NAM CORONATION MONEY MARKET FUND
QUARTERLY COMMENTARY Q2-26

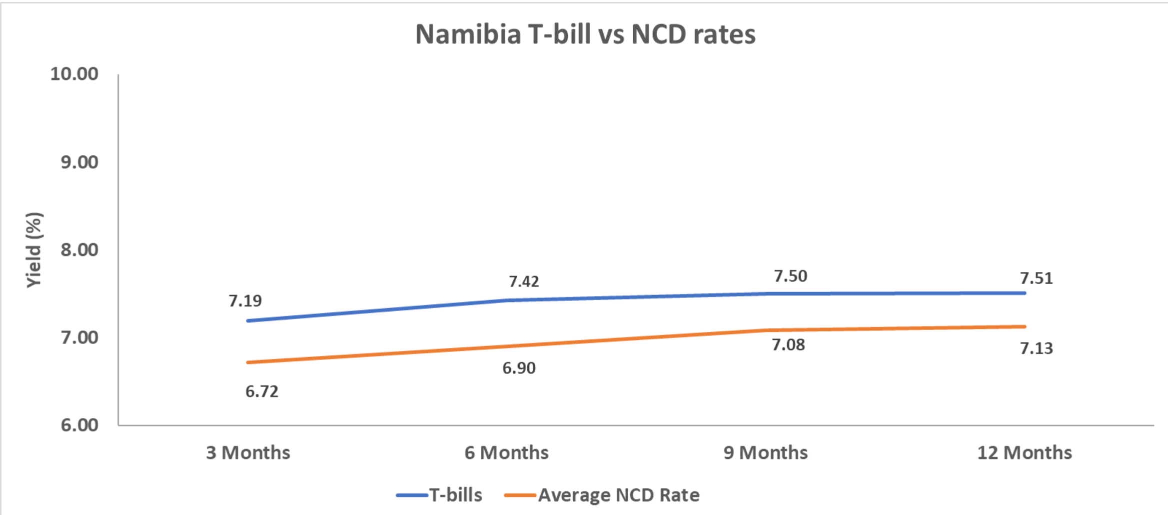
Please note that the commentary is for the retail class of the Fund.

The NAM Coronation Money Market Fund generated a return (net of management fees) of 1.62% for the second quarter of 2026 (Q2). Over the rolling 12-month period, it returned 6.78% ahead of the benchmark (IJG 3-month NCD Index) return of 6.74%.

The Bank of Namibia (BoN) raised the repo rate by 25 basis points (bps) to 6.75% at the June Monetary Policy Committee (MPC) meeting. A moderate tightening of the monetary policy was deemed appropriate to safeguard the currency peg between Namibia and South Africa. Domestic economic activity moderated during the first four months of 2026, most pronounced in the mining, manufacturing, tourism, electricity generation, and communication sectors.

Headline inflation accelerated to 4.1% y/y in May from 2.1% y/y in March, primarily due to higher prices in the transport category, driven by the conflict in the Middle East. The BoN expects inflation to average at 4.0% for 2026 before falling to 3.6% in 2027.

During Q2, the 3-month Johannesburg Interbank Average Rate (Jibar) was replaced by the South African Rand Overnight Index Average (ZARONIA). At the end of Q2, local Namibian banks were offering a spread of 38bps above ZARONIA for one-year tenor floating-rate notes. The one-year fixed rate negotiable certificate of deposit (NCD) yield decreased by 0.02% to 7.13% from the 7.15% offer in Q1. 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-Bill during Q2.



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 June 2026