




Fund Objective:

Sanlam USD Fixed Income Fund (FIF) aims to generate a regular income stream and preserve capital over the medium term. The fund invests in a diversified portfolio of US dollar-denominated fixed income securities, including Kenya Eurobonds, corporate bonds, and money market instruments.

Why choose this fund:

 The fund pays out income monthly in USD.

 The fund aims to give a higher interest rate than average bank deposits.

 The fund is ideal to use as a “nest egg” or emergency fund, allowing investors to withdraw funds when required.

Fees (Incl. VAT)

	Retail Class (%)
Annual Management Fee	1.5
Expense ratio since inception (8 months)	1.2

Fees are calculated as a percentage of the asset value.

Fund Information:



Portfolio Size: USD 29.7 Million



Minimum Investment
USD 2,500



Income distribution
Monthly



Risk Profile
Moderate



Benchmark
USD 3 Month Treasury Bill



Inception Date
August 2023



Last two distributions
29th Feb 2024, 31st Mar 2024

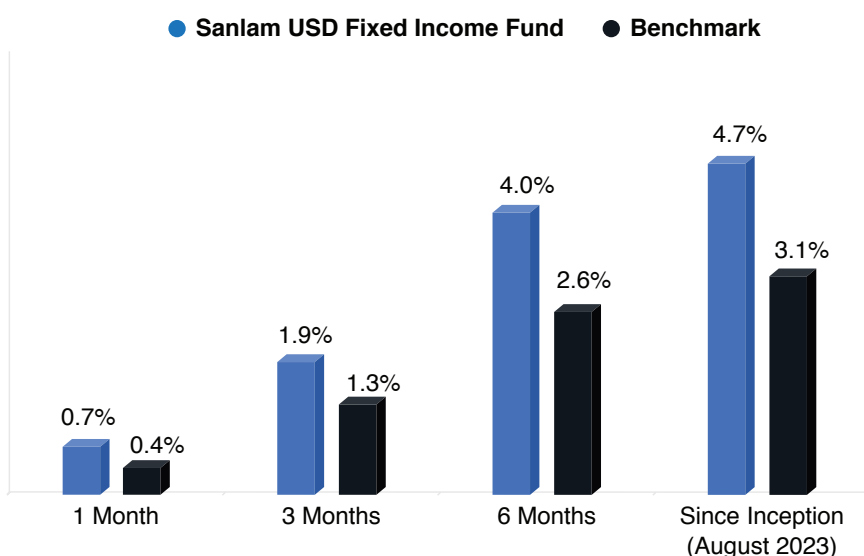


Income price dates
Daily excl. holidays & weekends



Transaction Cut-off Time
09:00 AM

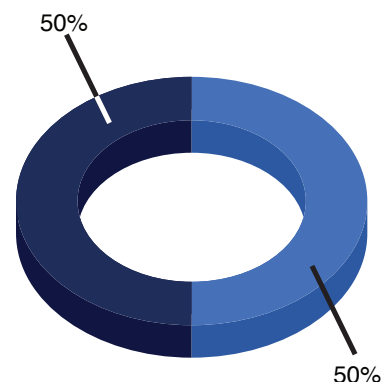
Fund Performance:



1. Return is gross of fees charged.

Asset Allocation

- Cash & Bank deposits
- Eurobonds (Government of Kenya)



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Portfolio Manager's Monthly Comment

The Sanlam USD Fixed Income Fund had a return of 0.7% and 4.0% over 1 month and 6 months ending March 2024. The fund's performance was supported by investments in high-yielding deposits and Kenya Eurobonds.

The US yield curve shifted upwards over the month as investors' confidence in a rate cut in May and June 2024 dwindled guided by:

- A slower pace in inflation reduction relative to market expectations.
- Better than expected economic performance as indicated by the manufacturing Purchasing Managers Index (PMI) of 50.3 in March. an index level above 50 indicates an improvement in the business operating environment.

The market therefore expects the US Fed rate to remain at the current levels of 5.25% and 5.50% for longer.

The US Dollar strengthened against other major currencies with the US index (DXY) rising by 1% in March 2024, reflecting improved investor sentiment towards US Dollar assets.

Eurobonds in some African countries such as Kenya, Ghana, and Egypt registered strong performance as interest rates reduced owing to significant inflows from International Finance Institutions (IFIs) and offshore investors. This has supported currencies and allowed for ease of debt restructuring. In Kenya, Eurobond prices have rallied to two-year highs across the yield curve.

Outlook:

Until a sustained decline of the US PCE towards the 2% target becomes evident, we expect US government bond yields to remain elevated.

Interest rates in frontier markets could be driven lower in the near term as international investor seeks higher yields, and their confidence increases towards frontier markets.

The fund will seek medium to longer term investments whilst managing liquidity within the fund, in order to lock in higher yields.



5.93%



Effective Annual Yield

31 MAR
2024

Grow your wealth with Sanlam
USD Fixed Income Fund.