

OVERVIEW

DECEMBER 2025

Strategy – South African listed equities

Unlevered. Long-only.
Concentrated portfolio, 8 to 15 high conviction holdings.
Value-oriented.
Fundamental, research-driven process.
Bottom-up, with an awareness of macro factors.
Benchmark agnostic.

Portfolio Manager – Rudi van Niekerk

South African native with local, on the ground presence & knowledge.
More than a decade of same strategy experience investing in South African public equities.
Prior experience includes private equity & commodity trading.

Alignment

Meaningful investment from Portfolio Manager and Founders
Portfolio Manager reinvests majority of profits

Performance

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR TO DATE		
													Desert Lion ⁽¹⁾	FTSE/JSE ALSI ⁽²⁾	Delta
2019				1.4%	-1.2%	2.9%	-0.9%	-10.7%	0.8%	6.1%	3.3%	3.9%	4.8%	4.7%	0.1%
2020	-7.7%	-14.4%	-25.8%	2.0%	3.5%	6.9%	3.4%	5.6%	10.3%	13.2%	9.6%	12.5%	11.2%	-1.0%	12.2%
2021	10.9%	-2.4%	6.9%	-2.5%	2.7%	-2.1%	-1.2%	-3.3%	-5.7%	5.9%	-4.6%	6.1%	9.6%	14.6%	-5.0%
2022	0.4%	-0.0%	2.0%	-7.3%	-6.0%	-7.1%	1.6%	-0.8%	-3.6%	-3.5%	14.8%	0.4%	-10.5%	-7.3%	-3.2%
2023	0.5%	-7.9%	4.1%	-0.3%	-9.2%	5.6%	7.8%	-5.5%	-4.5%	-0.7%	1.1%	4.3%	-6.1%	-2.1%	-4.0%
2024	-1.9%	0.2%	1.7%	4.4%	4.2%	5.3%	9.2%	5.9%	3.2%	-0.2%	2.0%	-3.3%	34.4%	6.0%	28.4%
2025	-0.7%	-4.0%	-2.9%	-2.6%	14.3%	-1.9%	-0.5%	7.4%	2.6%	-1.3%	3.7%	6.0%	20.2%	57.0%	-36.8%
Cumulative – inception to date ⁽³⁾													73.4%	79.5%	-6.1%
Annualized – inception to date ⁽³⁾													8.5%	9.1%	-0.6%

Fund Terms

Min subscription	\$250,000
Management fee	0.75%
Performance fee	25% of profits exceeding hard hurdle
Hurdle	6% hard, non-compounding
High water mark	Yes
Soft lock-up	3 years
Early withdrawal	5%
Fund expenses	Capped at 0.5%
Withdrawals	Quarterly, 90 days notice

Notes to Performance

- Performance represents the Fund's Standard Class and is representative of an annual management fee of 0.75%; fund expenses of 0.5% p.a.; 6% non-compounding hurdle; performance fee of 25% of profits exceeding the 6% hard hurdle; high water mark applies.
- FTSE/JSE All Share Index ("ALSH" or "J203") converted to USD returns.
- Net results to a Limited Partner in the Standard Class as of April 1, 2019 inception. Individual returns will vary by class and date of investment.

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Top 6 Holdings (alphabetically)

Argent Industrial	HCI
iOCO	Karoo000
Sasol	Stadio

Top 6 concentration 78%

General Information

Fund Domicile	U.S. (Delaware)
Inception	April 2019
AUM	US\$ 16m
Introducing Broker	BTIG, LLC
Clearing & Custodian	Pershing, LLC
Administrator	Opus Fund Services, LLC
Legal Counsel	Sadis & Goldberg LLP
Auditor	Spicer Jeffries LLP

December 2025 Commentary

Dear Partners and Friends,

Desert Lion Capital Fund returned approximately +6.0% net for the month of December, compared with +8.0% for the JSE All Share Index (J203). For the full year 2025, the Fund returned approximately +20.2% net. This builds on the 34.4% return delivered in 2024.

The JSE All Share Index (J203) posted a remarkable return of +57.0% for calendar year 2025. Index performance was driven almost exclusively by large-cap precious metals miners, including gold and platinum group metals producers, which together make up roughly 26% of the index and rallied 295% during the year. Liquidity has begun flowing back into South African capital markets. Local bonds have experienced strong demand, with the yield on the South African ten-year bond declining from 10.3% to 8.2% during 2025. Property equities responded accordingly, with the property index up 47% for the year.

The fiscal, economic, and inflation outlook has improved meaningfully. History and fundamentals suggest that certain areas within the mid- and small-cap segments of the JSE are positioned to respond and catch up in a powerful way. Desert Lion Capital Fund is benchmark agnostic. We invest in a concentrated selection of underappreciated and overlooked companies with superior fundamentals and dislocated prices. The objective is to build a portfolio that is truly differentiated, offers a margin of safety, and delivers superior long-term return prospects driven by a combination of earnings growth and valuation normalization.

Most of the companies in our portfolio continue to grow intrinsic value at better-than-expected rates, yet their valuations have remained depressed for several years. When growth is eventually accompanied by a rerating to fair value, the outcome should be more than satisfactory. Given the current setup of low starting valuations, above-average fundamentals, declining discount rates, and increasing liquidity and investor interest flowing into lesser-known areas of the market, we believe the necessary ingredients are firmly in place. As Desert Lion Capital co-founder Scott Miller of Greenhaven Road likes to say, returns tend to arrive in chunks. The same applies to Desert Lion Capital Fund. We believe we are still in the early innings.

I Will Be at RV Capital's 2026 Annual Gathering

Rob Vinall has done a phenomenal job of remaining independently minded and rational, and he communicates in an honest and transparent manner. He has also been generous in supporting emerging managers by sharing his experience and encouraging them throughout their growth journeys. For the first time, I will be attending Rob's annual gathering in Engelberg, Switzerland. My Desert Lion Capital business partner and colleague, Piet Viljoen, will also be attending. Please feel free to reach out if you would like to meet and talk markets or broader investment topics. Please do not invite me to go skiing! I am a half-decent water skier, but South Africa does not lend itself to snow skiing!

In Closing

In our September 2023 [letter](#), I made the call that South African equities were bottoming relative to U.S. equity markets. The fundamentals supporting that thesis have improved materially since then. Previous cycles of relative underperformance and outperformance have lasted approximately eight to thirteen years. I believe we may still be in the early stages of this cycle. The Fund is currently open for investment.

To our limited partners: as always, thank you for entrusting Desert Lion with your hard-earned capital. The majority of my personal wealth remains invested in the Fund, right alongside yours.

All the best,

Rudi van Niekerk

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