

NAM CORONATION MONEY MARKET FUND QUARTERLY COMMENTARY Q1-26

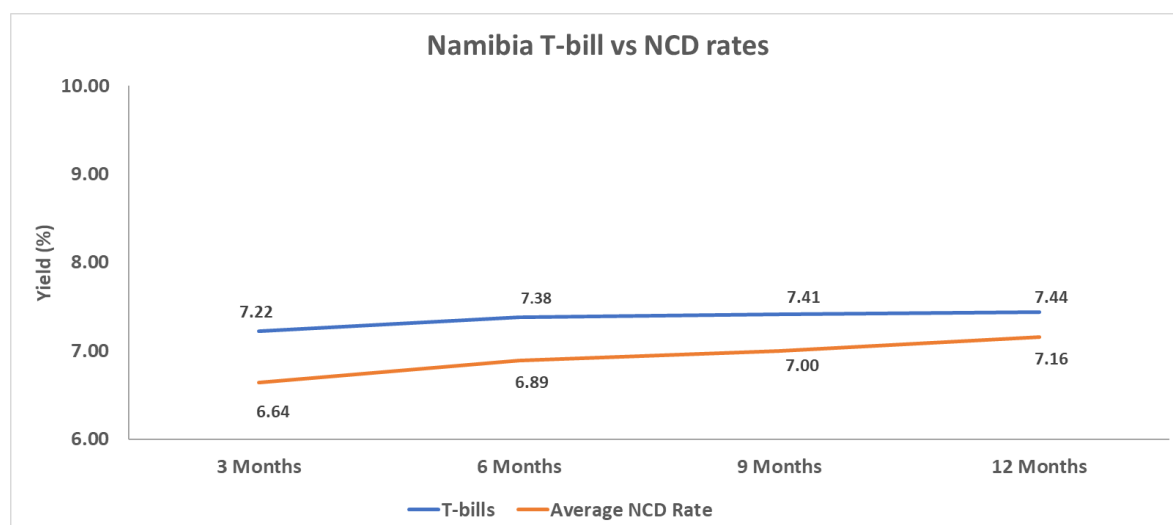
Please note that the commentary is for the retail class of the Fund.

The NAM Coronation Money Market Fund generated a return (net of management fees) of 1.59% for the first quarter of 2026 (Q1-26). Over the rolling 12-month period, it returned 6.95%, ahead of the benchmark (IJG 3-month NCD Index) return of 6.74%.

The Bank of Namibia (BoN) kept the repo rate unchanged at 6.50% at the February Monetary Policy Committee (MPC) meeting. The “no change” in rate was considered appropriate in respect of safeguarding the currency peg between Namibia and South Africa and is supportive of domestic economic activity. The domestic economy decelerated sharply to 1.7% in 2025, compared to the 2024 growth figure of 3.8%. This was largely due to a contraction in primary industries, particularly livestock farming and diamond mining.

Headline inflation edged down to 2.1% year-on-year (y/y) in March from 2.4% y/y in February. Housing & Utilities recorded the only acceleration among the four major baskets, while all highly weighted baskets decelerated. As Namibia is a net importer, this low level of inflation is unlikely to last, as the disrupted trade routes will increase inflation in imported goods. The BoN expects inflation to average at 3.5% for 2026.

During Q1-26, the 3-month Johannesburg Interbank Average Rate (Jibar) remained at 6.750%, reflecting the market’s expectation of a stable monetary policy environment. At the end of Q1-26, local Namibian banks were offering a spread of 21 basis points (bps) above the Jibar for one-year tenor floating-rate notes. The one-year fixed rate negotiable certificate of deposit (NCD) yield decreased by 0.06% to 7.15% from the 7.21% offered in the first quarter of 2026. The decrease in rates is reflective of Namibia’s downward trend in the interest rate environment. 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 and T-Bills during Q1-26.



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 31 March 2026