ALLANGRAY

Fund manager: Duncan Artus (The underlying Orbis funds are managed by Orbis)
Inception date: 2 March 2010

Allan Gray-Orbis Global Optimal Fund of Funds

31 December 2025

Fund description and summary of investment policy

The Fund may invest in a mix of absolute return funds managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited, and currently invests in the Orbis Optimal SA Fund (US dollar and euro classes). The Orbis Optimal SA Fund invests in a portfolio of global shares and uses exchange-traded derivative contracts on stock market indices to reduce net equity exposure, which typically varies between 0% and 20%. The Fund's returns, when measured in US dollars or euros, are driven mainly by Orbis' stock selection and not by the overall direction of equity markets. Returns are likely to be less volatile than those of a global equity or global balanced fund, but more volatile than those of a global fixed income fund. Although the Fund's investment universe is global, the units in the Fund are priced and traded daily in rands. Given the Fund's global investment universe, rand returns are likely to be more volatile than those of local funds with similar equity constraints.

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

Fund objective and benchmark

The Fund aims to provide investors with long-term positive returns (when measured in US dollars or euros) from a low-risk global investment portfolio. The Fund's returns are intended to be largely independent of the major asset classes such as cash, bonds or equities. The Fund's benchmark is the simple average of the benchmarks of the underlying Orbis Optimal SA Fund classes, namely US dollar and euro bank deposits.

How we aim to achieve the Fund's objective

The Fund invests in the Orbis Optimal SA Fund (US dollar and euro classes). The Orbis Optimal SA Fund is actively managed, invests in a global portfolio of shares and uses hedging to reduce overall exposure to global stock markets. Orbis uses in-house research to identify companies around the world 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 is the same approach as that used by Allan Gray to invest in South African equities. The main risk of investing in shares is that prices will decline if stock markets fall significantly. The Orbis Optimal SA Fund therefore maintains a substantial level of hedging to reduce this risk. The net equity exposure of the Fund typically varies between 0% and 20%. The Fund can therefore retain limited exposure to global stock markets, depending on Orbis' assessment of global stock market valuations. Currency exposure is actively managed, both within the underlying Orbis Optimal SA Fund and through the allocation to the US dollar and euro classes of the Orbis Optimal SA Fund. The Fund's returns are driven mainly by Orbis' ability to select shares which outperform. A portion of the returns are also derived from the low exposure to stock markets and foreign currency cash-equivalent returns earned from hedging. The Fund is therefore able to aim for positive returns (when measured in foreign currency), irrespective of the direction of global stock markets.

Suitable for those investors who

- Seek positive long-term returns, when measured in foreign currency
- Wish to invest in international assets through a rand-denominated fund
- Have a long-term investment horizon and are comfortable with periods of underperformance which may result in capital loss
- Wish to use the Fund as a 'building block' in a diversified multi-asset class portfolio
- Understand that the Fund's returns are largely independent of cash, bonds and equities

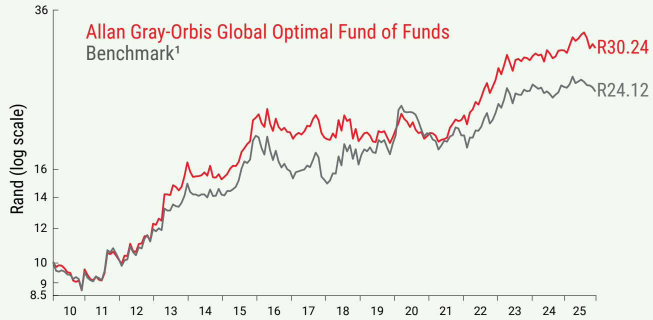
Fund availability: Subject to offshore capacity constraints. Please visit our website or contact our Client Service Centre for further information about any constraints that may apply.

Fund information on 31 December 2025

Fund size	R1.1bn
Number of units	34 810 520
Price (net asset value per unit)	R30.19
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund		Benchmark[1]		CPI inflation[2]	
Cumulative:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (2 March 2010)	202.4	40.1	141.2	11.7	113.6	49.6
Annualised:						
Since inception (2 March 2010)	7.2	2.2	5.7	0.7	4.9	2.6
Latest 10 years	3.8	3.2	2.6	1.9	4.8	3.2
Latest 5 years	9.8	7.2	4.7	2.2	5.0	4.5
Latest 3 years	6.9	7.7	5.0	5.8	4.0	2.9
Latest 2 years	2.6	8.4	-0.1	5.5	3.2	2.7
Latest 1 year	1.1	14.6	-3.2	9.8	3.5	2.7
Year-to-date (not annualised)	1.1	14.6	-3.2	9.8	3.5	2.7
Risk measures (since inception)						
Maximum drawdown[3]	-18.9	-31.3	-26.6	-16.1	n/a	n/a
Percentage positive months[4]	52.6	56.8	47.4	51.1	n/a	n/a
Annualised monthly volatility[5]	12.9	7.4	13.2	4.3	n/a	n/a
Highest annual return[6]	39.6	15.4	35.6	9.8	n/a	n/a
Lowest annual return[6]	-12.4	-15.3	-19.1	-11.6	n/a	n/a

1. The simple average of the benchmarks of the underlying funds, performance as calculated by Allan Gray as at 31 December 2025.
2. This data reflects the latest available headline CPI inflation numbers for South Africa and the United States of America, as at 30 November 2025 (Source: Iress). The US inflation figure for October 2025 is an estimate.
3. Maximum percentage decline over any period. The maximum rand drawdown occurred from 18 May 2016 to 24 March 2017 and maximum benchmark drawdown occurred from 18 January 2016 to 23 February 2018. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. 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.
6. 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 January 2016. The Fund's lowest annual return occurred during the 12 months ended 31 May 2017 and the benchmark's occurred during the 12 months ended 28 February 2017. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

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Meeting the Fund objective

Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. There has been some volatility in the Fund's returns. The underlying funds' maximum drawdowns to date, in their reporting currencies, are 23% for the Orbis Optimal SA Dollar class and 28% for the Orbis Optimal SA Euro class.

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.	31 Dec 2025
Cents per unit	**0.3188**

Annual management fee

Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis. Orbis charges a performance-based fee in the underlying Orbis Optimal SA Fund (US dollar and euro classes), which is designed to align Orbis' interests with investor outcomes. The fee consists of a base fee and a performance fee, as summarised by the fee parameters below.

Initial, exit and switching fees	0.0%
Base fee	1.0%
Performance fee sharing rate	20% for outperformance relative to the benchmark.
Performance fee benchmark	US dollar bank deposits and euro bank deposits for the respective classes.

The fee is calculated daily. After deducting the base fee, the Fund's performance is compared to its benchmark. Orbis then shares in 20% of the value added relative to the benchmark. The performance fee is uncapped and subject to a high watermark mechanism, ensuring that performance fees are only earned once any prior underperformance has been fully recovered.

For more information, please refer to the Orbis Optimal SA Fund factsheets and prospectus, which can be found at www.orbis.com.

Total expense ratio (TER) and transaction costs

The annual management fees charged by Orbis are 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 December 2025

Asset class	Total	United States	UK	Europe ex-UK[7]	Japan	Other[7]	Emerging Markets
Net equities	2.0	-4.7	1.1	3.6	1.5	-2.0	2.5
Hedged equities	81.9	46.0	3.6	4.0	16.3	8.2	3.7
Property	6.2	0.0	0.0	0.0	3.1	3.1	0.0
Money market and cash	9.9	7.4	0.3	0.2	1.1	0.7	0.3
Total (%)	**100.0**	**48.7**	**5.0**	**7.9**	**21.9**	**10.0**	**6.4**
Currency exposure	100.0	50.9	0.1	37.6	6.0	4.9	0.5

7. 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)

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**1.57**	**1.25**
Fee for benchmark performance	1.00	1.00
Performance fees	0.49	0.17
Other costs excluding transaction costs	0.08	0.08
VAT	0.00	0.00
Transaction costs (including VAT)	**0.15**	**0.12**
Total investment charge	**1.71**	**1.36**

Fund allocation on 31 December 2025

Foreign absolute return funds	%
Orbis Optimal SA (US$)	61.9
Orbis Optimal SA (Euro)	38.1
Total (%)	**100.0**

Top 10 share holdings on 31 December 2025

Company	% of portfolio
Corpay	4.4
FirstService	3.1
Taiwan Semiconductor Mfg	2.9
Mitsubishi Estate	2.9
Smurfit WestRock	2.7
Ryder System	2.6
Motorola Solutions	2.5
Bruker	2.5
Genmab	2.5
Techtronic Industries	2.4
Total (%)	**28.5**

Fund manager quarterly commentary as at 31 December 2025

The Orbis Optimal SA Fund is managed by a small team, and each team member runs a concentrated portfolio of differentiated businesses. We look for underappreciated, misunderstood or unloved companies trading at a meaningful discount to our estimate of intrinsic value. Owning these companies and hedging out market risk allows us to generate idiosyncratic alpha that translates into returns that beat cash and are uncorrelated with market movements.

When we say "unloved", the US biotechnology sector has been a clear example of what this means. After peaking during the COVID-19 pandemic period, many US pharmaceutical and biotech names sold off as investors grappled with policy uncertainty and political debate about the cost of care.

Such sell-offs can create attractive entry points. We bought a basket of biotech businesses with best-in-class medicines, deep scientific capabilities and high-calibre management teams. At the lows, these traded below a conservative assessment of the value of their probable cashflows, giving no credit for future successes. A number of these, namely Genmab, Alnylam Pharmaceuticals and Insmed, positively contributed to the Fund's performance in 2025, and we believe they continue to offer a meaningful gap between price and value.

The defence industry was another area where prices and fundamentals diverged as defence stocks underreacted to a significant shift in the geopolitical and policy environment. The ongoing war in Ukraine, changing US priorities and rapid technological change have transformed defence companies from "running to stand still" to "running to catch up". Their revenue, margins and returns have responded accordingly, as have their share prices. Holdings such as Leonardo, Mitsubishi Heavy Industries and BAE Systems were strong contributors. Price appreciation in these companies closed the discount to value, so we sold them and recycled capital into other opportunities.

Japanese property developer Mitsubishi Estate was one of the Fund's larger contributors. The stock illustrates the kind of "simple but effective" thesis we like: irreplaceable premium properties, improving rental dynamics as Japan experiences inflation for the first time in decades, and a starting valuation materially below our estimate of net asset value. We found similar value across other Japanese businesses where operational improvements and better capital allocation are translating into higher returns for shareholders.

Beyond these themes, other idiosyncratic holdings contributed to stock-picking alpha. Barry Callebaut, the world's leading manufacturer of chocolate and cocoa products, was overly penalised for higher cocoa prices, even though the resulting industry stress may ultimately strengthen its role in the supply chain. British American Tobacco's next-generation nicotine products continue to gain traction, while investor attention remains fixed on the slow decline in cigarette volumes. Tesco's scale and loyalty ecosystem are helping it outcompete supermarket peers, supporting resilient cashflows and shareholder returns.

What did we get wrong? US health insurers Elevance Health and UnitedHealth Group did poorly. In 2025, their share prices reacted negatively to political noise, accusations of prioritising profit over patient care and poor management decisions. We trimmed our positions in response to initial concerns but did not exit, which hurt performance. We subsequently added at lower prices and remain confident that these businesses will continue compounding shareholder value.

US cyclicals also underperformed our expectations. Higher interest rates and stretched affordability have weighed on housing-related businesses. Economically sensitive areas like transport, packaging and discretionary consumption are in the depths of a downturn linked to weakness in the bottom part of the "K-shaped" US economy. While we cannot predict when it will turn, it reliably has in the past. Our focus is on finding companies where management is protecting and, ideally, increasing long-term value per share through the downturn. The Fund owns companies that fit this description, including Corpay, Fortune Brands Innovations, FirstService (a Canadian company with significant US revenue), RXO and Smurfit Westrock. We are excited about their future potential.

It would be remiss not to mention artificial intelligence (AI). The Fund has limited exposure to the headline beneficiaries but does own Taiwan Semiconductor Manufacturing Company (TSMC) and Nebius. TSMC needs little, if any, introduction. Netherlands-based Nebius was previously part of the Russian technology business Yandex, before selling its Russian assets, severing all ties with the country and developing into an international AI-focused cloud infrastructure business. Its CEO and chairman were both involved with Yandex's founding and have strong track records of building successful businesses. Our respect for the Nebius team helped us appreciate its potential before it was recognised by the market.

It would also be remiss not to mention China. The Fund's Greater China exposure is concentrated in world-class businesses trading at large discounts to value. Some, such as NetEase and Jardine Matheson, performed well as earnings exceeded expectations following value-enhancing management actions. Others, such as ANTA Sports, have been disappointing. We remain cognisant of the risks within China but believe these are offset by the value within our holdings and the Fund's ability to hedge out regional currency and market risk.

Looking ahead, we are optimistic – not because we expect calm markets, but because volatility often creates opportunity. We continue to find businesses where we believe price and value are meaningfully misaligned. If these perform as we expect, the Fund should continue to generate pleasing absolute returns with low correlation to broad market movements.

The Fund's overall net equity exposure rose over the quarter. Among individual positions, we initiated a position in a US-based chemicals producer and trimmed Nebius following a period of share price strength.

Adapted from a commentary contributed by Mark Dunley-Owen, Orbis Investment Management Limited, Bermuda

Important information for investors

The availability of the Fund is subject to offshore capacity constraints. Please contact our Client Service Centre for further information about any constraints that may apply.

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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.

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).

Fund of funds

A fund of funds is a unit trust that invests in other unit trusts, which charge their own fees. Allan Gray does not charge any additional fees in its funds of funds.

Foreign securities

The 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.

FTSE Russell Index

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MSCI Index

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