# SYNOPSIS

## PERFORMANCE (TOTAL RETURN)

| | Portfolio | Benchmark |
|---|---|---|
| Annualised (since 02/09/2002) | 14.4% | 14.9% |
| Last 12 months | 21.5% | 42.6% |
| Last 3 months | 9.6% | 8.9% |

## PORTFOLIO VALUE

R 4 698.8 million (30/09/2025: R 4 632.7 million)

## INVESTMENT OUTLOOK AND PORTFOLIO CONSTRUCTION

*World:* US growth robust but labour market softening
Tariffs may add renewed inflation pressure
Fed likely to be cautious about aggressive rate cuts
Earnings growth decelerating with greater dispersion
Geopolitical and trade tensions remain elevated

South Africa: Growth constrained without structural reform
Energy supply stable but infrastructure fragile
Inflation moderating though risks remain
Limited room for further rate cuts
Rand vulnerable to negative surprises

*Portfolio construction:* Remain cautious on resources sector
Physical gold position hedges systemic risks
Limited exposure to financials, given economic risk
Preference for staple food producers and retailers
Healthcare remains a key defensive allocation
Naspers/Prosus largest holding on attractive valuations
Selective exposure to listed property
Utilized cash to capitalize on opportunities

## EFFECTIVE ASSET ALLOCATION (previous)

| | Portfolio % | % |
|---|---|---|
| JSE equities | 96 | (94) |
| JSE property | 3 | (4) |
| Money market | 1 | (2) |
| | 100 | |

## 1. PORTFOLIO PERFORMANCE

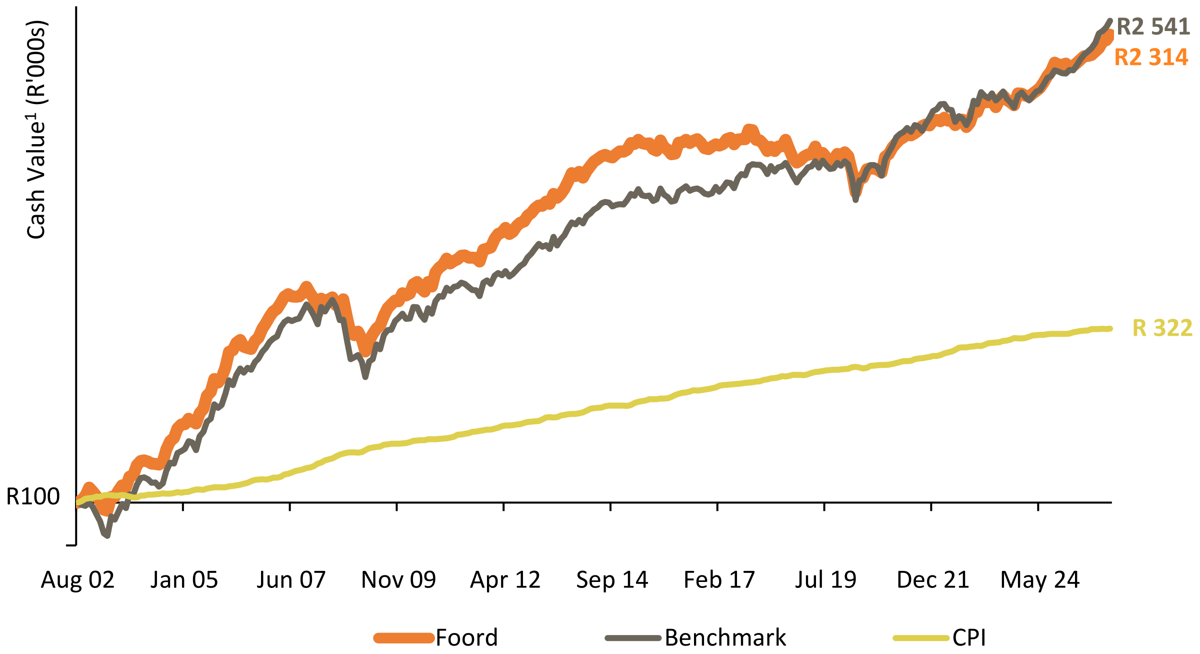
### Total performance to 31 December 2025

| | Portfolio % | Benchmark* % | Variance % | Peer Group# % |
|---|---|---|---|---|
| From inception (02/09/2002) | 14.4 | 14.9 | - 0.5 | 13.7 |
| 20 years | 11.8 | 13.3 | - 1.5 | 11.6 |
| 15 years | 10.5 | 12.7 | - 2.2 | 11.1 |
| 10 years | 8.0 | 12.6 | - 4.6 | 10.7 |
| 7 years | 12.8 | 16.1 | - 3.3 | 14.0 |
| 5 years | 17.4 | 19.3 | - 1.9 | 17.8 |
| 3 years | 18.9 | 20.6 | - 1.7 | 18.4 |
| 1 year | 21.5 | 42.6 | - 21.1 | 36.2 |
| 3 months | 9.6 | 8.9 | 0.7 | 8.8 |

* Total return of the FTSE/JSE Capped All Share Index (prior to 01/07/2018 FTSE/JSE All Share Index)

# (ASISA) South Africa Equity – SA General average

*Daily linked time-weighted total rates of return (capital and income) based on unit price. Returns in percent net of management fees and fund expenses. Returns for periods exceeding 12 months are annualised percentages.*




[1] Current value of R100 000 notional lump sum invested at inception, distributions reinvested (graphically represented in R'000s above)

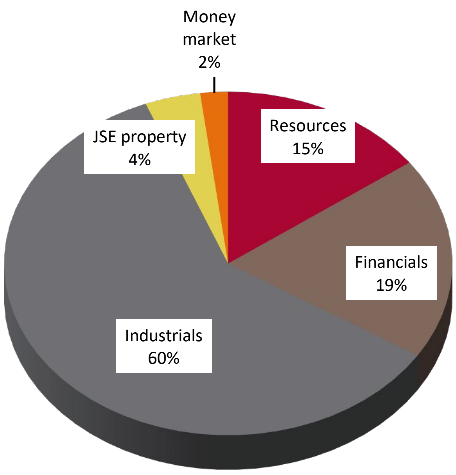
Quarterly performance comment:

- The fund delivered strong absolute returns and outperformed its benchmark — the JSE extended its rally as resource stocks surged on stronger metals prices and financials rebounded after months of selling, with SA one of the better-performing equity markets globally for the year
- An allocation to gold producers contributed significantly to total returns — the gold price strengthened further amid US dollar weakness, heightened geopolitical tensions, and sustained central bank buying
- Investment in media group Naspers/Prosus detracted from returns — after performing well for much of 2025, the final quarter of the year saw Chinese shares giving back some gains as investors took profits
- Holdings in SA Inc. companies exposed to the domestic economy added meaningfully to returns — banks and retailers rebounded helped by moderating inflation, a stronger rand, falling interest rates and an improvement in sentiment
- Investments in property companies contributed in absolute returns but detracted in relative terms given our underweight position — the market reflects the sector’s improved outlook, with more favourable conditions given falling interest rates
- Cash contributed to absolute returns but detracted on a relative basis given the strong equity rally — the SARB cut rates by a further 25 basis points, but reinforced its cautious stance aimed at balancing inflation with economic support

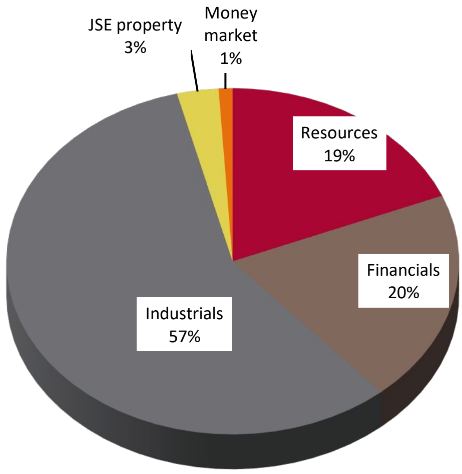
## 2. PORTFOLIO STRUCTURE

| | Portfolio Effective exposure 30/09/2025 | Portfolio Effective exposure 31/12/2025 | FTSE/JSE Capped ALSI Weightings |
|---|---|---|---|
| | % | % | % |
| JSE equities: resources | 15 | 19 | 33 |
| JSE equities: financials (ex property) | 19 | 20 | 26 |
| JSE equities: industrials | 60 | 57 | 35 |
| | 4 | 3 | 5 |
| JSE equities* | 98 | 99 | 99 |
| Money market | 2 | 1 | |
| | **100** | **100** | |
| **Total portfolio** | **R 4 632.7m** | **R 4 698.8m** | |
| *Size distribution of JSE equities | % | % | % |
| Large capitalisation | 62 | 59 | 89 |
| Mid capitalisation | 17 | 17 | 7 |
| Small capitalisation | 21 | 24 | 4 |
| | **100** | **100** | **100** |

Effective exposure 30/09/2025




Effective exposure 31/12/2025



## 3. PORTFOLIO CONSTRUCTION

- SA equity was increased to 96% of total — widespread negative sentiment created mispricing, allowing selective investment in attractively valued SA Inc opportunities
- Holdings in global media giant Naspers / Prosus was maintained — Prosus remains the fund's top holding, underpinned by strong balance sheets, compelling valuations and solid long-term earnings potential
- Took advantage of market volatility to increase exposure to quality consumer businesses such as Spur — holdings remain concentrated in defensive names well-positioned to weather a challenging economic environment
- Increased investment in the financial sector, by selectively adding to high quality banks such as Capitec — we continue to prefer quality banks and non-life insurers over life insurers, as they are better placed to preserve margins and grow earnings, even as interest rates decline
- Retained the fund's positions in gold producers which benefit from favourable operational leverage at high gold prices — gold continues to benefit from supportive fundamentals, a weaker US dollar, and its role as a portfolio diversifier during periods of market stress
- Continued to avoid large, diversified property counters — fundamentals for the asset class remain weak, with elevated debt burdens, excess capacity and ongoing uncertainty around office and retail space demand
- Our effective asset allocation is:

| | Capped ALSI | Portfolio at | |
|---|---|---|---|
| | Current | 30/09/2025 | 31/12/2025 |
| | % | % | % |
| Precious metals | 26 | 10 | 14 |
| Commodity cyclicals | 7 | 5 | 5 |
| Capital goods/construction | 1 | 4 | 5 |
| Industrials/transport | 4 | 4 | 4 |
| Overseas companies | 5 | 4 | 4 |
| Health | 1 | 7 | 6 |
| Consumer/services | 8 | 28 | 28 |
| Telecommunications | 5 | 0 | 0 |
| Media | 12 | 14 | 11 |
| Financials | 26 | 19 | 19 |
| Property | 5 | 4 | 3 |
| Money market | 0 | 1 | 1 |
| | **100** | **100** | **100** |

N BALKIN/N HOSSACK/W MURRAY
DECEMBER 2025

# 4. EFFECTIVE EXPOSURE AND PORTFOLIO SENSITIVITY

## 4.1 Effective exposure

| Asset class | Market value R'000 | Option exposure R'000 | Effective exposure R'000 | Effective exposure % |
|---|---|---|---|---|
| JSE equities | 4,489,628 | | 4,489,628 | 95.5% |
| JSE property | 162,889 | | 162,889 | 3.5% |
| Money market | 46,300 | | 46,300 | 1.0% |
| **Total** | **4,698,817** | | **4,698,817** | **100.0%** |

## 4.2 Sensitivity report

JSE EQUITIES

| **Change in portfolio equities** | **-20.0%** | **-10.0%** | **-5.0%** | **0.0%** | **5.0%** | **10.0%** | **20.0%** |
|---|---|---|---|---|---|---|---|
| Resultant equity change * | -897,926 | -448,963 | -224,481 | 0 | 224,481 | 448,963 | 897,926 |
| Resultant portfolio value * | 3,800,891 | 4,249,854 | 4,474,336 | 4,698,817 | 4,923,298 | 5,147,780 | 5,596,743 |
| Resultant portfolio change (%) | -19.1% | -9.6% | -4.8% | 0.0% | 4.8% | 9.6% | 19.1% |

JSE PROPERTY

| **Change in portfolio property** | **-20.0%** | **-10.0%** | **-5.0%** | **0.0%** | **5.0%** | **10.0%** | **20.0%** |
|---|---|---|---|---|---|---|---|
| Resultant property change * | -32,578 | -16,289 | -8,144 | 0 | 8,144 | 16,289 | 32,578 |
| Resultant portfolio value * | 4,666,239 | 4,682,528 | 4,690,673 | 4,698,817 | 4,706,961 | 4,715,106 | 4,731,395 |
| Resultant portfolio change (%) | -0.7% | -0.3% | -0.2% | 0.0% | 0.2% | 0.3% | 0.7% |

*[R'000]

## 5. RESPONSIBLE INVESTMENT SUMMARY

| Voting resolutions for Q4 2025 | Total count | For | Against | Abstain |
|---|---|---|---|---|
| Adopt Financials | 1 | 100% | 0% | 0% |
| Auditor/Risk/Social/Ethics related | 130 | 98% | 2% | 0% |
| Buy Back Shares | 12 | 100% | 0% | 0% |
| Director Remuneration | 46 | 93% | 7% | 0% |
| Issue Shares | 12 | 8% | 92% | 0% |
| Loan / Financial Assistance | 13 | 23% | 77% | 0% |
| Other | 22 | 86% | 14% | 0% |
| Re/Elect Director | 57 | 98% | 2% | 0% |
| Remuneration Policy | 23 | 57% | 43% | 0% |
| Shares under Director Control | 3 | 0% | 100% | 0% |
| Signature of Documents | 5 | 100% | 0% | 0% |

General comments:

- There are few abstentions. We apply our minds to every single resolution put to shareholders. When there is an abstention it would typically be intentional or for strategic reasons
- We typically vote against any resolution that could dilute the interests of existing shareholders. Examples include placing shares under the blanket control of directors, providing loans and financial assistance to associate companies or subsidiaries and blanket authority to issue shares. On the rare occasion, we have voted in favour of such resolutions, we were able to gain the required conviction in the specifics of the strategic rationale for such activities and could gain comfort that such activities are indeed to be used to the reasons stated
- The firm also has a strong philosophy regarding management remuneration models. We believe in rewarding good managers with appropriate cash remuneration on achievement of relevant performance metrics that enhance long-term shareholder value. We are generally not in favour of share option schemes given the inherent asymmetry between risk and reward typical of such schemes. In addition, we do not believe that existing shareholders should be diluted by the issuing of new shares to management as is the case with most option schemes. We are in favour of the alignment created between management and shareholders when management has acquired its stake in the company through open market share trading and paid for out of management's own cash earnings

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