

Who are the investment managers?

STANLIB Namibia (Pty) Ltd, a registered Investment Manager in terms of the Stock Exchanges Control Act, No. 1 of 1985, manage the investments of the fund.



Sade Gertze
BCom (Finance and Economics), CFA
Portfolio Manager

Sade Gertze is a Fixed Income portfolio manager based in Namibia, primarily managing Namibian money market portfolios. Sade joined STANLIB Namibia on 1 May 2021. Prior to STANLIB, Sade spent four years at Nampower as an investment analyst in treasury and three and half years as an investment consultant at NMG Namibia. Sade holds a Bachelor of Commerce from UCT and is a CFA Charterholder.

Fund review

The Standard Bank Namibia Money Market Fund ended the quarter with N\$1.4 billion under management, down from N\$1.7 billion the previous quarter, as the fund experienced large seasonal outflows in December. The weighted average duration of the fund was 71 days. As we have reached the peak of the interest rate cycle, more fixed rate instruments were added to the portfolio mix, taking advantage of the money market curve. The fund's exposure to domestic assets remained in line with domestic regulation, at 48%.

Market overview

The Bank of Namibia (BoN)'s Monetary Policy Committee (MPC) kept the repo rate unchanged at 7.75% at its December meeting. The MPC noted the recent acceleration in inflation. However, with real interest rates already positive, continued signs of slack in the economy, slow credit growth, a projected slowdown in inflation in 2024 and a fair level of international reserves, the MPC deemed this an appropriate course of action. The next MPC meeting takes place on 14 February.

Domestic activity was positive in the third quarter of 2023, posting a substantial growth rate of 7.2%. This was achieved largely on the back of steady growth in the primary and tertiary sectors. In the primary sector, mining and quarrying continues to drive growth, with livestock marketing activity also contributing. However, a persistent contraction in the construction sector continued to drag on growth in the secondary sector, aggravated by a substantial contraction in the diamond cutting and polishing subsector. In the tertiary sector, growth was supported by expansions in wholesale and retail trade, information and communication, transport and tourism.

The annual inflation rate moderated to 5.7% in November, from 6% in October. Slowing food and transport inflation were the main drivers. Food and non-alcoholic beverages inflation slowed for the eighth consecutive month in November: the 9.2% y/y growth rate was the slowest for the current year. The transport category reported inflation of 5.09% y/y. Fuel prices were 4.2% higher in November than a year ago. However, the 130c/l fuel price reduction in December should result in the transport category having a smaller inflationary effect in December.

South African short-term rates traded slightly up during the quarter, with three-month JIBAR moving up by seven bps from 8.33% to 8.4%. Local money market assets also continued trading lower than in SA, with 12-month NCDs ending the quarter 41 bps lower at 8.59% than South African NCDs at 9%. Treasury Bills traded firmer with 364 days closing at 8.97%.

Looking ahead

We anticipate that, apart from a temporary re-acceleration in headline inflation in the first quarter of 2024, inflation will gradually move towards the midpoint of the target band. The assessment of near-term inflation risks has improved, driven by a substantial petrol price reduction in December, and a strengthened rand. Over the medium term, the SARB will keep a keen eye on inflation expectations and would like to see them drift closer to the 4.5% midpoint of the target before considering cutting the interest rate. We therefore expect the repo rate to remain unchanged until mid-2024, with the Bank of Namibia trailing the SARB with interest rate cuts in the second half of the year.

The commentary gives the views of the portfolio manager at the time of writing. Any forecasts or commentary included in this document are not guaranteed to occur.

Change in allocation of the fund over the quarter

Asset type	Q4 2023	Q3 2023	Change
Namibia Cash & Mny Mkt	47.91	45.03	2.89
Namibia Fixed Interest	0.00	8.22	-8.22
South Africa Cash & Mny Mkt	52.09	46.75	5.34

Fund classes

Class	Type	TER	Price (cpu)	Units	NAV (N\$)
A	Retail	0.62	100.00	693,642,407.07	693,642,407.07
B4	Institutional	0.27	100.00	148,716,090.84	148,716,090.84
B5	Retail	0.52	100.00	497,806,278.18	497,806,278.18
R	Retail	0.02	100.00	97,951,799.31	97,951,799.31

All Price, Units and NAV data as at 31 December 2023.

Units - amount of participatory interests (units) in issue in relevant class.

TER - 1 Year Total Expense Ratio (%) including VAT as at 30/09/2023. The Total Expense ratio (TER) shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated over the period shown and annualised to the most recently completed quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER should not be regarded as an indication of future TERs.

Disclosures

Unit Trusts are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. Unit Trusts are traded at ruling prices and can engage in borrowing and scrip lending.

The Standard Bank Namibia Money Market Fund is a unit portfolio (portfolio) of the STANLIB Namibia Unit Trust Scheme (the Scheme).

The manager of the Scheme is STANLIB Namibia Unit Trust Management Company Limited (the Manager). The Manager is an approved Management Company in terms of the Unit Trusts Control Act, No. 54 of 1981. The manager has a right to close a portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. A schedule of fees and charges and maximum commissions is available on request from the Manager.

The trustee of the Scheme is First National Bank Nominees (Namibia) (Pty) Ltd.

The investments of this portfolio are managed, on behalf of the Manager, by Investment Manager 1 Legal Name, a registered Investment Manager in terms of the Stock Exchanges Control Act, No. 1 of 1985.

Prices are calculated and published on each working day, these prices are available on the Manager's website (www.stanlib.com/Namibia) and in Namibian printed news media. This portfolio is valued at 12h00. Forward pricing is used. Investments and repurchases will receive the price of the same day if received prior to 12h00.

This portfolio is a Money Market portfolio. A Money Market portfolio is not a bank deposit account. The price of a participatory interest is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument and in most cases the return will merely have the effect of increasing or decreasing the daily yield, however, in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield (if shown) is a current 7-day average effective yield calculated daily. Excessive withdrawals from the portfolio could place the portfolio under liquidity pressures and, under such circumstances, a process of rein-fencing of withdrawal instructions and managed pay-outs over time may be followed.

All performance returns/figures quoted are shown in NAD and are based on data sourced from Morningstar or Statpro and are as at 31 December 2023.

Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period. Actual annual figures are available on request from the Manager.

Portfolio performance figures are calculated for the relevant class of the portfolio, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ due to initial fees, actual investment date, date of reinvestment of income and dividend withholding tax. Portfolio performance accounts for all costs that contribute to the calculation of the cost ratios quoted, all returns quoted are after these costs have been accounted for.

Statistics - Positive Months: the number of individual 1 month periods during the specified time period where the return was not negative; Max Gain: the maximum gain in a trough-to-peak incline before a new trough is attained, quoted as the percentage between the trough and the peak. It is an indicator of upside risk over a specified time period (quoted for all periods of 1 year or longer); Max Drawdown: the maximum loss in a peak-to-trough decline before a new peak is attained, quoted as the percentage between the peak and the trough. It is an indicator of downside risk over a specified time period (quoted for all periods of 1 year or longer, where blank no loss was experienced); Highest and Lowest: the highest and the lowest 1 year return (%) that occurred during the specified time period (quoted for all relevant classes launched 1 year or more prior to current month end date).

Additional information about this product including, but not limited to, brochures, application forms and annual or quarterly reports, can be obtained free of charge, from the Manager and from the Manager's website (www.stanlib.com/Namibia).

Contact details

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