

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 75% 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.

Fund objective and benchmark

The Fund aims to earn a higher total rate of return than that of the average Namibian retirement fund investment manager over the long term. The benchmark is the return of a daily weighted average index of Namibian multi asset class funds that comply with the limits governing Namibian retirement funds.

How we aim to achieve the Fund's objective

We seek to buy shares at a 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 increase the Fund's weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Fund's stock market exposure. By varying the Fund's exposure to these different asset classes over time, we seek to enhance the Fund's long-term returns and to manage its risk. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- Seek steady long-term capital growth
- Are comfortable with taking on some risk of market fluctuation and potential capital loss, but typically less than that of an equity fund
- Wish to invest in a unit trust that complies with retirement fund investment limits
- Typically have an investment horizon of more than three years

Minimum investment amounts

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

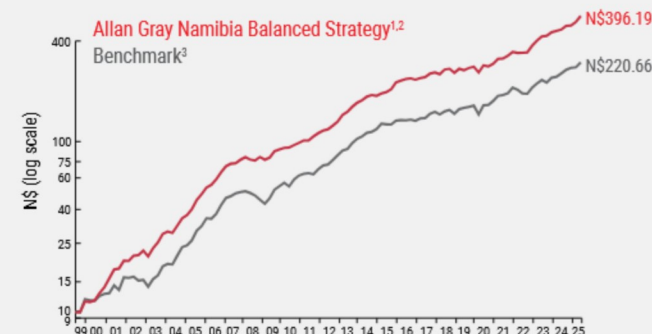
Fund information on 30 June 2025

Fund size	N\$5 683m
Price	N\$2 948.63
Number of share holdings	45
Class	B

1. On 1 February 2014, all the assets and unitholder liabilities of the Allan Gray Namibia Investment Trust were transferred to the Allan Gray Namibia Balanced Fund. The investment philosophy, strategy, fund objective, mandate, restrictions and fund managers remain unchanged.
2. The performance and risk measures prior to inception of the B Class of the Fund (1 October 2014) are calculated using the performance of the A Class of the Fund.
3. The current benchmark is the return of a daily weighted average index of Namibian multi-asset class funds that comply with the limits governing Namibian retirement funds, which is provided by Morningstar. From inception to 30 September 2014 the benchmark was the average Alexander Forbes Namibia Manager Watch Survey. Performance as calculated by Allan Gray as at 30 June 2025.
4. Maximum percentage decline over any period calculated from monthly returns. The maximum drawdown occurred from 31 January 2020 to 31 March 2020 and maximum benchmark drawdown occurred from 31 May 2008 to 28 February 2009. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
5. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
6. 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.
7. 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 May 2001 and the benchmark's occurred during the 12 months ended 30 April 2006. The Fund's lowest annual return occurred during the 12 months ended 30 April 2009 and the benchmark's occurred during the 12 months ended 28 February 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Performance (N\$) net of all fees and expenses

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



% Returns	Strategy ^{1,2}	Benchmark ³
Cumulative:		
Since inception (12 August 1999)	3861.9	2106.6
Annualised:		
Since inception (12 August 1999)	15.3	12.7
Latest 10 years	9.9	8.0
Latest 5 years	13.0	11.3
Latest 3 years	16.5	13.7
Latest 2 years	13.6	11.6
Latest 1 year	18.5	14.7
Year-to-date (not annualised)	12.6	7.1
Risk measures (since inception)		
Maximum drawdown ⁴	-8.5	-20.2
Percentage positive months ⁵	73.2	63.2
Annualised monthly volatility ⁶	8.0	9.9
Highest annual return ⁷	47.4	45.6
Lowest annual return ⁷	-5.2	-19.2

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 biannually.	31 Dec 2024	30 Jun 2025
Cents per unit	3531.5266	4957.9580

Annual management fee

Allan Gray charges a fee on the portion of the fund they manage, 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.

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 June 2025 (CMA and Foreign) (updated quarterly)

Holdings	% of portfolio
Naspers & Prosus	3.1
AB InBev	3.0
British American Tobacco	3.0
FirstRand Namibia	2.8
Standard Bank Group	1.6
Nedbank	1.5
Stimulus	1.5
Oryx Properties	1.4
Namibia Breweries	1.4
AngloGold Ashanti	1.3
Total (%)	20.6

8. 6.0% invested in companies incorporated outside Namibia but listed on the NSX. Including dual-listed commodity-linked ETFs, total exposure to dual-listed instruments is 9.9%.

9. The Fund breached below the minimum 45% exposure limit to domestic assets. The current exposure is 44.8%. The exposure below the limit was caused by market value movements.

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

Asset allocation on 30 June 2025

Asset class	Total	Namibia ⁸	South Africa	Africa ex-SA and Namibia	Foreign ex-Africa
Net equities	58.2	14.1	18.9	1.0	24.2
Hedged equities	4.3	0.0	0.0	0.0	4.3
Property	2.1	1.4	0.0	0.0	0.6
Commodity-linked	4.7	3.9	0.0	0.0	0.9
Bonds	23.7	19.6	0.0	0.7	3.4
Money market and bank deposits	7.1	6.0	0.0	0.0	1.1
Total (%)	100.0	45.0⁹	18.9	1.7	34.4

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

TER and transaction costs breakdown for the 1 and 3-year period ending 31 March 2025	1yr %	3yr %
Total expense ratio	1.60	1.58
Fee for benchmark performance	1.02	1.02
Performance fees	0.54	0.52
Other costs excluding transaction costs	0.04	0.04
Transaction costs	0.05	0.06
Total investment charge	1.65	1.64

For the quarter, the FTSE NSX Local Index returned 3.9%, the FTSE/JSE All Share Index (ALSI) returned 10.2%, the IJG All Bond Index (IJG ALBI) returned 3.0% and the Fund returned 7.8%. If that was all you knew, you might think it was a relatively benign quarter, but uneventful it was not.

The quarter began with "Liberation Day" on 2 April, when President Donald Trump surprised markets with the degree and severity with which he proposed imposing import tariffs on every country that the US trades with. Even territories uninhabited by humans, such as the Heard and McDonald Islands, were threatened with tariffs. The market reaction was swift, and by 7 April, the ALSI was down 7.0% for the quarter in rands. Offshore, in US dollars, the S&P 500 was down 9.8%, while the MSCI World Index was down 9.9%.

When the US bond market began to buckle, President Trump walked back many of the proposed tariffs, either through revised agreements or 90-day pauses. Within weeks, markets had forgotten the panic of early April, continuing their upward trajectory and largely ignoring the future impact of elevated tariffs on global trade and gross domestic product (GDP).

In South Africa, tensions remained elevated in the government of national unity, as the Budget was revised a third time and finally passed in May, with the proposed VAT increase abandoned. Where exactly the SA government will source the funds to finance the country's growing budget deficit is not entirely clear.

Domestically, a new government taking office has increased uncertainty around the country's fiscal path and policy. How the government will balance disciplined spending with the execution of all envisaged projects and initiatives will be of interest. Budgetary risks may be exacerbated by a weak diamond outlook, but partially offset by positive developments in the uranium and gold markets. In the medium term, borrowing requirements are likely to remain high and the budget deficit combined with the Eurobond maturity means government plans to raise a record N\$21bn, domestically, this year. While the Namibian oil and gas industry is still in its nascent stages, a confirmed development would materially carry positive weight, both economically and fiscally.

The quarter ended with the already tense situation in the Middle East reaching boiling point, as both Israel and the US bombed Iran, and Iran responded with missile strikes of their own. At quarter end, the countries had entered into a fragile ceasefire agreement.

Against this backdrop, we continue to do what we have always done: ignore short-term noise and invest in assets that we believe offer a margin of safety and potential for long-term outperformance. To the extent that the short-term market volatility created opportunities over the quarter to pick up previously expensive assets on the cheap, we looked to capitalise on those.

Our positioning remained largely unchanged over the quarter. The direct offshore exposure of the Fund was 36%. However, if you include the dual-listed businesses that make the majority of their money offshore, the foreign exposure of the Fund was north of 50% on a look-through basis.

We continue to have a sizeable position to local bonds, which rallied over the quarter. Real yields remain attractive, particularly on the long end but the risks are not zero and arguably higher today than in the recent past given greater uncertainties relating to the new government regime. We favour a barbell approach, combining low-duration, fixed-income assets such as money market instruments with long-duration bonds, which we believe price in some of the risks but also provide optionality should economic and fiscal prospects improve. Oil remains the most significant potential game changer. Collectively, our duration is well below that of the IJG ALBI, while maintaining an attractive weighted yield.

Our largest share positions in the Fund remain British American Tobacco, AB InBev, Naspers and Prosus, and FNB Namibia. In our view, these shares trade at a significant discount to intrinsic value and offer compelling prospects for long-term returns. We continue to assess various stock-specific risks in determining the appropriate position size. As multinational shares have rallied throughout the year, we have been trimming positions. We retain a sizeable allocation to our locally listed equities. Valuations remain undemanding, which not only provides a margin of safety, but also attractive upside if Namibia benefits from the material foreign direct investment over the past few years.

Offshore, our partner, Orbis, has delivered excellent year-to-date results despite the continued underweight to US technology shares. While we remain cautious on index-level valuations at both Allan Gray and Orbis, we do hold select US exposure – favouring companies with strong balance sheets, durable competitive advantages and reasonable valuations. Where valuations do not offer a margin of safety, Orbis has shown the discipline to rotate into less crowded areas of the market, and continues to see much greater value outside the US than within it.

We do not attempt to predict short-term market moves or macroeconomic surprises. Even if we did, we don't think we'd be any good at it. Instead, we focus on identifying assets with robust fundamentals trading at attractive prices. In uncertain environments, we believe this long-term orientation, underpinned by valuation discipline and a contrarian mindset, is essential to preserving and growing our clients' wealth.

Commentary contributed by Rory Kutisker-Jacobson and Tuyeni Akwenye

Fund manager quarterly commentary as at 30 June 2025

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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).

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

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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 Russell Index

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MSCI Index

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