

## Fund description and summary of investment policy<sup>1</sup>

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

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

## Fund objective and benchmark<sup>1</sup>

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 only in Orbis Global Balanced. Orbis Global Balanced is actively managed and invests in a diversified global portfolio of equities, fixed income, and commodity-linked instruments. Orbis Global Balanced targets an exposure of 40% to 90% of net asset value ('NAV') in equities, 10% to 50% in fixed income and 0% to 10% in commodity-linked instruments. The overall exposure to equities after hedging is intended to be limited to 75% of NAV. The weighting among the asset classes is driven by Orbis' bottom-up approach in selecting securities across asset classes and therefore may deviate substantially compared to the benchmark. 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. A similar approach is applied in selecting fixed income instruments, which may consist of cash, cash equivalents, government bonds and investment-grade and high-yield corporate bonds and, at times, distressed corporate bonds. They are selected with the aim of increasing the overall risk-adjusted return. When Orbis' research suggests that stock or bond markets are overvalued, Orbis may reduce exposure to those asset classes or hedge market risk using exchange-traded derivatives. Hedged equities may also be used as an alternative to holding fixed-income instruments and reduce overall portfolio risks. Commodity-linked instruments are included if Orbis' research identifies certain commodities as being more attractive on a risk-adjusted basis than overall equity or fixed-income opportunities. Currency exposure is actively managed to control exposure to currencies less likely to hold their long-term value in US dollars.

## 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

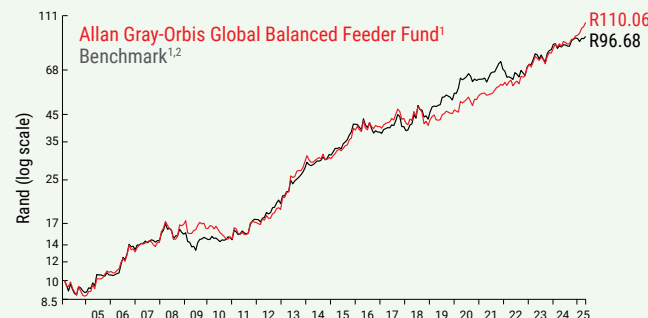
**Fund availability:** Subject to offshore capacity constraints. Please visit our website or contact our Client Service Centre for further information about any constraints that may apply.

## Fund information on 30 June 2025

|                                  |             |
|----------------------------------|-------------|
| Fund size                        | R21.4bn     |
| Number of units                  | 229 553 854 |
| Price (net asset value per unit) | R93.09      |
| Class                            | A           |

## Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



- The Fund was converted from a fund of funds structure to a feeder fund structure and its name and benchmark were amended on 1 June 2021. For more information, please read ['Ballot under way for Allan Gray-Orbis Global Fund of Funds'](#), available via the Latest insights section of our website.
- 60% of the MSCI World Index with net dividends reinvested and 40% of the J.P. Morgan Global Government Bond Index (source: Bloomberg), performance as calculated by Allan Gray as at 30 June 2025. From inception to 31 May 2021, the benchmark was 60% of the FTSE World Index including income and 40% of the J.P. Morgan Global Government Bond Index.
- This data reflects the latest available inflation numbers for South Africa and the United States of America, as at 31 May 2025 (Source: IRESS). South African CPI inflation has been calculated based on the most recent rebased values from Stats SA.
- Maximum percentage decline over any period. The maximum rand drawdown occurred from 23 October 2008 to 14 October 2010 and maximum benchmark drawdown occurred from 23 October 2008 to 30 June 2009. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
- These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 December 2013 and the benchmark's occurred during the 12 months ended 31 December 2013. The Fund's lowest annual return occurred during the 12 months ended 31 October 2010 and the benchmark's occurred during the 12 months ended 30 June 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

| % Returns                                  | Fund <sup>1</sup> |       | Benchmark <sup>1,2</sup> |       | CPI inflation <sup>3</sup> |      |
|--------------------------------------------|-------------------|-------|--------------------------|-------|----------------------------|------|
| Cumulative:                                | ZAR               | US\$  | ZAR                      | US\$  | ZAR                        | US\$ |
| Since inception (3 February 2004)          | 1000.6            | 335.3 | 866.8                    | 282.4 | 203.9                      | 72.1 |
| Annualised:                                |                   |       |                          |       |                            |      |
| Since inception (3 February 2004)          | 11.9              | 7.1   | 11.2                     | 6.5   | 5.4                        | 2.6  |
| Latest 10 years                            | 12.7              | 8.5   | 11.0                     | 6.9   | 4.8                        | 3.1  |
| Latest 5 years                             | 15.8              | 15.3  | 8.1                      | 7.7   | 5.2                        | 4.6  |
| Latest 3 years                             | 21.7              | 18.6  | 14.2                     | 11.3  | 4.8                        | 3.2  |
| Latest 2 years                             | 18.1              | 21.6  | 8.9                      | 12.1  | 4.0                        | 2.8  |
| Latest 1 year                              | 24.9              | 28.0  | 10.4                     | 13.1  | 2.8                        | 2.4  |
| Year-to-date (not annualised)              | 16.7              | 23.5  | 2.7                      | 8.6   | 2.2                        | 1.3  |
| Risk measures (since inception)            |                   |       |                          |       |                            |      |
| Maximum drawdown <sup>4</sup>              | -24.0             | -37.0 | -25.1                    | -37.5 | n/a                        | n/a  |
| Percentage positive months <sup>5</sup>    | 59.5              | 61.5  | 57.6                     | 63.8  | n/a                        | n/a  |
| Annualised monthly volatility <sup>6</sup> | 13.2              | 11.7  | 12.6                     | 10.3  | n/a                        | n/a  |
| Highest annual return <sup>7</sup>         | 55.6              | 43.8  | 38.8                     | 37.6  | n/a                        | n/a  |
| Lowest annual return <sup>7</sup>          | -13.7             | -27.3 | -17.0                    | -31.7 | n/a                        | n/a  |

## Meeting the Fund objective

Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund experiences 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.

## Income distributions for the last 12 months

|                                                                                                                                                     |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually. | <b>31 Dec 2024</b> |
| <b>Cents per unit</b>                                                                                                                               | <b>1.5499</b>      |

## Annual management fee

Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis.

Orbis charges an annual management fee within the underlying Orbis SICAV Global Balanced Fund. The fee rate is calculated based on the Orbis fund's performance relative to its benchmark. For more information please refer to the Orbis SICAV Global Balanced Fund factsheet and prospectus, which can be found at [www.orbis.com](http://www.orbis.com).

## Total expense ratio (TER) and transaction costs (updated quarterly)

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.

| <b>TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025</b> | <b>1yr %</b> | <b>3yr %</b> |
|---------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Total expense ratio</b>                                                                  | <b>5.83</b>  | <b>3.57</b>  |
| Fee for benchmark performance                                                               | 1.10         | 1.12         |
| Performance fees                                                                            | 4.66         | 2.38         |
| Other costs excluding transaction costs                                                     | 0.07         | 0.07         |
| VAT                                                                                         | 0.00         | 0.00         |
| <b>Transaction costs (including VAT)</b>                                                    | <b>0.08</b>  | <b>0.07</b>  |
| <b>Total investment charge</b>                                                              | <b>5.91</b>  | <b>3.64</b>  |

## Top 10 holdings on 30 June 2025

| <b>Company</b>                   | <b>% of portfolio</b> |
|----------------------------------|-----------------------|
| US TIPS >10 Years                | 4.9                   |
| SPDR® Gold Trust                 | 4.4                   |
| Siemens Energy                   | 4.2                   |
| Kinder Morgan                    | 3.6                   |
| Taiwan Semiconductor Mfg.        | 3.0                   |
| Nintendo                         | 2.9                   |
| Samsung Electronics              | 2.6                   |
| Icelandic Gov. Bonds 1 - 3 Years | 2.1                   |
| Burford Capital                  | 2.0                   |
| Newmont                          | 2.0                   |
| <b>Total (%)</b>                 | <b>31.7</b>           |

## Asset allocation on 30 June 2025

**This fund invests solely into the Orbis SICAV Global Balanced Fund**

| <b>Asset class</b>    | <b>Total</b> | <b>United States</b> | <b>UK</b>   | <b>Europe ex-UK<sup>8</sup></b> | <b>Japan</b> | <b>Other<sup>8</sup></b> | <b>Emerging markets</b> |
|-----------------------|--------------|----------------------|-------------|---------------------------------|--------------|--------------------------|-------------------------|
| Net equities          | 58.8         | 13.5                 | 10.8        | 9.4                             | 7.1          | 4.3                      | 13.6                    |
| Hedged equities       | 16.9         | 10.1                 | 0.8         | 3.7                             | 0.3          | 0.5                      | 1.4                     |
| Property              | 0.6          | 0.0                  | 0.0         | 0.0                             | 0.6          | 0.0                      | 0.0                     |
| Commodity-linked      | 4.5          | 4.5                  | 0.0         | 0.0                             | 0.0          | 0.0                      | 0.0                     |
| Bonds                 | 17.5         | 10.6                 | 0.6         | 1.2                             | 0.0          | 0.0                      | 5.0                     |
| Money market and cash | 1.8          | 1.0                  | 0.1         | 0.5                             | 0.1          | 0.1                      | 0.1                     |
| <b>Total (%)</b>      | <b>100.0</b> | <b>39.6</b>          | <b>12.3</b> | <b>14.9</b>                     | <b>8.1</b>   | <b>5.0</b>               | <b>20.2</b>             |
| Currency exposure     | 100.0        | 21.8                 | 11.8        | 28.0                            | 16.9         | 9.4                      | 12.1                    |
| Benchmark             | 100.0        | 63.0                 | 4.6         | 17.6                            | 9.7          | 5.1                      | 0.0                     |

8. Refers to developed markets only.

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

Many will be familiar with Maslow's Hierarchy of Needs – the idea that humans are motivated by five categories of needs, with higher-order ones (such as self-esteem and entertainment) only emerging once more basic needs (like water, food, shelter, security and employment) are met. We believe this framework is also applicable to nations and offers a useful lens through which to understand the current global landscape.

Furthermore, we believe that many developed nations – who have for some time been luxuriating in higher-order needs – have increasingly done so at the expense of the foundational ones, to the point where the base can no longer support the top of the pyramid. Governments are now being forced to reallocate resources from the top back to the bottom. A notable example is Prime Minister Starmer's February announcement that the United Kingdom would increase defence spending, funded by cuts to the overseas aid budget.

We believe this is happening now for a couple of reasons: a prolonged emphasis on higher-order goals at the expense of foundational ones and a broader geopolitical shift toward national self-interest. For decades following the fall of the Berlin Wall, developed nations benefited from what became known as the "Peace Dividend" – a period marked by relative geopolitical stability, expanding global trade and a belief that essentials, like energy, security and food, would remain abundant and affordable. Defence budgets were cut, and attention turned to social progress, environmental agendas and speculative growth. But in many cases, this came at the cost of resilience. Allied militaries weakened, and conventional energy sources such as nuclear and natural gas were sidelined in favour of renewables – contributing to energy crises, including the tripling of electricity prices in the UK and blackouts in Spain. The cracks in that once-stable foundation are now impossible to ignore.

This reordering has been accelerated by a broader retreat from global cooperation toward national self-reliance – a trend that has been building over the past decade. Institutions that once defined global collaboration, such as the United Nations, the World Trade Organization, and even the North Atlantic Treaty Organization (NATO), have become less effective or increasingly questioned.

Countries have a renewed appreciation that ultimately, they are on their own. No one else is responsible for their security, energy, food supply or industrial success. As countries rebuild the base of their pyramid of needs, the implications for economies, industries and investments are only beginning to unfold. Our focus is to navigate the risks this transformation introduces and to capitalise on the underappreciated opportunities it creates.

This framework not only helps contextualise the macroenvironment, it maps closely to where we're finding the most compelling investment opportunities through our bottom-up research.

While we're not averse to investing further up the pyramid, it's a part of the market where the balance of risk and reward has become less favourable – still crowded with capital and offering fewer mispriced opportunities. Years of social, political and market enthusiasm funnelled capital toward aspirational causes and consumer luxuries, creating fertile ground for strong performance, but also inflated expectations. As budgets tighten and priorities shift toward strategic essentials, those tailwinds may fade, and valuations leave little room for missteps, leaving the opportunities up top few and far between.

That said, we're not entirely absent from the upper tiers of the pyramid – just selective. Nintendo, for example, has seen strong early demand for the new Switch 2, their next-generation gaming console. While near-term earnings remain muted, Nintendo's continued expansion into films, digital content and theme parks is helping unlock the full value of its beloved intellectual property.

When it comes to financial security, we've found more compelling value outside the perceived safe havens. With the US fiscal position deteriorating, sovereign debt in countries like Norway and Brazil offers better risk-adjusted return potential in our view. Norway has no net debt, runs persistent surpluses and is backed by a US\$1.9tn sovereign wealth fund. Brazil, while more volatile, compensates investors with double-digit yields and a very undervalued currency – underpinned by a credible monetary authority and export revenues less tied to global trade cycles. Across both, we see attractive yields in underappreciated currencies, offering diversification and a meaningful margin of safety.

Further down the pyramid, in industrial security, we're focused on companies enabling the physical and digital backbone of successful modern economies. This includes both the semiconductors powering artificial intelligence (AI) and connectivity, and the infrastructure firms rebuilding the systems that support them.

National security, long overlooked by markets, has re-emerged as a strategic priority. Europe has been galvanised to boost defence spending and infrastructure investment in response to growing geopolitical risks and a requirement to reduce reliance on the US. We began building exposure to defence stocks five to six years ago, when they were deeply out of favour – a move that has since paid off. While we've trimmed most of our holdings after strong gains, we continue to own a number of high-quality aerospace and defence contractors, which we believe are well placed to benefit from a prolonged period of increased investment.

As governments confront the hard realities of national resilience, defence may have led the way, but energy is proving just as urgent and arguably even more fundamental. Investor sentiment has shifted from a strong focus on renewables toward a broader appreciation for what's practical and scalable. That shift is still underway, presenting underappreciated and mispriced opportunities with plenty of runway.

In our view, this reordering of national priorities marks a structural reset, not a passing phase. As capital flows back to the foundations of each nation's needs, we endeavour to skate to where the puck is going, not where it is now – seeking opportunities where solid fundamentals and resilient demand drivers are paired with compelling valuations.

We exited the position in Germany's largest defence contractor, Rheinmetall, as we believe the discount to our estimate of intrinsic value has narrowed. We established a new position in Brazilian sovereign bonds.

**Adapted from a commentary contributed by Alec Cutler, Orbis Investment Management Limited, Bermuda**

**Fund manager quarterly commentary as at 30 June 2025**

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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 16:00 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.allangray.co.za](http://www.allangray.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 Allan Gray. For more information about our annual management fees, refer to the [frequently asked questions](#), available via the Allan Gray website.

## 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. Allan Gray does not charge any additional fees in its feeder funds.

## FTSE Russell Index

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