

CATALYST CASH ENHANCED FUND

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.

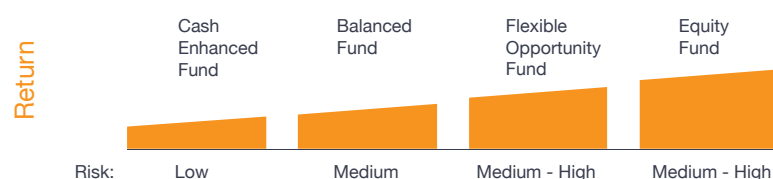
Fund Benchmark

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 March 2025

	CIM Net	Benchmark (IJG Call Index)	Out / Under
1 Month	0.64%	0.52%	0.12%
3 Months	1.89%	1.50%	0.39%
6 Months	4.05%	3.14%	0.91%
9 Months	6.26%	4.87%	1.39%
1 Year	8.29%	6.63%	1.66%
Annualised Since Inception	6.29%	5.89%	0.40%

Fund Key Holdings

Government of Namibia



CATALYST
INVESTMENT MANAGERS

Fund Managers

Mr. Brown Amuenje
Principal & Chief Investment Officer

Fund Information

Fund Size N\$ 90,254,888
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 Quarterly

Lump Sum Investment N\$ 10,000

Monthly Investment N\$ 500

Fees

Initial Fees 0,00%

Financial Advisor Fee 2.50%

Management Fee 0.60%



FUND MANAGER COMMENTARY

MACRO LANDSCAPE: Q1'2025

Reg No: 2016/1534

MARKET OVERVIEW

Global

The first quarter of 2025 was marked by escalating trade tensions and global economic uncertainty, largely driven by U.S. President Donald Trump's trade policies. In a push to reduce trade deficits and revive domestic manufacturing, the U.S. imposed tariffs on key trade partners. These actions unsettled global markets, with the S&P 500 and the Nasdaq declining by 5.8% and 8.2%, respectively, in March. Investor sentiment turned risk-averse amid fears of a potential global economic slowdown, prompting a shift toward safe-haven assets such as cash and gold, which surged 18.8% during the quarter. Although the quarter began with rate cuts in the Eurozone, China and the UK, mounting inflation concerns have led markets to anticipate limited further interest rate easing. Reflecting this uncertainty, the U.S. Federal Reserve held the federal funds rate steady at 4.50% in March 2025.

South Africa

In January 2025, the South African Reserve Bank (SARB) cut the repo rate by 25 basis points to 7.50%, its third consecutive reduction before holding steady in March 2025, amid

global economic instability and domestic uncertainty surrounding the Government of National Unity (GNU). The economy expanded by 0.6% year-on-year in Q4 2024, supported by a recovery in Agriculture and steady growth in Finance and Trade. The SARB projects modest GDP growth of 1.7% for 2025.

Namibia

The country recorded its 15th consecutive quarter of real GDP growth in Q4 2024, expanding by 3.1% year-on-year. This growth was driven by Wholesale & Retail Trade (+6.2%) and Manufacturing (+4.8%), reflecting improved consumer demand. However, Fishing (-9.9%) and Agriculture & Forestry (-5.9%) continued to contract, due to lower fish processing and weak crop production. The Bank of Namibia continued its monetary easing approach in February 2025, reducing the repo rate by 25 basis points to 6.75%. The central bank forecasts robust GDP growth of 4.0% for 2025, supported by a recovery in agriculture and improved mining performance.

STRATEGY AND POSITIONING

No changes were made to the portfolio during the first quarter of 2025. Instead, the fund focused on optimising existing holdings to capitalise on prevailing market conditions. A number of significant maturities are expected in Q2 2025, with the proceeds set to be reinvested to support the fund's historical outperformance.

With the interest rate cutting cycle likely at an end, and inflation risks rising, the fund is positioned for potential yield shifts in 2025. In response, the fund will prioritise fixed income securities on the shorter end of the yield curve in Q2 2025. This positioning will enable the portfolio to benefit from the prevailing short-term yield premium while preserving the flexibility to reinvest as market conditions adjust.

FUND PERFORMANCE UPDATE

In March, the Catalyst Cash Enhanced Fund delivered a return of 0.64%, outperforming the IJG Call Index, which returned 0.52%. During the quarter under review, the fund continued its strong performance, achieving a return of 1.89%, surpassing the benchmark's return of 1.50%. This

consistent outperformance reinforces the fund's historical track record of exceeding the benchmark since its inception. This success is largely attributed to our active strategic asset allocation and duration management.

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
Boulevard Collective Investment Namibia