Allan Gray - Orbis Global Balanced Prescient Feeder Fund

28 February 2026

Fund description and summary of investment policy

The Fund is a feeder fund and invests only in the Orbis SICAV Global Balanced Fund ('Orbis Global Balanced Fund'), managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The Orbis Global Balanced Fund invests in a diversified global portfolio of equities, fixed income and commodity-linked instruments. The typical net equity exposure of the Orbis Global Balanced Fund is between 40% and 75%. The Orbis Global Balanced Fund aims to balance investment returns and risk of loss. Returns are likely to be less volatile than those of a global equity-only fund. Although the Orbis Global Balanced Fund's investment universe is global, the units of the Fund are priced and traded daily in rands.

The Fund is managed in the same way as the Allan Gray - Orbis Global Balanced Feeder Fund. The since-inception track record of the Allan Gray - Orbis Global Balanced Feeder Fund is available on the Allan Gray website.

ASISA unit trust category: Global – Multi Asset – High Equity

Fund objective and benchmark

The Fund aims to create long-term wealth for investors and to outperform its designated combined equity and bond performance benchmark, which comprises 60% the MSCI World Index with net dividends reinvested and 40% the J.P. Morgan Global Government Bond Index.

How we aim to achieve the Fund's objective

The Fund invests solely in Orbis Global Balanced, which is actively managed and diversified across global equities, fixed income and commodity-linked instruments. Equity exposure typically ranges from 40% to 90%, but is intended to be limited at 75% after hedging. Fixed income ranges from 10% to 50%, and commodities from 0% to 10%. Asset allocation is driven by Orbis' bottom-up approach, focusing on individual security selection rather than benchmark weights. Like Allan Gray, Orbis uses in-house research to identify companies whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables them to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. This same approach applies to fixed income, which typically includes cash, government bonds, and corporate bonds, to enhance risk-adjusted returns. Orbis may use hedged equities as a substitute for fixed income or alternatively to manage overall portfolio risk. Currency exposure is actively managed to avoid currencies unlikely to retain long-term value against the US dollar.

Suitable for those investors who

- Seek to balance investment returns and risk of loss, by investing in a diversified global multi-asset class portfolio
- Wish to invest in international assets through a rand-denominated fund
- Are comfortable that the investment approach is likely to result in volatility and potential capital loss, but typically less volatility than that of a global equity-only fund
- Typically have an investment horizon of at least three to five years

Meeting the Fund objective

The Fund may experience periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than similar funds in the Global – Multi Asset – High Equity sector.

The portfolio has adhered to its policy objective.

Fund information on 28 February 2026

Fund size	R6.2bn
Number of units	567 879 563
Price (net asset value per unit)	R10.89
Class	A

Fund availability

The Fund may be closed to new investors in certain circumstances, such as where regulatory constraints are placed on the Management Company or the Fund, or where the Orbis SICAV Global Balanced Fund is closed to new investments. This will be done to manage the Fund according to its mandate.

Performance

The Fund was launched on 1 September 2025. We will report its performance information from 31 August 2026.

Income distributions

To the extent that income in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually (March).

Annual investment management fee

The Management Company does not charge an annual management fee, but Allan Gray is paid a marketing and distribution fee by Orbis. Orbis charges a unique refundable performance-based fee in Orbis Global Balanced which is designed to align Orbis' interest with investor outcomes. The fee consists of a base fee and a refundable performance fee. In traditional fee structures, the total fee is paid to the manager immediately. When the Orbis fund outperforms, the performance fee is paid into a fee reserve and enables Orbis to refund investors if the Orbis fund subsequently underperforms. The table below summarises the fee parameters.

Initial, exit and switching fees	0.00%
Base fee	1.10% per annum
Performance fee sharing rate	25% for out- and underperformance relative to the benchmark.
Performance fee benchmark	60% MSCI World Index with net dividends reinvested and 40% J.P. Morgan Global Government Bond Index.
Fee reserve	Performance fees available for refund will be shown below the TER table.[4]

The fee is calculated daily. After deducting the base fee, the fund's performance is compared to its benchmark. Orbis then shares in 25% of the value added or lost relative to the benchmark. This means the fee adjusts by 0.25% for every 1% of outperformance or underperformance.

The fee is uncapped when the Orbis fund outperforms. However, during periods of underperformance, the total fee can be negative, as performance fees can be refunded from the fee reserve. If the reserve is empty and underperformance continues, a high watermark ensures that fees are only charged once previous losses are recovered. The fee experience table illustrates what investors can expect during periods of out- and underperformance. When the fee reserve is positive, Orbis may earn one-third of the available performance fees, subject to a cap of 2.50% per year. For more information, please refer to the fees resources section of the Orbis website.

Fee experience

Out- and underperformance scenarios	+8%	+4%	0%	-4%	-8%
Base fee	1.1%	1.1%	1.1%	1.1%	1.1%
Performance fee or refund*	1.7%	0.7%	-0.3%	-1.3%	-2.3%
Total annual management fee	**2.8%**	**1.8%**	**0.8%**	**-0.2%**	**-1.2%**

*Illustrative only. If there is no refund available, the base fee is still charged.

Total expense ratio (TER) and transaction costs

The annual management fee charged by Orbis is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one- and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Asset allocation on 28 February 2026[1]

Asset class	Total	United States	UK	Europe ex-UK[2]	Japan	Other[2]	Emerging markets
Net equities	58.0	16.0	11.4	4.3	1.9	5.4	19.0
Hedged equities	17.5	10.5	0.7	4.2	0.2	0.3	1.6
Property	1.5	0.0	0.0	0.0	1.1	0.0	0.4
Commodity-linked	3.0	3.0	0.0	0.0	0.0	0.0	0.0
Bonds	18.4	8.9	0.2	1.0	0.0	1.8	6.5
Money market and cash	1.7	0.3	0.1	0.7	0.0	0.0	0.6
Total (%)	**100.0**	**38.6**	**12.4**	**10.2**	**3.2**	**7.5**	**28.1**
Currency exposure	100.0	22.8	11.5	22.5	10.3	13.4	19.5
Benchmark	100.0	62.5	4.9	17.8	9.4	5.4	0.0

1. Refers to the asset allocation of the underlying Orbis SICAV Global Balanced Fund.
2. Refers to developed markets only.

Note: There may be slight discrepancies in the totals due to rounding.

Total expense ratio (TER) and transaction costs for periods ending 31 December 2025 (updated quarterly)[3]

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**6.86**	**3.33**
Fee for benchmark performance	1.10	1.10
Performance fees[4]	5.70	2.16
Other costs excluding transaction costs	0.07	0.07
VAT	0.00	0.00
Transaction costs (including VAT)	**0.10**	**0.08**
Total investment charge	**6.96**	**3.40**

3. The total expense ratio (TER) and transaction costs shown are estimates based on the past performance of the Allan Gray - Orbis Global Balanced Feeder Fund. This fund shares the same investment policy, objective and benchmark. Actual TER data will be used from one year after the Fund's inception.

4. As at 31 December 2025, performance fees of 6.5% were available for refund in the event of subsequent underperformance.

Top 10 holdings on 28 February 2026

Company	% of portfolio
Samsung Electronics	6.7
Taiwan Semiconductor Mfg	4.1
US TIPS > 10 Years	3.8
Kinder Morgan	3.4
SPDR® Gold Trust	2.9
Newmont	2.8
Barrick Mining	2.7
Prysmian Group	2.0
Balfour Beatty	1.7
Siemens Energy	1.7
Total (%)	**31.2**

Fund manager quarterly commentary as at 31 December 2025

2025 was a pleasing year for the Orbis SICAV Global Balanced Fund, which delivered strong absolute returns and again outpaced its benchmark and peers. As a team, we take pride in this performance. But good results are also a source of consternation for us, because we know a time will come when we look stupid. Indeed, many of our biggest winners in 2025 were once painful detractors. That is the nature of our work. We never know what path returns will take, only that they don't come in a straight line. Stock markets illustrated that well last year. From mid-February to early April, world stock markets fell by more than 15%. Since then, they have roared ahead to new record highs.

What *didn't* drive performance

With that backdrop in mind, note that we did not outperform this year by taking more stock market risk. Net of hedging, the Fund's average stock market exposure was 58% – less than a passive 60/40 mix of stocks and bonds, and much less than some of our peers. Broadly, our preference for value shares and mid-cap companies was also a headwind.

Security selection also provided its share of humility, as only half of our stock selections outperformed. Several of our highest-conviction holdings lagged, including Burford Capital, Kinder Morgan, Cinemark, RXO and ANTA Sports. Our largest bond position, in long-term US Treasury Inflation Protected Securities, suffered in April and has barely recovered since.

What *did* drive performance

While only half our stock selections outperformed, we put more capital behind our winners in 2025, and some of those winners were substantial. Defence contractors continued to perform well as the reality sets in that Europe must defend itself. Energy infrastructure providers outperformed as investors came to appreciate the demand growth from ageing grids and power-hungry data centres. Semiconductor manufacturers rose strongly, as the worst memory downcycle since the global financial crisis gave way to an extreme – and extremely profitable – supply crunch.

More broadly, in 2025, non-US stocks and currencies outpaced the mighty S&P 500 and US dollar for the first time in years – a tailwind for relative results given our low exposure to US assets. Favouring gold, and increasingly gold miners, over government bonds contributed to performance as markets echoed our concerns about governments' disregard for fiscal discipline.

What we did about it

As contrarian investors, when the Fund looks greatly discounted, we're probably frustrated about performance, which is often the culprit for the discounts. When performance looks great, we worry about the Fund, fearful that attractive discounts have narrowed.

Fortunately, the latter problem has a straightforward solution: Rotate the Fund. In 2025, turnover was much higher than normal, as we rotated capital from appreciated winners into neglected ideas trading at what we viewed as deeper discounts.

On the other side of that rotation, we added to three areas: healthcare, high-conviction detractors and artificial intelligence (AI) consumables.

Our global analyst teams have unearthed compelling ideas in healthcare; spanning biotech drug developers, clinical testing businesses and equipment companies. Many of these were growth darlings just three years ago, but sentiment has soured post the COVID-19 pandemic, knocking valuations down to attractive levels. Having bought up these businesses over the last six months, healthcare now represents 10% of the Fund.

We have also added to many of our laggards, including all five of the equity detractors mentioned earlier. Where our assessment of the company's worth remains high, we are happy to build larger positions at lower prices.

Finally, we have added to what we call "AI consumables". AI spending continued to rise in 2025 as big tech companies vied for dominance in the war for AI supremacy. While our analysts believe that Alphabet's AI advantages over Meta and OpenAI are underappreciated, within a moderate risk Fund, we believe that we can find names that sidestep that clash of titans altogether.

This thinking isn't new. We've long believed that our AI infrastructure companies could benefit from the rising capital and competitive intensity of the tech giants, and we still do. However, looking forward, as valuations for critical energy infrastructure names increase, we have incrementally moved towards the manufacturers of AI consumables.

Counterintuitively, our consumables include computer chips, which are generally considered long-lived assets. But the bleeding-edge chips populating data centres are not forever assets. Most companies buying them pencil in depreciation over five or six years. But this obscures the economic cost of inefficiency. As the latest chips are more power-efficient than their forebears, running a data centre with old chips will incur higher power costs, so for some uses, only the best will suffice. With Nvidia designing new AI chips on an annual cadence, sales for Taiwan Semiconductor Manufacturing Company, which makes all of them, should be very healthy. So should sales for memory makers like Samsung.

Our other consumables are more obvious. Data centres have a voracious appetite for energy, and they need it 24/7. This is now reflected in the valuations of infrastructure providers and nuclear operators but not in the valuations of natural gas producers and transporters. As accessing grids becomes tougher, we expect that the tech giants will change their approach. Why go through the hassle of bringing energy hundreds of miles to a data centre when you can bring the data centre to the energy?

Marcellus Shale gas producers in Pennsylvania could benefit, as companies consider building data centres and gas turbines near gas fields. They've struggled since the 2010s, when shale oil drilling flooded the market with cheap byproduct gas. With oil prices down, drilling has slowed, tightening gas supply just as data centre demand rises – an attractive setup.

Through dogged research and opportunistic price-taking, we seek an elusive balance of being happy about performance and the Fund at the same time.

In the last quarter, we re-established a position in Alphabet, trimmed Nebius Group into share price strength and exited PDD Holdings to reallocate capital to higher conviction ideas.

Commentary contributed by Alec Cutler, Orbis Investment Management Limited, Bermuda

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Performance

Collective investment schemes in securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

Funds may be closed to new investments at any time in order to be managed according to their mandates. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The funds may borrow up to 10% of their market value to bridge insufficient liquidity.

Unit price

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund, including any income accruals and less any permissible deductions from the Fund, divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 17:00 each business day. Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.prescient.co.za.

Fees

Permissible deductions may include management fees, brokerage, securities transfer tax, auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from the Management Company.

Total expense ratio (TER) and transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one- and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, securities transfer tax, Share Transactions Totally Electronic (STRATE) and FSCA Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are necessary costs in administering the Fund and impact Fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager, and the TER. Since Fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and transaction costs is shown as the total investment charge (TIC).

Feeder fund

A feeder fund is a unit trust that invests in another single unit trust, which charges its own fees. The Management Company does not charge any additional fees in the Fund.

Foreign securities

The Orbis Global Balanced Fund invests in foreign securities. Depending on their markets, trading in those securities may carry risks relating to, among others, macroeconomic and political circumstances, constraints on liquidity or the repatriation of funds, foreign exchange rate fluctuations, taxation and trade settlement.

MSCI Index

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