CATALYST CASH ENHANCED FUND

CATALYST INVESTMENT MANAGERS

Fund Objective

The portfolio objective is to provide a high level of income from fixed income instruments and preserve capital. The aim is, to provide returns in excess of traditional money market portfolios.

The mandate is more flexible and the weighted average portfolio duration will be longer than that of traditional money market portfolios but less than two years.

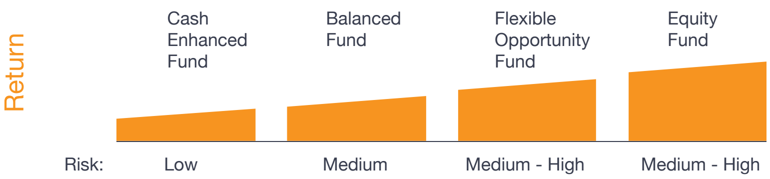
Fund Benchmark

The fund investment benchmark is the IJG Call Index

Fund Investment Strategy

The portfolio is actively managed through a combination of top-down asset allocation and bottom up asset selection.

The fund invests in a combination of Namibian and South African fixed income investments such as cash, bonds, preference shares, debenture stock, debenture bonds and money markets that offer a highly predictable level of current income and a moderate protection of capital depending on term invested.



Fund Performance June 2024

	Fund Net	Benchmark (IJG Call Index)	Out / Under
1 Month	0.69%	0.55%	0.14%
3 Months	1.91%	1.68%	0.23%
9 Months	5.84%	5.15%	0.69%
1 Year	8.09%	6.94%	1.16%
Annualised Since Inception	6.00%	5.80%	0.19%

Fund Key Holdings

Government of Namibia
Nampost

Fund Managers

Mr. Brown Amuenje
Principal & Chief Investment Officer

Mr. Cheryl Emvula
Head of Research

Fund Information

Fund Size	N$ 48,290,553.94
Fund Classification	Interest Bearing - Short Term Risk Profile
Risk Profile	Low Risk
Bench Mark	IJG Call Index
Launch Date	March 2019
Distribution Dates	1st Business Day
Income Distribution	Annually
Lump Sum Investment	N$ 10,000
Monthly Investment	N$ 500

Fees

Initial Fees	0,00%
Financial Advisor Fee	2.50%
Management Fee	1.00%

FUND MANAGER COMMENTARY

MACRO LANDSCAPE: Q2'2024

Reg No: 2016/1534

MARKET OVERVIEW

Interest rate cuts remain a central topic in financial markets, with investors and economists scrutinising inflation and labour market data to gauge their influence on the likelihood and timing of rate cuts.

While the Federal Reserve waits for clearer signs that U.S. inflation will return to target, the global trend among central banks has shifted away from tightening policies. With global inflation easing, more than 10 central banks, including Canada, Switzerland and the European Central Bank, have begun cutting rates. The monetary policy environment is shifting towards rate cuts. Investors expect this trend to grow stronger in the coming quarters, albeit at varying speeds depending on each country's inflation and economic growth conditions.

In Q2, negative economic surprises increased as the U.S. economy underperformed expectations. Job growth slowed in April, and the unemployment rate rose to 4% in May. Retail sales declined in April, raising concerns about consumer strength, especially for lower-income households. May manufacturing survey data indicated a slowdown and the U.S. Census Bureau reported slower-than-expected economic growth in Q1. Investors are debating whether these negative surprises signal a trend towards slower growth. Markets will closely watch economic data in Q3 however, the index reflects economic performance relative to investor expectations rather than growth rates. The key question may be whether the U.S. economy is returning to its pre-pandemic trend after years of above-average growth, necessitating adjusted investor expectations.

Furthermore, Namibia reported its 12th consecutive quarter of positive real GDP growth in Q1 '24, with a 4.7% y/y increase. The electricity and water sector led growth at 9.8%, followed by wholesale and retail trade (8.4%), transport and storage (7.6%), and health (7.5%). Real growth was observed in all broad sectors except manufacturing. The primary sector grew 5.1%, driven by mining and quarrying. The secondary sector saw a slight growth of 1.5%, hindered by declines in diamond cutting, basic metals, and meat processing. The tertiary sector grew 4.7%, with wholesale and retail trade continuing its positive streak.

STRATEGY AND POSITIONING

The Catalyst Cash Enhanced Fund will continue to benefit from the high interest rate environment. As a result, the fund will continue to lock in more favourable rates as rate cuts transpire. The fund will strategically increase its exposure to attractively priced assets to lock in higher yields and maintain its outperformance with TBs remaining attractive relative to NCDs.

We believe our fund is well-positioned to benefit from high interest rates as well as marginal rate cuts for the next 6 – 12 months as the fund's maturity profile is well-balanced. Going forward the fund will continue to look for opportunities to diversify its investment.

FUND PERFORMANCE UPDATE

The Catalyst Cash Enhanced Fund demonstrated strong performance, delivering a 0.69% return in June, outperforming the IJG Call Index which returned 0.55%. Over the quarter, the fund achieved a1.91% return, surpassing the benchmark by 0.23%. Much of this outperformance can be attributed to our strategic asset positioning and duration strategy.

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