



CATALYST

INVESTMENT MANAGERS

CATALYST CASH ENHANCED FUND- HANGALA PRESCIENT

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 Money Market 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

	Fund	Benchmark	Outperformance
1 Month	0.48%	0.37%	+0.11%
3 Months	1.27%	1.14%	+0.12%
6 Months	2.60%	2.48%	+0.11%
9 Months	4.62%	3.99%	+0.63%
1 Year	5.97%	5.84%	+0.13%
Since Inception	12.43%	11.71%	+0.72%

Fund Key Holdings

Nedbank
Government
Nampost



Fund Managers

Mr. Brown Amuenje
Principal & Chief Investment Officer

Mr. Jerome Thobias
Investment Analyst

Fund Information

Fund Size N\$ 5.5 million
Fund Classification Interest Bearing - Short Term Risk Profile

Risk Profile Low Risk

Bench Mark IJG Money Market Index

Launch Date March 2019

Distribution Dates 1st Business Day

Income Distribution Monthly

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 1.00%

FUND MANAGER COMMENTARY



BUSINESS UPDATE

We are pleased to share with clients, our Fund Manager Commentary for the quarter ended 31 December 2020. We remain grateful for the continued support, confidence and trust shown by all 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 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 industry.

MARKET COMMENTARY

Namibian Inflation (NCPI) 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. There appears to be no significant inflationary pressures on the horizon as the economy struggles for growth and a strengthening currency helping in managing to contain upward trending oil prices.

The bank of Namibia maintained the repo rate at 3.75% at both MPC their meetings during the quarter under review. This was done with a view to continue supporting the domestic economy and safeguarding the Nam Dollar peg to the Rand.

As stated in our previous quarterly update we think that the BON has likely reached the end of the rate cut cycle and expect rates to remain stable at these levels over the short to medium term subject to inflation remaining at these levels as well. It must be noted that although rate cuts may have helped cushion the blow from the Covid-19 pandemic it doesn't appear to be stimulating the Namibian economic recovery as some economic data such as the Private Sector Credit Extension numbers remain subdued.

The Namibia Statistics Agency released the Q3 2020 GDP numbers this quarter and as expected the domestic economy recorded another deep contraction of 10.5% compared to a 2.1% decline recorded in the same quarter in 2019. The Covid-19 pandemic continued to take its toll on the local economy with Hotels and restaurants recording the worst performance of a 54.9% decline in value added. The ICT sector recorded robust growth of 13.8% a trend observed globally due to increased demand for data services and Internet connectivity as more people are working from home.

At the time of writing several Covid-19 vaccines have begun roll out in developed countries providing hope that the pandemic may be reaching an end in the not so distant future. It must however be noted that, it is unlikely that African countries including Namibia will have fully rolled out of the vaccines by Q1 or even Q2 of 2021, and on this backdrop we foresee further economic pain on the horizon for the first half of 2021.

FUND PERFORMANCE UPDATE

The fund has generated positive performance by outperforming the benchmark during the quarter by 12 basis point(bps) and on a since inception by 72 basis points (bps). Our outperformance during the quarter was despite a relatively low interest rate environment and compressing yields. We obsessively strive to maintain the value created for our clients as we continue on the journey of creating a truly Namibian investment management firm.

Our results can be attributed to our fixed income strategy of

actively managing portfolio duration, credit quality in a challenging and declining yield environment.

It is important to note that investors should be patient and we urge you to have a long-term investment horizon with money market investments. This is further supported by the fact that money market funds generally offer better returns than traditional bank products and provide better liquidity because your investment is available within 48 hours.



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