

CATALYST FLEXIBLE OPPORTUNITY FUND

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

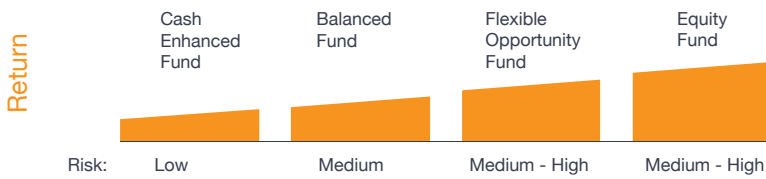
Fund Benchmark

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 December 2024

	CIM Net	Benchmark (Nam CPI +4%)	Out / Under
1 Month	0.12%	0.74%	-0.61%
3 Months	2.07%	2.24%	-0.17%
6 Months	7.10%	4.55%	2.55%
Since Inception	10.33%	6.93%	3.40%

Fund Asset Allocation	Percentage
South Africa & Namibian Equities	46.9%
Offshore Equity	24.7%
Fixed Income	23.4%
Cash	5.1%

Fund Key Holdings

Naspers Limited-N SHS	FirstRand Limited
Capitec Bank Holdings Limited	Nedbank Group Limited
Prosus	AngloGold Ashanti Plc
British American Tobacco Plc	Harmony Gold Mining Co Ltd
Sanlam Limited	



CATALYST
INVESTMENT MANAGERS

Fund Managers

Mr. Brown Amuenje
Principal & Chief Investment Officer

Fund Information

Fund Size	N\$5,559,695
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: Q4'2024

Reg No: 2016/1534

MACRO LANDSCAPE

Global

The fourth quarter of 2024 continued the global trend of interest rate cuts initiated in Q3. The United States and the Eurozone, reduced rates by 50 bps while China and the United Kingdom implemented smaller 25 bps cuts. A significant event was the U.S. presidential election results, where Donald Trump defeated Kamala Harris. The markets reacted positively, with the S&P 500 and Nasdaq gaining 5.7% and 6.2%, respectively, in November. Despite this optimism, uncertainty looms over Trump's economic recovery strategy. Investors are closely watching his policy plans post-inauguration in January 2025.

The International Monetary Fund (IMF) projects US economic growth of 2.2% in 2025, while global growth is expected at 3.2%.

South Africa

The South African Reserve Bank reduced the repo rate by 25 bps in November to 7.75%, in line with the global trend. Further rate cuts totalling 75 bps are anticipated by year-end 2025, potentially lowering the repo rate to 7.00%. The South African economy grew by 0.3% in Q3 2024 year-on-year, driven by

declining agricultural output, however SARB forecasts modest growth of 1.7% in 2025. Investor sentiment has improved with the Government of National Unity (GNU), but structural reforms remain crucial for sustainable growth.

Namibia

Namibia recorded its 14th consecutive quarter of positive real GDP growth in Q3 2024, with the economy expanding by 2.8%. Key growth drivers include Health (16.0%), Financial Services (7.1%) and Wholesale & Retail Trade (5.6%) driven by increased public sector employment, rising insurance premiums and higher retail sales. However, Mining & Quarrying (-6.7%), Agriculture & Forestry (-6.3%) and Water & Electricity (-2.8%) contracted due to a weak global diamond demand and drought.

The Bank of Namibia adopted an aggressive monetary easing approach, with two repo rate cuts of 25 bps in October and 25 bps in December, resulting in a repo rate of 7.25% in October and 7.00% in December.

Looking ahead, BON projects a robust growth for Namibia in 2025, with a forecast of 4.0% driven by continued economic momentum.

STRATEGY AND POSITIONING

During Q4 2024, we increased our allocation to South African equities, as we expect these assets to continue their outperformance moving forward due to the ongoing GNU's economic boom and the country's improving energy sector. Over the quarter, we raised our exposure to Industrials, driven by anticipated increases in domestic spending as inflation and interest rates decline, and to Financials, primarily through higher investments in insurance companies which we expect to perform well due to rising insurance premiums. Conversely, we decreased our weight in Developed Market

Equities due to limited upside potential. We also increased our weight in Property to benefit from the falling interest rates and the continued outperformance of the South African Property Index (SAPY). Furthermore, we decreased our allocation to Namibian Fixed Income considering the ongoing rate-cutting cycle and the subsequent lower yields expected in Namibia going forward. These adjustments reflect a strategic alignment with prevailing economic trends and growth opportunities.

FUND UPDATE

The Catalyst Flexible Opportunity Fund generated a return of 2.07% for the quarter and 0.12% in December. This resulted

in an underperformance of the benchmark by -0.17% for the quarter and -0.61% in December.

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