ALLANGRAY

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

Allan Gray Namibia Stable Fund

A Class 31 October 2026

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

The Fund typically maintains a high exposure to fixed interest instruments, including bonds and 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 property and commodities, and its 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 portfolio that complies with retirement fund investment limits

Minimum investment amounts

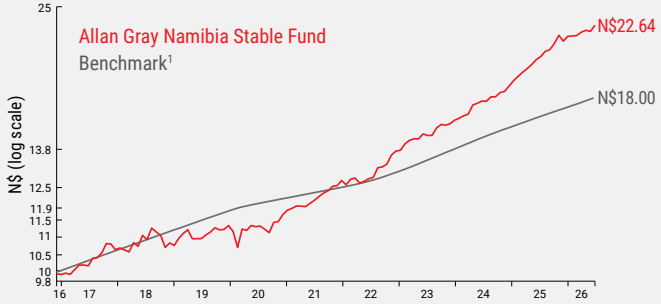
Minimum lump sum per investor account	N$20 000
Additional lump sum	N$500
Minimum debit order	N$500

Fund information on 31 October 2026

Fund size	N$684m
Price (net asset value per unit)	N$1 611.67
Number of share holdings	45
Class	A

Performance (N$) net of all fees and expenses

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



1. The daily interest rate, as supplied by Standard Bank Namibia Limited, plus 2%. Performance as calculated by Allan Gray as at 31 October 2026.
2. The maximum drawdown is the largest percentage decline over any period calculated from monthly returns. The Fund's maximum drawdown occurred from 31 January 2020 to 31 March 2020. This measure is based on the total return, including price changes and distributions.
3. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
4. Volatility is a statistical measure of how much and how fast an asset's price moves up and down over a period of time. The standard deviation is a primary statistical tool to measure how much an investment's return varies from its average over time. Higher volatility means returns fluctuate considerably. Lower volatility suggests more stable returns.
5. 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 28 February 2026 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.

% Returns	Fund	Benchmark[1]
Cumulative:		
Since inception (5 December 2016)	126.4	80.0
Annualised:		
Since inception (5 December 2016)	8.6	6.1
Latest 5 years	11.7	6.5
Latest 3 years	12.8	7.0
Latest 2 years	13.3	6.7
Latest 1 year	10.9	6.6
Year-to-date (not annualised)	8.4	5.4
Risk measures (since inception)		
Maximum drawdown[2]	-6.9	n/a
Percentage positive months[3]	74.8	100.0
Annualised monthly volatility[4]	5.2	0.4
Highest annual return[5]	20.3	7.8
Lowest annual return[5]	-4.5	3.6

Further information on the Fund's performance and distribution history is available on our website.

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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 2025	31 Mar 2026	30 Jun 2026	30 Sep 2026
Cents per unit	**1292.4928**	**1489.5835**	**1471.2634**	**1598.1366**

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 0.10%, 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 2026 (CMA and Foreign) (updated quarterly)

Company	% of portfolio
AB InBev	2.1
AngloGold Ashanti	1.4
British American Tobacco	1.2
Taiwan Semiconductor Mfg	1.2
Samsung Electronics	1.2
Remgro	1.1
Shoprite	1.0
FirstRand Namibia	1.0
Sasol	1.0
Standard Bank Group	0.9
Total (%)	**12.1**

Top debt issuers on 30 September 2026 (CMA and Foreign) (updated quarterly)[6]

Issuer	% of portfolio
Republic of Namibia	38.9
Standard Bank Namibia	2.5
Standard Bank	2.2
FirstRand Namibia	1.9
FirstRand	1.1
United States Treasury	1.1
Total (%)	**47.7**

Asset allocation on 31 October 2026

Asset class	Total	Namibia[7]	South Africa	Africa ex-SA and Namibia	Foreign ex-Africa
Net equities	29.5	6.0	10.1	0.4	13.0
Hedged equities	10.4	0.0	3.2	0.0	7.2
Property	1.0	0.3	0.0	0.0	0.6
Commodity-linked	1.6	1.1	0.0	0.0	0.5
Bonds	50.7	40.6	3.3	1.0	5.8
Money market and cash[8]	6.8	4.8	0.4	0.2	1.4
Total (%)	**100.0**	**52.8**	**16.9**	**1.7**	**28.5**

6. Credit exposure representing 1% or more of the portfolio.

7. 3.9% of the Fund is invested in companies incorporated outside Namibia but listed on the NSX. When we include dual-listed commodity-linked ETFs, the Fund's total exposure to dual-listed instruments is 5.0%.

8. Includes the impact of any currency hedging.

Total expense ratio (TER) and transaction costs for periods ending 30 September 2026 (updated quarterly)

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**1.75**	**1.73**
Fee for benchmark performance	1.03	1.03
Performance fees	0.66	0.62
Other costs excluding transaction costs	0.07	0.08
Transaction costs	**0.06**	**0.05**
Total investment charge	**1.81**	**1.78**

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

Fund manager quarterly commentary as at 30 September 2026

The Fund's objective is to deliver long-term returns that are superior to bank deposits, while aiming to provide a high degree of capital stability and minimise the risk of loss over any two-year period. It seeks to achieve this by investing in a mix of shares, bonds, commodities and cash, locally, in South Africa and offshore, based on the overall attractiveness of each underlying asset. When markets are rallying, this provides a strong underpin to returns. However, when prices are flat or down, the Fund's absolute return objective becomes that much harder to achieve.

Namibian equities had a very strong quarter, resulting in another exceptional year-to-date return of 22.8% for the FTSE NSX Local Index, supported by healthy dividend distributions. In contrast, the FTSE/JSE All Share Index has delivered a disappointing year-to-date return of -3.2%. This performance stands in stark contrast to what equity investors have experienced in recent years, particularly when set against the stellar returns of 42.4% delivered in 2025. At a sector level, Financials and Resources have performed the best, delivering year-to-date returns of 3.8% and 1.2% respectively. Industrials have lagged significantly, returning -13.6% year to date.

While the Resources sector drove the market rally last year, performance so far this year has been more mixed, ranging from Sasol at the top end (+116%) to Sibanye Stillwater (-25%). Energy-related companies and diversified miners, particularly those with copper exposure, have generally performed well, while precious metals miners have struggled. The hawkish shift in global central bank interest rate expectations, driven by resurgent inflation, has created a near-term headwind for the gold price. The longer the conflicts in the Middle East and Ukraine persist, the greater the risk that higher crude oil and refined product prices feed through into a broader basket of goods, services and, ultimately, wages.

The sharp rise in developed market government bond yields reflect these fears, along with concerns regarding the debt issuance needed to fund future borrowing requirements amid greater competition for investor capital. While South African government bond yields have weakened from their lows earlier this year, the FTSE/JSE All Bond Index has outperformed developed market peers, generating a return of 3.5% year to date. Investors continue to benefit from improving fiscal dynamics and the adoption of a lower inflation target, assisted by rand stability and favourable terms of trade that were supported by the strong precious metals prices. Namibian bonds have underperformed relative to South African bonds, with the IJG All Bond Index returning 2.2% year-to-date. In July, government adjusted its borrowing plan, shifting an additional N$7bn of funding to domestic sources and increasing planned domestic borrowing to N$27bn for the 2026/27 fiscal year. Higher bond yields reflect the growing funding requirement from the local market, together with continued uncertainty surrounding TotalEnergies' final investment decision on the Venus oil project.

Naspers and Prosus rank among the worst-performing shares in the JSE's Industrials sector year to date. The market is questioning Tencent's position in the artificial intelligence (AI) race relative to Alibaba and ByteDance, while near-term profitability has been weighed down by heavy AI investment.

Within the South African economy, the effects of muted growth and pressure on consumers have not been felt uniformly across listed companies. The earnings of banks and insurers, operating in a more regulated and perhaps less contested market, have generally grown in line with, or above, market expectations – although market expectations were not overly ambitious at the outset. Conversely, retailers across both staples and discretionary categories, many of which have historically traded at premium earnings multiples, face heightened competition for an increasingly strained consumer wallet. In some instances, the market appears to be factoring the adverse scenario into company valuations in perpetuity, creating an opportunity for longer-term, contrarian investors.

Against a more challenging market backdrop than investors have experienced in recent years, the Fund has returned 6.2% year to date. Equity stock selection has contributed positively to the Fund's return. Overweight holdings in AB InBev, Sasol and FirstRand Namibia, along with underweight exposure to precious metals miners, as well as Naspers and Prosus, were among the largest contributors to relative outperformance. Hedging instruments have also helped to shield the Fund from equity market weakness. Despite a weaker US Dollar, the Fund's offshore exposure has continued to be a key contributor to performance.

Commentary contributed by Sean Munsie and Birte Schneider

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Manager

Allan Gray Namibia Unit Trust Management Limited is an approved manager of a collective investment scheme in terms of the Financial Institutions and Markets Act 2 of 2021 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 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 Limited will repurchase any number of units offered to it on the basis of prices calculated in accordance with the requirements of the Financial Institutions and Markets Act 2 of 2021 and on the terms and conditions set forth in the 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 fee component) and other expenses like audit, trustee and custodian fees. Transactions costs (including applicable brokerage, securities transfer tax and other trading-related charges) are shown separately. Transaction costs are necessary costs in administering the Fund and impact fund returns. Since fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns. Fees, expenses and costs include VAT, where applicable. The sum of the TER and transaction costs is shown as the total investment charge (TIC). As fund 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. Fees, expenses and costs should not be considered in isolation by investors when making investment decisions, as returns may be impacted by many other factors over time, including market returns, the type of financial product and the investment decisions of the investment manager. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the net performance of the Fund.

Compliance with Regulation 13

The Fund is managed to comply with the limits of Regulation 13 of the repealed Pension Funds Act 24 of 1956, which continues to apply under the Financial Institutions and Markets Act 2 of 2021. Exposures in excess of the prescribed limits are dealt with in accordance with the applicable regulatory requirements. Notwithstanding the foregoing, the Fund does not hold unlisted investments for purposes of the minimum unlisted investment requirement in Regulation 13(5), nor is compliance by retirement funds with section 282 of the Financial Institutions and Markets Act 2 of 2021 monitored.

FTSE/JSE indices

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MSCI Index

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