OLD MUTUAL NAMIBIAN PROFILE PINNACLE PORTFOLIO

INVESTMENT GROUP

31 DECEMBER 2025

INVESTMENT DESCRIPTION

The Pinnacle Portfolio invests in equities, bonds and property. The portfolio maximises short market opportunities and involves a moderate level of risk.

QUARTERLY COMMENTARY

The year 2025 was characterised by an optimistic outcome for local investors.

Globally, geopolitical and trade tensions remain elevated. The US escalated a strategic trade confrontation aimed at rebalancing global supply chains, as well as currency markets and some commodities. Meanwhile, longstanding geopolitical conflicts continue to shape global sentiment. The Russia–Ukraine war continues to show little signs of resolution despite Western efforts. The Middle East remains volatile with internal uprising in Iran. The US's arrest of Venezuela's dictator Maduro in the beginning of 2026 setting the scene for elevated geopolitical risk events during 2026 and a potential reshape of the world among other events.

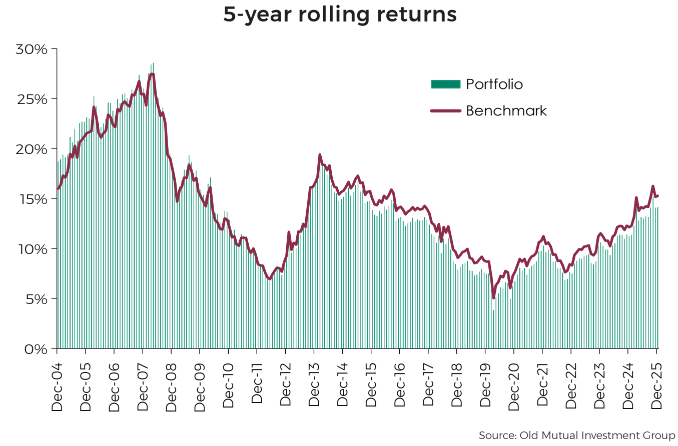
From a macroeconomic perspective, the Federal Reserve cut the target funding rate three times in 2024 and three times during 2025 being September, October, and December. The Bank of Namibia reduced the Namibian repo rate twice by 25 basis points (bps) during 2024 and twice during 2025 (25bps in February and 20bps in October), lending some support to the local economy where the impact of high real rates can be felt with low credit extension numbers compared to history. To soften this blow Bank of Namibia has guided the banks to lower the repo prime rate spread by 25bps by the end of December 2025, effectively resulting in a further rate cut.

The Namibia Statistics Agency published the third quarter 2025 gross domestic product numbers during December. Local economic activity continued a positive trajectory with real growth for the third quarter recording 1.9% compared to a revised 1.3% during the second quarter of 2025 on a year-over-year quarterly basis. The economic sectors that supported the growth number include electricity and water, financial services and wholesale and retail trade. On a global scale, the International Monetary Fund estimates world economic growth at just over 3% for 2025.

In line with our asset allocation philosophy and process we consider major trends that we expect to impact the global and local economy. We remain of the opinion that risky assets will continue to outperform in the medium to longer term with heightened geopolitical uncertainty that could dampen shorter term outcomes. We expect inflation to remain well behaved. In response to higher risk with elevated asset prices, following a strong run in markets, we hold short-term fixed interest assets to deploy into the market at depressed prices and to stabilise return outcomes in the event of downside volatility.

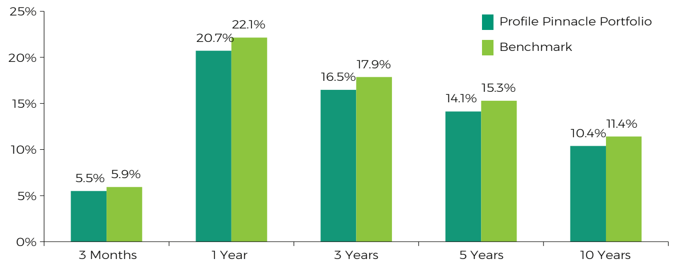
Economic activity is expected to reflect more of 2025 during 2026. Inflation will likely continue to behave well as it appears from more recent central bank activity that concerns shifted towards growth outcomes and potentially lending more support to boost economic activity, especially should the global economy be impacted by ongoing tensions. We still see value in JSE equities and upside in international equities in the medium-term support by a strong rand, followed by fixed interest assets where the value proposition diminished compared to 2025. We also see value in specifically shorter dated inflation-linked bonds in Namibia for long term investors with relative inflation targets, however the asset class is constrained by low liquidity.

PERFORMANCE



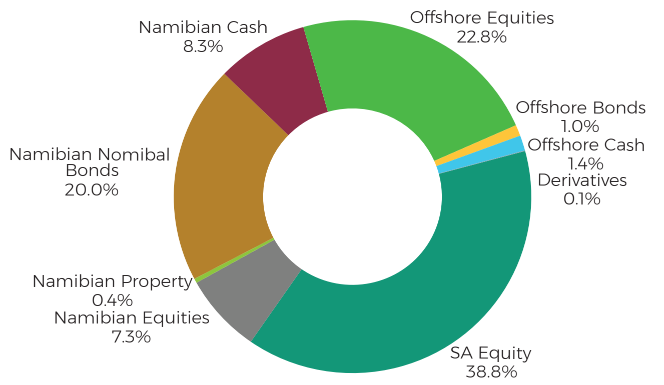
Source: Old Mutual Investment Group

RETURNS



Source: Old Mutual Investment Group

ASSET ANALYSIS



Source: Old Mutual Investment Group

CURRENT PRINCIPAL HOLDINGS

HOLDING	SECTOR	% OF PORTFOLIO
FirstRand NM	Banks	4.6%
Naspers Limited	Info Media	4.4%
Stanbank NM	Banks	4.3%
Gold Fields Limited	Gold	4.1%
AngloGold Ashanti Limited	Gold	3.1%
Capitec Bank Holdings Limited	Banks	2.1%
Mtn Group Limited	Info Telecomm	1.9%
Valterra Platinum Limited	Platinum	1.8%
Anglo-American NM	Diamonds	1.7%
Sanlam NM	Insurance	1.5%

ADDITIONAL INFORMATION

Launch date: July 1999
Benchmark: Asset Class Weighted
Risk category: Moderate to high
Investment objective
The investment objective of the portfolio is to consistently achieve upper-quartile performance over the medium term as surveyed by the leading investment consultants, and in line with the moderate to high risk that defines this portfolio, thus offering high real returns over the medium term.
Fees
Domestic assets: 0.55% p.a.
International assets: 0.80% p.a.
Portfolio manager: Tyrone van Wyk