

HANGALA CAPITAL CORPORATE FUND A1

MINIMUM DISCLOSURE DOCUMENT

INVESTMENT AND RETURN OBJECTIVE

The Fund aims to return CPI + 3% per annum through a full interest rate cycle while providing stability by aiming never to lose capital over any rolling 3 month period. At least 45% is invested in Namibian assets.

INVESTMENT PROCESS

This Fund invests in local and offshore money market, bonds, property, preference shares, inflation-linked bonds and derivatives to meet the investment objectives. Fund performance can be generated from taking interest rate views or duration, yield enhancement via credit instruments, asset allocation between income producing asset classes, offshore exposure and also via the use of derivatives.

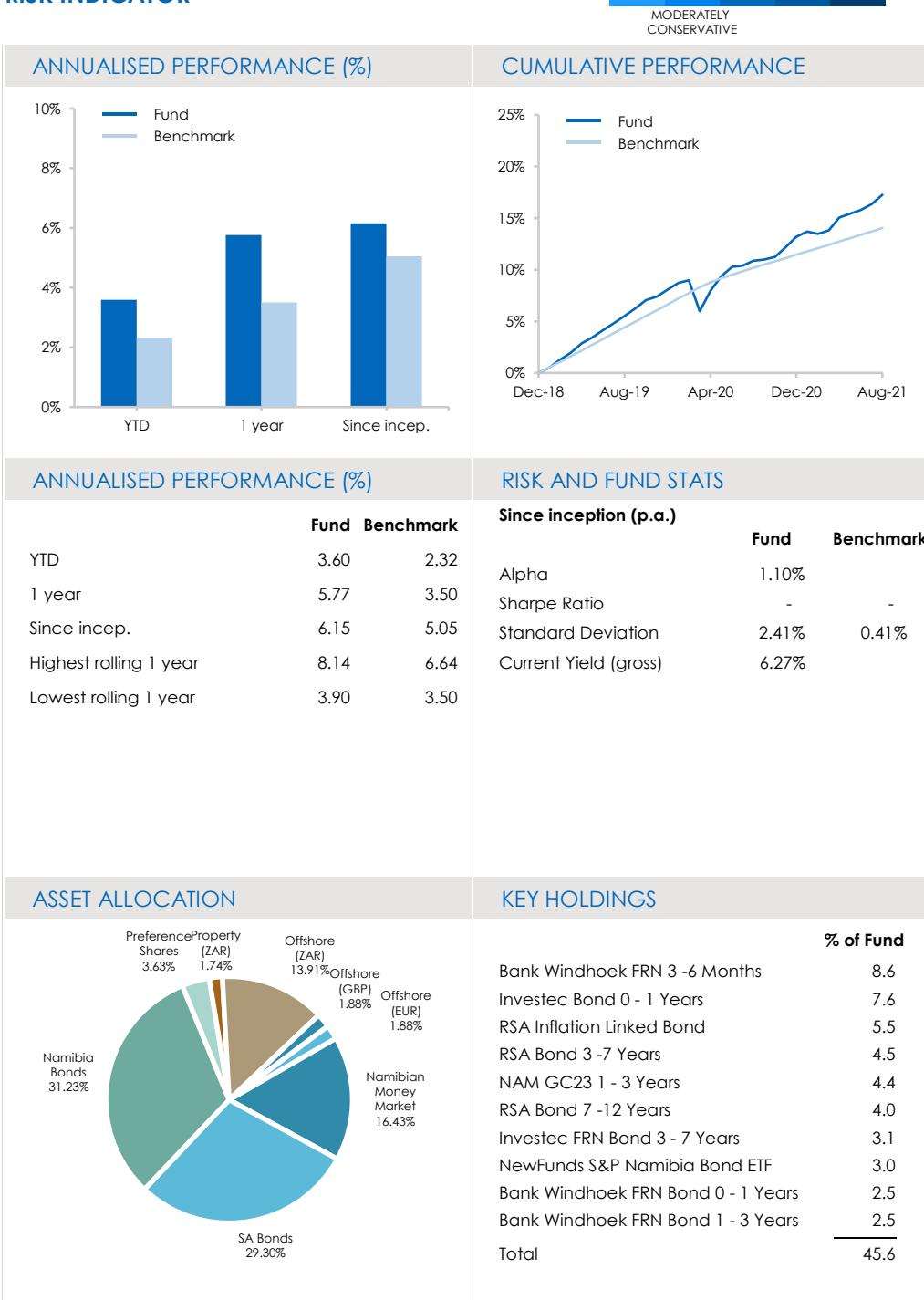
WHO SHOULD INVEST

The Fund is suitable for corporate investors with a short to medium investment horizon seeking a conservative risk offering that aims to maximise income.

RISK INDICATOR DEFINITION

These portfolios typically have no or low equity exposure, resulting in higher interest yields and stable capital values with the probability of capital losses over the shorter term (3 months) highly unlikely. These portfolios typically target returns in the region of 2% – 3% above inflation before tax over the long term.

RISK INDICATOR



Hangala Capital

Investment Management

31 AUGUST 2021

ABOUT THE FUND

Fund manager:

Prescient Interest Bearing

Fund classification:

Namibian Domestic Fixed Interest Varied Specialist

Benchmark:

STeFI Call

Fund Size:

NAD 764 941 533

Inception date:

31 December 2018

Minimum Investment:

N\$10 000
N\$1000 per month

Income Distribution (annually):

31 March 2021 - 4.81 cpu

Initial Fee:

0.00%

Annual management fee:

0.00%

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	0.00%
Performance Fees	0.00%
Other Fees*	0.33%
Total Expense Ratio (TER)	0.33%
Transaction Costs (TC)	0.01%
Total Investment Charge (TIC)	0.34%

*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
2019	0.53%	0.74%	0.68%	0.88%	0.56%	0.67%	0.67%	0.67%	0.69%	0.75%	0.33%	0.63%	8.08%
2020	0.58%	0.24%	-2.76%	1.87%	1.30%	0.85%	0.09%	0.44%	0.10%	0.23%	0.87%	0.89%	4.73%
2021	0.44%	-0.18%	0.28%	1.11%	0.31%	0.33%	0.47%	0.78%					3.60%

FUND COMMENTARY

August was a relatively calm month across SA markets with a general risk on tone seeing risky assets perform well. We continue to see the key global theme being the discussion around US inflation and the transitory nature thereof. As we have been advocating, we see this development as a positive and should see SA Fixed Income assets benefit from a return of foreign flows. At both the Federal Reserve meeting and the Jackson Hole symposium of the Federal Reserve governors the message remain consistent with market pricing. The SA market continues to price in almost 7 hikes in the next 2 years, pricing we see as favouring taking on some duration/fixed rate risk.

The Fund performed ahead of cash for the month. Most of the assets contributed to the return for the month. Most notable the fixed and floating rate bond exposures as well as the Preference Shares added the most for the month. We remain vigilant in our risk management with yields suppressed and risk elevated. To this end we continue to hold protection strategies against our duration exposure.

48.04% of the portfolio is invested in Namibian money market assets. We attempt to keep this as low as possible given the lack of yield pickup currently in the Namibian market.

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.