Argon, via the Chief Operating Officer, Mr. Sello Setai. A copy of our Conflicts of Interest Policy can be found on our website at www.argonassetmanagement.co.za

Argon has no shareholding in any product supplier..

8. Confidentiality & Data Privacy

Information disclosed to Argon 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.

Argon 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 Argon’s Information Officer. The Information Officer’s contact details are as follows:

Name: Manas Bapela
Landline: (021) 670 6574
Email: info@argonasset.co.za
Postal Address: PO Box 23254
Claremont
7735

9. Complaints

In the event that you are dissatisfied with any aspect of our service you may contact our offices at the address shown at the head of this letter.

Should you wish to pursue a complaint against an authorised representative of Argon, you should address your complaint in writing to Mr. Sello Setai at sello@argonasset.co.za.

If you cannot settle your complaint with us, you are entitled to refer it to the FAIS Ombud. The Ombud has been created to provide you with a redress mechanism for any inappropriate financial advice that may have been given to you.

Contact particulars of the Ombud: PO Box 74571, Lynnwood Ridge 0040, Tel 012 470 9080
Fax 012 348 3447, info@faisombud.co.za , www.faisombud.co.za

10. Professional Indemnity, Fidelity Insurance or Guarantees

Argon is covered by a comprehensive Financial Institutions, Directors & Officers Liability Insurance Programme underwritten by Santam Ltd. The cover includes Fidelity Cover, Computer Crime and Professional Indemnity.

ANNEXURE A

Product Supplier

South African Collective Investments Schemes

- Argon BCI Absolute Return Fund
- Argon BCI Bond Fund
- Argon BCI Flexible Income Fund

Management Company

Boutique Collective Investment (RF) (Pty) Ltd

Registration number: 2003/024082/07

Address

Catnia Building,
Bella Rosa Village, Bella Rosa Street,
Bellville,
7530

For general queries:

E-mail: clientservices@bcis.co.za

Tel: +27 (0)87 057 0571 OR +27 (0)21 914 1880

Fax: +27 (0)86 502 5319

For complaints: complaints@bcis.co.za

ANNEXURE B

Category 1 and Category 2

| | |
|--|--|
| <ul style="list-style-type: none"> ▪ Shares ▪ Money market instruments ▪ Debentures and securitised debt ▪ Warrants, certificates and other instruments ▪ Bonds ▪ Derivative instruments | <ul style="list-style-type: none"> ▪ Participatory interests in Collective Investment Schemes ▪ Participatory interest in a Hedge Fund ▪ Long-term Deposits ▪ Short-Term Deposits ▪ Structured Deposits |
|--|--|

ANNEXURE C

| Individual | Status |
|---------------------------|-----------------------------------|
| Manas Bapela | Key Individual and Representative |
| Sello Setai | Key Individual |
| Mark Ansley | Representative |
| Krishna Sathee | Representative |
| Dudu Tembo | Representative |
| Tobias Brandt | Representative |
| Maitse Motsoane | Representative |
| Jeremy Jutzen | Representative |
| Litha Madabane | Representative |
| Janine Kerzner (nee Pein) | Representative |
| Mpandekazi Maneli | Representative |
| Itumeleng Matsobane | Representative |
| Richard Court | Representative |
| Bongekile Mgxaji | Representative |
| Museja Makhaga | Representative under supervision |
| Tharollo Machili | Representative under supervision |
| Andile Sibanda | Representative under supervision |
| Ian Brink | Representative under supervision |

Boutique Collective Investments (RF) (Pty) Ltd (“BCI”) is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA.

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge.

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.

Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager’s products.

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.

CONTACT DETAILS

Jeremy Jutzen

Client Relationship Manager

T +27 21 670 6592 | M +27 83 703 8523

E jeremy@argonasset.co.za

Cape Town Office

1st Floor, Colinton House, The Oval, 1 Oakdale Road, Newlands, 7700, Cape Town

Switchboard +27 21 670 6570 | Email info@argonasset.co.za

Website www.argonassetmanagement.co.za

