momentum
investments

Momentum Namibia Real Growth Core Equity Fund

Momentum outcome-based investing philosophy

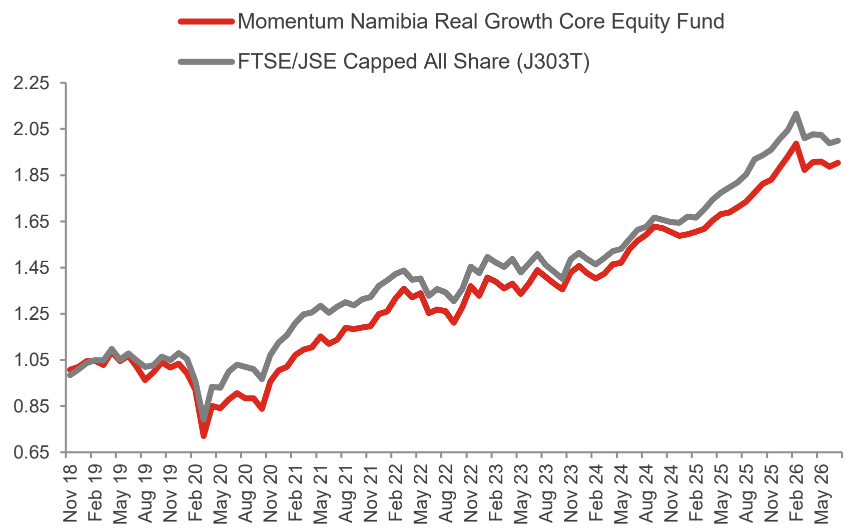
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, we have constructed a leading range of outcome-based solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to you – ensuring we maximise the probability of you achieving your investment goals. Outcome based investing is about placing your goals at the centre of our investment process.

Investment outcome and fund objectives

This largely local equity investment fund is aimed at maximising returns above the FTSE/JSE Capped All Share over time through a diversified investment fund of equity shares, primarily local, under a multi-mandate approach. The investment fund is suited to investors with a high risk profile with a tolerance for capital volatility over the short to medium term and a seven-year or longer investment horizon. The investment fund is invested in a diversified fund of local and global equity shares, under a multi-mandate approach. It provides diversification benefits and the investment managers selected are mandated to implement independent, high conviction investment decisions. The strategy includes an above-average component of small and medium cap shares in their respective funds to provide enhanced alpha.

Investment returns

Cumulative returns graph



Investment returns

	1 Month	3 Months	6 Months	1 Year	2 Year	3 Years	4 Years	5 Years	6 Years	7 Years	Launch
Fund	1.70%	-0.33%	-3.64%	19.59%	17.43%	15.83%	16.06%	15.39%	16.87%	11.83%	10.84%
Benchmark	1.18%	-2.80%	-5.30%	18.15%	20.22%	16.72%	16.26%	14.39%	16.41%	13.06%	12.35%

Fund information

Benchmark	FTSE/JSE Capped All Share (J303T)
Fund size	N$ 410.31 million
Fund inception	1 November 2018

The inception date depicts the start date of this fund on the scheme and the launch date depicts the start date of returns from the relevant class of this fund.

Launch date	1 November 2018
Launch price	100.00 (cpu)
Latest price	157.29 (cpu)
JSE alpha code	MRGEF1
ISIN number	ZAE000263042

Minimum investment amount

Lump sum	N$ 2000	**Monthly**	N$ 200

Fund manager

Taruvona Mashamhanda,
BBusSci (Hons) FASSA

Fund fees

Initial management fee	0%
Annual management fee	1.35%

Cost ratios to 31 March 2026

Total Expense Ratio (TER)	1.41%
Transactions Costs (TC)	0.13%
Total Investment Charges (TIC)	1.54%

Please see the disclosures section for further information on the cost ratios.

Income distribution (cpu)

Date	Dividend	Interest	Total
Dec’24	0.83	1.900	2.73
Jun’25	1.56	1.728	3.29
Dec’25	0.99	1.854	2.85
Jun’26	1.45	1.45	2.90

Distributions take place twice a year at June and December

Risk/reward profile

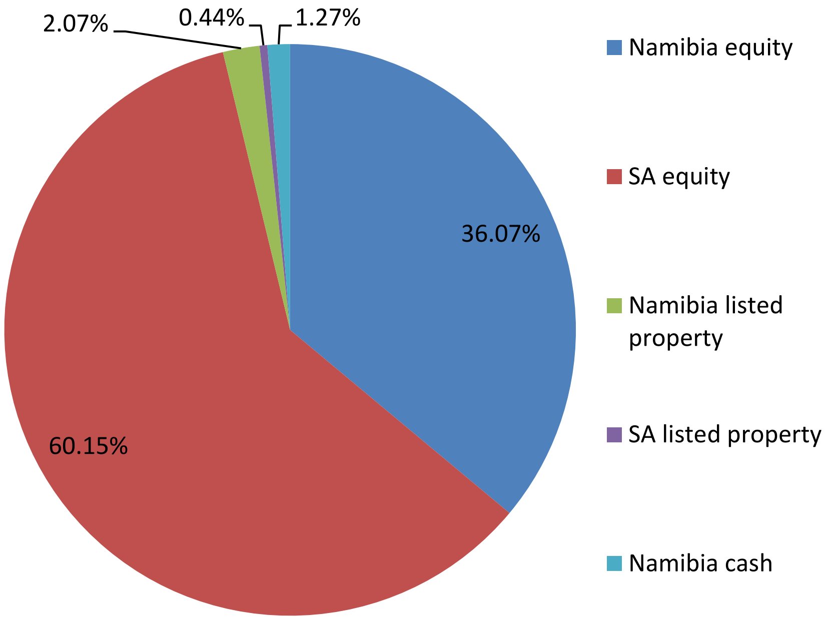
Risk	Low	Low to Mod		Mod	Mod to High		High
Term	1m - 12m	1 - 3 yrs	3+ yrs	4+ yrs	5+ yrs	6+ yrs	7+ yrs

Specific risks

This investment fund is permitted to invest in foreign securities which, within investment funds, may have additional material risks, depending on the specific risks affecting that country, such as potential constraints on liquidity and the repatriation of investment funds, macroeconomic risks, political risks, foreign-exchange risks, tax risks, settlement risks and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign-exchange risk.

Holdings

Exposure (%)



Top holdings (%)

Naspers Limited	12.10%
Firstrand Limited	9.13%
Gold Fields Limited	9.04%
Standard Bank Grp Namibia	8.65%
Nedbank Group Limited - Nam	8.64%
Firstrand Limited - Namibia	8.61%
Anglo American Plc Namibia	8.61%
Sanlam Limited Namibia	8.33%
Standard Bank Group Limited	8.32%
Shoprite Holdings Limited Nad	8.19%

Fund objective/investment policy

The Momentum Namibia Real Growth Core Equity Fund is a specialist multi managed equity portfolio that seeks to sustain high long-term capital growth. The unit portfolio, established in terms hereof will be an equity portfolio with the investment objective to provide investors with high long term real returns. The portfolio will consist of domestic and foreign equity securities, property securities, money market instruments, preference shares and assets in liquid form. The portfolio may also include participatory interests or any other form of participation in domestic unit trust scheme portfolios or other similar schemes in Namibia or other similar schemes operated in territories with a regulatory environment that is to the satisfaction of the Manager and Trustee, of a sufficient standard to provide investor protection, at least equivalent to that in Namibia. The portfolio may from time to time invest in listed and unlisted derivative instruments, in accordance with the provisions of the Act and applicable legislation as amended from time to time, in order to achieve the portfolio's investment objective.

Regulatory and investment constraints

The investment fund must comply with Namibian local asset requirements, as determined by Regulation 13 of the Pension Funds Act, number 24 of 1956. Assets must be invested in accordance with the requirements set out in the Namibian Unit Trust Control Act, 1981, as may be amended or replaced from time to time. Global investments may be included to a level not exceeding restrictions as determined by the Exchange Control Act regulations and any other limits specified in this investment mandate. If the allowable regulatory limit is raised in Namibia, approval will need to be obtained from the Namibian Central Bank to increase the exposure. The investment fund will not be leveraged in any form. The investment fund will, apart from assets in liquid form, consist solely of units in a unit trust/collective investment scheme and other forms of participation in local unit trust/collective investment schemes, or other similar schemes operated in territories with a regulatory environment that is to the satisfaction of the client and of a sufficient standard to provide investor protection, at least equivalent to that in Namibia, which is consistent with the investment fund's primary objective, investing in equity securities, property securities, money market instruments, preference shares, government and corporate bonds, inflation-linked bonds and other interest-bearing securities and investments. The investment fund is managed in line with applicable prudential investment guidelines with a minimum local asset requirement allocation to Namibian investments. The investment fund may from time to time be invested in listed and unlisted derivative instruments, for the purpose of hedging exchange rate risk. All income accruals due to the investment fund will be re-invested upon receipt thereof, unless otherwise instructed by the client. This investment fund is permitted to invest in foreign securities which, within investment funds, may have additional material risks, depending on the specific risks affecting that country, such as potential constraints on liquidity and the repatriation of investment funds, macroeconomic risks, political risks, foreign-exchange risks, tax risks, settlement risks and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign-exchange risk.

Management of withdrawals

Due to the lower liquidity and the lack of diversification in the Namibian market, the investment manager requires advance notice for large withdrawals from the investment fund. Where the client cash flow activity results in breaches of the investment mandate the investment manager will need a reasonable period to rectify the breach/es.

Economic and market overview

The Namibian economy expanded by 2.0% in real terms in the first quarter of 2026, a recovery from the preceding quarter but still the weakest first-quarter print recorded since the Covid period. Performance across the primary industries remained under pressure. Mining and quarrying posted the sharpest contraction, falling 12.2% on the back of softer diamond, gold and zinc output, although uranium production remained in positive territory. This was partly offset by agriculture, which grew 12% off a low base. Overall, primary industries contracted 5.7%, marking the eighth consecutive quarter of negative growth. Secondary industries declined 3.1%, driven primarily by manufacturing, which fell 5.9% amid sharp contractions in basic metals, diamond cutting and polishing, and other food products. Tertiary industries remained the principal engine of growth, expanding 5.1%. Wholesale and retail trade rose 9.3%, supported by firmer sales across wholesalers and supermarkets, while financial services advanced 7.2% on stronger banking and insurance activity.

Headline inflation decelerated to 2.1% in March 2026, its lowest level since July 2020. This period of subdued inflation proved short-lived. Escalating tensions in the Middle East began to filter through in April, when higher oil prices lifted domestic fuel costs. By June 2026, headline inflation had accelerated to 4.4%, led by the transport basket, which rose 12.9% year on year on the back of higher fuel and passenger fares. With conflict in the Middle East persisting and oil prices remaining volatile, we expect these pressures to be reflected in higher inflation prints over the second half of the year.
The Monetary Policy Committee convened on 17 June and responded to the pick-up in inflation with a 25-basis point hike, lifting the repo rate to 6.75%. This marks a clear departure from previous outlook, which had anticipated a broadly stable interest rate environment. That view has been overtaken by the escalation in geopolitical tensions in the Middle East. Should these pressures persist, a further hike cannot be ruled out in the second half of the year as the Bank of Namibia seeks to contain inflation, though it is worth noting that the impulse is externally driven rather than a function of domestic demand conditions in Namibia.

The external accounts continued to normalise over the quarter following the disruption caused by the fourth-quarter 2025 Eurobond redemption, though the underlying picture points to a persistent structural reliance on debt. Domestic liquidity conditions held broadly stable, easing only marginally from N$8 billion at the end of the first quarter to N$7.8 billion at the June close.
On the debt front, the picture is more nuanced. Gross external debt repayments moderated to N$7.4 billion in the first quarter of 2026, the lowest quarterly repayment since the first quarter of 2024, which offered some near-term relief to the external position. This easing in the repayment burden was, however, more than offset by the stock of debt itself: the central bank's gross external debt position rose 5.2% quarter on quarter to N$181 billion. Although the Eurobond has been retired, overall indebtedness has continued to climb back toward pre-redemption levels. This underscores a structural reliance on debt funding at the central bank, irrespective of the source, and remains a key consideration underpinning the external accounts.

The reserve position provides a more constructive counterpoint. Official reserve assets increased to N$54.4 billion in May 2026, up from N$51.7 billion in March 2026. Sustainable reserve accumulation has consistently been a strategic priority for the central bank, and the continued build is consistent with that objective. That said, the buffer remains thinner than it has historically been: official reserves cover just 1.6 times short-term debt, below the historical average of at least 2 times. Taken together, the external accounts are moving in the right direction, with liquidity stabilising and reserves rebuilding, but the recovery is not yet on a fully secure footing. Gross debt continues to climb, reserve cover remains modest, and the current account remained in deficit at N$9.9 billion in the first quarter of 2026, widening the trailing four-quarter shortfall to N$31.9 billion. This gap remains driven primarily by the goods deficit, only partly cushioned by N$6.2 billion of secondary income, largely SACU receipts, leaving the external position dependent on volatile transfers even as reserves rebuild.

The latest national accounts provide a insights on the government's fiscal footprint ahead of the interim budget review in October. Government consumption expenditure expanded 4.5% in real terms in the first quarter of 2026, sustaining the elevated spending trajectory that has characterised the post-pandemic period, government consumption expenditure remains structurally above its pre-Covid level, underscoring how sticky public spending has become. This is corroborated on the production side of the accounts, where public administration value added grew 3.7% year on year.. Taken together, these trends confirm that the public sector remains a meaningful, and structurally entrenched, driver of domestic demand, which sharpens the consolidation challenge set out in the FY26/27 budget.

The NSX Local Index extended its first-quarter momentum into the second quarter, delivering a return of 3.66%, while the Overall Index returned 7.49%. Year-to-date, the local index has returned 5.11% and the overall index 8%. Although the pace of gains moderated relative to the first quarter, largely reflecting heightened geopolitical tensions, returns continued to be underpinned by strong fundamentals, quality earnings, and resilient demand. Letshego Holdings Namibia led the market in the second quarter, returning 14.24%. The rally reflects improving investor confidence, with no ruling yet handed down on the suspension of the deduction-at-source code. Standard Bank Namibia Holdings continued to deliver meaningful double-digit returns, up 10.5% in the second quarter and 17.05% year to date, remaining the strongest-performing counter to emerge from last year's rally.

Mobile Telecommunications (MTC) released its interim results during the quarter under review. Topline revenue reached N$1.9 billion, supported by the group's ongoing efforts to revitalise its core service lines. Higher operating costs weighed on bottom-line growth, which rose only marginally by 1.6%. An interim dividend of 47.78 cents per share was declared, reflecting a 70% payout ratio and a dividend yield of 10%. The stock returned 6.12% in share price terms over the second quarter and 15.38% year to date, ranking among the standout performers on the local index in 2026.

Namibia Breweries also published its full-year 2025 results during the quarter under review. Revenue increased by 10%, though a 26% rise in the excise tax expense limited net revenue growth to 7%. Volume growth was strong across key segments, with domestic beer volumes up 8%, cider up 52%, and soft drinks up 60%, reflecting operational efficiencies from the Distell integration and the localisation of wine and cider production. Expansion into Northern African markets, identified as a strategic priority in 2023, is now beginning to materialise: Tanzania accounted for 1.45% of total sales volumes, marking the early stages of this regional expansion, while a further 1.28% was distributed to other African markets and exports outside Africa remained at 0.02%. The sales mix remains heavily weighted toward Namibia at 81%, with South Africa accounting for 16%, and we expect South African distribution volumes to decline going forward. Profit for the year increased by 46% to N$632 million, supported by a significant reduction in financing costs and well-contained operating expenses. Earnings per share rose 47% year on year to 301 cents, from 205 cents in the prior year, while return on net assets improved by 41% to 26%. A final dividend of 210 cents per share was declared, bringing the total dividend for the year to 306 cents and implying a dividend yield of 9.5%. Share price returns for the quarter came to 12.96%.

Portfolio positioning, investment strategy & activity

Momentum Namibia Real Growth Core Equity is a specialist, multi-strategy, local (Namibia & SA) equity fund that aims to generate high long-term capital growth. The fund executes its investment philosophy through a combination of enhanced index-tracking (smart beta) and passive index-tracking strategies.

The investment process involves

- Maintaining holdings in the 14 largest shares that are listed on both the Namibian and SA stock exchanges in proportion with their respective weights in the CNASPI
- Maintaining synthetic equity exposure via Capped SWIX 40 futures
- Maintaining exposure to SA Smart Beta portfolios aiming to achieve alpha to compensate for slippage and aiming to enhance returns

The portfolio benchmark is 45% Capped Namibia All Share Performance Index (CNASPI) and 55% FTSE/JSE Capped SWIX 40 (J430T) over rolling 3-year periods. The fund has underperformed its benchmark by 1.4% over the quarter.

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Contact and other information

Scheme

Momentum Collective Investments Namibia Scheme

Custodian/Trustee

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Registration no.:	2002/0180

Management company

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Registration no.:	2003/781

Disclosures

This investment fund is administered by Momentum Collective Investments Namibia Limited (the management company), registration number 2016/0954, which is authorised in terms of the Unit Trust Control Act to administer collective investment schemes (CIS) in securities. The management company is the manager of the Momentum Collective Namibia Investments Scheme (the scheme) and a part of Momentum Metropolitan Namibia Limited, registration number 89/327, a long-term insurer, registered with the Namibian Financial Institutions Supervisory Authority, registration number 98/LT/03, under the Long-term Insurance Act, Act 5 of 1998. RMB Namibia, a division of First National Bank of Namibia, registration number 2002/0180 is the trustee of the scheme. Momentum Namibia Real Growth Core Equity Fund is an investment fund of the Momentum Collective Investments Namibia Scheme and Momentum Asset Management Namibia (Pty) Ltd, registration number 2003/781, an authorised financial services provider is the investment manager of this investment fund.

The total expense ratio (TER) is the percentage of the net asset value of the class of the investment fund incurred as expenses relating to the administration of the investment fund. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. A current TER may not necessarily be an accurate indication of future TERs. The disclosed TER is shown as an annual percentage based on data for the period from 01 April 2023 to 31 March 2026.The transaction costs (TC) ratio is the percentage of the net asset value of the investment fund incurred as costs relating to the buying and selling of the investments underlying the investment fund. Transaction costs are a necessary cost in administering the investment fund and affects investment fund returns. The TC should not be considered in isolation, as returns may be affected by many other factors over time, including market returns, the type of investment fund, the investment decisions of the investment manager and the TER. The disclosed TC is shown as an annual percentage based on data for the period from 01 April 2023 to 31 March 2026.The total investment charges (TIC) is the sum of the TER and the TC, and is shown as a percentage depicting the annual costs relating to the investment of the investment fund. Cost ratios are calculated using historical actual and/or estimated data and are provided solely as an indication/guide as to the annual expenses/costs that could be incurred. These ratios do not represent any current/actual charges or fees.

All investment fund returns are calculated for a class. Individual investor returns may differ as a result of fees, actual date(s) of investment, date(s) of reinvestment of income and withholding tax. All investment fund returns shown are after the deduction of the total investment charges (TIC) but exclude any initial or ongoing advisory fees that may, if applicable, be charged separately. Annualised returns, also known as compound annualised growth rates, are calculated from cumulative returns and provide an indication of the average annual return achieved from an investment that was held for the stated period. Actual annual figures are available from the management company on request. All investment fund return figures quoted (tables and charts where present) are at 31 July 2026, based on a lump sum investment, using net asset value (NAV) to NAV prices with income distributions reinvested on the ex-dividend date. Inflation figures, where present, are lagged by one month. Cash figures, where present, are Short-term Fixed Interest Composite Index returns. All figures quoted in are in Namibian dollar terms.

CISs are generally medium- to long-term investments. The value of participatory interests may go down as well as up and past returns are not necessarily a guide to the future. CISs are traded at ruling prices and can engage in borrowing and securities lending. The CIS may borrow up to 10% of the market value of the investment fund to bridge insufficient liquidity. Different classes of units apply to investment funds, which are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the management company. The management company reserves the right to close and reopen certain investment funds to new investors from time to time to manage them more efficiently in accordance with their mandate. This investment fund is valued daily at 24h00. Latest prices can be viewed at momentum.com.na and in some national newspapers. Forward pricing is used. Instructions must reach the management company before 14h00 to ensure same-day value. The management company does not provide any guarantee, either with respect to the capital or the return of this investment fund. Additional information on the proposed investment including, but not limited to, brochures, application forms, the annual report and any half-yearly report can be obtained, free of charge, at momentum.com.na or on request from the management company.

This document should not be seen as an offer to purchase any specific product and is not to be construed as advice. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of the management company's products.

Sources: Morningstar, Momentum Investments

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