



Volantis Income Fund

31 January 2025

Monthly Report

Fund Size: R163 million

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Fund Overview

Fund description

The Volantis Income Fund is a discretionary fund that targets a high cash return through a well-balanced and actively managed mix of interest-bearing instruments with low duration risk.

The Fund is mandated to invest in rand denominated, interest-bearing instruments and derivatives with a term to maturity constraint of 30 years for any individual instrument and a weighted average modified duration constraint of 1.00 year. The Fund is Regulation 28 compliant and is benchmarked to the STeFI Composite Index.

The Fund seeks to outperform its benchmark over a 12-month rolling period, while preserving capital with increased yield.

Who manages your Fund?



Sisa Mayekiso
Managing Director & CIO
Bcom, Bcom Hons (Acc), CA(SA), CFA



Puben Govender
Head of Fixed Income
Bcom, CFA, FRM, CAIA

Fund specifications

Benchmark	STeFI x 110%
Weighted avg. modified duration	0.26 years
Weighted avg. term to maturity	1.87 years
Weighted average credit quality	AA+
Market value	R163.2 million
Historical VAR (95th Percentile)	8bps
Conditional VAR/ETL	12bps

Fund commentary

The Fund outperformed its benchmark for the month by 0.09%, measured on a gross of fees basis. The Fund returned 0.69% relative to a monthly STeFI Composite Index return of 0.60%. Returns were positively affected by duration and credit returns.

Inflation remained range bound at 3.5% in December, still above the central bank's official target of 3.0% while producer prices accelerated to 2.9%. The Central Bank forecasts inflation to decline to 3.2% in 2026 and together with further stability in the primary balance surplus and smaller current account deficit it decided to reduce overnight rates by 25 bps to 6.75% in November. Lower rates have increased the growth of money stock and credit creation to 8.3% and 7.8% respectively, a positive growth driver. However lower real growth at 0.5% in the third quarter and contracting purchasing managers indices may exert upward pressure on debt sustainability metrics. The positive gain from elevated precious metals prices, lower debt issuance forecasts and a proposed conservative fiscal budget should ameliorate these concerns. Retail sales gained momentum with an increase of 2.9% in December. Local yields continued their trend lower and rallied by around 30 bp lead by longer duration. Bond yields are now trading at multi-year lows. S&P Global Ratings upgraded South Africa's sovereign credit ratings to BB while Moody's and Fitch held theirs at BB- citing the low growth and high debt environment. Corporate bonds are still in demand with new issues trading at record low spreads given the reduced net issuance for 2025. The rand appreciated by 3% to trade at R16.6. The JSE traded 5% higher and is well supported by higher precious metal prices.

Volatile US yields closed 17 bp higher on the back of higher inflation and lower employment for longer. Global bond yields tracked the US with Japan selling off by 25 bp. Debt sustainability in Europe is being questioned given their low growth, high deficits and Ukraine commitments. The SP500 US equity index US was flat for the month with 2026 earnings now in focus. Gold traded 2% higher. Most global central banks are anticipated to hold rates steady in Q1 2026 given recent rate cuts.

Performance

Monthly return contribution: January 2025

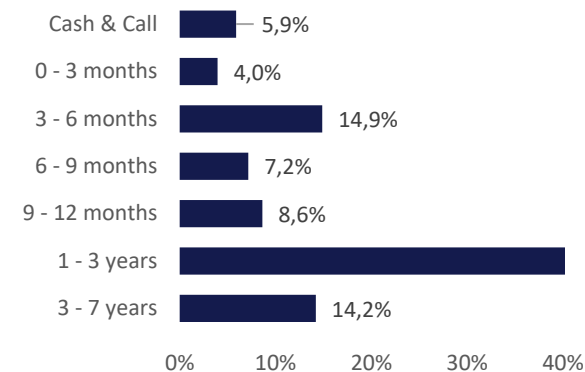
Instrument Classification	Monthly Contribution
CASH	0.01%
BOND	0.18%
FRN	0.48%
NCD	0.00%
TB	0.00%
LINKED	0.02%
Total	0.69%

Fund performance is measured on a gross of fees basis.

Monthly performance

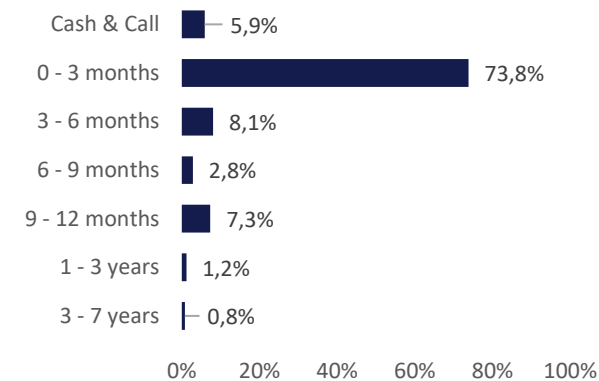
Date	Gross Return	STeFI Composite Index	Active Return
Feb-25	0.69%	0.62%	0.07%
Mar-25	0.83%	0.67%	0.16%
Apr-25	1.01%	0.65%	0.36%
May-25	0.79%	0.67%	0.12%
Jun-25	0.90%	0.64%	0.26%
Jul-25	0.78%	0.65%	0.13%
Aug-25	0.74%	0.65%	0.09%
Sep-25	0.78%	0.61%	0.17%
Oct-25	0.73%	0.63%	0.10%
Nov-25	0.76%	0.61%	0.15%
Dec-25	0.79%	0.61%	0.18%
Jan-26	0.69%	0.60%	0.09%
Rolling 12	9.91%	7.88%	2.03%

Yield curve exposure: Final maturity



The Fund had a weighted average term to maturity of 1.87 years on 31 January 2026 relative to mandated risk tolerance of 30 years.

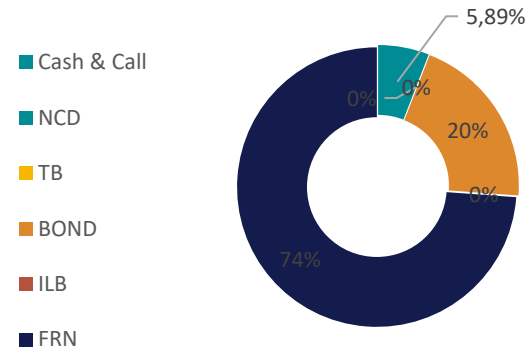
Yield curve exposure: Effective exposure



The Fund's effective exposure gives a view of its holdings from an interest rate (next reset date) perspective. The Fund's MD position on 31 January 2026 was 0.26 years relative to the mandated risk guidance of around 1 year.

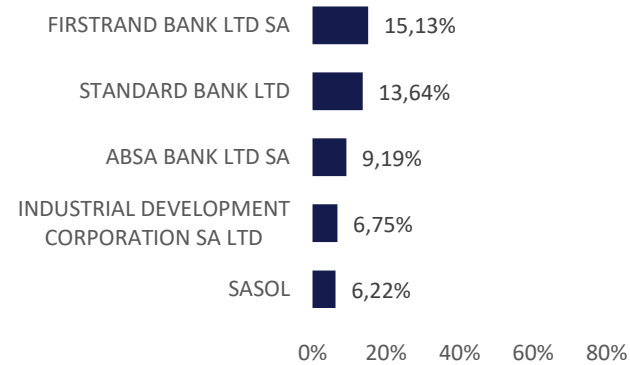
Fund exposures & ESG

Asset allocation



Asset allocation is represented as at 31 January 2026.

Issuer exposure: Top 5 holdings



Credit concentration table

Short-Term	Mandate Limit	Fund Exposure
Government	100%	0%
Big 4 Banks	100%	15%
F1+	50%	15%
F1	20%	0%
F2	10%	0%
Total		30%
Long-Term	Mandate Limit	Fund Exposure
Government	100%	1%
AAA	50%	18%
Big 4 Banks	40%	17%
AA+ to AA-	30%	27%
A+ to A-	20%	6%
BBB+	10%	0%
Total		70%

The Fund had a weighted average credit quality of AA+ on 31 January 2026. The Fund's credit ratings are represented by national scale ratings, applying the most conservative rating from Fitch, S&P, Moody's or Global Credit Ratings.

ESG scorecard

The Fund had a combined ESG score of 48.7% in January 2026, which reflects that a satisfactory degree of transparency and reporting of ESG factors was displayed by the underlying counterparties in the portfolio.

Disclaimer

ESG Score	Grade	Description	Investment Decision (Y/N)
100% - 75%	A	Excellent relative ESG Performance	Invest on a case by case basis
75% - 50%	B	Good relative ESG performance	Invest on a case by case basis
50% - 25%	C	Satisfactory ESG performance	Invest on a case by case basis
25% - 0%	D	Poor relative ESG performance	Do not invest

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FAIS disclaimer

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Past performance is not necessarily a guide to future performance. Volantis has comprehensive crime and professional indemnity in place. Performance figures are sourced from Volantis, Prescient Financial Services and Risk Café.

Performance is measured on a gross-of fees basis and denominated in ZAR.