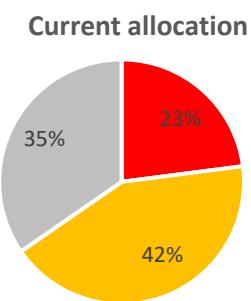




Investment structure and objective

The Baobab Equity Actively Managed Certificate is a locally listed structured equity note. The objective is to provide long-term capital growth ahead of the South African equity market by holding a focussed but differentiated portfolio of shares.

Investment strategy	Key Features	
The Baobab Equity AMC will represent the best equity ideas of two value-conscious boutique managers, Baobab Investment Management and ClucasGray Asset Management (CGAM). 60% of the portfolio will be invested by Baobab Investment Management in their best local and global investment ideas. The remaining 40% will be allocated to the CGAM Focussed Equity Note, a concentrated portfolio reflecting their 10-15 highest conviction local equity holdings. The combination provides a compelling, highly differentiated and complimentary proposition within a traditional equity portfolio.	<ul style="list-style-type: none"> Two boutique managers in one solution Unconstrained by size, index or peer group Exposure to under-owned areas of the market Ability to invest in small and mid-cap shares Differentiated local and global equity exposure 	
General Fund Information		
Investment Managers	Sandy Le Roux (Baobab) Andrew Vintcent (CGAM)	
Product Classification	Actively Managed	
Issuer	Certificate Standard Bank	
Risk Profile	High	
Investment Time Horizon	5-7 Years	
Benchmark	JSE Allshare Total Return	
Annual management fee	0.7%	
Isin	ZAE000326542	
JSE Stock Code	AMC009	
Inception date	15 September 2023	
Performance		
	Baobab Equity AMC	JSE Allshare Total Return
Since inception (Annualised)	14.5%	24.1%
1 Year	14.3%	35.8%



■ Baobab IM Global ■ Clucas Gray Local ■ Baobab IM Local

Top 10 Holdings (in alphabetical order)

Absa	Glencore
African Rainbow Minerals	HCI
Airtel Africa	KAL Group
Astral	Old Mutual
Bollore	Zeda

Quarterly Commentary (30 September 2025)

The Baobab Equity AMC had a strong quarter but continues to lag a very concentrated local index. The fund has exposure to gold and platinum, but these are moderate weightings given the quality of the businesses and have been reduced during the quarter into extreme strength. The largest weighting to precious metals is via African Rainbow Minerals which offers discounted exposure to the metals. As the Index becomes ever more concentrated, the benefits of holding a very differentiated portfolio with very little exposure to the index becomes more pronounced.

Both Baobab and ClucasGray continue to find numerous mispricings and have been actively buying during the quarter. One area where both managers have been buyers is in heavily discounted holding companies. Baobab has been adding to positions in Bollore and HCI, while ClucasGray has exposure to HCI, Ethos Capital and Reinet.

All of them have tangible value in the NAV, with levers to pull to unlock value by narrowing the discount. Some have embarked on a strategy to realise value, buy back shares and drive the value unlock. Others, we like to believe, are about to.

After recent additions French holding company Bollore is now the largest position in the Baobab Equity AMC. It is not the largest position because it is part of an index or showing strong price momentum, but because we think it has very good assets that are severely mispriced and offers very strong downside protection. Over the past few years there has been transformational strategic progress at Bollore. These include the IPO and spin-off of Universal Music Group (UMG), the timely sale of the Bollore African and Global Logistics businesses. The unbundling of Multichoice owner Canal+ and the other operating companies from Vivendi also provides interesting potential going forward. Five years ago Bollore had net debt of over Eur 9 billion. Today the company has net cash on its balance sheet of Eur 5.5 billion. After adjusting for the cross shareholding structure this cash equates to the full market capitalisation of the business. The current NAV per share can be summarised as follows :

Listed securities	Eur 10
Net cash	Eur 4.60
Current share price	Eur 4.60

We do not know when the value will be unlocked, but we like the assets and are confident that the enormous gap will be closed over time by a patient management team with an excellent track record.

HCI is a holding company that has created enormous value for shareholders over time, but now trades at a very large discount to its NAV. The listed component of its portfolio is worth more than the current share price – these include holdings in, amongst others, Southern Sun, Tsogo Gaming, Frontier Holdings, Platinum Group Metals and E Media. There is significant optionality in their holding in Impact Oil and Gas, something the market is currently ignoring but is unlikely to be worth zero. Investors are becoming frustrated with the size of the discount and some are overtly pushing for action. We share some of the frustration but hold management in high regard and are happy to buy shares from those that become impatient.

The Ethos Capital value unlock strategy is gathering momentum – the share price has enjoyed a strong recovery since their decision to halt new investments, harvest existing ones and repay the accruing NAV to shareholders. Shareholders have enjoyed the benefit of a rising NAV, and a narrowing of the discount to NAV at which the shares have been trading. Their most material asset is an indirect exposure to an African AI and Fintech company, Optasia - it makes up around 50% of their most recent NAV. Optasia has recently embarked on a process to list on the JSE, which is likely to lead to a further write up to the carrying value. It may also afford Ethos an opportunity to sell some or all of their holding, enabling them to return a meaningful amount of capital to shareholders.

The above are merely a few examples of holdings – each has upside, and levers to pull to unlock value. Each of the other holdings has, in our view, a compelling investment case – different businesses, different drivers, differing strategies to deliver value – all united in their ability to generate very attractive prospective returns to patient investors.

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Glossary

"AMC" means actively managed certificates, being notes issued by an issuer which offer investors exposure to the performance of a single portfolio of underlying assets which are discretionarily managed by a third party in terms of a pre-determined strategy.