

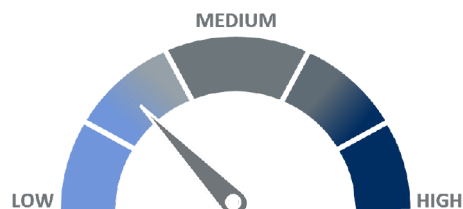
General Fund Information

Fund Structure	CIS
Region	Eswatini
Currency	SZL
Asset Class	Fixed Income
Portfolio Manager	Peter Jarvis
Headline Fee	2.00%
TER (includes Headline Fee)	0.01%
Initial Fee	-
Distribution Frequency	Semi-annually
Launch Date	September 30, 2016
Financial Year End	April
Minimum Lump Sum Investment	100000
Risk Rating	Medium-Low
Net Asset Value (NAV)	1.01
Assets Under Management (AUM)	568,585,901.00

Fund Objective

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.

Risk Rating



Gross Performance (%)

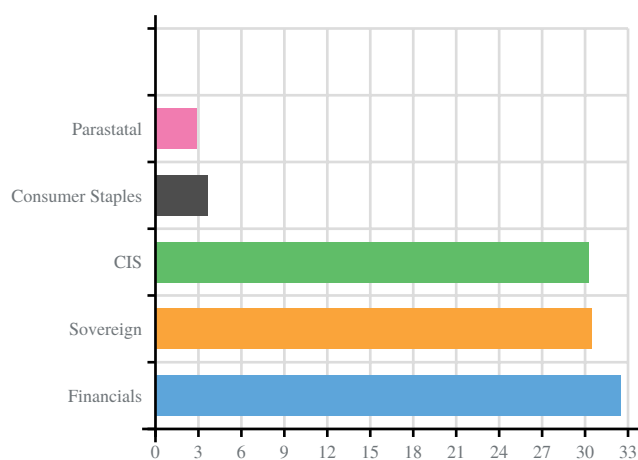
	1 Month	3 Months	6 Months	1 Year	2 Years*	3 Years*	5 Years*
Fund	0.83	2.47	4.81	9.40	8.71	8.86	9.09
Benchmark**	0	0	0	0	0	0	0
Value Add	0.83	2.47	4.81	9.40	8.71	8.86	9.09

*Annualised **Not Applicable

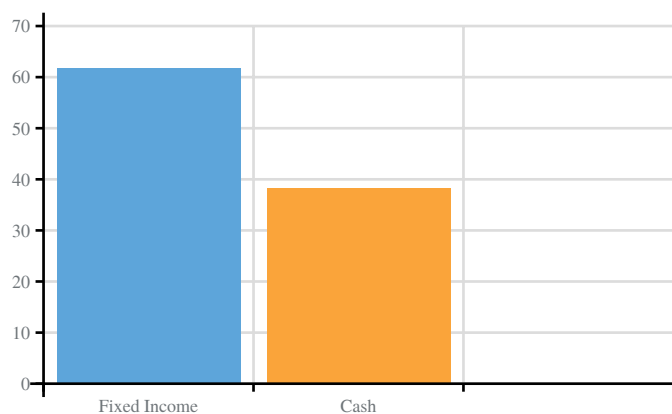
Issuer Exposure (%)

Central Bank of Eswatini	30.5
CIS	30.3
SBC	9.4
Lesana Lesotho Limited	8.9
Select	6.6
Strutco	4.6
Lojaf	3.7
Motor Vehicles Accident Fund	2.9
Select Limited	2.7
Nedbank	0.4

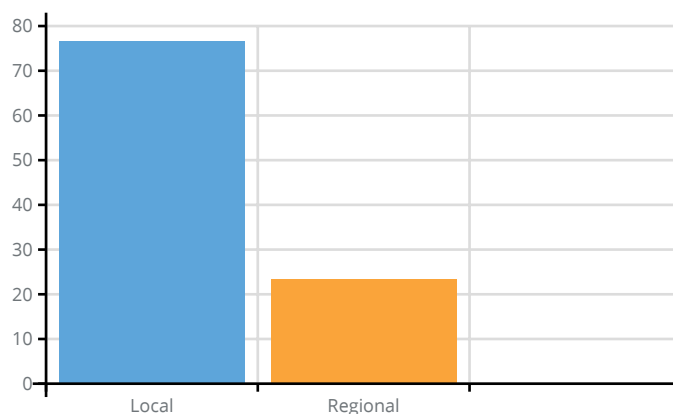
Sector Allocations (%)



Asset Class Breakdown (%)



Region Breakdown (%)



Portfolio Manager Commentary

The Eswatini market remained muted with limited activity throughout the month. Liquidity constraints continue to pose a challenge across the market. The T-Bill yields remained stable, with the average competitive yield for 91-day and 364-day Bills at 8.75% and 10.12% respectively, at the end of the May auction.

Expectations point towards a potential increase in interest rates in the local market as the Central Bank of Eswatini raised its rate by 50 basis points to 7.75% on May 26th. This move led to a rise in the prime lending rate to 11.25%. The Central Bank cited the ongoing Russian-Ukraine war as a contributing factor exerting downward pressure on the global economy, thereby creating an inflationary environment. Additionally, load shedding in neighboring South Africa has further strained the regional economy.

Headline inflation in Eswatini rose to 6.1% from the previous month's 5.6%. The increase is primarily attributed to higher costs in housing utilities, clothing & footwear, and recreation & culture. However, deflation was observed in the transportation and food sectors, as well as in alcohol and tobacco.

The Central Bank of Eswatini (CBE) has partnered with the Johannesburg Stock Exchange (JSE) to introduce an E4 billion bond program, enabling Eswatini's government to borrow as a sovereign in the South African market. The bond program aims to attract South African investors to purchase the bonds, thereby injecting funds into Eswatini to support the government's needs and contribute to improving the country's economy. The program is set to launch its first issuance in the 2023/24 financial year.

Eswatini's government is actively implementing its Foreign Direct Investment (FDI) program and exploring potential investments from the United Arab Emirates (UAE). Minister of Commerce, Industry, and Trade, Manqoba Khumalo, participated in the 12th Annual Investment Meeting (AIM) in Abu Dhabi, engaging in discussions with officials from the Abu Dhabi Chamber of Commerce and Industry. The aim is to foster potential investments and develop value chains. Eswatini has already established a partnership with Emirates Management Investment (EMI) Gate Holding, the UAE's largest investment company. EMI Gate Holding has committed to creating job opportunities and investing in infrastructure projects such as schools, hospitals, and foundations in Eswatini.

The South African equity market suffered a sharp pull-back during May, with the Capped SWIX index posting a 5.81% decline. The index is now marginally down year to date, losing 0.2% in ZAR. Against this backdrop, at the stock level, Richemont (an overweight position in our SA Equity Fund) stands out with its remarkable 40.26% surge in share price, buoyed by hard currency sales and the continuing resilience of the luxury goods sector. In the fixed-income space, South Africa's benchmark 10-year government bond yield widened sharply and closed the month at 12.43%.

The South African rand weakened further during May and ended the month close to a record low against the USD. This depreciation can be attributed to various factors, including weak manufacturing data from China affecting commodity currencies and the strengthening of the US dollar due to lower-than-expected inflation in Europe. Investor sentiment was further impacted by the power crisis and allegations (which South Africa denies) of supplying weapons to Russia in the previous year. The government's inconsistent messaging and inability to effectively address these issues have further eroded investor confidence. The decision by the South African Reserve Bank to raise its policy rate to a two-decade high did little to remedy the rand's decline.

Disclaimer

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