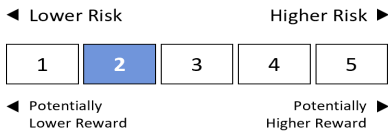




### Fund Particulars



**Launch Date:**

September 2016

**Fund Currency:**

SZL

**Total Assets:**

585,240,464.67

**Unit price (per unit):**

1.03

**Total Units:**

564,702,316.43

**Fund Size:**

584,451,554.08

**Fund Strategy:**

Fixed Income

**Distributions:**

Semi-annually

**Last date of distribution:**

**Management Fee (Incl. VAT)**

2.00%

**TER (Incl. VAT)**

1.49%

**The African Alliance Group**

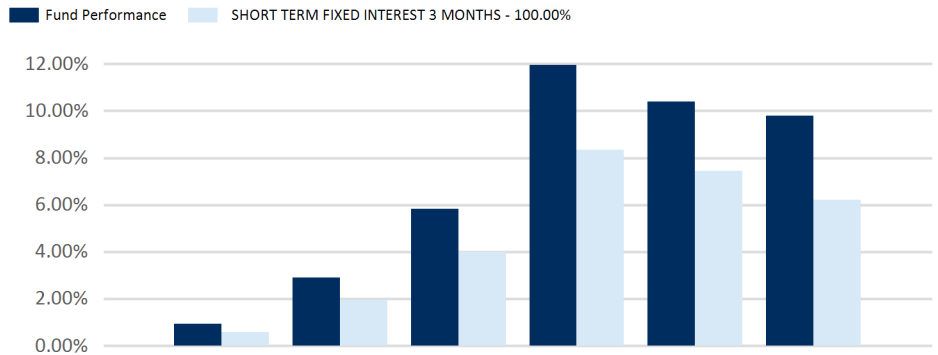
Founded in 1996, the African Alliance Group is a specialist pan-African asset manager and investment bank approaching two decades of on-the-ground investment expertise across the African continent.



### Fund Strategy

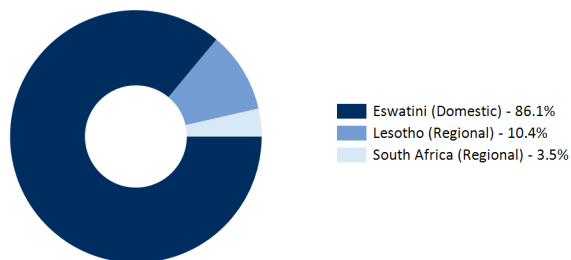
The African Alliance Eswatini Umnotfo Fund will seek to follow an investment policy which will generate returns in excess of money market yields. The Fund invests only in local (Eswatini) debt opportunities and aims to maintain a portfolio that is diverse in term structure, issuer and sector. The Fund is ideally suited to investors with a time horizon that is longer than 12 months.

**Gross Annualised Fund Performance**

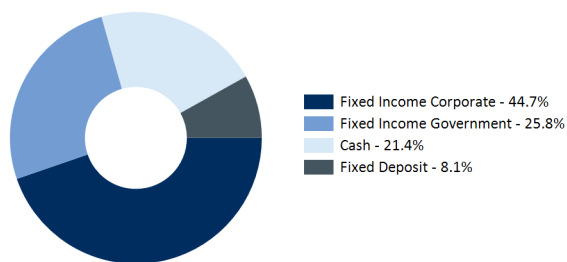


* Gross Annualised Performance	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	0.94%	2.90%	5.81%	11.94%	10.39%	9.80%
Benchmark	0.59%	1.94%	3.99%	8.34%	7.44%	6.20%

**Currency Exposure (By Domicile)**



**Instrument Type Exposure**



**Investment Options**

Minimum lump sum investment	100,000.00
Minimum monthly debit order	500.00

**Risk Measures**

	Fund	Benchmark
Highest Annualised Return	11.94%	8.34%
Lowest Annualised Return	7.99%	3.91%



## Fund Commentary

The Eswatini Stock Exchange (ESE) remained stable in February, closing at 489.12, though market liquidity remained limited.

The Central Bank of Eswatini's (CBE) Treasury bill auction results for February showed no significant changes. The average competitive yields for the 91-day, 273-day, and 365-day T-bills stood at 9.132%, 10.280%, and 10.343%, respectively. Market participants continue to seek competitive long-term yields, driven by recent interest rate adjustments.

The Eswatini Emalangezi remained resilient despite geopolitical and local uncertainties, closing down 0.52% at E18.57 to the USD. Strong trade surpluses, improved investor sentiment from the coalition government, and progress toward FATF grey list removal supported stability. Economic reforms and private sector collaboration further bolstered confidence, offsetting external pressures.

The CBE's inflation forecast for 2025 has been revised upward to 5.25% from 4.87%, driven by higher food prices due to the El Niño drought, rising administered costs (electricity and water tariffs), and a weaker rand. Oil prices are expected to remain stable but elevated, while U.S. trade policies pose additional risks. However, a marginally stronger rand and increased global oil production may ease inflationary pressures in 2026 and 2027, with forecasts at 4.80% and 4.57%, respectively.

Private sector credit grew by 0.8% month-on-month (6.6% year-on-year) to E20.4 billion in December 2024, driven by business lending, while household credit slightly declined. Broad money supply (M2) fell 7.4% month-on-month but rose 4.5% year-on-year, as declining time deposits tightened liquidity. Gross official reserves surged 24.4% month-on-month to E12.6 billion in January 2025, raising import cover to 2.9 months. Inflation remains on an upward trend, driven by food price hikes from El Niño and rising administered costs. The Central Bank maintained interest rates steady in January 2025, with the discount rate at 7.00% and the prime lending rate at 10.50%.

Zimbabwe is positioning Eswatini as a key export market, leveraging President Mnangagwa's SADC chairmanship to strengthen regional trade ties. While Eswatini's SACU affiliation poses challenges, increased trade could reduce its dependency on South Africa and create market diversification. Key opportunities include processed foods, leather goods, cosmetics, and safety wear, with SADC and COMESA trade agreements streamlining market access.

### Regional Market Performance

February saw some of the strongest market performances over the past year, with the JSE All Share Index peaking above R89,000 before pulling back due to geopolitical tensions, internal budget concerns, and global economic shifts. The capped SWIX ended the month down 0.38%, while MSCI EM rose 0.48% and MSCI BRIC gained 3.07%. The ALBI was muted, up 0.07%, with resources down 7.09%, financials up 0.97%, and industrials up 2.83%. In commodities, gold continued to show resilience, rising 2.12%, while oil faced pressure, declining 3.78%.

## Glossary

Term	Description
12-month yield	A measure of the Fund's income distributions as a percentage of the Fund's net asset value (NAV). This is calculated by summing the income distributions over a rolling 12-month period, then dividing by the sum of the NAV at the end of the period and any capital gains distributed over the same period.
Annualised performance	The average amount of money (total return) earned by an investment each year over a given time period. For periods longer than one year, total returns are expressed as compounded average returns on a yearly basis.
Cumulative performance graph	This illustrates how an initial investment of R100 or N\$100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.
Income distribution	The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and distributed to investors in the Fund after all annual service fees.
Total Expense Ratio (TER)	This 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 for the year to the end of the most recent completed quarter. 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.
Unit Classes	African Alliance's funds are offered in different unit classes to allow different types of investors (individuals and institutions) to invest in the same fund. Different investment minimums and fees apply to different unit classes.



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## Contact us

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