25 Years of Capricorn Asset Management: Built on Trust. Guided by Stewardship.

Celebrating where we came from, the people who built CAM, and the responsibility that will guide our next 25 years.

This year, Capricorn Asset Management celebrates 25 years.

It is a significant milestone, but perhaps more importantly, it is an opportunity to reflect on **why CAM was built, what has sustained us, and what must guide us into the future.**

Our story began around 1999 with a relatively simple challenge at Bank Windhoek. Approximately N$30 million belonging to former Namib Bou investors required a new investment solution as an existing tax concession came to an end.

From that challenge came an idea. It required new thinking, engagement with regulators and tax authorities, and practical solutions for systems and infrastructure that did not yet exist locally in the form required.

Most importantly, it required clients to trust us with their money.

Approximately N$20 million was initially invested in the Capricorn Selekt Fund. Within weeks, the fund had grown to around N$100 million, and soon thereafter to N$200 million.

A practical solution had become the beginning of something much bigger.

From an idea to a Namibian institution

The business initially operated within Bank Windhoek Treasury as Capricorn Unit Trust Management.

As new products were introduced and clients continued to place their confidence in us, the business grew rapidly. By December 2002, assets under management had exceeded N$1 billion, and by 2004 they exceeded N$3 billion. The team realised it could no longer manage the business from within the treasury department.

In 2005, Capricorn Asset Management was formally established as a dedicated asset management business.

A small team now had the responsibility for building an independent investment organisation – establishing the operational structures, investment capabilities, systems, controls and culture required to serve clients for the long term.

Over the years, CAM expanded beyond its original money-market roots into bonds, equities, property, international investments, multi-asset portfolios and, through Caliber Capital, unlisted investments.

Capricorn Private Wealth subsequently added another important dimension to our ability to serve clients.

But the real story of CAM cannot be told simply through products, assets under management or market share.

It is a story about **people and trust.**

Stewardship: the responsibility at the heart of CAM

Looking back over 25 years, one idea connects everything we have done: **stewardship.**

We are entrusted with other people's money.
That is an enormous responsibility.

Our first responsibility is therefore to our **clients** – to protect their interests and manage their investments with care, discipline and sound judgement.

That responsibility extends to **our people.** CAM has been built by people who have given their time, experience, energy and ideas to the business, often over many years.

From there, our responsibility extends to the **wider Capricorn Group,** and ultimately to the **country and communities in which we operate.**

We have never been here simply for the next transaction, the next quarter or the next set of results.

We are building something intended to endure.

That understanding of stewardship has shaped CAM from the beginning.


Tertius Liebenberg, Chief Treasurer and Fouché Brand, Manager: Specialised Investments




Bank Windhoek lists first bond on NSX



Invest Sensibly

Over many years, through different markets and cycles, CAM developed an approach to investing that we eventually came to describe simply as **“Invest Sensibly”.**

It means remembering that return and risk are inseparable.

It means doing the work, understanding what we own, questioning our assumptions and refusing to follow markets simply because everybody else is doing so.

It means being prepared to innovate, while never forgetting the responsibility that comes with managing somebody else's wealth.

Invest Sensibly is not a slogan. It is the investment philosophy that has been honed over 25 years of experience, and it remains at the centre of what we do and continue to build.

The people who made it possible

No institution is built by one person.

With a growing team of more than 90 dedicated professionals. CAM exists today because many people shared the ambition of building a Namibian investment business capable of standing alongside the best in the world while remaining deeply committed to its clients and its country.

We recognise those who had the courage to start the journey, the boards and leaders who supported it, and the many colleagues who helped shape CAM through different stages of its development.

Some have been part of CAM for a remarkable portion of its history. Others joined more recently and are now helping to build its future.

To our current CAM Executive team and every member of our staff: **thank you.**

And to everyone who has worked at CAM over the past 25 years and contributed something to the institution we have become: **you are part of this story.**

Above all, we thank our clients.

Without the trust of the people and institutions who chose to place their savings and investments in our care, none of this would have been possible.

The next 25 years

The world ahead will be very different from the one in which CAM began.

Technology and artificial intelligence are changing our industry. Investment markets are increasingly global. Client expectations are evolving, and competition will continue to intensify.

We embrace that change.

CAM itself was born from people being willing to look at a challenge differently.

The opportunity now is to take the experience, culture and principles built over the past 25 years and combine them with new technology, new capabilities and new ideas to build an even stronger investment business.

Our ambition remains significant: **to continue building a Namibian institution that can stand with the best in the world.**

And however much the world around us changes, two things should remain constant:

We are stewards of other people's money.

And we must always **Invest Sensibly.**

That was fundamental to building CAM over its first 25 years.

It will be just as important in building the next 25.

To our clients, our people, our partners and everyone who has been part of the CAM journey – thank you.

Here’s to the next 25 years.





Invest Sensibly 25 Years

Namibia MYBR and South Africa MTBPS: Ten Points to Ponder

Namibia's fiscal position has weakened since the Main Budget. Lower revenue, a return to a primary deficit, and heavier domestic funding needs outweigh the benefit of a higher nominal GDP denominator. South Africa's MTBPS is stronger, supported by revenue overperformance, a primary surplus and active debt management, although weak growth and high debt-service costs remain binding constraints.

1. Budget character

Both statements pursue consolidation, but from different starting points. Namibia is trying to contain a worsening fiscal situation, while South Africa is using stronger revenue to reduce borrowing.

Namibia: The MTBPS reflects a tight and difficult fiscal position. Revenue forecasts were lowered by N$1.5bn, total spending was cut to N$105bn, and development spending was reduced. These cuts prevent the fiscal position from worsening further, but the deficit, borrowing needs and debt outlook are still weaker than previously expected. Improvement will depend on higher revenue, controlled spending, and stronger economic growth.

South Africa: The statement indicates gradual fiscal improvement while continuing to provide targeted support. Higher revenue, lower bond issuance, and the bond-buyback programme improved the short-term outlook. However, slow economic growth, high interest costs and uncertainty over whether the increase in corporate-tax revenue will remain important risks.

2. Headline numbers and macro assumptions

Namibia has the higher FY27 deficit ratio at 5.5% of GDP, while South Africa carries the larger debt burden at 78.2% of GDP. Growth assumptions are weak in both economies.

Namibia: Real growth for 2026 was cut from 3.1% to 2.3%, while nominal GDP was revised up from N$285.9bn to N$293.7bn. The larger denominator helps hold the deficit ratio at 5.5% and moderates the reported debt ratio, but creates forecast risk: weaker nominal growth would worsen both ratios. High fuel costs, weak diamond activity, a looming El Niño threat and the foot-and-mouth disease outbreak are headwinds to growth.

South Africa: Real growth for 2026 was lowered from 1.6% to 1.2%, before projected recoveries to 1.6% in 2027 and 1.9% in 2028. Consolidation, therefore, occurs against a weak real growth backdrop and relies on revenue growth, contained expenditure and a larger primary surplus.

3. Revenue, taxation and SACU

Namibia reported weaker-than-expected revenue, while South Africa's revenue was better-than-expected, supported by high commodity prices. South Africa recorded a sizeable upward revision in SACU payments. SACU strengthens the fiscal link between the two countries but does not remove Namibia's domestic revenue weakness.

Namibia: Total revenue and grants were reduced from N$89.6bn to N$88.1bn and are projected at 30.0% of GDP in FY27. Tax revenue remained broadly stable at N$82.8bn, but non-tax revenue fell by N$1.4bn because of weaker administration fees, mineral royalties and fishing-quota receipts. Diamond mining tax is projected at only N$67m, compared with N$2.3bn in FY24, while the FY27 SACU share was revised down by N$140m.

South Africa: Main-budget revenue is projected at R2.136tn in FY27, R54.1bn above the February estimate, supported by corporate tax, VAT and dividend tax. SACU payments are projected to rise from R78.4bn in FY27 to R92.6bn in FY28, although the broader revenue outlook remains sensitive to commodity prices, consumption and wage growth.

4. Expenditure composition and priorities

Both governments are trying to contain spending, but Namibia is cutting from a weaker fiscal position. In both countries, wages, transfers, and interest costs exceed productive capital expenditure.

Namibia: FY27 expenditure was reduced by about 0.9% to N$105.0bn. Compensation remains the largest item at N$39.8bn, followed by transfers and subsidies of roughly N$30bn and interest payments of N$15.4bn. Goods and services rose to N$10.6bn because of operational pressures, while development spending fell from N$8.5bn to about N$7.8bn. The composition limits room for growth-enhancing investment.

South Africa: Main-budget expenditure is projected at R2.438tn in FY27, including R442bn in debt-service costs. Capital spending of R148.4bn is smaller than wages, transfers and interest, although it rises by 20.5% in FY27. Operational savings and provisional infrastructure allocations provide some rebalancing toward investment.

5. Deficit and fiscal framework

Both countries project narrower medium-term deficits, but South Africa begins from an established primary surplus. Namibia, by contrast, is forecasting a primary deficit for FY27. It's adjustment depends more heavily on future revenue recovery and annual expenditure restraint.

Namibia: The FY27 deficit widened from N$15.8bn to N$16.3bn, although it remains at 5.5% of GDP because nominal GDP was revised upward. More importantly, the primary balance moved from a projected N$438m surplus to an N$881m deficit, indicating that borrowing now partly finances interest spending. Government expects the deficit ratio to narrow to 3.5% by FY30 and the primary balance to return to surplus in FY28, but delivery risk is material.

South Africa: The deficit is projected to narrow from R318.5bn, or 3.9% of GDP, in FY27 to R238.2bn, or 2.5%, by FY30. The primary surplus is expected to rise from 1.7% to 2.5% of GDP. A proposed principle-based fiscal anchor could strengthen fiscal accountability across administrations, although the absence of a binding numerical limit may weaken enforcement.

6. Funding impact and government paper demand

Both governments remain reliant on domestic markets, but Namibia is increasing its demand for local funding while South Africa is reducing near-term fixed-rate supply and using buybacks. This leaves Namibia more exposed to local liquidity, refinancing pressure and investor selectivity.

Namibia: Namibia's financing requirement was revised upwards by N$2.9bn to N$22.1bn, while planned domestic financing increased by N$3.7bn to N$21.1bn. The domestic market will therefore have to absorb most of this additional bond issuance. Rising domestic borrowing raises refinancing, liquidity and crowding-out risks, as



domestic debt typically costs more than concessional external funding. The forecast of falling interest costs alongside higher domestic borrowing may be too optimistic.

South Africa: South Africa's gross borrowing requirement is projected at R434.2bn in FY27, financed mainly through R282bn in domestic long-term loans, R23.2bn in domestic short-term borrowing and R58.6bn in foreign loans, with the balance coming from cash and other balances. Treasury is reducing the number of fixed-rate bonds offered weekly and implementing bond buybacks to manage maturity concentrations. The bond market experienced a 14.5-basis-point decline in 10-year bond yields on 21 October following MTBPS announcements, indicating a favourable initial market response.

7. Debt, guarantees and fiscal risk

Debt is high in both countries. South Africa carries the larger debt ratio and guarantee exposure, but Namibia's smaller revenue base, domestic concentration and rising funding needs leave it more sensitive to weak growth or higher yields.

Namibia: Public debt was revised up to N$201.7bn, or 68.7% of GDP, in FY27 and is forecast to reach N$245.7bn by FY30, although the ratio is projected to ease to 66.9% by FY30. Approximately 90% of debt is domestic. Guarantees amount to N$11.8bn, or 4.0% of GDP, in FY27, comprising N$2.8bn domestic and N$9.0bn foreign guarantees. Debt sustainability therefore depends on nominal growth, revenue recovery, manageable domestic yields, and limited calls on guarantees.

South Africa: Gross debt is projected at R6.352tn, or 78.2% of GDP, in FY27 and 76.6% by FY30. Debt-service costs absorb about 21 cents of each rand of main-budget revenue. Utilised guarantees are shown at roughly R694bn in FY27, while the broader guarantee portfolio or ceiling was reported at R960.6bn in June 2026. Namibia and South Africa measure guarantees differently, so these should not be compared directly.

Revenue	Expenditure	
N$88.1bn	~N$105.0bn	N$16.3bn / 5.5%

Public Debt	Guarantees	Domestic Financing
N$201.7bn / 68.7%	N$11.8bn / 4.0%	N$21.1bn

8. Credit-rating implications

South Africa's statement is more positive for its credit rating. Namibia's fiscal position has weakened, although the expected decline in debt relative to GDP provides some support.

Namibia: Lower mining and other government revenue, the N$881 million primary deficit, higher domestic borrowing and the N$7.9bn rise in expected debt are negative for Namibia's credit position. A projected fall in debt-to-GDP and lower near-term interest costs offer some relief, but both depend on growth, a revenue recovery and continued domestic demand for government paper. Guarantees worth 4.0% of GDP add risk, as the government may have to honour them.

South Africa: Stronger revenue, government revenue exceeding non-interest spending, better management of existing debt and the expected decline in debt relative to GDP are positive for South Africa's credit position. However, debt remains close to 80% of GDP; interest costs are high, economic growth is weak, and financial problems at state-owned companies remain a risk. Ratings agency Moody's has signalled that the MTBPS was credit-positive, opening the possibility of a ratings upgrade in November, or in 2027.

9. Policy coordination and development priorities

Both statements attempt to balance consolidation with social and development goals. Namibia protects selected programmes despite reducing development expenditure, while South Africa uses savings and revenue gains to support infrastructure and service delivery.

Namibia: The expenditure ceiling protects the Youth Development Fund, subsidised tertiary education and recruitment in health, education and security. Reallocations also support basic education infrastructure, urban and rural development, and public safety. However, lower aggregate development spending and rising interest costs restrict the resources available for productive investment.

South Africa: The MTBPS links fiscal policy to reforms in energy, freight and tourism and directs additions toward health, education, local government, industrial development, infrastructure and state capacity. The growth benefit depends on implementation and the conversion of allocations into completed projects.

10. Wider economic and market implications

South Africa has the clearer positive near-term bond-market signal. Namibia faces increased domestic issuance, possible pressure on liquidity and yields, and a more difficult trade-off between consolidation and growth.

Namibia: Heavier domestic borrowing may push up yields and crowd out private credit and investment, while lower development spending weakens fiscal policy's growth payoff. Fuel, food costs and subdued diamond activity weigh on households and firms. Uranium, tourism, infrastructure activity and adequate reserves offer some relief, but fiscal concentration risk remains.

South Africa: Lower fixed-rate issuance and bond buybacks are supportive of government bonds and may assist the rand and rate-sensitive assets. The improvement remains limited by low growth, high debt and large interest costs. The key question is whether revenue strength and primary surpluses persist when support from corporate profitability and commodity prices fades.

Overall assessment

Namibia's fiscal position is more vulnerable than South Africa's. Namibia's expenditure restraint has contained the near-term slippage, but weaker revenue, a primary deficit, cuts to development spending and more domestic borrowing signal lower fiscal quality. Higher nominal GDP flatters the ratios but leaves the path exposed to forecast error. South Africa's MTBPS is comparatively stronger, with revenue overperformance, a growing primary surplus and proactive liability management, yet high debt-service burden and weak growth prevent a clean fiscal turnaround. For Namibia, the central focus is revenue recovery, auction coverage across maturities, domestic yields, development-budget execution and whether debt and deficit ratios improve without continued reliance on favourable nominal-GDP assumptions.

FY2026/27 at a glance - Namibia

N$ billion unless stated otherwise. Main budget is the comparator in the MYBR annexures.

Measure	Main budget	MYBR
Revenue as published	89.56	88.05
Total expenditure	106.03	105.05
Reported deficit	15.78	16.30
Deficit as share of GDP	5.5%	5.5%
Primary balance	+0.44	-0.88
Financing requirement	19.22	22.14
Government debt	193.79	201.66
Debt as share of GDP	67.8%	68.7%