

FUND FACT SHEET

31 Jan 2024



Investments

Sanlam Namibia Inflation Linked Fund

Fund Objective

The fund invests in a flexible combination of investments in the equity, bond and money markets, both locally and abroad, aiming for positive real returns (comprising capital and income growth) over the medium to long term. The fund complies with holding a minimum of 45% Namibian Asset. The fund is ideally suited to the cautious investor wanting to save for e.g. retirement. The fund is suited for any investor wanting to earn a real return.

Fund Strategy

The fund can invest in local and international equity, gilt and money markets. Up to 20% of the value of the fund may be invested in other unit portfolios.

Why choose this fund?

*The fund aims to smooth returns and reduce volatility and is thus an ideal investment for times of market instability.

*Capital protection is of primary importance. This makes it an ideal investment for the client who has a medium-term (or longer) investment in mind and who requires capital stability.

*The fund is recommended for use as a core fund when following a core/satellite approach, particularly for the more risk-averse client.

*The fund aims to outperform inflation (CPIX) by a margin of 4% (gross of fees) over any rolling 3-year period, while also aiming to prevent any capital losses over any rolling 12-month period.

*This fund is only cognizant of its target and not of any peer group.

*This fund complies with the minimum holding of 45% Namibian Assets.

Fund Information

Classification	Namibian Asset Allocation Funds
Risk profile	Cautious
Benchmark	NCPI+4% over a rolling three year period (gross of fees) with Capital Preservation over 12 month rolling period.
Portfolio launch date	1 February 2004
Minimum investment	Lump Sum N\$ 2 000 Monthly N\$ 500
Portfolio size	N\$2 673.1 million
Last two distributions	31 Dec 23: 14.02 cents per unit 30 Jun 23: 11.35 cents per unit
Income decl. dates	30 Jun 31 Dec
Income price dates	1st working day of the month
Valuation time of fund	15:00
Trading closing Time	13:00

Fees

	Retail Class (%)
Annual Wholesale Fee	0.75
Annual Service Fee	1.50

This fund is also available via certain LISPS (Linked Investment Service Providers), which levy their own fees. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Top 10 Holdings

Securities	% of Portfolio
First National Bank Namibia NCD 8.55% 14082026	9.24
First National Bank Namibia NCD 8.55% 21082026	9.24
R209 RSA 6.25% 310336	6.28
GC30 Namibia 8.00% 150130	6.13
R214 RSA 6.5% 280241	5.86
Satrix MSCI World ETF	5.40
GC27 Namibia 8.00% 150127	5.13
Bank Windhoek NCD 8.75% 25072028	4.76
GC26 Namibia 8.50% 15042026	4.55
Namibia ILB 4.50% 15012029	4.33

Top 10 Holdings as at 31 Dec 2023

Performance (Annualised)

Retail Class	Fund (%)	Benchmark (%)
1 year	7.87	9.45
3 year	7.71	9.68
5 year	7.94	8.34
10 year	7.24	8.78

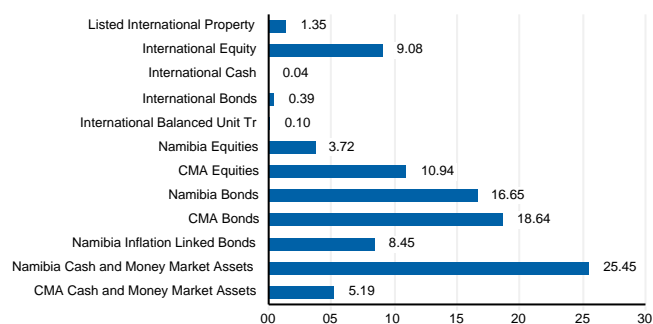
Annualized return is the weighted average compound growth rate over the period measured.

Performance (Cumulative)

Retail Class	Fund (%)	Benchmark (%)
1 year	7.87	9.45
3 year	24.96	31.93
5 year	46.50	49.25
10 year	101.22	132.08

Cumulative return is aggregate return of the portfolio for a specified period.

Asset Allocation



This monthly Fund Fact Sheet should be viewed in conjunction with the Portfolio Manager Commentary Sheet.

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Portfolio Manager(s) Quarterly Comment - 31 Dec 2023

December Market Snapshot

A review of 2023 very much resembles the volatility and turmoil that characterised the 2022 calendar year. The year commenced with elevated risks on multiple fronts. Most prominent were lingering concerns related to inflation and rising interest rates in many markets, threats of potential recession in many regions of the world, and geopolitical upheaval (at the time Russia remained at war with Ukraine).

Overall, despite adverse expectations, 2023 was an unexpectedly good year for global financial markets. A big chunk of the financial market gains occurred in the last couple months of the year during which market participants became increasingly optimistic about the likelihood of a so-called "soft landing" in the United States (US). The December FOMC statement had essentially become more dovish. It recognized overall slower growth since Q3 and noted easing of inflation over the past year. Importantly, in policy guidance, the statement cast doubt on the need to raise US short-term rates further. This shift in market narrative prompted an aggressive rally in both equities as well as fixed income markets into year end.

For the full year the S&P500 delivered an impressive total return of 26.3% while the South African All Share index delivered 9.3%. The SA property sector, represented by the SAPY delivered 10.1% for the year. Fixed income had a good year overall with the ALBI yielding a total return of 9.7%, cash, represented by the SteFI delivering 8.0% and 7.1% for inflation linked assets represented by the CILI. The ZAR depreciated by 7.8% against the USD.

It is interesting to note the comparative returns for the last quarter, namely: S&P500 11.7%, ALL Share 6.9%, SAPY 16.4%, ALBI 8.1%, Stefi 2.1%, CILI 6% and the ZAR appreciate 3% against the USD. (This shows that investors witnessed a great final quarter but a tough year, generally.)

Looking ahead, US core CPI remains sticky and despite the continuing reduction in US CPI prints, it is not yet within the US Federal Reserve (Fed)'s desired range. This reduces the likelihood of Fed rate cuts soon and increases the probability that rates remain higher for longer. Moreover, the US labour market is still running hot, and the Fed wishes to see it cool down before potentially pivoting on rates. Globally, rising bond yields have resulted in markets migrating from TINA (there is no alternative) to 'there is now an alternative', viz. bonds. Higher bond yields have increased the opportunity cost of holding equities and reduced the opportunity cost of holding bonds; this is accentuated in SA.

We now enter 2024 with a challenging combination of similar risks to the start of 2023, albeit that a consensus has formed that we are now at the peak of the global interest rate cycle and while some lingering upside risks remain a concern for inflationary forces at the margin,

overall, this general thematic risk is a lot more contained in many regions of the world than it was this time last year. Unfortunately, geopolitical risks have accelerated with the addition of the Israeli-Palestinian conflict, which commenced in October last year and continues to pose an elevated risk to the wider Middle Eastern region.

We therefore remain conservatively positioned in our funds while continually seeking to identify opportunities with appropriate risk and reward.

Portfolio Manager(s)

Eben Mare

PhD

Fernando Durrell

PhD (Mathematics), CFA

Kanyisa Ntontela

BCom (Hons) Economics

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Unit Trusts are usually medium- to long term investments. The value of units can fluctuate and past performance is not necessarily a guideline for the future. Unit Trusts are traded at current closing prices. Forward pricing used. A Statement of Fees and levies is available on request from the management company. Commission and incentives may be payable and if this is the case, it is included in the total cost.

Maximum commissions is available from the manager/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. The following charges are levied against the portfolio: Brokerage, auditor's fees, bank charges, trustee fees and RSC levies. Member of the ACI.



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