ALLAN GRAY

Fund managers: Duncan Artus, Birte Schneider
Class inception date: 5 December 2016

Allan Gray Namibia Stable Fund

30 September 2025

Fund description

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund may buy assets outside the common monetary area (CMA) up to a maximum of 40% of the Fund. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 40% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund or a balanced fund.

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits. The Fund's benchmark is the daily interest rate, as supplied by Standard Bank Namibia Limited, plus 2%.

How we aim to achieve the Fund's objective

A major portion of the Fund is typically invested in money market instruments. We seek to deploy the Fund's cash by investing in shares when they can be bought at a significant discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares, we may allocate a low weight to shares or partially hedge the Fund's stock market exposure in consideration of the Fund's capital preservation objectives. The Fund may also invest in bonds, property and commodities. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- Are risk-averse and require a high degree of capital stability
- Seek both above-inflation returns over the long term, and capital preservation over any two-year period
- Require some income but also some capital growth
- Wish to invest in a unit trust that complies with retirement fund investment limits

Minimum investment amounts

Minimum lump sum per investor account	N$20 000
Additional lump sum	N$500
Minimum debit order	N$500

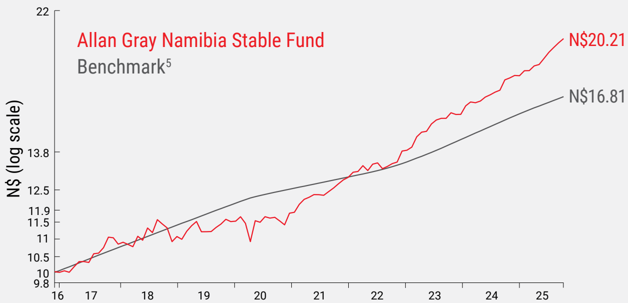
Fund information on 30 September 2025

Fund size	N$500m
Price	N$1 508.46
Number of share holdings	45
Class	A

1. Maximum percentage decline over any period calculated from monthly returns. The maximum drawdown occurred from 31 January 2020 to 31 March 2020. Drawdown is calculated on the total return of the Fund (i.e. including income).
2. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
3. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
4. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 August 2023 and the benchmark's occurred during the 12 months ended 30 June 2024. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 31 August 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
5. The daily interest rate, as supplied by Standard Bank Namibia Limited, plus 2%. Performance as calculated by Allan Gray as at 30 September 2025.

Performance (N$) net of all fees and expenses

Value of N$10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[5]
Cumulative:		
Since inception (5 December 2016)	102.1	68.1
Annualised:		
Since inception (5 December 2016)	8.3	6.1
Latest 5 years	11.8	5.9
Latest 3 years	13.7	7.2
Latest 2 years	13.2	7.3
Latest 1 year	14.6	6.9
Year-to-date (not annualised)	13.0	5.0
Risk measures (since inception)		
Maximum drawdown[1]	-6.9	n/a
Percentage positive months[2]	73.6	100.0
Annualised monthly volatility[3]	5.4	0.4
Highest annual return[4]	15.9	7.8
Lowest annual return[4]	-4.5	3.6

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Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus quarterly.	31 Dec 2024	31 Mar 2025	30 Jun 2025	30 Sep 2025
Cents per unit	1320.2146	1392.6535	1531.2045	1502.5599

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years, to that of the benchmark. If the Fund's return over two years is equal to or less than 0%, Allan Gray will not charge a fee.

Fee for performance equal to the Fund's benchmark: 1.00% p.a.*

For each percentage of two-year performance above or below the benchmark we add or deduct 0.1%, subject to the following limits:

Maximum fee: 1.50% p.a.*
Minimum fee: 0.50% p.a.*

This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark.

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark.

*Management fees charged for the management of unit trust portfolios do not attract VAT.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are included in the TER. The TER is a measure of actual expenses incurred by a fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Top 10 share holdings as at 30 September 2025 (CMA and Foreign) (updated quarterly)

Holdings	% of portfolio
AB InBev	2.4
AngloGold Ashanti	2.3
British American Tobacco	1.9
Gold Fields	1.6
FirstRand Namibia	1.0
Woolworths	1.0
Taiwan Semiconductor Mfg	1.0
Remgro	1.0
Standard Bank Group	0.9
Nedbank	0.8
Total (%)	**13.9**

Top credit exposures on 30 September 2025 (updated quarterly)[6]

Issuer	% of portfolio
Republic of Namibia	33.2
Standard Bank	4.1
FirstRand Namibia	2.5
FirstRand Bank	2.1
United States Treasury	1.4
Bank Windhoek	1.3
Total (%)	**44.6**

Asset allocation on 30 September 2025

Asset class	Total	Namibia[7]	South Africa	Africa ex-SA and Namibia	Foreign ex-Africa
Net equities	28.6	5.0	9.5	0.4	13.7
Hedged equities	14.0	0.0	5.2	0.0	8.7
Property	1.1	0.4	0.1	0.0	0.6
Commodity-linked	3.2	2.2	0.0	0.0	1.0
Bonds	43.9	31.1	6.4	1.2	5.2
Money market and cash[8]	9.3	7.2	0.5	0.2	1.4
Total (%)	**100.0**	**45.9**	**21.7**	**1.8**	**30.6**

6. All credit exposure 1% or more of portfolio.

7. 2.8% invested in companies incorporated outside Namibia but listed on the NSX. Including dual-listed commodity-linked ETFs, total exposure to dual-listed instruments is 5.1%.

8. Includes the impact of any currency hedging.

Total expense ratio (TER) and transaction costs (updated quarterly)

TER and transaction costs breakdown for the 1 and 3-year period ending 30 June 2025	1yr %	3yr %
Total expense ratio	**1.74**	**1.74**
Fee for benchmark performance	1.03	1.03
Performance fees	0.62	0.61
Other costs excluding transaction costs	0.08	0.10
Transaction costs	**0.05**	**0.06**
Total investment charge	**1.79**	**1.80**

Note: There may be slight discrepancies in the totals due to rounding.

Fund manager quarterly commentary as at 30 September 2025

The FTSE/JSE All Share Index (ALSI) added to its impressive gains in the latest quarter, returning 12.9% and taking its year-to-date return to a remarkable 31.7%. It is seldom that returns from the South African equity market rank near the top of global performance tables across multiple time periods, but now is such a time. Over the last five years, the ALSI has generated a US dollar return of 18.3% per annum, ahead of both the S&P 500 and the MSCI World indices at 16.5% and 14.4% respectively.

Key to the recent bout of outperformance has been gold, with the price of the metal up 47% thus far this year, including 12% in the last month alone. This last leg higher coincided with the market starting to price in multiple US Federal Reserve interest rate cuts owing to a weakening labour market in the United States. Concerns around increasing political influence on the central bank's actions also likely contributed. Prospects for looser monetary policy conditions ahead, while US inflation continues to run stubbornly above target, heighten the appeal of gold. Only 1979, when inflation concerns were widespread, saw better returns for the metal at this point in the year.

On the back of this move, the share prices of South African gold miners have more than doubled so far in 2025. Platinum group metal producers have recently joined the market rally, with the shares up nearly 50% just in September. This, as platinum regained its allure as a precious metal. We have previously highlighted the concentrated nature of the South African index, with precious metal producers now holding a 24% weight. Historically, the return profile from this sector has been highly erratic due to the cyclical nature of metal prices and the economics for the miners being eroded over time by cost creep and value-destructive capital allocation decisions.

Locally, the FTSE NSX Local Index returned 6.9% in the last quarter and 18.1% year to date. A noteworthy performance, despite underperforming the South African market.

Turning to fixed income, the South African bond market continued its rally with the FTSE/JSE All Bond Index adding 6.9% in the last quarter, taking the year-to-date return to 14.0%. While the South African Reserve Bank (SARB) opted to hold rates at its most recent Monetary Policy Committee meeting, the shift towards a more dovish future stance is evident. The SARB has also introduced the possibility of lowering the inflation objective to 3% versus the previous 3% to 6% band. Experience elsewhere suggests that once inflation settles in the 1% to 3% range, it usually stays there. The current band is too high and wide relative to the low prevailing inflation that the SARB wishes to lock in. With administered prices and public sector wages still expected to outpace overall inflation, government support is clearly required. While discussions between the SARB and National Treasury are ongoing, the bond market has cheered the prospect of a new, lower target. In comparison, local bonds had a muted performance with an 8.5% year-to-date return, still well ahead of inflation. The spread between South African and Namibian bonds widened, driven by a record high local borrowing requirement of N$23 billion for the current fiscal year, which is partly due to the imminent Eurobond redemption in October, alongside uncertainty regarding the new regime's policy outlook and fiscal trajectory.

At quarter end, roughly 32% of the Fund was invested in direct offshore assets. Despite the headwind from a stronger Namibian dollar this year, performance from the underlying Orbis funds has been strong on both an absolute and relative basis.

The Fund has returned 13.0% year to date, outperforming its benchmark by 7.9%. With many asset prices, both in South Africa and offshore, at or near multi-year highs, the prospect of future benchmark returns remaining elevated looks less clear. In our opinion, the Fund's current defensive positioning, in terms of its stock selection, 29% net equity weight (which is below the 40% maximum), sizeable asset allocation towards hedged equities, and its lower-duration bond holdings should assist it in meeting its return objective, even if markets consolidate and digest their recent rallies near term.

Commentary contributed by Sean Munsie and Birte Schneider

Important information for investors

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Management Company

Allan Gray Namibia Unit Trust Management Company is an approved management company in terms of the Unit Trusts Control Act 54 of 1981 as amended, and is incorporated and registered under the laws of Namibia and supervised by the Namibia Financial Institutions Supervisory Authority (NAMFISA). The trustee and custodian is Standard Bank Namibia.

Performance

Unit trusts are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Where annualised performance is mentioned, this refers to the average return per year over the period.

Unit price

Unit trust prices are calculated daily on a net asset value basis, which is the total market value of all assets in the portfolio, including any income accruals and less any permissible deductions from the portfolio, divided by the number of units in issue.

Redemptions

Allan Gray Namibia Unit Trust Management Company will repurchase any number of units offered to it on the basis of prices calculated in accordance with the requirements of the Unit Trusts Control Act 54 of 1981 as amended and on the terms and conditions set forth in the trust deed.

Total expense ratio (TER) and transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one- and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged) and other expenses like audit and trustee fees. Transaction costs (including brokerage, securities transfer tax, Share Transactions Totally Electronic (STRATE) and investor protection levies where applicable) are shown separately. Transaction costs are necessary costs in administering the Fund and impact Fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager, and the TER. Since Fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and transaction costs is shown as the total investment charge (TIC).

Compliance with Regulation 13

The Fund is managed to comply with Regulation 13 of the Pension Funds Act 24 of 1956. Exposures in excess of the limits prescribed in Regulation 13 shall be dealt with in accordance with Regulations. Notwithstanding the aforesaid, the Fund does not hold Unlisted Investments in accordance with Regulation 13(5) and the Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act.

FTSE/JSE All Share Index, FTSE/JSE All Bond Index, FTSE/JSE Financials Index and FTSE/JSE Resources Index

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MSCI Index

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