

Fund Details

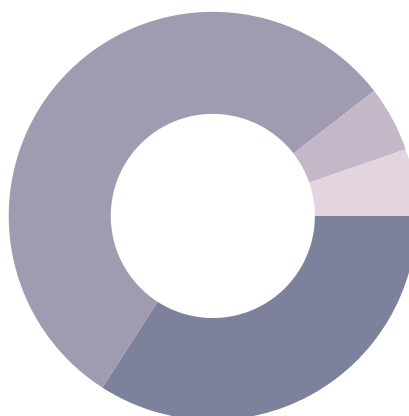
Benchmark	ASISA Category	Portfolio Managers	Suitable Investor
STeFI Call Rate	SA Interest Bearing - Money Market	Daniel King	The Merchant West Sanlam Collective Investments Money Market Fund is suitable for a conservative investor seeking regular income payments or moderate capital growth. The recommended investment horizon is three years or more.

Issuant Exposure

	%
RSA Govt Treasury Bills	49,5
Discovery	12,2
ABSA	11,5
Nedbank	11,4
Investec	11,4
Netcare	4,2
Standard Bank	-0,2

Duration Breakdown

Portfolio Date: 31/12/2024



0 - 1 Month	34,1
2 - 3 Month	55,4
4 - 6 Month	5,2
7 - 12 Month	5,3

Annualised Performance

	Fund %	Benchmark %
3 months	2,0	1,9
1 year	8,6	8,2
3 years	7,3	6,9
5 years	6,3	5,8
10 years	6,9	6,2
Since Inception (October 2010)	6,6	5,9
Launch Date (October 2010)		

Highest and Lowest Annual Returns

	%
Highest annual return	8,6
Lowest annual return	4,1

Performance Review

The Merchant West SCI* Money Market Fund returned 2.01% for the quarter, compared its benchmark, the Short-Term Fixed Interest (STeFI) Daily Call Rate, which returned 1.94%. The Fund's total return for the last year, net of fees, was 8.63% versus the STeFI call rate return of 8.20%.

Market Review

Fed Chair Jerome Powell's cautious stance on for US inflation should not come as a surprise. US inflation increased in November to 2.7% YoY from 2.6% YoY in October, in line with market forecasts. The Fed announced another 25 basis points cut to the federal funds rate in December, marking its third consecutive cut in 2024 and reducing the Fed's target range to 4.25% to 4.5%.

Hawkish comments from Chair Powell post the meeting and a revised Fed committee dot plot indicating that policymakers now anticipate just two interest rate cuts in 2025, totalling 50 basis points, compared to 100 basis points of reductions projected in the previous quarter surprised investors. The Fed also revised its GDP growth forecasts upward for 2025 from 2.0% to 2.1% and reduced its unemployment forecast for 2025 from 4.4% to 4.3%.

South Africa's inflation rate increased slightly to 2.9% year-on-year (YoY) in November but came in below market forecasts of 3.0% and remains well below the SARB's midpoint target of 4.5%. Core inflation eased from 3.8% YoY in October to 3.7% in November.

The South African Reserve Bank reduced its key interest rate by 25 basis points to 7.75% at its November meeting, as anticipated, bringing borrowing costs to their lowest level since April 2023. Policymakers stressed that while inflation is well-contained in the short term, the medium-term outlook carries significant uncertainties and potential for upside risks.

Fund Positioning

The Fund is very well positioned to outperform risk assets in the event of a local or global growth slowdown. We continue to emphasise liquidity and credit quality as a core part of the Merchant West Investments fixed income philosophy.

Daniel King
Portfolio Manager

*Sanlam Collective Investments

Disclaimer

Sanlam Collective Investments (RF) (Pty) Ltd is a registered Manager in terms of the Collective Investment Schemes in Securities and the Manager retains full legal responsibility for the co-brand portfolio. Collective investment schemes are generally medium- to long-term investments. Past performance is not necessarily a guide to future performance, and that the value of investments/units/unit trusts may go down and maximum commissions is available from the Manager on request. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Performance is based on NAV-to-NAV calculations with income reinvestments done on the ex-div date. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The manager has the right to close the portfolio to new investors to manage it more efficiently in accordance with its mandate. Charges of the most expensive fee class, maximum Fund charges include (incl. VAT): Manager annual fee (max.): 0.29%; Total Expense Ratio (TER): 0.32%. A money market portfolio is not a bank deposit account. The price is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument and in most cases, the return will merely have the effect of increasing or decreasing the daily yield, but that in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The seven-day rolling yield is calculated by taking into account the interest earned by the fund during a 7-day period minus any management fees incurred during those seven days. Annualised return is the weighted average compound growth rate over the period measured. The registered name of the fund is "Merchant West Sanlam Collective Investments Money Market Fund." The performance of the portfolio depends on the underlying assets and variable market factors. The Management of this portfolio is outsourced to Merchant West Investments (Pty) Ltd, (FSP) License No. 44508, an Authorised Financial Service Provider under the Financial Advisory and Intermediary Services Act, 2002. The manager has the right to close the portfolio to new investors in orders to manage it more efficiently in accordance with its mandate. Annualised return is the weighted average compound growth rate over the period measured.