

# Lebela Balanced Fund A2

## MINIMUM DISCLOSURE DOCUMENT

### INVESTMENT AND RETURN OBJECTIVES

The Fund aims to return CPI + 5% per annum over a full market cycle with less capital risk than the average balanced fund. The Fund is Regulation 13 compliant and at least 45% is invested in Namibian assets.

### INVESTMENT PROCESS

The Fund invests in a diversified portfolio including cash, capital markets, equities and property, with active asset allocation. Derivatives can be utilised to reduce downside risk when pricing warrants this. The equity selection is active. The Fund is well diversified globally and the offshore allocation and currency exposure is managed actively

### WHO SHOULD INVEST

The Fund is suited to investors with a medium to long term investment horizon, who are seeking capital growth, and downside volatility management.

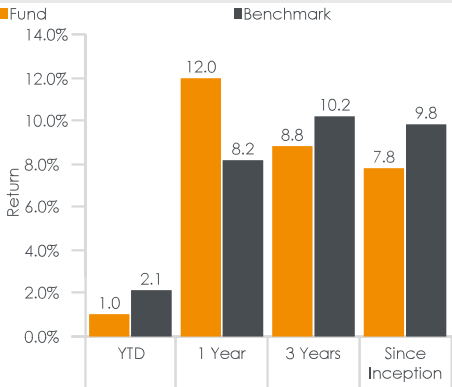
### RISK INDICATOR DEFINITION

These portfolios typically have moderate equity exposure and exposure to offshore markets which may result in capital volatility over the shorter term. They are managed in such a manner that the probability of double digit capital losses over one year periods is unlikely. These portfolios typically target returns in the region of 4% - 5% above inflation over the long term.

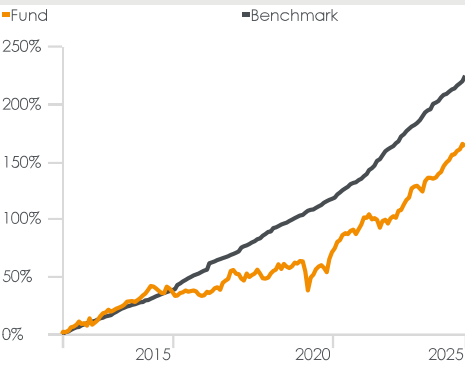
### RISK INDICATOR



### ANNUALISED PERFORMANCE (%)



### CUMULATIVE PERFORMANCE



### ANNUALISED PERFORMANCE (%)

As of Date: 2/28/2025

	Fund	Benchmark
YTD	1.00	2.09
1 Year	11.99	8.19
3 Years	8.85	10.20
5 Years	11.30	9.57
Since inception	7.84	9.81

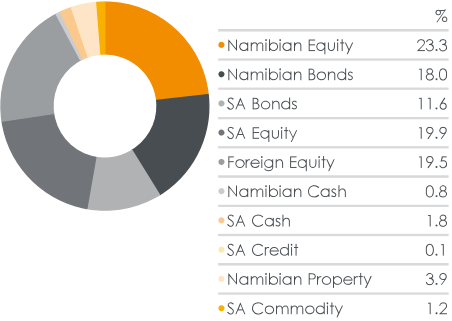
### RISK AND FUND STATS

Time Period: Since Inception to 2/28/2025

	Fund	Benchmark
Excess Return	-1.97%	0.00%
Sharpe Ratio	0.27	2.32
Standard Deviation	7.72%	1.47%
Best Quarter	13.35	4.71
Worst Quarter	-15.64	1.32

### EFFECTIVE ASSET ALLOCATION

Portfolio Date: 2/28/2025



### REGIONAL ALLOCATION

Portfolio Date:



As of 2/28/2025

### ABOUT THE FUND

Manager:	ALUWANI Capital Partners (Pty) Ltd
Fund classification:	Asset Allocation -
Secondary classification:	Prudential Variable Equity
Benchmark:	Namibian CPI +5%
Ticker	EPBA2
ISIN	ZAE000169660
Fund size:	6,039,337
Minimum Investment:	N\$10000
Min. monthly investment:	N\$1000
Inception Date	7/20/2012
Annual Income Distribution	1 April 2024 - 2.69 cpu
Initial Fee:	0.00%
Annual management fee:	0.65%
Fact sheet fee class:	A2

Intermediary charges:  
Initial and on-going advice fees may be facilitated on agreement between the Client and Financial Advisor. These charges are not part of the normal annual management.

### Fee breakdown:

Management Fee:	0.65%
Other Fees*	0.47%
Performance Fee:	0.00%
Total Expense Ratio (TER):	1.12%
Transaction Costs (TC):	0.03%
Total Investment Charge (TIC):	1.15%

\*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees and Trustee Fees

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FUND MONTHLY RETURNS													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	1.86	-0.85											1.00
2024	0.02	-0.30	0.47	1.33	0.69	2.00	1.44	0.75	1.89	0.07	1.21	0.55	10.57
2023	3.07	0.28	2.42	1.85	0.81	3.79	0.69	0.26	-1.15	-1.06	4.01	1.24	17.29
2022	-0.10	1.51	-2.28	0.60	-0.71	-3.53	3.05	0.56	-1.56	2.28	0.97	-0.74	-0.15
2021	2.12	3.30	0.75	2.36	0.92	-0.47	1.60	0.48	-1.98	2.31	2.04	3.21	17.82
2020	-0.19	-5.43	-10.62	8.18	1.56	3.17	1.56	0.74	-1.39	-2.49	7.39	3.58	4.62
2019	2.38	1.38	0.85	2.98	-2.55	2.76	-1.50	-0.79	1.01	2.11	-0.55	1.29	9.59
2018	-0.14	-2.61	-0.99	4.04	-1.85	1.11	0.83	2.22	-2.30	-2.57	-0.28	0.72	-2.03
2017	2.15	-0.73	1.22	1.88	0.42	-1.58	4.53	1.27	1.06	4.73	0.59	-2.31	13.79
2016	-2.57	0.23	1.65	0.35	1.28	-0.88	0.42	0.48	-0.55	-1.99	-0.94	0.52	-2.08
2015	1.80	1.15	2.35	2.58	-0.44	-1.34	-1.23	-1.46	-0.09	4.18	-1.24	-2.04	4.10
2014	-1.40	0.96	1.15	0.71	0.78	1.30	2.21	0.23	0.07	-0.63	1.44	1.29	8.37
2013	2.63	-1.91	0.74	-2.23	6.06	-4.92	1.81	1.83	3.00	2.31	0.50	2.18	12.19
2012								-0.49	1.31	3.00	0.37	1.58	

FUND COMMENTARY - Q4 2024

**Global Macro Backdrop**

The final quarter of 2024 was capped off with the most anticipated election of the year, the US elections on the 6<sup>th</sup> of November. The quarter began with broad-based risk off sentiment in with global equities and bonds both selling off as the market began to discount increasing odds of former US President Donald Trump returning to the oval office. US bond yields sold off over 50bps in October, as bond markets began pricing the potential inflationary impact of Trump's campaign policies being implemented, which stoked a sharp rally in the US dollar. The US dollar strengthened over 3% in the month of October which proved to be a headwind for emerging market equities underperforming developed market equities by 2.4% in October.

The confirmation of Trump's Presidential victory and a clean sweep by the Republicans in early November spurred a continuation of the strengthening in the US dollar and a rally in US equities for the rest of the quarter. The US dollar appreciated by 8.1% over the quarter against every developed and developing currency with the trade-weighted US dollar trading close to its strongest level in 25 years. Developed market equities closed flat held up by the US S&P 500 which finished the quarter up 2.5% whilst Europe languished. Emerging market equities on the other hand dropped 7.8% over the quarter given the strong US dollar and trade war concerns in the aftermath of the Trump victory. While global bond yields partially reversed the October sell-off in the month of November, global bond yields sold off again in December in reaction to developed market central bankers' guidance (led by the US Fed) of a more gradual trajectory towards neutral interest rates in their November meetings.

Notwithstanding the furore over the US elections the quarter was littered with geopolitical developments elsewhere in the world. The Middle East conflict escalated in October with Iran launching another missile attack into Israel which was soon followed by Israel responding with retaliatory bombings in Iran. In December, the HTS rebel group defeated President Assad in Syria, following a 24-year reign by the leader, further creating uncertainty in the Middle East region. South Korea suffered political disruption in early December when President Yoon Seok Yeol declared emergency martial law which was subsequently reversed by the National Assembly which also voted to impeach the President on the 14<sup>th</sup> of December. Germany and France both experienced collapsed coalition governments in December over disagreements in their respective parliaments which shows the fragility of the suite of coalition governments formed during 2024.

Commodity prices were consistently weak through the fourth quarter with the 8.1% stronger US dollar and the lack of further clarity and follow-through on the Chinese stimulus package announced at the end of September which is aimed at reviving the frail Chinese economy. For the 3 months to December; base metals fell 17.3%, all 3 constituents of the PGM basket retraced single digits, coal prices were 5.3% lower, gold was down marginally by 0.4% with the key exceptions being Brent crude oil which rose 4.0% and iron ore which rallied 10.4%.

**SA Market Overview**

The good fortunes of SA asset classes witnessed in the third quarter, following the formation of the government of national unity after the May national elections, lost momentum in the fourth quarter given the investment market implications of the Trump US election victory. Cash emerged as the best performing asset class in the fourth quarter delivering returns of 2.0%, followed closely by bonds which eked out returns of 0.4%. Property lost 0.8% in the quarter, after being the leading asset class in the third quarter, while equities fell 2.1% over the 3 months.

Within equities, industrials led the market posting a paltry return of 0.2%, with financials losing 1.1% and resources being the laggards down 9.0%.

Industrials outperformers included food producers Tigerbrands (24.0%) and AVI (5.8%), British American Tobacco (9.6%) and retailers Pepkor (20.2%), Mr Price (10.4%), The Foschini Group (8.6%) and Spar (7.8%); with underperformers being beverages producer Anheuser Busch InBev (-17.8%) and pharmaceuticals producer Aspen (-14.9%).

Financials were led by insurers Outsource (17.2%), Discovery (14.3%) and Santam (6.7%), wealth manager Quilter (15.8%) and banking group ABSA (8.2%); with laggards being asset manager Ninety One (-12.2%), offshore property counters Sirius (-16.0%), Hammerson (-9.2%) and Shaftesbury (-7.4%) and banking group Standard Bank (-8.5%).

Resources had one major leader in coal miner Thungela while the long tail of drags included Sasol (-29.2%), Kumba Iron Ore, general miners African Rainbow Minerals (-15.8%), Glencore (-15.5%), BHP (-14.0%), Platinum Group Metals miners Sibanye Stillwater (-16.1%), Northam (-10.7%) and Impala Platinum (-9.3%), paper packaging producer Mondi (-15.1%) and gold miner Harmony (-14.9%).

Total return performance was solid across all asset classes in 2024 and better than 2023. Property at +29.0% was once again the top performer (+10.1% in 2023). Bonds returned +17.2% (+9.6% in 2023), followed by Equities (+13.4% after +9.3% in 2023) and Cash (+8.5% after +8.0% in 2023).

**Namibia Market Overview**

The NSX-Overall Equity index outperformed domestic bonds for the quarter to December 2024, returning 2.84% vs 2.13%, however for the full year bonds outperformed their equity counterpart returning 14.77% vs 9.09%. For the quarter and year to December 2024, Capricorn was the best performing equity stock returning 5.3% and 25% respectively, followed by financial services group SBN Holdings, returning 2.1% for the quarter and 22% for the year. Bond performance was driven largely by falling inflation and interest rate cuts.

**Portfolio Performance**

A combination of falling inflation and financial markets rallies led to the portfolio outperforming its inflation +5% target return by 0.7% for the quarter and 5% for the year to December 2024. From an asset allocation perspective, overweight exposure to offshore equities contributed the most to portfolio returns, followed by overweight positions in Namibian and SA bonds and the underweight position in Inflation Linked bonds, whilst the most distractor came from the underweight position in the domestic property names, and stock selection within SA equities.

**Portfolio Positioning**

There has not been a significant change in the portfolio's asset allocation and stock selections. We still prefer global equities ahead of domestic (Namibia and SA) with a strong preference for both Namibian and SA bonds on risk/reward considerations, as per our investment process. The notable trade done during the last quarter of 2024 was to increase exposure to SA Inflation Linked Bonds at the expense of cash.

**Outlook**

We anticipate heightened financial market volatility at least for the first quarter of 2025 as US elect President takes office and implements his trade policies. The extent and duration of this volatility will be informed by the quantum of his trade tariffs and reaction from the US trade partners, which remains unknown at this stage. Ultimately portfolio positioning will be informed by our assessment of key fundamentals as per our investment process.

## Disclaimer

Disclaimer  
Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.