



CONTRARIUS SOUTH AFRICA

QUARTERLY COMMENTARY

30 SEPTEMBER 2025

**CONTRARIUS BCI EQUITY FUND
CONTRARIUS BCI BALANCED FUND
CONTRARIUS BCI SA EQUITY FUND**

QUARTERLY COMMENTARY

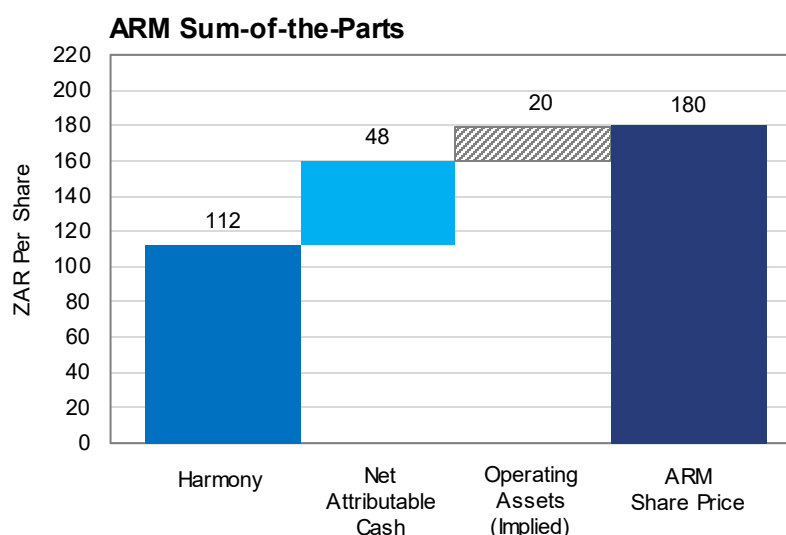
Each quarter, the Quarterly Commentary provides us with the opportunity to share our latest thinking and to discuss the investment case for securities held by the Funds. In this quarter's commentary we discuss African Rainbow Minerals Limited, one of the Funds' Top 10 share holdings at quarter-end.

AFRICAN RAINBOW MINERALS LIMITED

African Rainbow Minerals Limited (ARM) is a diversified South African mining company. The clearest way to understand the value inherent in ARM is to separately consider each of the company's three components:

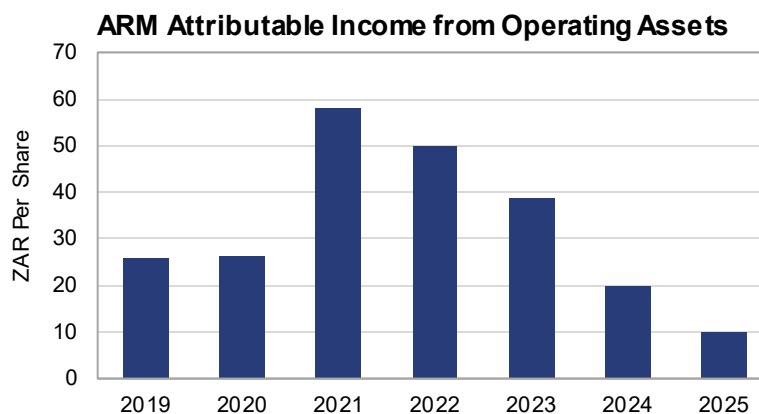
1. ARM has wholly- and jointly-owned operations that include mines and beneficiation plants in the iron ore, manganese ore, chrome ore, platinum group metals (PGM's), nickel and coal sectors. We collectively refer to those as ARM's "Operating Assets".
2. ARM owns 75 million shares in Harmony Gold Mining Company Limited (Harmony), South Africa's largest gold miner by volume. At Harmony's quarter-end share price of ZAR313, the value of ARM's stake in Harmony is worth ZAR23.4bn or ZAR112 per ARM share.
3. ARM has a substantial net cash position worth ZAR48 per share on a look-through basis.

The following table shows the value of each of these three components per ARM Share, using the share prices as at 30 September 2025. If one subtracts the current market value of ARM's stake in Harmony and ARM's net attributable cash from ARM's market capitalisation, one is left with an implied value for ARM's Operating Assets of just ZAR20 per share. Even accounting for any potential capital gains tax impact related to Harmony, the implied value for ARM's Operating Assets remains extremely low.



Sources: ARM, Bloomberg, Contrarius Research.

The following chart shows the net attributable earnings to ARM that these Operating Assets have generated in each of the previous 7 years:



Note: Assumes the statutory tax rate on the net divisional interest income.

Sources: ARM, Bloomberg, Contrarius Research.

In 2021, ARM's Operating Assets generated almost ZAR60 per share despite its Coal business losing money that year. In 2025, the weakest of the past 7 years, the Operating Assets earned ZAR10 per share, but that includes ramp-up and development costs at new mines and losses in its PGM and Coal division due to the weak price environment. Including these losses, the Operating Assets generated average attributable earnings per share of ZAR33 over each of the past 7 years.

ARM's share price therefore implies a P/E multiple on ARM's Operating Assets of less than 1x the average earnings over the prior 7 years (which include several years of losses at the divisional level). Given our constructive view on commodity prices and ARM's assets, there is a good likelihood of average earnings over the next 7 years being higher. To assess this, we consider ARM's primary operating assets, consisting of Platinum Group Metals (PGM's), Ferrous Metals and Coal, in more detail.

Platinum

ARM's Two Rivers platinum mine is a high-quality, fully-mechanised underground mine positioned on the lower half of the industry cost curve. Two Rivers initiated a project in 2021 to further develop its Merensky Reef but paused it in 2024 given the depressed PGM prices at the time. At current prices, completion of the project would potentially be value accretive and provide an attractive avenue of growth to ARM shareholders. ARM's Modikwa platinum mine is in the middle of the industry cost curve. Ownership of Two Rivers and Modikwa is shared with Impala Platinum and Valterra Platinum, respectively.

ARM's fully-owned Bokoni mine is not yet operational, but holds South Africa's second-largest PGM resource. This potentially vast, high-grade and tremendously long-life (over 40 years) asset should provide sufficient economies of scale for the mine to be positioned on the lower half of the industry cost curve. Management embarked on an ambitious and expensive expansion project which has resulted in substantial losses and impairments in a weak PGM price environment. The project was deferred and a smaller-scale, higher-grade development plan is now being assessed. Despite the historic losses, we believe Bokoni provides valuable optionality to shareholders.

PGM prices appear to have bottomed, with the platinum price up nearly 80% since its April low. We believe the PGM market is likely to be supported by increasing investment and jewellery demand. Whilst platinum and palladium prices have recently been strong, it must be noted that they have lagged the gold price substantially. Historic underinvestment has resulted in a structurally tight PGM market. Geological, geopolitical and labour issues can quickly and unexpectedly reduce supply. ARM's platinum assets are well positioned should the bull market in PGM metals continue.

Ferrous Metals

ARM's ferrous metals operations are held through its 50% stake in Assmang. Assmang's principal commodities are iron ore and manganese.

The Khumani and Beeshoek open-pit iron ore mines are located in the Northern Cape and supply predominantly the export market.

China has been the key driver of iron ore demand. Today, however, Chinese real estate makes up a smaller portion of global demand (estimated at less than 15%) than it did historically. In our view, future iron ore demand will be broader-based. Re-shoring and supply chain adjustments to new trade dynamics will play an increasing role, as will growth in Indian and other emerging Asian markets where current steel consumption per capita is still very low. Incremental sources of new supply (for example Guinea's Simandou project) are however coming on stream over the next few years which may keep iron ore prices in check.

ARM's manganese operations are amongst the largest in the world. They comprise the Gloria and Nchwaning mines, also situated in the Northern Cape. These are believed to be high quality assets with long lives, situated in the bottom half of the industry cost curve.

Since almost 90% of manganese demand relates to steelmaking, the two industries have historically been closely tied. Several new uses for manganese have however recently emerged, with cost effective chemistries like lithium-manganese-iron-phosphate (LMFP) providing cost-saving and performance benefits in electric vehicle batteries. Demand for battery-grade manganese sulphate is surging and is expected to continue growing as battery electric vehicles gain market share globally. Whilst supply does not appear to present a bottleneck over the medium-term, new investments are likely to be required to meet demand beyond 2030.

Coal

ARM's Coal division is far smaller than the PGM or Ferrous Metals divisions, having accounted for less than 6% of group profits on average over the past 7 years. ARM's thermal coal assets are held in partnership with Glencore South Africa, and include a beneficial interest in Goedgevonden mine and an economic interest in Participating Coal Business. Both mines are in the lower half of the industry cost curve.

Global power demand is expected to grow rapidly, including as a result of AI-driven infrastructure requirements. Cheaper renewables and policy pressures are however likely to continue to reduce thermal coal's share of power supply. Eskom's domestic coal needs are expected to remain steady. Investment in new supply has slowed. Weather and geopolitics can result in short-term price volatility.

HARMONY

ARM and Harmony share a long history. ARMGold was founded in 1997 by Patrice Motsepe— a young and ambitious businessman who developed his business acumen in his dad's Spaza shop and became the first black partner at law firm Bowman Gilfillan—by buying up marginal gold mines from AngloGold at a time of low gold prices. ARMGold listed in 2002, and a subsequent series of interconnected transactions resulted in ARM holding a strategic stake in Harmony, one of the largest gold producers in the world.

Separating ARM's gold operations from ARM's other assets allowed Patrice Motsepe to shift his focus away from gold and expand ARM into a diversified mining company. Today, ARM and Harmony are two separately listed companies although the ties between them remain strong: ARM is one of Harmony's largest shareholders with an 11.8% stake and Patrice Motsepe is Harmony's non-executive chairman.

In addition to the remarkably low valuation implied on ARM's Operating Assets, Harmony—which our South Africa Funds hold directly—is attractive in its own right. The current global backdrop of rising fiscal deficits, government debt anxieties and geopolitical uncertainties remains supportive of high gold prices. A continued global tilt toward easing monetary policy could well provide a further tailwind. At the spot gold price of over USD3,900/oz, Harmony, which makes up a meaningful portion of ARM's market capitalisation, is on a P/E multiple of approximately 6x.

In July, ARM implemented a hedging collar transaction over 18 million Harmony shares (equal to 24% of ARM's stake in Harmony). This protects ARM against the risk of Harmony falling below ZAR234.85 per share and caps the potential gains should Harmony rise above ZAR562.40 per share over the next 5 years. ARM retains full exposure on the uncollared portion of its shares.

BALANCE SHEET

ARM has an incredibly strong balance sheet. The company has attributable cash of ZAR7.5bn on its balance sheet and interest-bearing debt of approximately ZAR1.1bn, resulting in a net cash position of ZAR6.4bn or ZAR31 per ARM share. Furthermore, ARM's stake in Assmang is shown on its balance sheet as a joint venture. Assmang has a substantial net cash position on its own balance sheet. On a look-through basis, ARM's attributable cash through Assmang is a further ZAR3.5bn or ZAR17 per ARM share. This means that ARM has effective net cash of ZAR48 per share.

ARM's substantial net cash provides the company with the optionality of either pursuing value-enhancing growth opportunities or returning cash to shareholders. In addition to an attractive historic dividend yield of over 6%, ARM also bought back and cancelled approximately ZAR500m worth of shares since being granted authority to do so by shareholders in December 2024. In addition to a cancellation of existing treasury shares, ARM's total issued share capital reduced by 7% over this period. Given how undervalued we believe the ARM shares are, we consider buybacks to be an incredibly value-accretive use of shareholder capital.

CONCLUSION

ARM trades at a substantial discount to the value of the sum of its constituent parts. Patrice Motsepe owns 40% of ARM. We believe that ARM is poised for a significant rerating should the company start attracting the attention of the larger domestic and foreign investors.

QUARTERLY COMMENTARY (CONTINUED)

We believe ARM offers contrarian, long-term investors a compelling opportunity to buy a cash-generative, diversified mining company with a fortress-like balance sheet at an extremely attractive valuation.

ARM is one of several South African businesses held by the Funds that are overlooked by global investors and which are likely to benefit meaningfully should sentiment toward South African shares stabilize or improve.

Contrarius BCI Equity Fund

Fund Holdings as at 30 September 2025

Statement of Net Assets (Unaudited)

Security	Market Value ZAR 000's	% of Fund
South African Equity	29,226	62.5
Naspers	2,571	5.5
African Rainbow Minerals	2,257	4.8
Harmony Gold Mining	1,933	4.1
Valterra Platinum	1,893	4.0
Gold Fields	1,542	3.3
Sun International	1,502	3.2
Tsogo Sun	1,462	3.1
Glencore	1,452	3.1
Prosus	1,302	2.8
JSE	1,275	2.7
PPC	1,206	2.6
Kumba Iron Ore	1,167	2.5
South32	1,038	2.2
Thungela Resources	952	2.0
Famous Brands	898	1.9
Spur	810	1.7
City Lodge	762	1.6
Sibanye Stillwater	701	1.5
Northam Platinum	589	1.3
Italtile	561	1.2
Afrimat	545	1.2
Positions less than 1%	2,809	6.0
Foreign Equities	16,988	36.3
Warner Bros. Discovery	2,793	6.0
Tesla	2,763	5.9
Paramount Skydance - B	1,350	2.9
NVIDIA	1,272	2.7
TSMC - ADR	1,029	2.2
Fox - B	886	1.9
Baidu - ADR	508	1.1
Positions less than 1%	6,386	13.7
Total Equities	46,214	98.8
Net Current Assets	551	1.2
Net Assets	46,765	100.0
Direct Assets	36,000	77.0
Investments in CIS - Contrarius Global Equity Fund	10,765	23.0
Net Asset Value per Share	ZAR 1.2118	
Shares in Issue	38,592,420	

Notes:

Portfolio holdings are provided on a look-through-basis.

Sums may not total due to rounding.

Contrarius BCI Balanced Fund

Fund Holdings as at 30 September 2025

Statement of Net Assets (Unaudited)

Security	Market Value ZAR 000's	% of Fund
Equities		
South African Equity	6,897	34.9
Naspers	605	3.1
African Rainbow Minerals	532	2.7
Harmony Gold Mining	456	2.3
Valterra Platinum	447	2.3
Gold Fields	364	1.8
Sun International	352	1.8
Tsogo Sun	345	1.7
Glencore	341	1.7
Prosus	307	1.6
JSE	299	1.5
PPC	284	1.4
Kumba Iron Ore	273	1.4
South32	249	1.3
Thungela Resources	224	1.1
Famous Brands	211	1.1
Positions less than 1%	1,605	8.1
Foreign Equities	8,265	41.9
Tesla	792	4.0
Warner Bros. Discovery	770	3.9
Paramount Skydance - B	624	3.2
Fox - B	454	2.3
Baidu - ADR	393	2.0
Intellia Therapeutics	340	1.7
EchoStar	330	1.7
Dell Technologies - C	309	1.6
TSMC - ADR	302	1.5
Micron Technology	299	1.5
The Swatch Group - Bearer Shares	291	1.5
SK hynix	285	1.4
NVIDIA	274	1.4
Coinbase Global - A	273	1.4
Intel	246	1.2
Alibaba Group Holding - ADR	218	1.1
Meta Platforms - A	211	1.1
Advanced Micro Devices	200	1.0
Positions less than 1%	1,653	8.4
Total Gross Equities	15,162	76.8
Equity-linked derivatives	(643)	(3.3)
Total Net Equities	14,519	73.6
Hedged Equities	643	3.3
Fixed Income Instruments		
South African Fixed Income Instruments	2,239	11.3
South African Government Bond 7 - 10 Years	1,762	8.9
South African Government Bond 1 - 3 Years	477	2.4
Foreign Fixed Income Instruments	148	0.8
Positions less than 1%	148	0.8
Total Fixed Income Instruments	2,387	12.1

Statement of net assets for Contrarius BCI Balanced Fund continued on next page.

QUARTERLY PORTFOLIO DISCLOSURES (CONTINUED)

Statement of Net Assets (Unaudited) (continued)

Security	Market Value ZAR 000's	% of Fund
Commodity-linked Securities		
South African Commodity-linked Securities	1,098	5.6
NewGold Issuer	1,098	5.6
Foreign Commodity-linked Securities	204	1.0
Positions less than 1%	204	1.0
Total Commodity-linked Instruments	1,302	6.6
Total Securities	18,851	95.5
Cash and Other Net Current Assets	883	4.5
Net Assets	19,734	100.0
Direct Assets	10,908	55.3
Investments in CIS - Contrarius Global Equity Fund	4,514	22.9
Investments in CIS - Contrarius Global Balanced Fund	4,312	21.9
Net Asset Value per Share (Class A)	ZAR 1.2185	
Shares in Issue (Class A)	16,195,284	

Notes:

Portfolio holdings are provided on a look-through-basis.

Sums may not total due to rounding.

Contrarius BCI SA Equity Fund

Fund Holdings as at 30 September 2025

Statement of Net Assets (Unaudited)

Security	Market Value ZAR 000's	% of Fund
Naspers	1,096	8.7
African Rainbow Minerals	967	7.7
Harmony Gold Mining	828	6.6
Valterra Platinum	808	6.4
Gold Fields	660	5.2
Sun International	642	5.1
Tsogo Sun	626	5.0
Glencore	622	4.9
Prosus	556	4.4
JSE	546	4.3
PPC	516	4.1
Kumba Iron Ore	499	4.0
South32	442	3.5
Thungela Resources	408	3.2
Famous Brands	384	3.0
Spur	347	2.7
City Lodge	329	2.6
Sibanye Stillwater	300	2.4
Northam Platinum	252	2.0
Italtile	238	1.9
Afrimat	234	1.8
Nedbank	189	1.5
Aspen Pharmacare	178	1.4
Discovery	156	1.2
Tharisa	135	1.1
Positions less than 1%	559	4.4
Total Equities	12,516	99.1
Net Current Assets	117	0.9
Net Assets	12,633	100.0
Net Asset Value per Share	ZAR 1.0771	
Shares in Issue	11,728,867	

Notes:

Sums may not total due to rounding.

Important Information for Investors.

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Performance fees are calculated and accrued on a daily basis based upon the daily outperformance, in excess of the benchmark, multiplied by the share rate and paid over to the Investment Manager monthly. Performance figures are provided by the Investment Manager and are for lump sum investments, using NAV-NAV with income distributions reinvested. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

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Contact.

Correspondence in relation to Contrarius South Africa's business or enquiries about the Funds can be addressed to: Ground Floor Office, Oakdale House, The Oval Newlands, 1 Oakdale Road, Newlands, 7700, or clientservice@contrarius.co.za.