NAM CORONATION MONEY MARKET FUND

QUARTERLY COMMENTARY Q3-25

Please note that the commentary is for the retail class of the Fund.

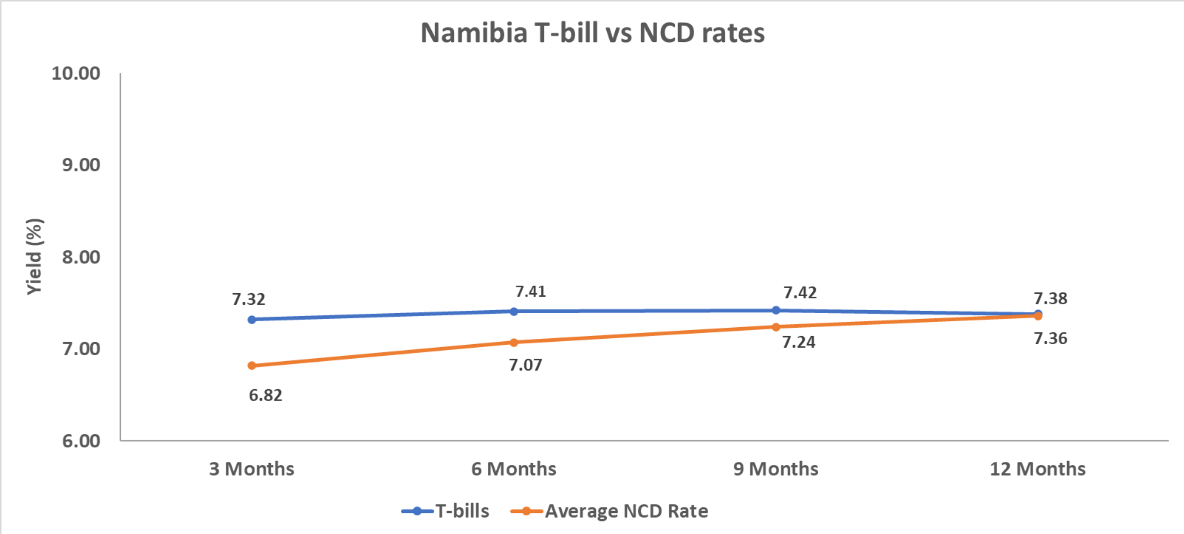
30 September 2025 commentary

The NAM Coronation Money Market Fund generated a return (net of management fees) of 1.73% for the third quarter of 2025 (Q3-25). Over the rolling 12-month period, it returned 7.50%, ahead of the benchmark (IJG 3-month NCD Index) return of 6.90%.

The Bank of Namibia (BoN) kept the Repo rate unchanged at 6.75% at the August Monetary Policy Committee (MPC) meeting. The "no change" in rate was considered appropriate regarding safeguarding the currency peg between Namibia and South Africa and is supportive of domestic economic activity. The domestic economy expanded during the first six months of 2025, although growth is forecast to decelerate to 3.5% year-on-year (y/y) in 2025 from 3.7% y/y in 2024, largely due to a contraction in primary industries, particularly the livestock subsector.

Domestic inflationary pressures have continued to ease year-to-date. Headline inflation decelerated to 3.2% y/y in August from 3.5% y/y in July. Deflation was observed in several key baskets, with Food & Non-Alcoholic Beverages, Alcohol & Tobacco, and Household goods & services all posting -0.2% month-on-month. The BoN expects inflation to average at 3.8% for 2025.

During Q3-25, the 3-month Johannesburg Interbank Average Rate (Jibar) reduced from 7.292% to 7.000%, reflecting the market's view of an easing policy environment. At the end of Q3-25, local Namibian banks were offering a spread of 17 bps above the Jibar for one-year tenor floating-rate notes. The one-year fixed rate negotiable certificate of deposit (NCD) yield decreased by 0.03% to 7.36% from the 7.39% offered in the second quarter of 2025. The decrease in rates is reflective of Namibia's downward trend in the interest rate environment and increased liquidity in the economy. Treasury Bills (T-Bills) remain attractive relative to fixed-rate NCDs; however, floating-rate notes offer reasonable returns without taking the duration risk. The Fund increased its holdings in floating rate NCDs during Q3-25.



Source: IJG Research

We remain cautious and invest only in instruments that are attractively priced relative to their underlying risk profile. Capital preservation and liquidity remain the Fund's key focus areas.

Portfolio manager

Nishan Maharaj as at 30 September 2025