

HANGALA CAPITAL ABSOLUTE BALANCED FUND A1

MINIMUM DISCLOSURE DOCUMENT

INVESTMENT AND RETURN OBJECTIVE

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.

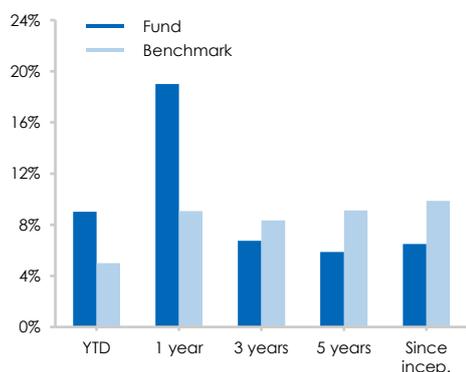
RISK INDICATOR DEFINITION

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.

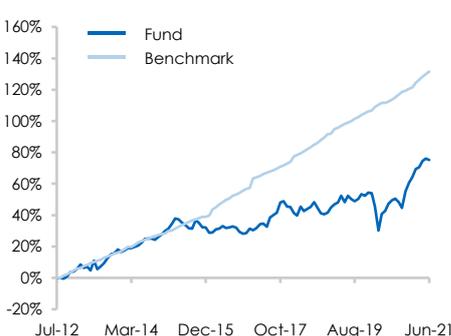
RISK INDICATOR



ANNUALISED PERFORMANCE (%)



CUMULATIVE PERFORMANCE



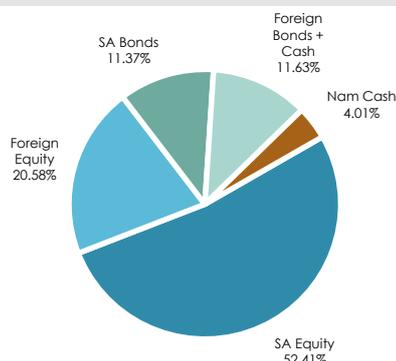
ANNUALISED PERFORMANCE (%)

	Fund	Benchmark
YTD	9.01	5.00
1 year	19.01	9.05
3 years	6.74	8.34
5 years	5.86	9.13
Since incep.	6.49	9.87
Highest rolling 1 year	31.13	13.65
Lowest rolling 1 year	-12.12	6.68

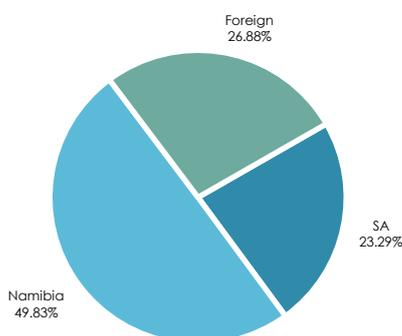
RISK AND FUND STATS

Since inception (p.a.)	Fund	Benchmark
Alpha	-3.38%	
Sharpe Ratio	0.09	2.55
Standard Deviation	8.43%	1.62%

EFFECTIVE ASSET ALLOCATION



REGIONAL ALLOCATION



Hangala Capital

Investment Management

30 JUNE 2021

ABOUT THE FUND

Fund manager:

Prescient Balanced Team

Fund classification:

Domestic - Asset Allocation - Prudential Variable Equity

Benchmark:

Namibia Headline CPI + 5% LAG

Fund Size:

NAD 36 568 762

Inception date:

31 July 2012

Minimum Investment:

N\$10 000
N\$1000 per month

Income Distribution (annually):

31 March 2021 - 3.04 cpu

Initial Fee:

0.00%

Annual management fee:

1.00%

Fact sheet fee class:

A1

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 Fees	1.00%
Performance Fees	0.00%
Other Fees*	0.24%
Total Expense Ratio (TER)	1.24%
Transaction Costs (TC)	0.02%
Total Investment Charge (TIC)	1.26%

*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
2012								-0.52%	1.28%	2.98%	0.35%	1.55%	5.74%
2013	2.61%	-1.95%	0.70%	-2.22%	6.03%	-4.95%	1.78%	1.80%	2.96%	2.28%	0.48%	2.15%	11.80%
2014	-1.43%	0.93%	1.12%	0.68%	0.75%	1.26%	2.18%	0.20%	0.04%	-0.67%	1.41%	1.27%	7.97%
2015	1.78%	1.13%	2.33%	2.56%	-0.48%	-1.37%	-1.27%	-1.48%	-0.13%	4.13%	-1.30%	-2.10%	3.63%
2016	-2.63%	0.16%	1.59%	0.29%	1.22%	-0.94%	0.38%	0.42%	-0.61%	-2.05%	-1.00%	0.47%	-2.75%
2017	2.11%	-0.79%	1.17%	1.83%	0.37%	-1.65%	4.48%	1.22%	1.00%	4.67%	0.53%	-2.36%	13.05%
2018	-0.20%	-2.66%	-1.05%	3.99%	-1.91%	1.05%	0.79%	2.16%	-2.33%	-2.62%	-0.33%	0.68%	-2.63%
2019	2.33%	1.35%	0.79%	2.94%	-2.61%	2.72%	-1.55%	-0.83%	0.96%	2.05%	-0.58%	1.24%	8.99%
2020	-0.24%	-5.47%	-10.62%	8.15%	1.52%	3.11%	1.53%	0.69%	-1.43%	-2.53%	7.34%	3.55%	4.16%
2021	2.09%	3.24%	0.68%	2.34%	0.88%	-0.49%							9.01%

FUND COMMENTARY

The second quarter saw the spectre of rising inflation haunting global markets, leading to a rise in both short-term rates, and a decline in 10 year rates, leading to a marginal flattening of the yield curve which would historically point towards an end to the growth cycle. US inflation continued to rise to 5%, which is at the long-term inflation average, but towards the higher end over the past 30 years. Despite the warnings of the Federal Reserve that this a transitory blip in inflation as result of the global economy opening up again, markets are now more cognisant of inflation risks and are increasingly pricing in the likelihood of an earlier hike by the federal reserve by 2023. Given potential rising inflation in the US, and current continued federal monetary support in the US, safe haven assets such as US bonds and treasuries will continue to offer a negative real return, and capital will continue to flow towards US equity and emerging market FX, bonds and equity.

During June the Top40 declined by -2.6%, the Capped Swix by -3.0% preference shares by -4.2% and ILB's by -1.5%. Listed Property (+3.4%) and bonds (+1.1%) were positive. The strengthening of the rand in May was mostly reversed In June as the rand depreciated by 4.2%.

Over the course of the quarter listed property was up 12.1%, nominal bonds (6.9%), preference shares (3.8%) and ILBs (3%). Listed equity in the form of the Top 40 Total Return Index lost -0.8%, while the Capped Swix was up 0.6%. The Rand appreciated by 3.0% in the second quarter.

Contributors to performance:

Listed property, bonds (both nominal and ILB) and preference shares contributed to performance over the quarter.

Detractors from performance:

Listed equity was detracted.

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, STI, 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.