



CATALYST

INVESTMENT MANAGERS

CATALYST CAUTIOUS BALANCED FUND- HANGALA PRESCIENT

Fund Objective

The objective of the fund is to provide total return that is in excess of Namibian Inflation over the medium term. Further, 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 +3% over a rolling 3 year period
- Protect 90% of the net investment over a 12 months period

Fund Benchmark

The fund investment benchmark is Namibian Inflation (NCPI) + 3% over a rolling 3 year period.

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 net equity exposure is 50%.



Fund Performance

	Fund	Benchmark	Outperformance
1 Month	1.21%	0.37%	+0.84%
3 Months	29.4%	1.19%	+1.74%
6 Months	4.22%	2.71%	+1.52%
9 Months	9.44%	3.23%	+6.21%
1 Year	7.93%	5.25%	+2.68%
Since Inception	13.36%	8.70%	+4.66%

Fund Asset Allocation

Equities	25.9%
Listed Property	0.4%
Offshore	21.7%
Fixed Income & cash	52.4%

Fund Key Holdings

Satrix Msci World Feeder	Cartrack Holdings
Naspers	Clicks
Firststrand	Anglo American Plc
Newgold Platinum Debentures	British American Tobacco
	Prosus Bhp Group Plc



Fund Managers

Mr. Brown Amuenje
Principal & Chief Investment Officer

Mr. Jerome Thobias
Investment Analyst

Fund Information

Fund Size	N\$ 2.1 million
Fund Classification	Interest Bearing - Short Term Risk Profile
Risk Profile	Low-Medium
Bench Mark	NCPI +3% over a rolling 3-year period
Launch Date	March 2019
Distribution Dates	TBC
Income Distribution	Semi-Annually
Lump Sum Investment	N\$ 10,000
Monthly Investment	N\$ 500
Total Expense Ratio	
Fees	
Initial Fees	0,00%
Financial Advisor Fee	2.50%
Management Fee	1.25%

FUND MANAGER COMMENTARY



BUSINESS UPDATE

We are pleased to share with our clients, our Fund Manager Commentary for the quarter ending 31 December 2020. We remain grateful for the continued support, confidence and trust shown by our clients in our capabilities. Our business objective and strategy is premised on demonstrating that we can build an investment management firm that is focused on delivering the best outcomes for our clients and a business that is owned, controlled and managed by Namibians.

We have conceptualized a business with strong accountability, systems and processes that meet global standards. To this end, we are confident that our clients will experience an investment

management firm that offers the Namibian investing public a world-class investment experience, made in Namibia by Namibians.

We have successfully completed our recruitment process and we have increased our investment team and research capability with 2 graduate trainees in January 2021. This is an exciting step in the realization of our commitment to the Namibian investment industry by providing opportunities to young Namibians and increasing capacity in the sector.

MARKET COMMENTARY

The JSE ALSI returned 7.0% during 2020, with large market cap companies performing better in 2020 with the Top 40 index returning 10.0%, compared to the mid cap index -14.4% and small cap index -0.3%. The Resources 10 index returned +16.9%, Industrial 25 index returned 12.0% whilst the Financials 15 index had a torrid year returning -19.7%.

Global equities yielded better returns for investors, MSCI world index +15.90%, the S&P500 index was up +16.26%, the Dow Jones Industrial Index was up +7.25%, Nasdaq +44.6%.

Inflation on the local front slowed to 2.2% in November 2020 from 2.5% a year ago and remain unchanged at 0.1% month on month from October 2020. It does appear that there are no immediate and significant inflationary pressures on the horizon as the economy struggles for growth.

The Covid-19 pandemic appears to have an end in sight with vaccines being rolled out in developed countries, although it

remains uncertain when critical mass will be reached. Most countries are now going through second and third waves, which worryingly have higher infection rates and deadlier than the initial outbreak.

In the short term, we think that we might experience global market volatility with a low interest rate environment to prevail for a while. This will have an impact on portfolio returns that have both equity and fixed income exposures, we thus advise clients to be patient and maintain a long-term view with regards to portfolio returns.

We remain cautious, as we believe the effects of the Covid-19 pandemic continue to filter through global economies. Our portfolio and stock selection continues to be tilted towards high quality businesses that we believe can better weather the economic turbulence and companies that have diversified earnings stream.

FUND PERFORMANCE UPDATE

The fund generated a return of +1.21% for the quarter, outperforming its benchmark by 84 basis points. Further on a since inception

basis, our fund has outperformed the benchmark, by generating returns of 13.36%, whilst the benchmark returned 8.70%.



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