



MATRIX
FUND MANAGERS

10 Minute Master Class

Fixed income hedge fund mechanics

Glacier Summit

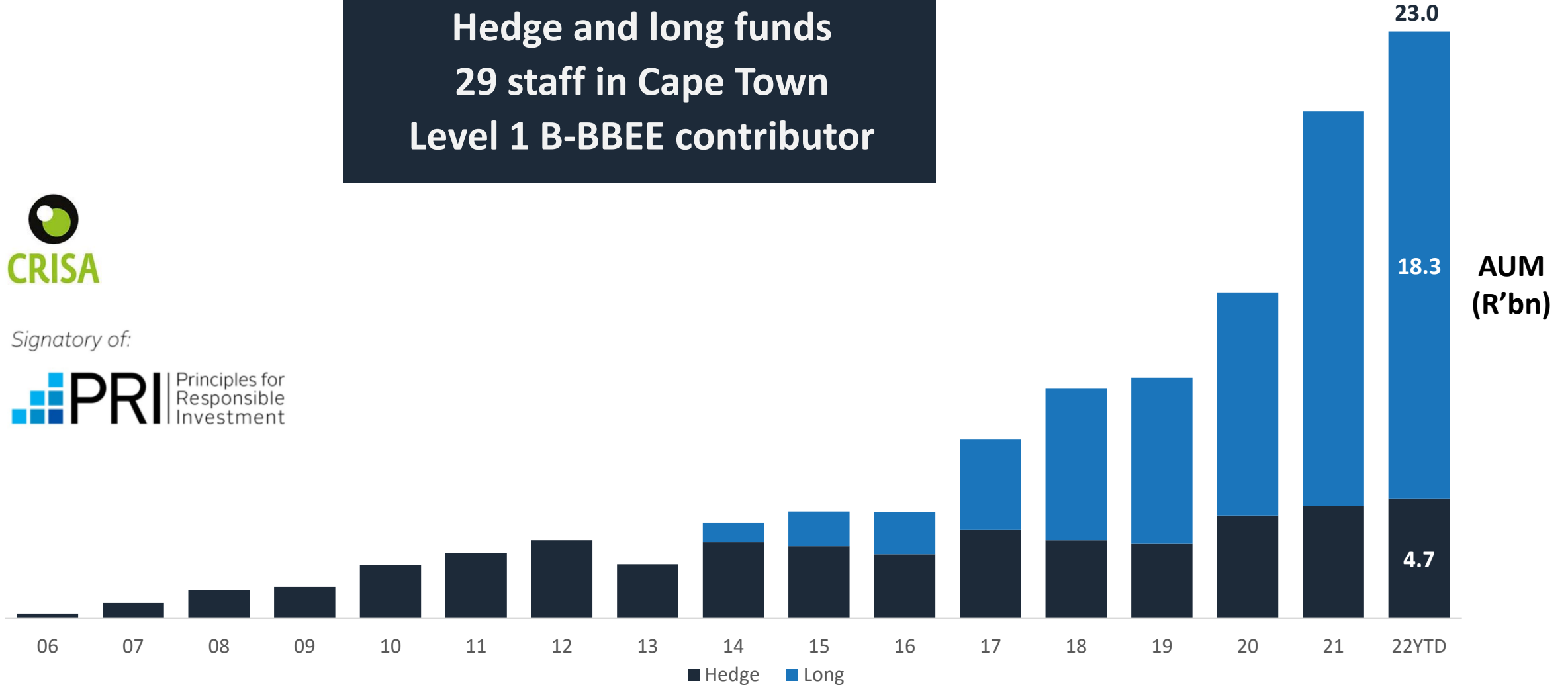
Jean-Pierre Matthews



**Hedge and long funds
29 staff in Cape Town
Level 1 B-BBEE contributor**



Signatory of:



Matrix Fund Managers – hedge fund history



Matrix and Amplify Investment Partners



| Risk | CISCA Funds | | ASISA Category |
|------|--------------------------------------|--|--|
| | Matrix SCI Stable Income Fund | | SA Income (IB-ST) |
| | Matrix SCI Bond Fund | | SA Bonds (IB-VT) |
| | Amplify SCI Defensive Balanced Fund* | | MA – Low Equity |
| | Amplify SCI Absolute Fund* | | MA – Med Equity |
| | Matrix SCI Balanced Fund | | MA – High Equity |
| | Matrix NCIS Fixed Income RHF | Amplify SCI Income Plus RHF* (LISP access) | SA Fixed Income - Retail Investor Hedge Fund |
| | Matrix SCI SA Equity Fund | | SA Equity |



SCI: Sanlam Collective Investments, * Exclusively managed by Matrix Fund Managers for Amplify Investment Partners, RHF since Sep 2016

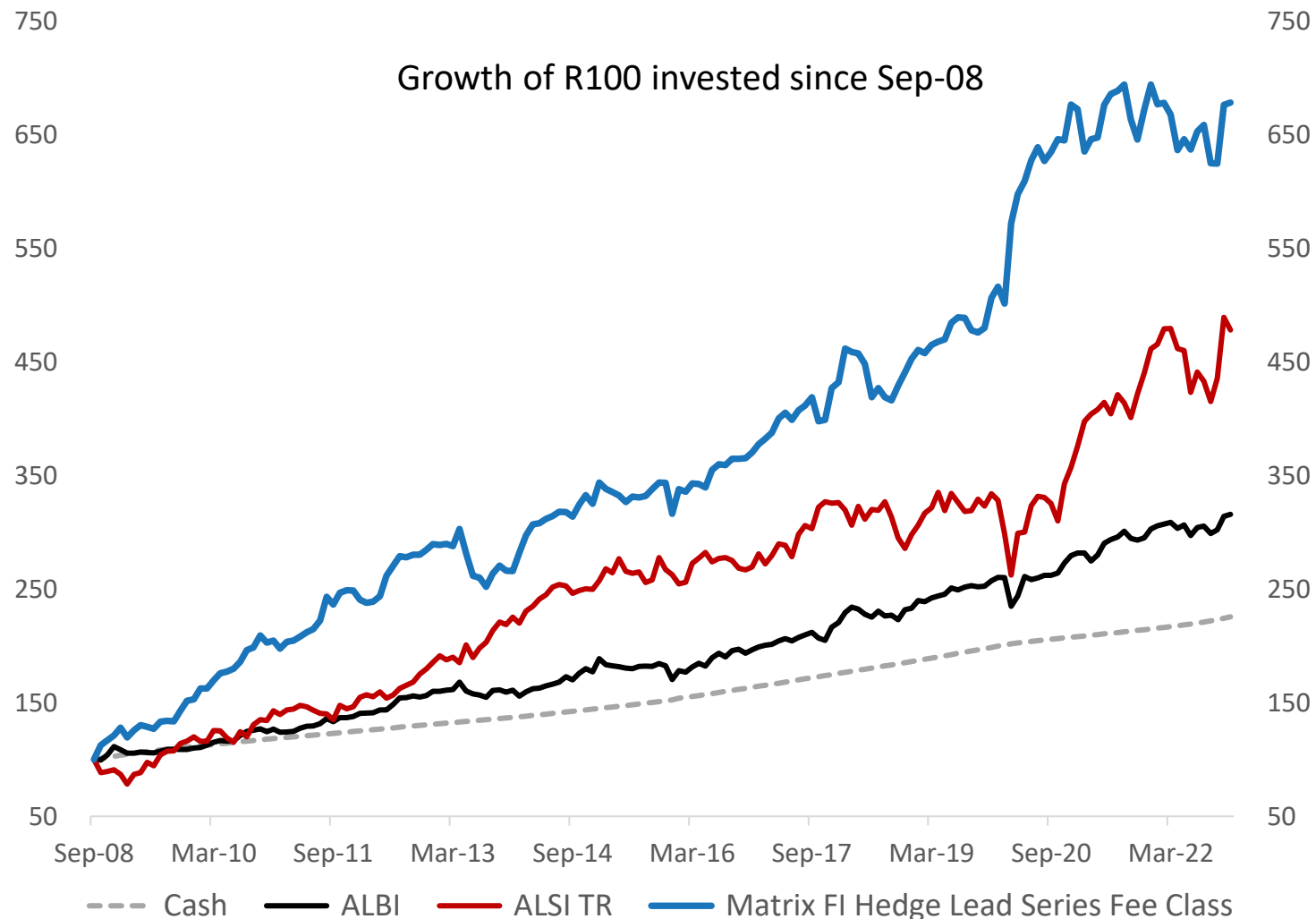
Matrix FI hedge return profile



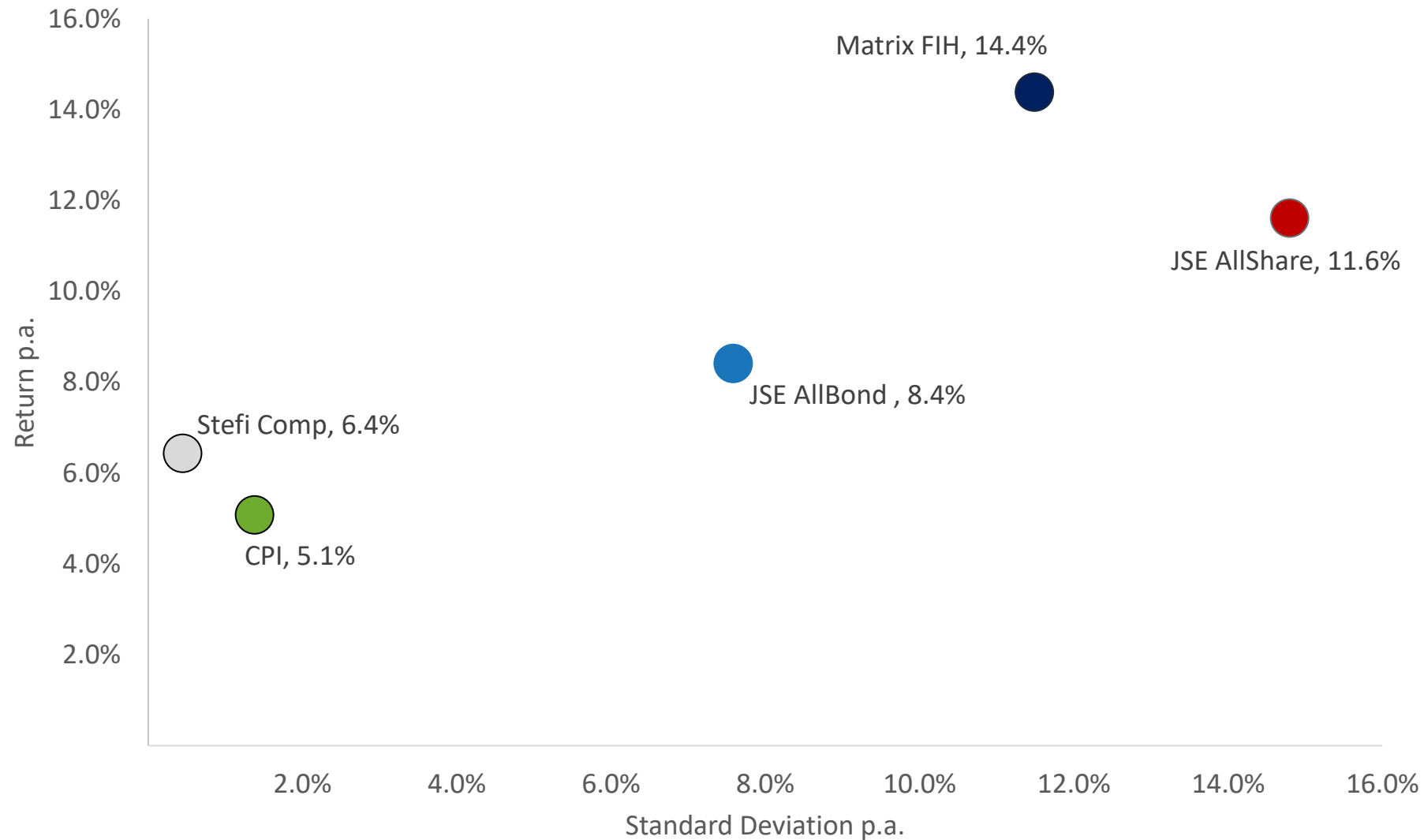
Matrix NCIS Fixed Income RHF – Lead Class (see also Amplify SCI Income Plus RHF)

| Dec 2022 | Fund | Cash | SA Bonds | SA Equity |
|------------------|-------|------|----------|-----------|
| 1 Year | -2.3% | 4.9% | 4.2% | 3.6% |
| 3 Years* | 10.2% | 4.3% | 7.1% | 12.7% |
| Since Inception* | 14.4% | 5.9% | 8.4% | 11.6% |
| Correlation | 1.00 | 0.25 | 0.41 | 0.04 |
| Volatility | 11.5% | 0.4% | 7.6% | 14.8% |

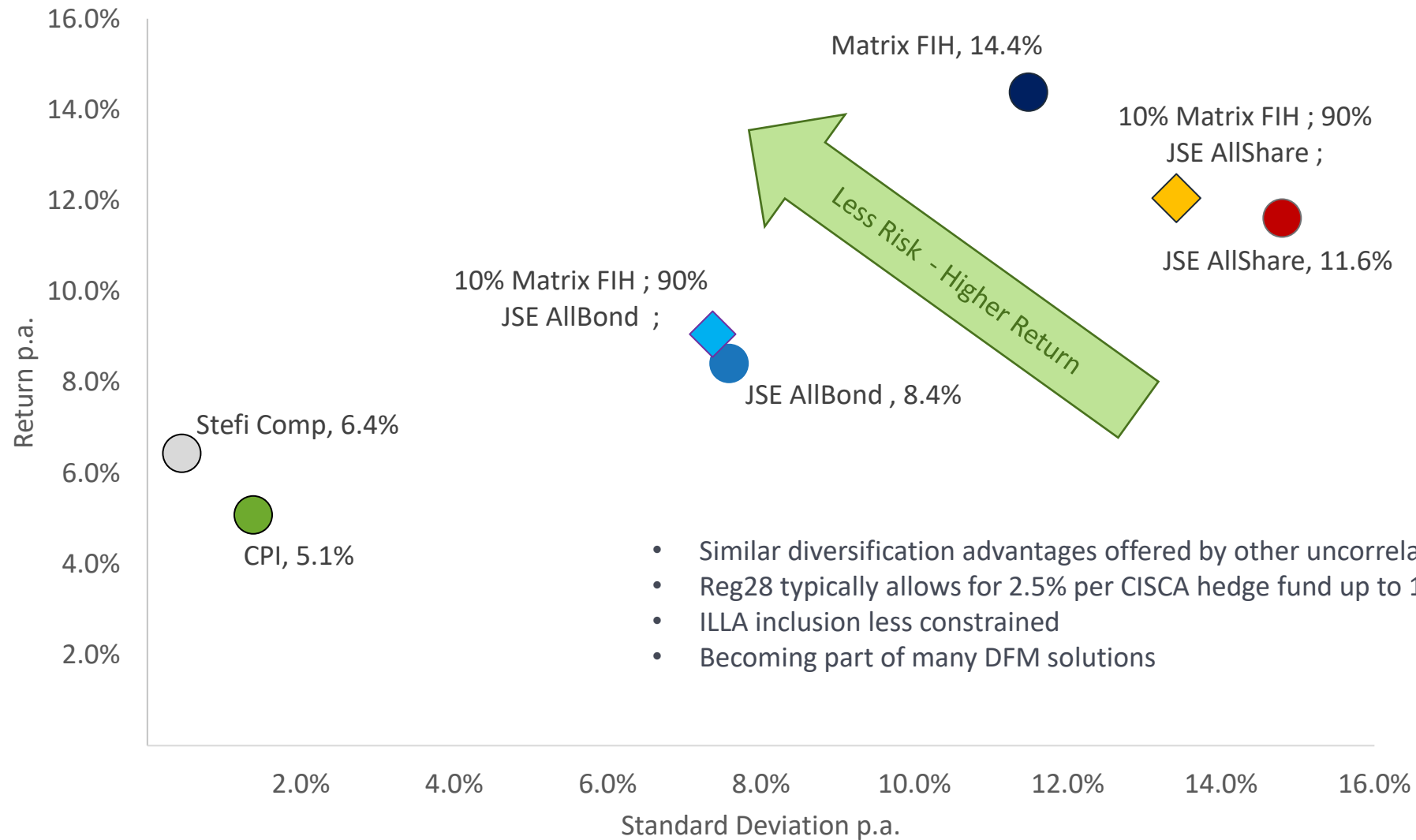
* Periods greater than 1 year are annualised



Diversification benefits



Diversification benefits



- Similar diversification advantages offered by other uncorrelated hedge funds
- Reg28 typically allows for 2.5% per CISCA hedge fund up to 10%
- ILLA inclusion less constrained
- Becoming part of many DFM solutions

Alpha =

Mandate advantage

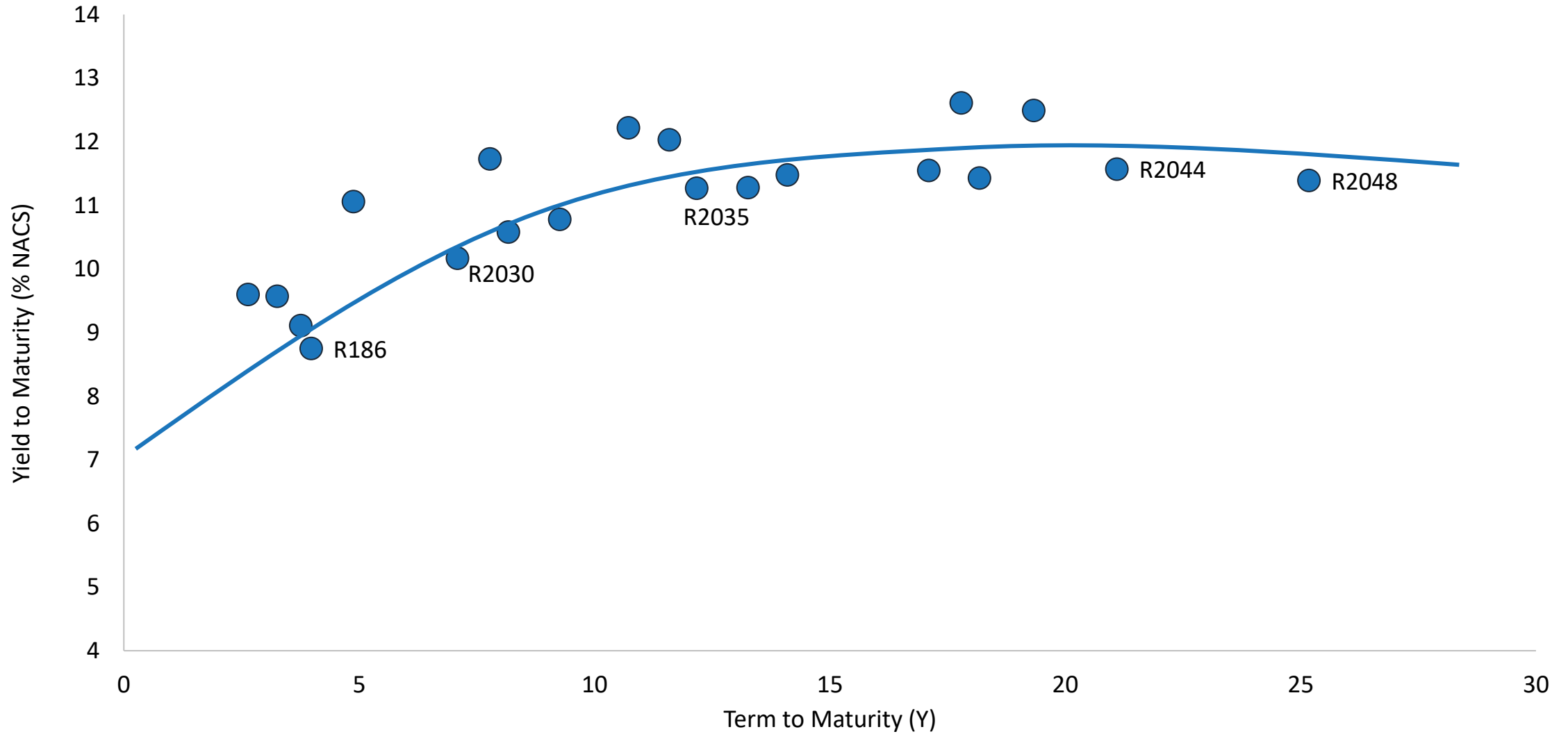
+ Skills advantage

+ Operational advantage

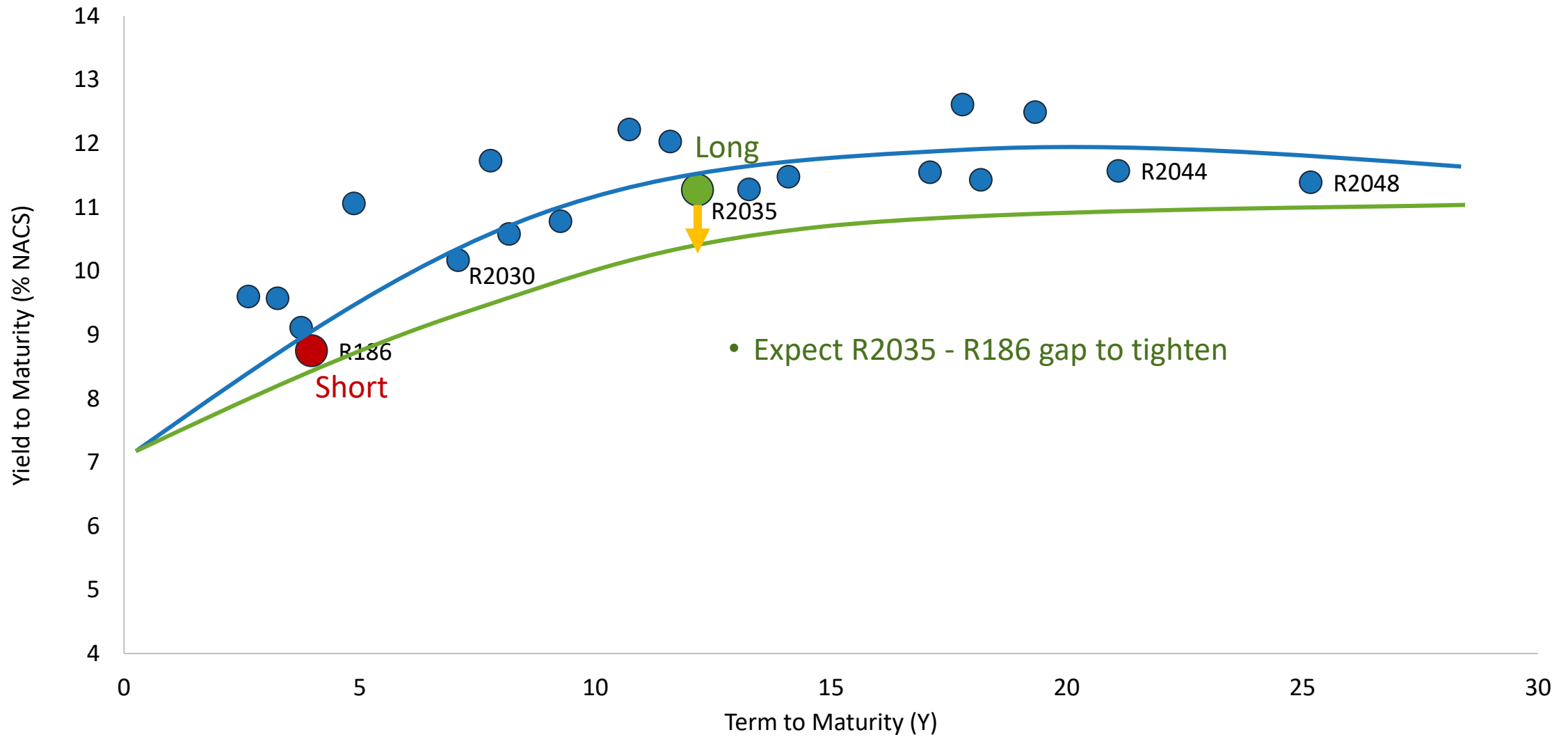
Let's talk fixed income hedge...

Money market
STeFI
Fixed deposit
Jibar
Risk
VAR
Leverage
Credit
Yield curve
Flatten
Steepen
Bond market
Monetary Policy
Dovish
inflation
Hawkish
growth
IRDs
Swaps
FRAs
paid
received

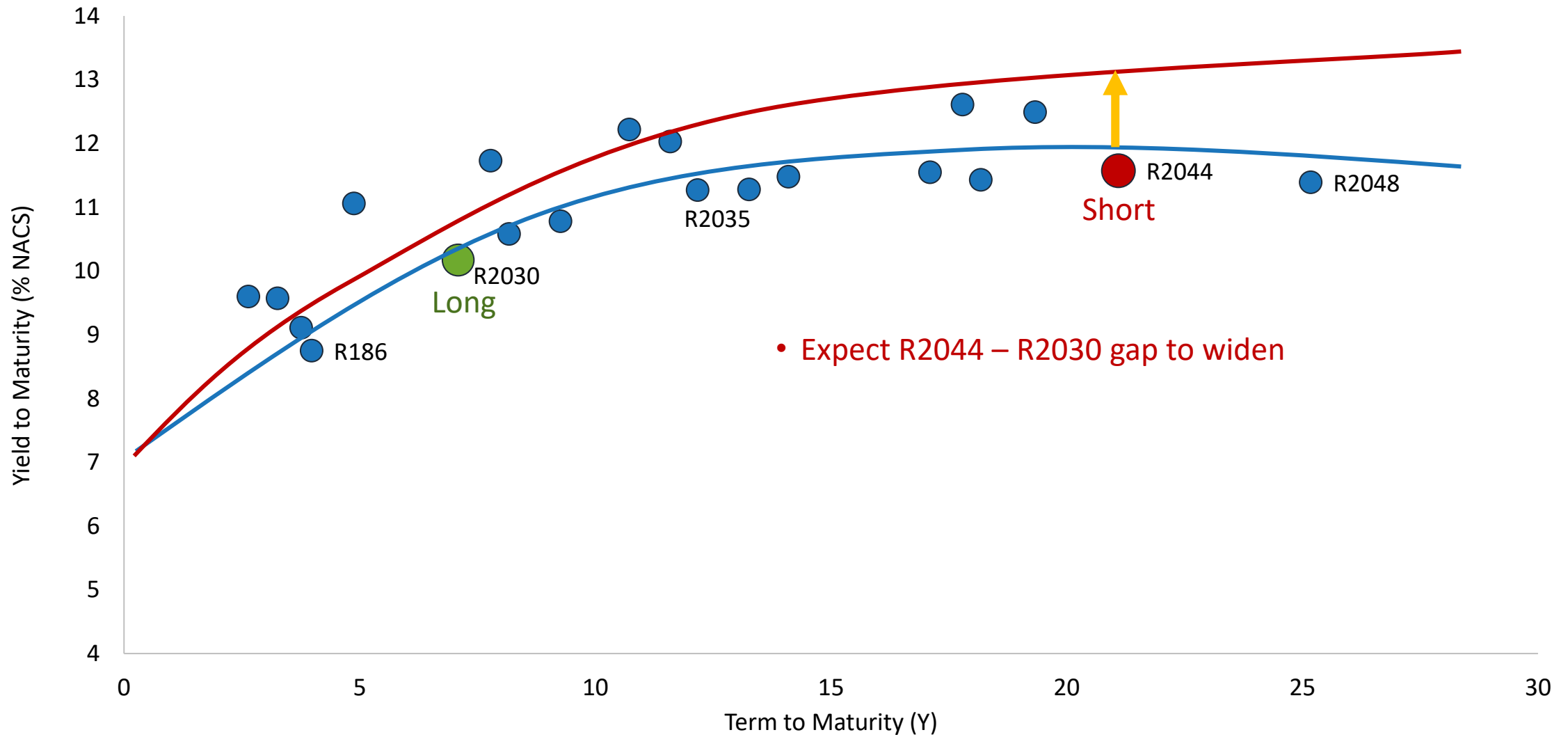
The yield curve



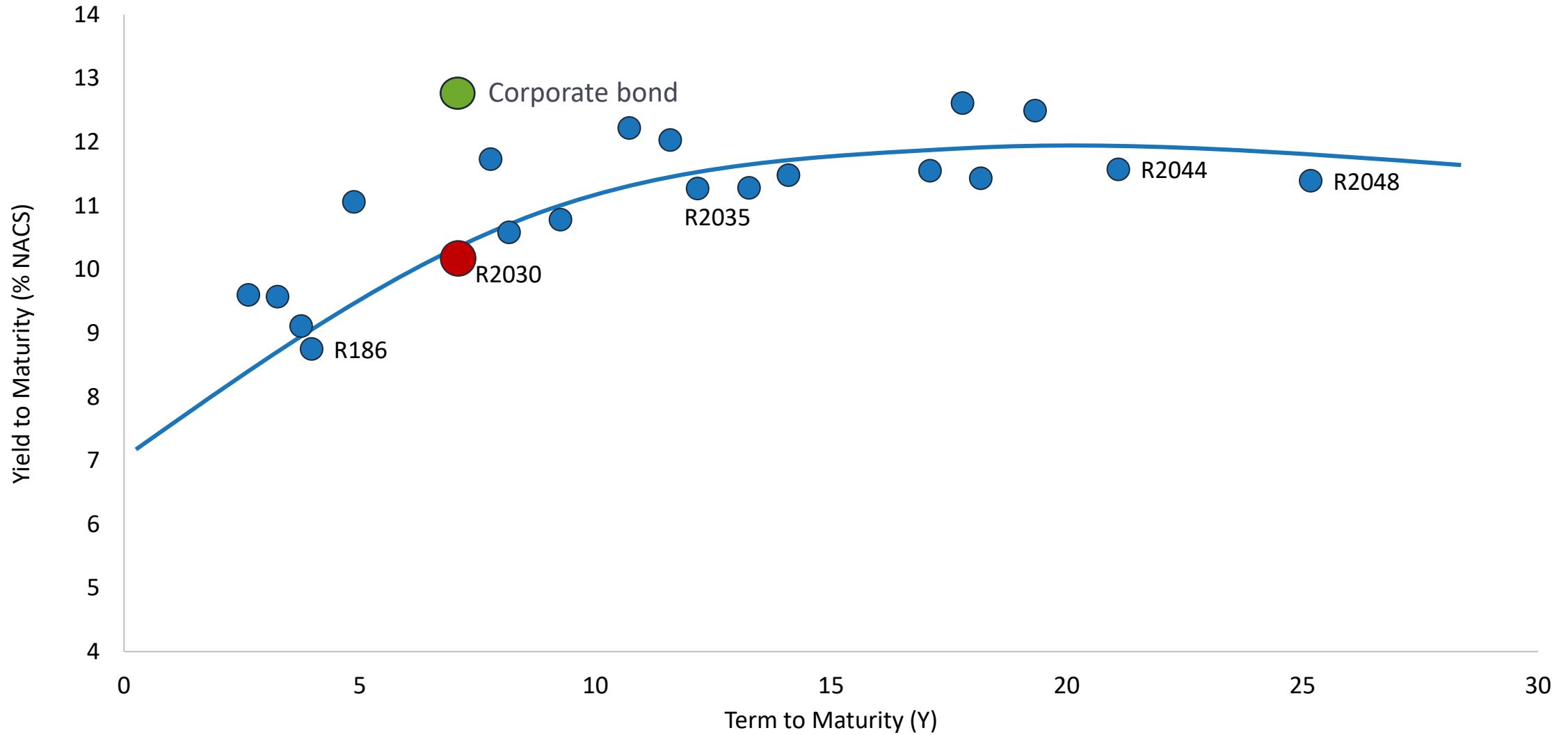
The yield curve - flattener



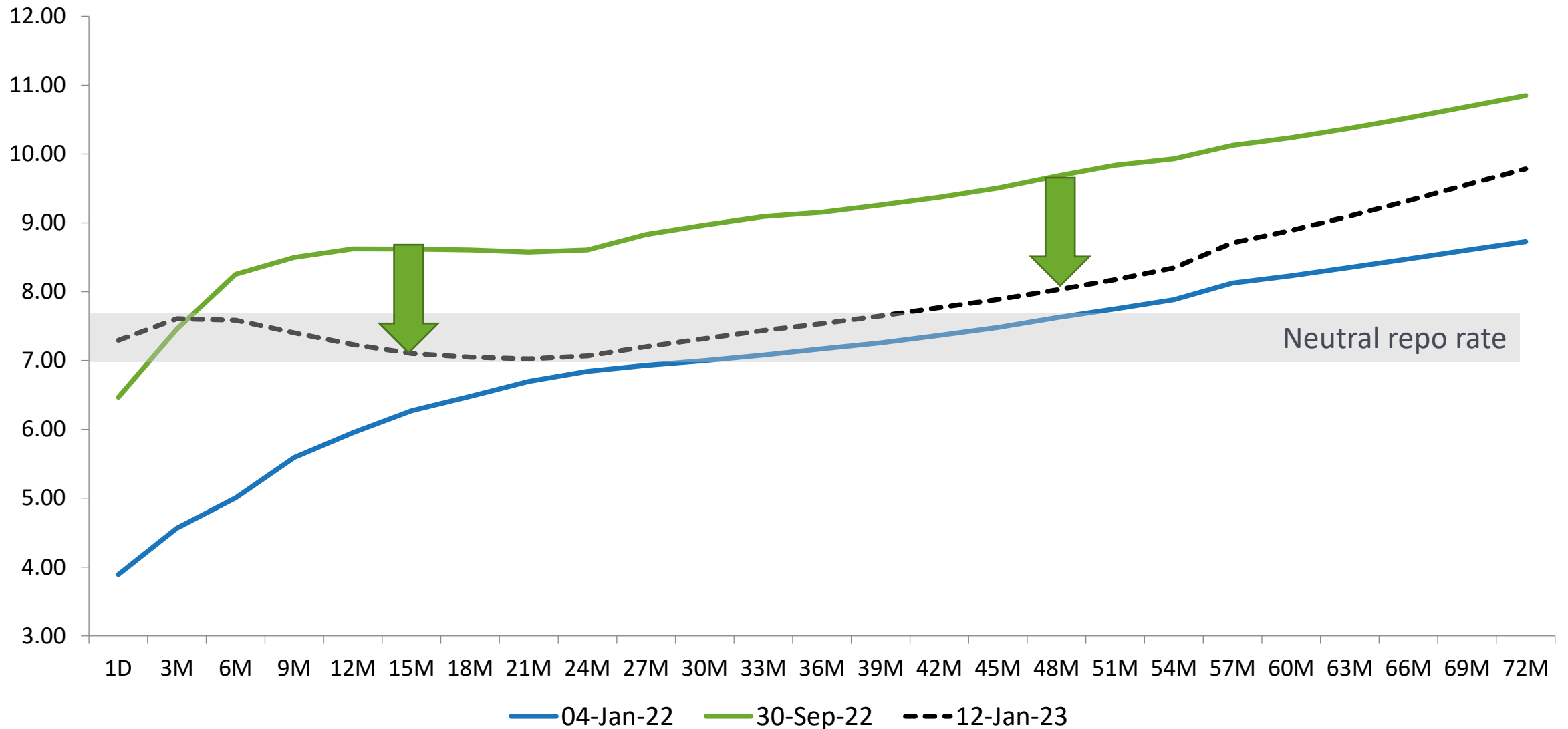
The yield curve - steepener



The yield curve - credit

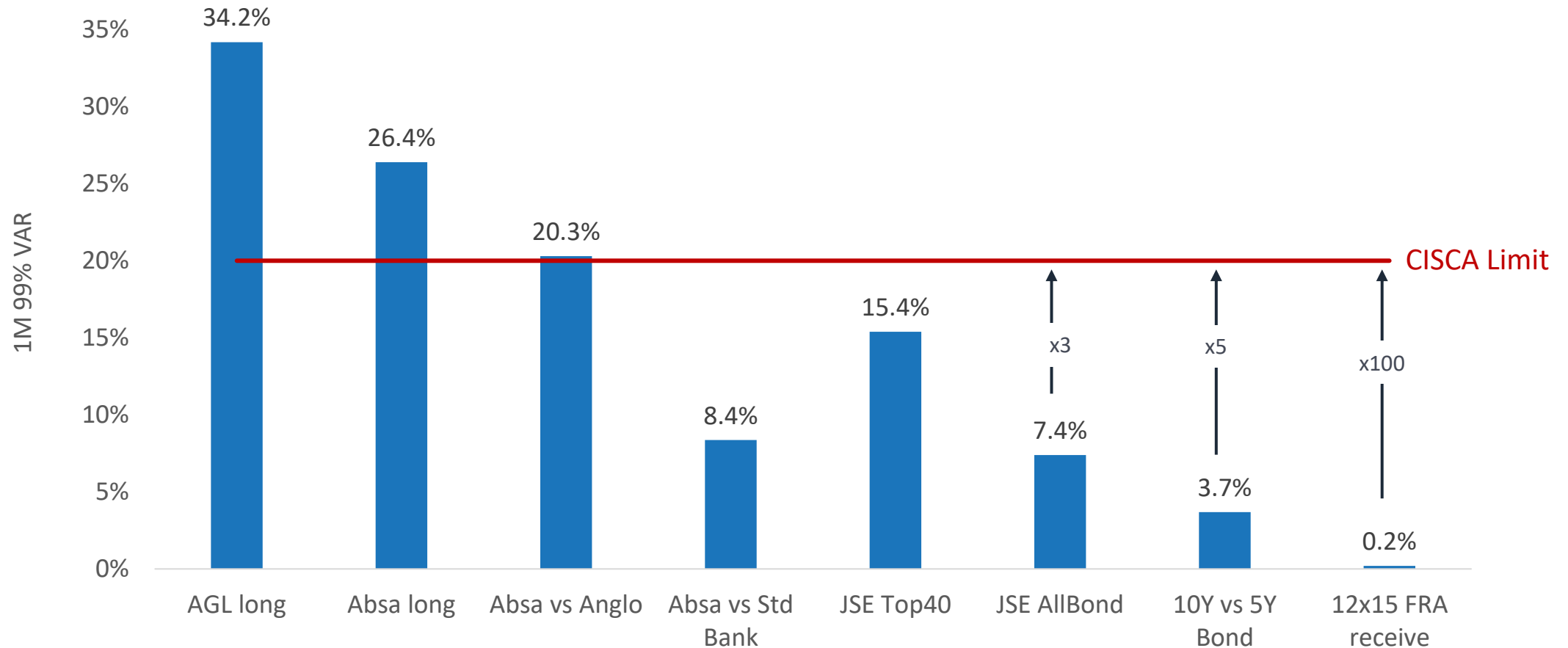


IRDs - Forward 3m JIBAR curve ("FRA curve")



Risk: Leverage vs VAR

- CISCA Reg 52 limit: 1 Month 99% VAR less than 20% **Huh!?**



Regulatory Disclosures



Matrix Fund Managers is an Authorised Financial Services Provider.

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Any performance figures are calculated on a NAV to NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ as a result of initial fees, time of entry/actual investment date, date of reinvestment, and withholding taxes. Forward pricing is used. The Manager does not provide any guarantee in respect to the capital or the return of the portfolio. The performance of the portfolio depends on the underlying assets and variable factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risk, political risk, currency risk, tax risk, settlement risks and potential limitations on the availability of market information.

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how performance fees are calculated and applied, is available on request from the Manager and on the Manager's website.

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Thank You

