FUND
FACT SHEET

31 Mar 2024

Sanlam

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$2 645.6 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	9.13
First National Bank Namibia NCD 8.55% 21082026	9.13
R214 RSA 6.5% 280241	6.55
Satrix MSCI World ETF	6.14
R209 RSA 6.25% 310336	5.66
GC30 Namibia 8.00% 150130	5.40
Namibia ILB 4.50% 15012029	4.83
Bank Windhoek NCD 8.75% 25072028	4.71
GC27 Namibia 8.00% 150127	4.66
GC26 Namibia 8.50% 15042026	4.07

Top 10 Holdings as at 31 Mar 2024

Performance (Annualised)

Retail Class	Fund (%)	Benchmark (%)
1 year	9.04	8.46
3 year	7.32	9.38
5 year	7.17	8.32
10 year	7.09	8.65

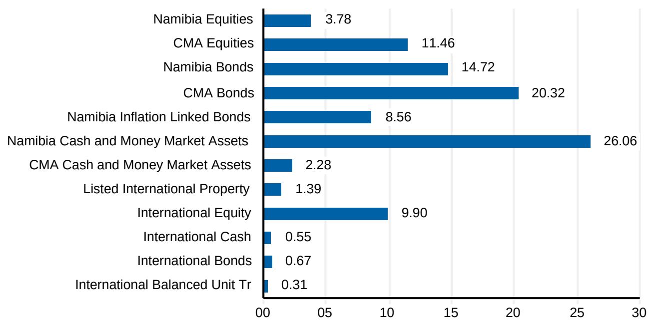
Annualized return is the weighted average compound growth rate over the period measured.

Performance (Cumulative)

Retail Class	Fund (%)	Benchmark (%)
1 year	9.04	8.46
3 year	23.61	30.87
5 year	41.37	49.11
10 year	98.38	129.23

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

Asset Allocation



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Portfolio Manager(s) Quarterly Comment - 31 Mar 2024

March Market Snapshot

Against a turbulent backdrop of 2023, the first quarter of 2024 can be described as a somewhat more ‘settled context’ from a macroeconomic perspective. Higher, but importantly, stable, interest rates continued to be absorbed around the globe, while inflation has continued to subside against high base effects year on year. Despite apparent declines in the overall pace of inflationary pressures across the globe, there is a lingering and uncomfortable sense that inflation risks remain poised in the system and that a return to the benign levels of inflation seen in the past 20 years, is potentially unlikely. Factors that underpin this narrative include a robust US economy that continues to defy gravity, elevated geopolitical turmoil across the world, and a fragile global supply chain that can easily be disrupted by any major geopolitical event or the ongoing trade wars simmering behind the scenes that have unravelled a synchronised global growth scenario. Nevertheless, while we’ve seen some emerging markets commence an interest rate cutting cycle (Brazil, Mexico, Peru, etc.), the dominant theme for the rest of this year will remain the timing of developed market interest rate cuts, which will be crucial to providing much-needed global economic relief.

The US economy has remained on its course of resilience, as employment rates remain stubbornly low, underpinning consumption and defying the elevated interest rates within their economic system. It would seem that a ‘soft landing scenario’ has so far been engineered by the US Federal Reserve (Fed), but there are heightened risks in the near term, as US corporates are increasingly impacted by high interest rates, banks remain in restrictive territory from a lending perspective and consumers face ongoing staggered mortgage renewals at higher interest rates. We thus remain in quite a delicate phase of anticipating an eventual fallout from the restrictive level of US monetary policy, while at the same time trying to anticipate the timing and extent of interest rate cuts expected later this year. The Fed has been consistent in its guidance of late, that they will still cut this year, but that the overall resilience of the US economy may be pushing out the timing of this, despite pleasing short-term inflation prints recently reported. As we’ve highlighted before, given the sheer dominance of the US economy globally, their next move always has a profound bearing on the global economic growth trajectory.

Across the emerging economy landscape, lower interest rates should provide some stimulus and relief. The one challenged region remains China. The Chinese economy had a tough 2023, plagued by the factors now widely known by investors: structural over-investment and considerable property sector challenges, compounded by weak consumption demand and a tepid post-Covid recovery. At present, we are seeing some marginal improvements in the outlook for China, augmented by a deliberate, curated expansionary fiscal policy that will focus on the stimulation of specific industries that are seen as strategic to the long-term prosperity of the Chinese economy, such as the battery electric vehicle production industry and the renewable energy industry, as key examples. While still volatile, some early high friction data around electricity consumption, exports and retail data are looking more positive at this juncture. Any recovery from the global backdrop may also bode well to stimulate demand for further growth in Chinese exports, which remain an important lever within that economy. A significant bright spot in the emerging economy landscape that is worth a mention is the Indian economy, which continues to exceed consensus expectations and could grow by between 7-8% this year. The growth trajectory in India is being driven by an investor-friendly economic environment that is encouraging investment, resulting in a protracted gross fixed-capital investment expansion that is growing at double-digit rates.

On asset class returns, the MSCI ACWI returned 3.2% in US dollar terms for the month, driven mainly by a P/E rerating of 4.1%. The MSCI World Index (i.e. excluding emerging markets) was up 3.3%, with the MSCI Emerging Markets Index up by 2.5%, with the latter driven by the performance of Taiwan (9.3%), South Korea (4.7%) and India (1.4%). The US Dollar Index was flat at 0.3%, with developed market bonds up by 0.6% and developed market net real estate up 1.7%. Locally, the FTSE/JSE Capped Shareholder Weighted All Share Index rose by 2.9% and listed property fell by 1.0%. Major changes made over the month was an increase in offshore cash and local bonds at the expense of local cash given valuations.

As a result, we maintain a conservative stance in our funds while continuously seeking out opportunities that offer an appropriate balance of risk and reward.

Portfolio Manager(s)

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