AA Eswatini Portfolio Fund

September 2025

Fund Particulars

◀ Lower Risk				Higher Risk ▶
1	2	**3**	4	5
◀ Potentially Lower Reward				Potentially Higher Reward ▶

Launch Date:
June 1998

Fund Currency:
SZL

Total Assets:
699,523,103.29

Unit price (per unit):
7.01

Total Units:
99,609,180.62

Fund Size:
698,448,153.32

Fund Strategy:
Balanced

Distributions:
Semi-annually

Last date of distribution:
30 April 2025

Management Fee (Incl. VAT)
1.82%

TER (Incl. VAT)
1.77%

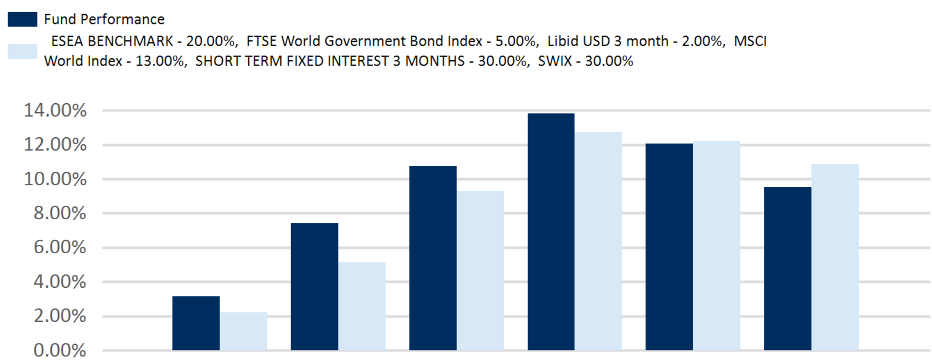
The African Alliance Group

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

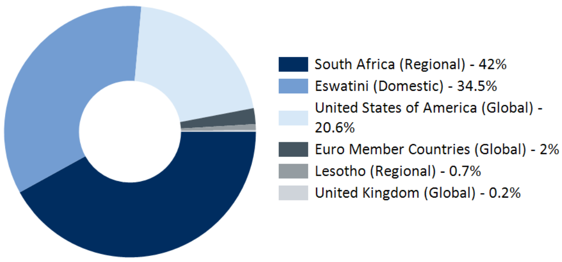
The African Alliance Eswatini Portfolio Fund is a balanced mandate that invests in global equities, fixed income and money market instruments. The Fund tactically allocates across regions and asset classes. The Fund seeks for a balance of providing real returns and the potential for capital gain.

Gross Annualised Fund Performance

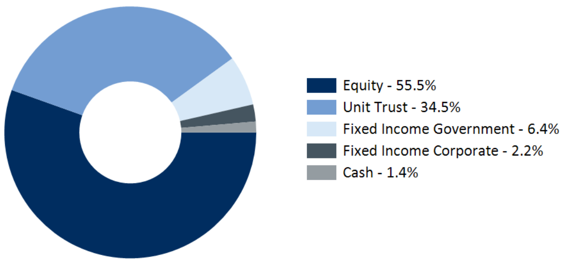


* Gross Annualised Performance	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	3.14%	7.41%	10.74%	13.83%	12.08%	9.53%
Benchmark	2.21%	5.13%	9.30%	12.73%	12.22%	10.88%

Currency Exposure (By Domicile)



Instrument Type Exposure



Investment Options	
Minimum lump sum investment	10,000.00
Minimum monthly debit order	500.00

Risk Measures	Fund	Benchmark
Highest Annualised Return	13.83%	12.73%
Lowest Annualised Return	2.63%	2.84%

Fund Commentary

The Eswatini Stock Exchange (ESE) remained stable in September, closing at 484.25, though market liquidity stayed limited. The Central Bank of Eswatini's (CBE) Treasury bill auction results showed continued compression in yields, on both the long and short end, with average competitive yields at 8.45% (91-day), 9.522% (273-day), and 9.623% (365-day). The Emalangeni closed at E17.69 to the USD, but its fair value is closer to R13.16, leaving it about 32% undervalued. Persistent weak growth, infrastructure failures, and political risk add a R4.00 risk premium, keeping the rand structurally weaker.
The Emalangeni strengthened against the USD, up 2.49% for the month and 8.57% year to date, making a compelling case for real dollarised returns, with USD/ZAR closing at E17.25.
The Central Bank of Eswatini maintained the discount rate at 6.75%, with commercial banks keeping the prime lending rate at 10.25%. Inflation eased to 2.6% in August, and the Bank revised its 2025 inflation forecast slightly lower to 3.24%, supported by subdued food and fuel prices. GDP contracted by 0.3% year-on-year in the first quarter of 2025 after 3.0% growth in 2024, as the primary and secondary sectors weakened while services rebounded. Private-sector credit stood at E21.5 billion, down 0.6% month-on-month but up 8.1% annually, with broad money supply and liquidity indicators remaining stable. Reserves were steady at E11.8 billion, providing about 2.9 months of import cover, underscoring overall financial stability.
African Alliance Alternatives has launched a supply chain finance solution that lets suppliers discount approved invoices on a digital platform to unlock immediate liquidity. The programme channels institutional capital into short-tenor exposures anchored by buyer credit quality, aiming for competitive risk-adjusted returns. Suppliers gain faster cash flow while buyers can optimise payment terms without weakening their supply bases, broadening African Alliance's alternatives toolkit. The structure creates a scalable, investable asset class with liquidity characteristics similar to revolving bills and clear, auditable flows.
Regional Market Performance
The end of the 3rd quarter has seen some of the strongest market performances from the JSE and the currency, with a continuing, improving narrative as investors see growth in their portfolios. The Capped SWIX closed up 6.53% for the month and 30.94% year to date. The ALBI rose 3.37%, with Resources up a monumental 25.45%, while Industrials climbed 1.32% and Financials pulled back 1.86%.
In commodities, gold continued to rise, up 11.92%; copper gained 4.11%; and platinum and palladium advanced a substantial 14.94% and 14.26%, respectively.

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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