

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. To view the since-inception track record of the Allan Gray-Orbis Global Balanced Feeder Fund, click [here](#).

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.

Fund information on 31 October 2025

Fund size	R5.3bn
Number of units	508 563 603
Price (net asset value per unit)	R10.33
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	0.0%
Base fee	1.1% 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. ³

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 2.5% 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 (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.

Asset allocation on 31 October 2025

This fund invests solely into the Orbis SICAV Global Balanced Fund

Asset class	Total	United States	UK	Europe ex-UK ¹	Japan	Other ¹	Emerging markets
Net equities	59.0	14.5	11.4	7.7	4.1	5.2	16.2
Hedged equities	18.1	10.8	0.7	4.2	0.4	0.5	1.5
Property	1.0	0.0	0.0	0.0	0.7	0.0	0.3
Commodity-linked	3.3	3.3	0.0	0.0	0.0	0.0	0.0
Bonds	15.8	9.6	0.5	0.9	0.0	0.0	4.8
Money market and cash	2.8	1.6	0.0	0.6	0.1	0.1	0.4
Total (%)	100.0	39.8	12.7	13.3	5.4	5.7	23.1
Currency exposure	100.0	26.3	11.8	25.4	11.2	11.5	13.8
Benchmark	100.0	64.0	4.6	17.0	9.4	5.0	0.0

1. Refers to developed markets only.

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

Total expense ratio (TER) and transaction costs (updated quarterly)²

TER and transaction costs breakdown for the 1- and 3-year period ending September 2025	1yr %	3yr %
Total expense ratio	6.17	3.75
Fee for benchmark performance	1.10	1.10
Performance fees ³	5.00	2.59
Other costs excluding transaction costs	0.07	0.07
VAT	0.00	0.00
Transaction costs (including VAT)	0.09	0.07
Total investment charge	6.26	3.82

2. 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.

3. As at 30 September 2025, performance fees of 6.4% were available for refund to investors in the event of subsequent underperformance.

Top 10 share holdings on 31 October 2025

Company	% of portfolio
US TIPS >10 Years	4.7
Samsung Electronics	4.4
Taiwan Semiconductor Mfg	3.8
SPDR® Gold Trust	3.3
Kinder Morgan	3.1
Siemens Energy	2.6
Barrick Mining	2.5
Newmont	2.5
Prysmian Group	2.4
Balfour Beatty	2.1
Total	31.4

Say you're an economic policymaker – a president, finance minister or central banker. Decades of budget deficits have left your country with a growing debt problem, and markets are starting to sniff it out. What do you do about it? You have to do something. If you do nothing and markets call time on your debt problem, your days as a policymaker are numbered. You could attempt austerity – cut spending, increase taxes, or both, to balance your budget, and take your pain on the fiscal side to protect your currency and creditworthiness. Do austerity well, and both markets and historians may judge you kindly. Voters, however, will not. You could grow your way out. That's painless to promise but difficult to deliver. The easiest way to spur growth is to run larger deficits, which is exactly how you and your predecessors got into this mess.

For a government with a debt problem, most of the effective options aren't palatable, and most of the palatable options aren't effective. In our view, governments facing debt problems are likely to pursue the least painful option that offers some hope of success: financial repression.

What is financial repression?

"Financial repression" is when governments use policies to keep real interest rates low or negative while channelling money towards government debt.

The core problem is that the ratio of a government's debt to gross domestic product (debt-to-GDP ratio) is too high. Reducing debt outright is difficult, because it requires either austerity or a default. Simply boosting growth is also hard. Helpfully, the existing debt burden is fixed in nominal terms, while GDP is not. That difference opens up another path: inflate away the debt. If the government can find ways to suppress real (that is, inflation-adjusted) interest rates and bond yields, inflation can boost GDP and tax revenues without boosting debt or interest expense. In practice, this means using carrots and sticks to make government debt more attractive for non-yield reasons.

The US is the locus of our concerns. Its debt-to-GDP ratio is already at 100% and forecasted to grow to 150% and beyond. Unsurprisingly, efforts at financial repression are already underway.

The cost of obvious financial repression: a weaker currency

The most straightforward approach is yield curve control (YCC). With YCC, the central bank stands ready to buy as many government bonds as necessary to stop bond yields from rising above a certain level. This has a recent precedent. The Bank of Japan enforced YCC from late 2016 through early 2024, buying up about 40% of all outstanding Japanese government bonds to hold yields at low levels.

There are other obvious routes, such as capital controls. If you don't let people take money elsewhere, they're stuck with the options they have, including your government debt.

Japan's experiment illustrates the main pain of financial repression: a weaker currency. During the term of the programme, the yen depreciated by over 30% against the US dollar. A weaker currency is the natural result of suppressing yields. With bond returns eroded by inflation, investors flee from assets in the repressor's currency and into assets in currencies that better preserve purchasing power.

The flaw of the obvious approaches is that they are obvious, which threatens confidence. Shrewder approaches aim to hold down real yields while holding up confidence. This involves a wider range of sticks and carrots.

Banks' balance sheets make for attractive targets, and the scope to channel money into government debt is enormous. US commercial banks hold nearly US\$19 trillion of total assets but only US\$2 trillion of Treasuries, and they have US\$4 trillion of cash-like reserves parked with the US Federal Reserve (the Fed). Insurers, pension funds and stablecoins offer additional scope for a would-be repressor to direct money into government debt.

Regulation can make government debt more attractive, but a bigger prize would be stealth YCC by the Treasury. The US Treasury sells government debt, which affords it great influence over government bond yields.

US Treasury Secretary Scott Bessent has already announced that essentially all incremental borrowing will be done through bills, where demand remains plentiful. If he wishes, he could push this further, using tools already available. For over a decade, the Treasury has conducted buybacks of government bonds. Under Bessent, the Treasury has doubled the frequency of these buybacks and modestly increased their size. Large buybacks of discounted old bonds could increase interest expense in the short term but would mechanically improve the headline debt-to-GDP ratio.

Concentrating borrowing in short-term bills has other advantages. If more of the debt is short term, more of the interest expense will be at short-term rates. Those rates, in turn, are tightly controlled by the Fed. If you can borrow at rates set by the Fed, then cajole the Fed into lowering rates, the government can save on interest expense.

Investment implications: beware higher inflation and a weaker dollar

The US pursuing financial repression is no sure thing, but stacking up policymakers' incentives, it seems plausible to us.

If the US tries to hold down interest rates while letting inflation run hot, two conclusions are clear: Holders of conventional bonds will suffer as inflation erodes their purchasing power, and the US dollar will weaken against real assets and other currencies. Our financial repression concerns inform three of the Fund's major positions: our preference for inflation-linked bonds, gold-related holdings and caution on the US dollar.

It is a political truism that policymakers live in fear of the bond market. But if financial repression becomes the preferred path out of debt problems, the bond market should also fear policymakers.

In the last quarter, we added to positions in a US-based managed care organisation and a US-based clinical research company. We funded these purchases by trimming positions in Nintendo and Siemens Energy into share price strength.

Adapted from a commentary contributed by Rob Perrone, Orbis Portfolio Management (Europe) LLP, London

Fund manager quarterly commentary as at 30 September 2025

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The trustee/custodian of the Prescient Unit Trust Scheme is Nedbank Investor Services. The trustee/custodian's physical address is 2nd floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709. It can be contacted at: Tel: +27 (0)11 534 6557 or www.nedbank.co.za.

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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J.P. Morgan Index

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