

## 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.

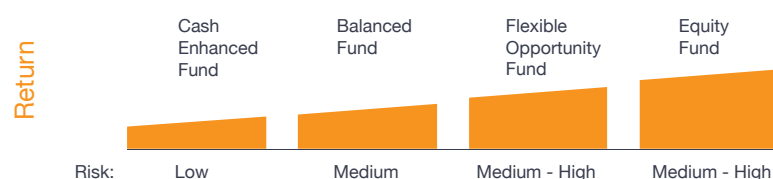
### Fund Benchmark

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 June 2025

	CIM Net	Benchmark (IJG Call Index)	Out / Under
1 Month	0.60%	0.49%	0.11%
3 Months	1.81%	1.50%	0.31%
6 Months	3.74%	3.02%	0.72%
9 Months	5.93%	4.68%	1.25%
1 Year	8.18%	6.44%	1.74%
Annualised Since Inception	6.34%	5.90%	0.44%

### Fund Key Holdings

Government of Namibia  
NamPost



**CATALYST**  
INVESTMENT MANAGERS

### Fund Managers

**Mr. Brown Amuenje**  
Principal & Chief Investment Officer

### Fund Information

**Fund Size** N\$ 94,700,272  
**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: Q2'2025

Reg No: 2016/1534

## MARKET OVERVIEW

### Global

The second quarter of 2025 was marked by geopolitical tension and global economic uncertainty. It began with 'Liberation Day,' when the U.S. administration announced reciprocal tariffs on all trading partners, aiming to reduce trade deficits and revive domestic manufacturing. This triggered a sharp market reaction, with investor sentiment turning cautious, driving the U.S. 10-year Treasury yield 35 basis points lower. Yields later rebounded as investors demanded a higher risk premium amid growing macroeconomic uncertainty. As continued volatility sustained the demand for safe-haven assets, gold rose by 4.8% over the quarter, reaching a record high of \$3,500 in April. While the Eurozone and China cut interest rates, the Federal Reserve held its rate steady at 4.50% exercising caution over potential inflationary pressures from the tariffs.

### South Africa

In May 2025, the South African Reserve Bank (SARB) cut the repo rate by 25 basis points to 7.25%, its second rate cut this year, as inflation remained below the 4.5% midpoint

target for several months. Meanwhile, rising tensions within the Government of National Unity (GNU) fuelled uncertainty and delayed policy implementation. GDP growth was subdued in Q1 2025, recording a marginal expansion of 0.1%. Strong growth in Agriculture (+15.8%) was offset by declines in mining (-4.1%) and Manufacturing (-2.0%). GDP is expected to grow by 1.2% for 2025, revised down from 1.7% expected previously.

### Namibia

Namibia's real GDP grew by 2.7% year-on-year in Q1 2025, marking the 16th consecutive quarter of expansion. Growth was primarily driven by Health (+11.4%) and Wholesale & Retail Trade (+6.5). However, Agriculture & Forestry (-20.1%) and Fishing (-8.7%) continued to decline due to weak crop production and lower fish processing. GDP is expected to grow by 3.8% for 2025 primarily driven by robust growth in uranium production and a rebound in agriculture. The Bank of Namibia held the repo rate at 6.75% during the quarter, as inflation remained well below the 4% - 6% target range.

## STRATEGY AND POSITIONING

In the second quarter of 2025, the fund remained actively managed in line with its mandate to deliver stable income and preserve capital.

A portion of the portfolio matured during the period, with proceeds redeployed into longer-dated treasury bills and fixed deposits to lock in attractive yields and enhance the portfolio's earning potential.

This repositioning reflects our view that yields will continue to decline given the stable inflation and interest rate environment. Going forward, we plan to increase the portfolio's duration to align with this outlook. Several maturities are expected in Q3 2025, with proceeds set to be reinvested to support the fund's historical outperformance, while ensuring liquidity is maintained.

## FUND PERFORMANCE UPDATE

In June, the Catalyst Cash Enhanced Fund delivered a return of 0.60%, outperforming the IJG Call Index, which returned 0.49%. During the quarter under review, the fund continued its strong performance, achieving a return of 1.81%, 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.

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