

Lebela Balanced Fund A2

MINIMUM DISCLOSURE DOCUMENT

INVESTMENT AND RETURN OBJECTIVES

The Fund aims to return CPI + 5% per annum over a full market cycle with less capital risk than the average balanced fund. The Fund is Regulation 13 compliant and at least 45% is invested in Namibian assets.

INVESTMENT PROCESS

The Fund invests in a diversified portfolio including cash, capital markets, equities and property, with active asset allocation. Derivatives can be utilised to reduce downside risk when pricing warrants this. The equity selection is active. The Fund is well diversified globally and the offshore allocation and currency exposure is managed actively

WHO SHOULD INVEST

The Fund is suited to investors with a medium to long term investment horizon, who are seeking capital growth, and downside volatility management.

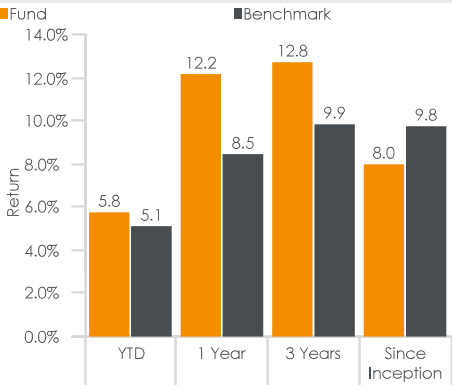
RISK INDICATOR DEFINITION

These portfolios typically have moderate equity exposure and exposure to offshore markets which may result in capital volatility over the shorter term. They are managed in such a manner that the probability of double digit capital losses over one year periods is unlikely. These portfolios typically target returns in the region of 4% - 5% above inflation over the long term.

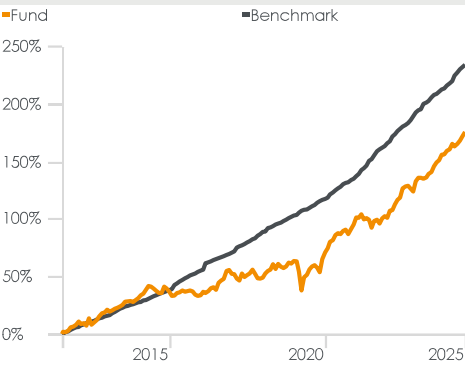
RISK INDICATOR



ANNUALISED PERFORMANCE (%)



CUMULATIVE PERFORMANCE



ANNUALISED PERFORMANCE (%)

As of Date: 6/30/2025

	Fund	Benchmark
YTD	5.76	5.06
1 Year	12.16	8.46
3 Years	12.77	9.87
5 Years	12.04	9.76
Since inception	8.01	9.79

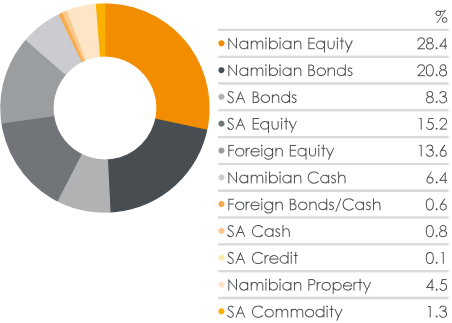
RISK AND FUND STATS

Time Period: Since Inception to 6/30/2025

	Fund	Benchmark
Excess Return	-1.77%	0.00%
Sharpe Ratio	0.28	2.30
Standard Deviation	7.63%	1.46%
Best Quarter	13.35	4.71
Worst Quarter	-15.64	1.32

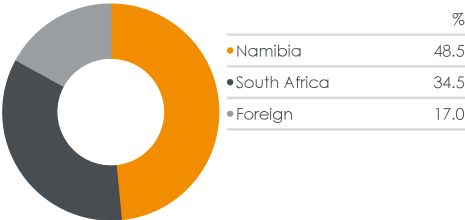
EFFECTIVE ASSET ALLOCATION

Portfolio Date: 6/30/2025



REGIONAL ALLOCATION

Portfolio Date: 6/30/2025



As of 6/30/2025

ABOUT THE FUND

Manager:	ALUWANI Capital Partners (Pty) Ltd
Fund classification:	Asset Allocation -
Secondary classification:	Prudential Variable Equity
Benchmark:	Namibian CPI +5%
Ticker	EPBA2
ISIN	ZAE000169660
Fund size:	5,232,839
Minimum Investment:	N\$10000
Min. monthly investment:	N\$1000
Inception Date	7/20/2012
Annual Income Distribution	1 April 2025 - 4.27 cpu
Initial Fee:	0.00%
Annual management fee:	0.65%
Fact sheet fee class:	A2

Intermediary charges:
Initial and on-going advice fees may be facilitated on agreement between the Client and Financial Advisor. These charges are not part of the normal annual management.

Fee breakdown:

Management Fee:	0.65%
Other Fees*	0.47%
Performance Fee:	0.00%
Total Expense Ratio (TER):	1.12%
Transaction Costs (TC):	0.03%
Total Investment Charge (TIC):	1.15%

*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees and Trustee Fees

Tel:	+264 61 402 092
Web:	www.lebela.com
Email:	info@lebela.com

Lebela Balanced Fund A2

FUND MONTHLY RETURNS													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	1.86	-0.85	0.81	1.00	1.52	1.31							5.76
2024	0.02	-0.30	0.47	1.33	0.69	2.00	1.44	0.75	1.89	0.07	1.21	0.55	10.57
2023	3.07	0.28	2.42	1.85	0.81	3.79	0.69	0.26	-1.15	-1.06	4.01	1.24	17.29
2022	-0.10	1.51	-2.28	0.60	-0.71	-3.53	3.05	0.56	-1.56	2.28	0.97	-0.74	-0.15
2021	2.12	3.30	0.75	2.36	0.92	-0.47	1.60	0.48	-1.98	2.31	2.04	3.21	17.82
2020	-0.19	-5.43	-10.62	8.18	1.56	3.17	1.56	0.74	-1.39	-2.49	7.39	3.58	4.62
2019	2.38	1.38	0.85	2.98	-2.55	2.76	-1.50	-0.79	1.01	2.11	-0.55	1.29	9.59
2018	-0.14	-2.61	-0.99	4.04	-1.85	1.11	0.83	2.22	-2.30	-2.57	-0.28	0.72	-2.03
2017	2.15	-0.73	1.22	1.88	0.42	-1.58	4.53	1.27	1.06	4.73	0.59	-2.31	13.79
2016	-2.57	0.23	1.65	0.35	1.28	-0.88	0.42	0.48	-0.55	-1.99	-0.94	0.52	-2.08
2015	1.80	1.15	2.35	2.58	-0.44	-1.34	-1.23	-1.46	-0.09	4.18	-1.24	-2.04	4.10
2014	-1.40	0.96	1.15	0.71	0.78	1.30	2.21	0.23	0.07	-0.63	1.44	1.29	8.37
2013	2.63	-1.91	0.74	-2.23	6.06	-4.92	1.81	1.83	3.00	2.31	0.50	2.18	12.19
2012								-0.49	1.31	3.00	0.37	1.58	

FUND COMMENTARY - Q2 2025

Namibian Market Overview

The overall NSX equity index returned 6.1% for the quarter, whilst the local equity index returned 3.89% outperforming local bonds (3.02%) and local cash 1.85%. Within local equities, specialist finance company KFS returned 22% for the quarter, whilst TUC's slide continued with a -22% return for the same quarter. Resource sector stocks PDS and DYL returned c60% on the back of strong commodity prices. The middle of the yield curve outperformed returning 4.8% whilst the short-end and long-end underperformed.

Portfolio Performance

A combination of declining inflation and rising asset prices and returns lead to the portfolio outperforming its benchmark of CPI+5% for the month, quarter and 12 months to the end June 2025, and flat on a since inception basis. The main drag to overall multi-period portfolio performance remains stock selection within domestic equities, with bonds and cash being consistent contributors during the periods under review. Within domestic bonds, our allocation to ILB's (Inflation Linked Bonds) for the quarter and year-to-date was a detractor. Stock picks that contributed positively to portfolio performance include overweight positions in Northam, Telkom and Naspers, whilst top detractors include overweight positions in Aspen, and underweight positions in Sibanye and Reinet. The underweight global bonds contributed positively whilst the underweight US equities within our global allocation detracted during the quarter. The overweight Namibian bonds detracted to overall portfolio performance, whilst overweight Namibian equities added to performance.

Portfolio Positioning

As we approach the 3rd quarter of the year, our overall asset allocation portfolio positioning remains unchanged, based on relative risk/returns considerations; marginal overweight domestic equities, overweight domestic nominal and inflation linked bonds, funded by underweight positions in cash and property and off benchmark weights in gold ETF's. We remain underweight global assets (both global bonds and equities) with a preference within equities to Asia-ex China and Europe and underweight US equities.

The upcoming quarter promises to be a volatile one, with much event risk on the horizon. Local fixed income asset classes enjoy an attractive buffer given the extremely elevated level of yields, but that does not mean they cannot come under pressure if the risk backdrop deteriorates. We are cautiously optimistic on the prospects for the portfolio for the new quarter, and this is reflected in our moderate positioning, which is for a constructive backdrop for fixed income, but with significant risk

As mentioned above, ILB's were the one asset class that struggled over the quarter. The total return from ILB's is divided into two components – the monthly accrual (income) earned from inflation and yield plus the mark-to-market of the capital value of the bonds due to the move in the real yields. The first component of return is the monthly accrual earned from the yield on the bonds and the inflation uplift. This component of the total return was elevated this quarter, delivering 2.82%, with 1.59% from inflation uplift and around 1.23% from yield accrual. The second component of the return is determined by the move in the real yields of the bonds which unfortunately saw an average 25 bps rise across the yield curve. This generated capital losses of 1.94%. These components combined explain the index (IGOV) total return of 0.88%, making ILB's the worst performing fixed income asset class over the quarter and year to date, underperforming against nominal bonds and cash.

We have been constructive on the prospects for ILB's, with the view that inflation had bottomed and would rise, and real yields are at very elevated levels and looked set to grind lower. This combination combined would deliver comfortable double digit returns for ILB's. However, this quarter the push for a lower inflation target has intensified as authorities want to capitalise on the fact that inflation is presently below the 3% target they are aiming for. With inflation set to rise from here, they are trying to anchor inflation expectations at the lower level. This push has come sooner than we expected and has weighed on returns from ILB's. In addition, the market is uncertain on the outlook for ILB issuance, with some holding the view that Treasury may favour issuing more ILB's to ease pressure on the nominal bond curve.

We believe real yields are very elevated, and if the new 3% inflation target is credibly implemented, they will move lower thus generating attractive returns from ILB's despite the structurally lower inflation outlook. We have maintained a long duration position relative to the IGOV (0.25 yrs), which detracted from performance this quarter given the rise in yields. From a yield curve perspective, we continue to have an underweight in the short-end (I2029) and ultra-long-end (I2046 & I2050), choosing to concentrate exposure in the middle of the yield curve (I2033 & I2038), where you get the highest yield per unit of duration. This contributed positively to performance, particularly as short-end yields rose the most as the yield curve flattened over the quarter. Lastly, credit issuance is almost non-existent in ILB space, and existing spreads in the secondary market are tightening as a result. This contributed positively to performance over the quarter.

Outlook

The 2 key event risks from the second quarter, reciprocal tariffs and the Israel and Iran conflict, are far from being behind us. The 90 day reprieve afforded to US trading partners expired on 9 July with those negotiating in good faith being afforded an extra month's extension to negotiate trade deals and those that have not showed up to the negotiating table in good faith being metered out letters which re-instate reciprocal tariffs at similar levels to 'Liberation Day'. The jury is still out on whether Trump will follow through on his reciprocal tariff threats or fold under pressure and emerge as 'TACO'. While Israel and Iran have thus far complied with the ceasefire brokered by the US the environment remains fragile until an agreement is reached on a mutually agreed compromise. Given that investment markets are no longer pricing these risks, this creates an inherent vulnerability in markets should these risks materialise.

US policy uncertainty continues to create a volatile backdrop for investment markets. The global economy continues to be characterised by slowing divergent growth worsened by tariffs. The disinflation path continues which provides central bankers a continued easing path to neutral interest rates in a measured approach cognisant of the uncertain economic outlook, hence the overweight nominal and ILB bonds. The US \$ weakness is likely to persist if the narrative of fading US exceptionalism continues to hold. Gold is likely to remain elevated with geopolitical risks and central bank buying (hence the continued preference for the metal via gold ETF's) while oil pressures are likely to persist with the oil market moving towards a surplus (we remain negative on Sasol). SA economic growth remains below potential with upside risks to growth on execution of the economic reform agenda. The SA inflation outlook remains relatively benign with the South African Reserve Bank ('SARB') resuming its easing path and signalling a lowering of the inflation target. The Rand remains supported by a weak US \$ and positive terms of trade. US and SA diplomatic relations and the instability of the GNU remain tail risks to monitor closely.

The heightened uncertain economic and trade environment warrants a level of caution in considering portfolio and stock positioning. The portfolio positioning continues to have a higher quality skew and being more defensive given the escalations in risks. We are using our investment process, which favours good quality, undervalued companies with a favourable investment theme, to re-position the portfolios to capture the market opportunity that has presented itself.

Disclaimer

Disclaimer
Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in script lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. 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.