



# CATALYST FLEXIBLE OPPORTUNITY FUND



**CATALYST**  
INVESTMENT MANAGERS

## Fund Objective

The objective of the fund is to provide total returns that is in excess of Namibian Inflation over the medium term. Furthermore, the fund seeks to provide a high level of capital stability and minimize losses over any 1-year period.

Therefore, the fund aims to:

- Beat Namibian Inflation +4%
- Protect 90% of the net investment over a 12 months period

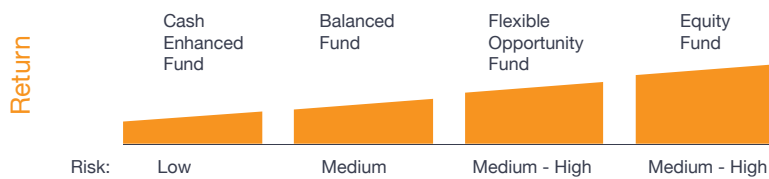
## Fund Benchmark

The fund investment benchmark is Namibian Inflation (NCPI) + 4%.

## Fund Investment Strategy

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

The fund can invest in a wide variety of domestic (Namibia & South Africa) and international asset classes such as equities, commodities, listed property, conventional bonds, inflation linked bonds, and cash. The maximum fund equity exposure is either 100% equity exposure or 100% cash exposure depending on market conditions.



## Fund Performance September 2024

	CIM Net	Benchmark (Nam CPI +4%)	Out / Under
1 Month	1.88%	0.74%	1.14%
3 Months	4.94%	1.50%	3.43%
Since Inception	8.10%	4.59%	3.50%

## Fund Asset Allocation

South Africa & Namibian Equities	42.6%
Offshore Equity	26.1%
Fixed Income	27.0%
Cash	2.50%

## Fund Key Holdings

Naspers Limited-N SHS	AngloGold Ashanti Plc
FirstRand Limited	Mr Price Group Limited
Capitec Bank Holdings Limited	Standard Bank Group Limited
Nedbank Group Limited	African Rainbow Minerals Limited
Harmony Gold Mining Co Ltd	Aspen Pharmcare Holdings Limited

## Fund Managers

**Mr. Brown Amuenje**

Principal & Chief Investment Officer

**Mr. Cheryl Emvula**

Head of Research

## Fund Information

**Fund Size** N\$4,743,390.45  
**Fund Classification** Multi-Asset  
 Medium Term  
 Risk Profile

**Risk Profile** Medium-High

**Bench Mark** NCPI +4%

**Launch Date** April 2024

**Distribution Dates** 1st Business Day

**Income Distribution** Semi-Annually

**Lump Sum Investment** N\$ 10,000

**Monthly Investment** N\$ 500

## Fees

**Initial Fees** 0,00%

**Financial Advisor Fee** 2.50%

**Management Fee** 1.25%

# FUND MANAGER COMMENTARY

MACRO LANDSCAPE: Q3'2024

Reg No: 2016/1534

## MACRO LANDSCAPE

### Global

The third quarter of 2024 was characterised by a global shift towards monetary policy easing as central banks responded to economic uncertainties. The U.S. Federal Reserve Bank initiated a rate-cutting cycle with a significant 50 bps reduction, followed by similar moves from the European Central Bank and the Bank of England.

China also implemented a substantial economic stimulus package, in September, to bolster its economy and support its property sector.

Despite global headwinds, the US economy remains resilient. While employment data showed a cooling labour market, a strong September jobs report mitigated recession fears. The IMF forecasts US GDP growth of 2.6% in 2024 and 1.9% in 2025. The global economy is forecasted to grow moderately at 3.2% and 3.3% in 2024 and 2025, respectively.

Gold prices surged by 13.3% in Q3, benefiting from the dovish monetary policy stance.

### South Africa

South Africa's economy expanded by 0.4% in Q2 2024, driven by the financial and business services sectors. The country's

economic outlook is improving driven by the stabilisation of its load-shedding issues.

Overall, the local financial markets experienced a boom from the post-GNU optimism with the South African Reserve Bank (SARB) cutting interest rates for the first time since 2020, as inflation eased to its lowest in three years at 4.4%. Real yields remain elevated, while the rand strengthened against the dollar trading at a record low of 17.12.

The IMF projects modest economic growth of 0.9% in 2024 and 1.2% in 2025 for South Africa.

### Namibia

Namibia's economy continued its positive trajectory in Q2 2024, recording a 3.5% year-on-year growth. The transport and storage sector led the growth at 8%, followed by wholesale and retail trade at 5%. However, the agriculture & forestry; mining & quarrying sectors experienced declines, of -5% and -7% respectively, due to global demand weakness and drought conditions. The Bank of Namibia (BoN) unexpectedly cut interest rates in August, followed by a similar move from the SARB. BoN expects GDP growth to moderate from 4.2% in 2023 to 3.1% in 2024.

## STRATEGY AND POSITIONING

During Q3 of 2024, our strategy focused on capitalising on the strong performance of South African equities, especially small- and mid-caps, which outperformed developed markets. We increased exposure to the JSE due to the post-GNU optimism and structural improvements in the energy sector. Conversely, we reduced our exposure to Namibian equities, given their underperformance, and trimmed developed market equities due to limited upside potential.

On the property aspect, we increased our exposure as a result of falling interest rates, with SAPY's strong performance indicating further potential in this sector.

Moreover, in Q4 of 2024, we will maintain our overweight in South African equities, particularly in small- and mid-cap stocks, while remaining cautious on developed markets. We expect continued momentum in the JSE, supported by structural reforms and energy sector improvements. In Namibia, while cautious on equities, we will closely monitor fixed-income opportunities, as we expect resilience in Namibian bonds, considering the optimistic prospects in the Oil & Gas sector that will significantly benefit the Namibian market.

Our portfolio remains aligned with the global risk-on sentiment, focusing on emerging markets, particularly South Africa, where we expect continued outperformance.

## FUND UPDATE

The Catalyst Flexible Opportunity Fund generated a return of 4.94% for the quarter and 1.88% in September. This result-

ed in an outperformance of the benchmark by 3.43% for the quarter and 1.14% in September.

**DIRECTORS:** Dr. Tjama Tjivikua | Mr. Jerome Davis | Mr. Brown Amuenje | Mr. James Cumming | Ms. Yolandi Tjejamba

+264 83 330 8080

+264 83 330 8081

info@catalyst.com.na

www.catalyst.com.na

47 Jason Hamutenya Ndadi Street,  
Olympia, Windhoek

 CATALYST  
INVESTMENT MANAGERS

 bcin  
Boutique Collective Investment Namibia