ARYSTEQ
UNIT TRUST MANAGEMENT

FUND FACT SHEET – ARYSTEQ BOND FUND
JUNE 2026

ANNUAL PERFORMANCE (AFTER FEES)		
	Fund	Benchmark
Year to date (unannualised)	1.6%	1.7%
1 Year	13.1%	13.2%
3 Years	13.9%	14.7%
Since Inception	15.0%	15.0%

RISK STATISTICS (SINCE INCEPTION)		
	Fund	Benchmark
Annualised deviation	8.0%	5.9%
Sharpe ratio	1.22	1.64
Information ratio	0.01	n/a
Duration	5.0	5.7
Highest Monthly return	6.6%	5.5%
Lowest Monthly return	-3.8%	-2.5%

DISTRIBUTION DATE		
Distribution Date	Declaration Date	Return (cpu)
15/01/2025	16/01/2025	5.21
01/04/2025	02/04/2025	2.13
30/09/2025	01/10/2025	4.52
31/03/2025	01/04/2026	4.44

ISSUER ALLOCATION	
	% of Fund
Nam Government Bonds	92.3%
SA Government Bonds	2.4%
South African Banks	0.0%
Namibian Banks	5.4%
TOTAL	100%

MATURITY PROFILE	
	% of Funds
0 – 12 Months	9.7%
1 – 3 Years	11.4%
4 – 7 Years	20.1%
8 – 12 Years	33.7%
12 + Years	25.2%
TOTAL	100%

FUND MONTHLY RETURNS (AFTER FEES)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2022	-	-	-	-	-	-	-	-	-	-	0.0%	3.2%	3.2%
2023	1.5%	1.1%	0.8%	0.0%	-1.4%	5.9%	2.9%	0.4%	-1.3%	2.9%	2.8%	1.1%	17.9%
2024	0.1%	-1.3%	-3.8%	4.7%	0.5%	5.6%	3.3%	2.4%	2.7%	-2.4%	3.1%	-0.7%	14.7%
2025	0.6%	0.3%	0.1%	-0.9%	3.0%	1.4%	2.0%	0.1%	2.4%	1.8%	2.6%	1.6%	15.8%
2026	0.9%	0.5%	-1.0%	-2.5%	2.3%	1.5%	-	-	-	-	-	-	1.6%

FUND COMMENTARY 2Q26

Domestic bond markets stabilised during the second quarter following the sharp repricing experienced earlier in the year. The first half of 2026 was characterised by heightened uncertainty as markets assessed the impact of geopolitical tensions, inflation risks and shifting expectations around monetary policy. Although shipping through the Strait of Hormuz resumed during the second quarter, negotiations remained ongoing and uncertainty around energy markets persisted. While oil prices moderated from their highs, inflation risks remained.

Inflation remained a key driver of monetary policy during the period. In Namibia, headline inflation accelerated to 4.40% in June from 4.10% in May, primarily reflecting higher transport and fuel costs, while underlying inflation pressures remained more contained. In South Africa, inflation increased to 4.50% in May from 3.10% in April, above the South African Reserve Bank's ("SARB") newly set 3.00% inflation target. Against this backdrop, SARB increased the repo rate by 25 basis points to 7.00%, while the Bank of Namibia followed with a 25-basis-point increase, taking the repo rate to 6.75%.

Despite the elevated inflation environment, market-based inflation expectations moderated during the quarter. South African inflation breakeven rates declined from levels approaching 5.00% earlier in the year to approximately 4.20% by quarter-end. Although this represents an improvement, expectations remain above target, indicating that inflation risks have not been fully removed from market pricing. Forward Rate Agreement (FRA) curves also adjusted lower from the more aggressive levels seen earlier in the year, although uncertainty around the future path of interest rates remains. These lower inflation expectations reduced the magnitude of interest rate hikes being priced in for the year in US markets, with expectations of 42 basis points of hikes earlier in the quarter moderating to 30 basis points as the quarter progressed. This contributed to some yield curve steepening, with short-end rates performing better.

The relative value between Namibian and South African bonds shifted during the period, with Namibian bond spreads widening materially. Longer-dated spreads increased notably, with the GC35 spread widening from 86 basis points a year ago to 164 basis points, while the GC50 spread widened from approximately 85 basis points to 251 basis points by quarter-end. This widening, together with the steeper Namibian yield curve of approximately 450 basis points compared with around 200 basis points in South Africa, supported the Fund's decision to increase exposure to Namibian bonds while reducing South African exposure. As a result, the Fund's South African bond exposure was reduced from 10.90% at the beginning of the year to 2.40% by quarter-end.

We maintained a deliberate underweight duration position throughout the first half, with the Fund's duration of 4.97 years standing 0.68 years below the benchmark duration of 5.65 years. This positioning reflected the uncertainty around the interest rate outlook and the need to manage duration risk during a volatile period. While the shorter duration position may create short-term relative performance pressure, it provides flexibility to actively adjust portfolio positioning as market conditions evolve.

The Fund delivered a year-to-date return of 1.63%, compared with 1.66% for the benchmark. Performance reflected the Fund's disciplined positioning during a period of continued market adjustment, balancing risk management with maintaining flexibility to take advantage of changing market conditions.

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GENERAL INFORMATION

Fund Category:	Namibian Bond
AUM:	N$ 333,918,300
Launch date:	November 2022
Investment Minimum:	N$10,000-00
Risk Profile:	Low
Class:	B
Benchmark:	Simonis Storm Securities Daily Bond Index
Return Objectives:	To outperform the benchmark
Platform Availability:	Sanlam Personal Portfolios, Momentum Wealth, Old Mutual Wealth
Fees:	0.75% per annum
Performance Fees:	None
Income Distribution:	Bi-Annually
ISIN Code:	ZAE000336384
Management Company:	Arysteq Unit Trust Management Ltd
Base currency:	Namibian Dollars
Domicile:	Namibia

PORTFOLIO MANAGER

Purvance Heuer – CA (NAM), CFA Charterholder

ASSISTANT PORTFOLIO MANAGER

Rachel Nendongo – BSc (Hons) Financial Mathematics and passed level 1 of the CFA Programme

CONTACT DETAILS

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