Haussmann Rech Enhanced Yield Fund

September 2025

Fund Particulars

◄ Lower Risk | Higher Risk ►

1	**2**	3	4	5

◄ Potentially Lower Reward | Potentially Higher Reward ►

Launch Date:

December 2024

Fund Currency:

USD

Total Assets:

3,650,287.79

Net Effective Annual Rate(%)

5.62

Total Units:

3,630,440.51

Fund Size:

3,630,440.51

Fund Strategy:

Fixed Income

Distributions:

Monthly

Last date of distribution:

30 September 2025

Management Fee (Incl. VAT)

0.50%

TER (Incl. VAT)

0.61%

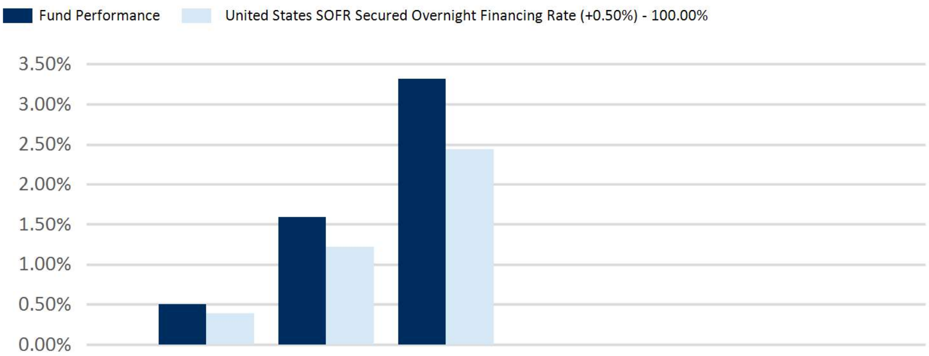
The African Alliance Group

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

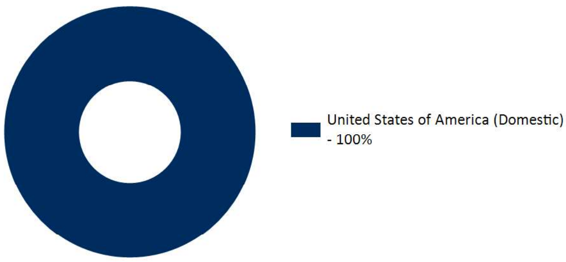
The investment objective of the Fund is to preserve capital over the medium-term whilst providing consistent income generation within moderate risk parameters by investing in a diversified portfolio of domestic short and medium-term corporate and sovereign debt securities.

Gross Annualised Fund Performance

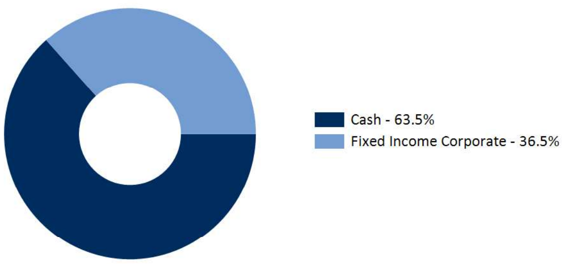


* Gross Annualised Performance	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	0.50%	1.60%	3.32%	-	-	-
Benchmark	0.39%	1.22%	2.44%	-	-	-

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	5.43%	3.78%
Lowest Annualised Return	5.43%	3.78%

Fund Commentary

Global equity markets extended their upward trajectory in September, with the MSCI World Total Return index adding 3.21%, resulting in a year-to-date return of 17.43% in USD. Throughout the month, policy uncertainty continued to dominate the economic landscape, serving as a persistent undercurrent in global markets. The US president escalated his aggressive tariff policies, unveiling sweeping new import duties ranging from 25% to 100% on pharmaceuticals, heavy-duty trucks, kitchen cabinets and upholstered furniture. This expansion of protectionism, building on earlier reciprocal tariffs under the International Emergency Economic Powers Act, raised the average US tariff rate to 17.4%, the highest in over a century, and intensified trade frictions with key partners including China, the EU, and emerging markets. Retaliatory threats loomed large, with potential disruptions to global supply chains in critical sectors like healthcare and autos, while the administration's rhetoric against the Federal Reserve sharpened, pressuring for deeper rate cuts to offset tariff-induced inflationary pressures and support growth.

Geopolitically, tensions simmered across multiple fronts, amplifying economic volatility. Escalating NATO-Russia frictions over airspace incursions pressured European energy security and the euro, while Middle East instability—marked by stalled Israel-Syria normalization talks and ongoing Israel-Hamas fallout—disrupted oil flows and heightened risks to global food and commodity supplies. Corporate news offered bright spots amid the storm: Nvidia's $100 billion investment in OpenAI spurred AI optimism, driving tech sector gains, while AstraZeneca's NYSE listing and $50 billion US manufacturing pledge aimed to sidestep pharma tariffs.

Despite this backdrop of geopolitical and policy volatility, financial markets exhibited remarkable resilience. Equity indices in the US and beyond notched record closes during the month on AI tailwinds and rate-cut bets, while global inflows into equities hit year-to-date highs. Similarly, corporate bond yield spreads tightened to fresh multi-decade lows of 72 basis points post-Fed cut, signalling minimal credit risk perceptions and robust demand for quality amid uncertainty; the US high-grade market saw its busiest September issuance on record. This market behaviour suggests two primary interpretations of investor sentiment: either participants are largely dismissing the policy uncertainty as negotiable posturing—bolstered by US-UK and US-Japan tariff deals—with limited real-economy fallout, or there is unwavering confidence in central banks' backstopping, as evidenced by Fed projections for two more cuts by year-end.

As we move forward, our immediate focus is on whether equity markets can sustain their recent momentum amid tariff escalations and geopolitical fractures. The developed market corporate sector remains robust, with bankruptcies and defaults at multi-year lows and margins expanding on AI-driven earnings, while high-yield issuance shifts toward quality. However, with interest rates on a "higher for longer" path and US household debt at record highs, alongside commodity volatility from trade disruptions, navigating the current market landscape requires caution.

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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