

## Fund description and summary of investment policy

The Fund is a feeder fund and invests only in the Orbis Global Equity Fund, managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The Orbis Global Equity Fund is designed to be exposed to all of the risks and rewards of selected global shares. Returns are likely to be volatile, especially over short- and medium-term periods. Although the Fund's investment universe is global, the units in the Fund are priced and traded daily in rands.

**ASISA unit trust category:** Global – Equity – General

## Fund objective and benchmark

The Fund aims to outperform global stock markets over the long term, without taking on greater risk. Its benchmark is the MSCI World Index, including income, after withholding taxes.

## How we aim to achieve the Fund's objective

The Fund invests only in the Orbis Global Equity Fund. The Orbis Global Equity Fund is designed to be exposed to all of the risks and rewards of selected global shares. 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 Orbis 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, except that Orbis is able to choose from many more shares, listed internationally.

## Suitable for those investors who

- Seek exposure to diversified international equities to provide long-term capital growth
- Wish to invest in international assets through a rand-denominated fund
- Are comfortable with global stock market and currency fluctuation and risk of capital loss
- Typically have an investment horizon of more than five years
- Wish to use the Fund as a global equity 'building block' in a diversified multi-asset class portfolio

**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.

## Meeting the Fund objective

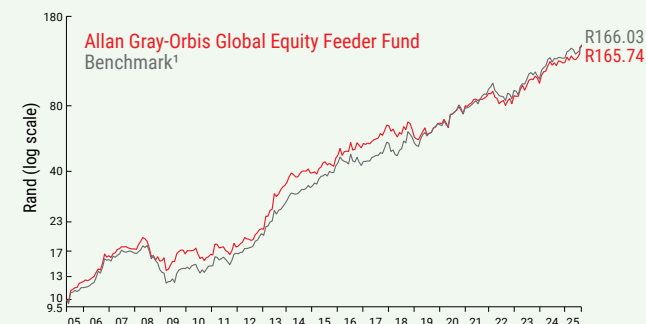
Since inception and over the latest 10-year period, the Fund has underperformed its benchmark. Over the latest five-year period, the Fund has outperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the global stock market. The maximum drawdown and lowest annual return numbers, in the 'Performance net of all fees and expenses' table, show that the Fund has successfully reduced downside risk in periods of negative market returns.

## Fund information on 31 August 2025

Fund size	R37.3bn
Number of units	226 481 863
Price (net asset value per unit)	R164.87
Class	A

## Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



1. MSCI World Index, including income, after withholding taxes (source: Bloomberg), performance as calculated by Allan Gray as at 31 August 2025. From inception to 15 May 2023, the benchmark was the FTSE World Index, including income.
2. This data reflects the latest available inflation numbers for South Africa and the United States of America, as at 31 July 2025 (Source: IRESS). South African CPI inflation has been calculated based on the most recent rebased values from Stats SA.
3. Maximum percentage decline over any period. The maximum rand drawdown occurred from 6 June 2008 to 10 March 2009 and maximum benchmark drawdown occurred from 5 June 2008 to 6 March 2009. 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 December 2013. The Fund's lowest annual return occurred during the 12 months ended 31 March 2009 and the benchmark's occurred during the 12 months ended 31 March 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

% Returns	Fund		Benchmark <sup>1</sup>		CPI inflation <sup>2</sup>	
Cumulative:	ZAR	US\$	ZAR	US\$	ZAR	US\$
Since inception (1 April 2005)	1557.4	483.2	1560.3	484.3	195.1	66.8
Annualised:						
Since inception (1 April 2005)	14.7	9.0	14.8	9.0	5.5	2.5
Latest 10 years	14.2	11.0	15.2	12.0	4.8	3.1
Latest 5 years	14.6	13.5	14.3	13.1	5.1	4.5
Latest 3 years	21.9	20.5	20.1	18.6	4.3	3.0
Latest 2 years	19.0	22.7	16.4	20.0	4.1	2.8
Latest 1 year	20.5	20.6	15.6	15.7	3.5	2.7
Year-to-date (not annualised)	19.0	26.5	7.0	13.8	3.4	1.8
Risk measures (since inception)						
Maximum drawdown <sup>3</sup>	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months <sup>4</sup>	63.3	59.2	61.6	64.1	n/a	n/a
Annualised monthly volatility <sup>5</sup>	15.0	17.0	14.1	15.7	n/a	n/a
Highest annual return <sup>6</sup>	78.2	64.1	54.2	58.4	n/a	n/a
Lowest annual return <sup>6</sup>	-29.7	-44.8	-32.7	-47.3	n/a	n/a

## 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>3.0952</b>

## Annual investment management fee

Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis. Orbis charges a unique refundable performance-based fee in the Orbis Global Equity Fund 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%
Performance fee sharing rate	25% for out- and underperformance relative to the benchmark.
Performance fee benchmark	MSCI World Index, including income, after withholding taxes.
Fee reserve	Performance fees available for refund are shown below the TER table.*

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

<b>Out- and underperformance scenarios</b>	<b>+8%</b>	<b>+4%</b>	<b>0%</b>	<b>-4%</b>	<b>-8%</b>
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%
<b>Total annual management fee</b>	<b>2.8%</b>	<b>1.8%</b>	<b>0.8%</b>	<b>-0.2%</b>	<b>-1.2%</b>

\*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 August 2025

**This fund invests solely into the Orbis Global Equity Fund**

<b>Asset class</b>	<b>Total</b>	<b>United States</b>	<b>UK</b>	<b>Europe ex-UK<sup>7</sup></b>	<b>Japan</b>	<b>Other<sup>7</sup></b>	<b>Emerging markets</b>
Net equities	95.6	38.9	13.5	10.2	4.3	6.7	22.0
Property	2.2	0.0	0.0	0.0	2.2	0.0	0.0
Money market and cash	2.1	2.1	0.0	0.0	0.0	0.0	0.0
<b>Total (%)</b>	<b>100.0</b>	<b>41.0</b>	<b>13.6</b>	<b>10.3</b>	<b>6.5</b>	<b>6.7</b>	<b>22.0</b>
Currency exposure	100.0	40.4	10.0	10.8	15.3	10.8	12.6
Benchmark	100.0	72.1	3.6	12.5	5.5	6.2	0.0

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 (updated quarterly)

<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>3.00</b>	<b>1.91</b>
Fee for benchmark performance	1.10	1.21
Performance fees <sup>8</sup>	1.84	0.64
Other costs excluding transaction costs	0.06	0.06
VAT	0.00	0.00
<b>Transaction costs (including VAT)</b>	<b>0.13</b>	<b>0.10</b>
<b>Total investment charge</b>	<b>3.13</b>	<b>2.01</b>

8. As at 30 June 2025, performance fees of 1.6% were available for refund in the event of subsequent underperformance.

## Top 10 share holdings on 31 August 2025

<b>Company</b>	<b>% of portfolio</b>
QXO	6.4
Corpay	4.2
British American Tobacco	3.5
Taiwan Semiconductor Mfg.	3.5
Alnylam Pharmaceuticals	2.9
Smurfit Westrock	2.9
Nebius Group	2.7
Nintendo	2.6
Rolls-Royce Holdings	2.4
Interactive Brokers Group	2.3
<b>Total (%)</b>	<b>33.6</b>

In 2024, the S&P 500 rallied 25%, capping an extraordinary 15-year stretch of roughly 14% annualised returns since the global financial crisis. We suspected that pace couldn't endure, but we didn't know when or how it might end. And while Trump 2.0 promised to "shake things up", the form of that creative destruction was impossible to map.

This year, policy shockwaves have been fierce, yet the MSCI All Country World Index ("World Index") has remarkably closed the half-year up 10%. The February-to-April sell-off was a blunt reminder that American exceptionalism has limits: The United States is still home to many of the world's most innovative and well-managed companies, but its reputation as a haven of political stability and free trade has been dented.

In every S&P 500 correction exceeding 15% since 2010, the trade-weighted US dollar has appreciated. Until now. This year, the dollar fell along with US equities, and US treasuries – long the market's go-to shock absorber – also failed to rally. When both of the market's most trusted risk-off havens break a long pattern, the old playbook may no longer apply.

Against that backdrop, it has been gratifying to see the Fund return 21% year to date, outperforming the World Index net of fees by 11% in dollars. Just as important, our drawdowns were shallower during the bouts of market stress.

One force reshaping the landscape is a shift from globalisation toward a more mercantilist era. Tariffs, targeted industrial policies and security-driven trade rules are redirecting capital flows. In the process, they turn yesterday's disinflationary tailwinds into potential inflationary headwinds that squeeze margins and valuations. If these policies gather speed, the terrain will shift further; if they stall, the adjustment may be milder. In any case, we believe the current shift is strong enough that portfolios should be built to weather either scenario.

Economic historian Russell Napier argues that our current challenges stem from three persistent imbalances: Asia's surpluses, the West's twin deficits and a "dollar-centric non-system" that kept money cheap while global debt exploded. Correcting these imbalances, he contends, will usher in "national capitalism" – a policy mix in which governments steer their savings toward domestic priorities through capital controls and other forms of financial repression. Such measures are likely to divert capital away from the US and favour real, inflation-protected assets and shorter-duration cashflows, not the duration-heavy bonds and frothy tech stocks that thrived in the prior regime.

Portfolios concentrated in last-decade winners look vulnerable to us. US equity valuations remain elevated even as the tailwinds that supported them – abundant liquidity, steady margin expansion and persistent index flows – may be less certain. History suggests that market leadership rarely survives a regime shift, so investors may want to prepare for that hand-off rather than assume yesterday's champions will dominate the next cycle.

A deliberate underweight to US equities has proved invaluable this year. Entering 2025, the Fund held just 55% in US stocks versus 67% for the World Index. During the sharpest sell-offs this year, the Fund outperformed, helping preserve your capital amid the turbulence. A powerful style shift helped as well: Value shares beat growth by the widest margin in almost 25 years – fertile ground for our price-disciplined approach.

Currency diversification also made a difference. We manage currency exposure with one objective: protecting your long-term purchasing power. Given the fiscal and external imbalances discussed earlier, we view the US dollar as a less reliable store of value over the long run. Heading into the year, the Fund's US dollar exposure was about 12% below the World Index. Our largest currency overweight is the Japanese yen, whose risk-reward profile improves as Japan finally emerges from deflation.

Make no mistake: The US still offers compelling opportunities, though selectivity is crucial. Roughly 40% of the Fund is in US stocks, anchored by high-conviction holdings that continue to generate idiosyncratic alpha.

Thanks to our diversified positioning at the start of the year, we have avoided wholesale portfolio surgery. But we have hardly been idle. We re-examined every holding given shifting tariff policy, while hunting for quality companies amid the volatility. There haven't been as many of the latter as we'd like, yet we have added a few, including Mitsubishi Estate and Bruker Corporation.

We have leaned even harder into resilience, favouring businesses with durable franchises purchased at undemanding prices, a combination that tends to hold its ground when markets turn "saucy". We are also uncovering value in markets such as Brazil and Japan, where subdued expectations leave ample room for positive surprises.

In aggregate, the Fund looks nothing like its benchmark. The World Index's 10 largest stocks trade at roughly 30 times forward earnings, while our 10 largest positions trade nearer 18 times. That valuation gap gives us a margin of safety that should serve you well, particularly as the market has only started to rotate leadership.

Of course, we recognise that renewed enthusiasm for US equities could make our positioning look premature. But both US and global benchmarks trade at rich valuations and are dominated by a small cadre of US mega-caps. Passive ownership today therefore delivers neither true diversification nor true resilience. Given this imbalance, we believe asset allocators should actively explore ways to temper their benchmark exposure, restoring some balance across regions, sectors and currencies.

Those same imbalances create fertile hunting ground for active stockpickers. Our investment team roams the world looking for mispriced businesses and has historically thrived when wide valuation gaps begin to normalise. The larger the divide between market price and intrinsic value, the greater the scope for us to convert insight into alpha.

We established a position in a global power tool producer and added to the position in a China-based e-commerce platform. We funded these purchases by exiting positions in Airbus, a commercial aircraft manufacturer, and ING Groep, a Netherlands-based bank, into share price strength.

**Adapted from a commentary by Adam R. Karr, president and portfolio manager at Orbis**

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

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## Management Company

Allan Gray Unit Trust Management (RF) (Pty) Ltd (the "Management Company") is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority (FSCA). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however, it is not supervised or licensed in Botswana. Allan Gray (Pty) Ltd (the "Investment Manager"), an authorised financial services provider, is the appointed investment manager of the Management Company and is a member of the Association for Savings & Investment South Africa (ASISA). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)11 301 6335 or [www.rmb.co.za](http://www.rmb.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 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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## Important information for investors

### Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website [www.allangray.co.za](http://www.allangray.co.za) or via our Client Service Centre on **0860 000 654**

## 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 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

**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.

## Meeting the Fund objective

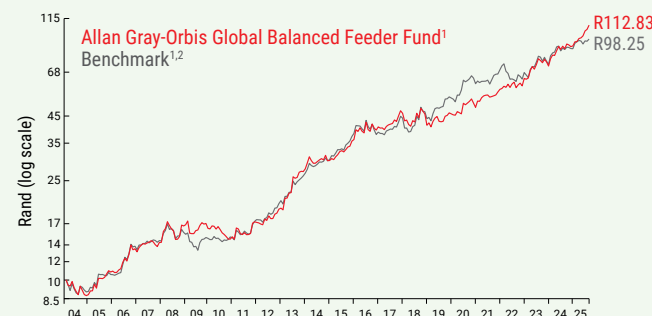
Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than similar funds in the Global – Multi Asset – High Equity sector.

## Fund information on 31 August 2025

Fund size	R21.7bn
Number of units	227 804 811
Price (net asset value per unit)	R95.43
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 31 August 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 July 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)	1028.3	348.5	882.5	290.5	207.4	72.9
Annualised:						
Since inception (3 February 2004)	11.9	7.2	11.2	6.5	5.4	2.6
Latest 10 years	12.4	9.3	10.5	7.4	4.8	3.1
Latest 5 years	15.5	14.4	7.5	6.5	5.1	4.5
Latest 3 years	21.0	19.5	13.0	11.7	4.3	3.0
Latest 2 years	19.0	22.6	9.9	13.2	4.1	2.8
Latest 1 year	23.5	23.6	10.0	10.1	3.5	2.7
Year-to-date (not annualised)	19.7	27.3	4.3	10.9	3.4	1.8
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>	59.8	61.8	57.5	63.7	n/a	n/a
Annualised monthly volatility <sup>6</sup>	13.2	11.6	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



## 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 investment management fee

Allan Gray does not charge an annual management fee but 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%
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 are shown below the TER table. <sup>9</sup>

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%
<b>Total annual management fee</b>	<b>2.8%</b>	<b>1.8%</b>	<b>0.8%</b>	<b>-0.2%</b>	<b>-1.2%</b>

\*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 August 2025

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

Asset class	Total	United States	UK	Europe ex-UK <sup>8</sup>	Japan	Other <sup>8</sup>	Emerging markets
Net equities	59.6	14.1	11.1	9.1	5.7	5.0	14.6
Hedged equities	17.8	10.5	0.8	4.2	0.4	0.5	1.4
Property	1.0	0.0	0.0	0.0	0.7	0.0	0.4
Commodity-linked	4.5	4.5	0.0	0.0	0.0	0.0	0.0
Bonds	14.9	8.6	0.6	0.7	0.0	0.0	5.0
Money market and cash	2.1	1.1	0.1	0.6	0.1	0.1	0.2
<b>Total (%)</b>	<b>100.0</b>	<b>38.8</b>	<b>12.6</b>	<b>14.6</b>	<b>6.8</b>	<b>5.6</b>	<b>21.6</b>
Currency exposure	100.0	21.2	12.1	27.6	15.5	10.5	13.0
Benchmark	100.0	63.4	4.6	17.3	9.6	5.1	0.0

8. 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)

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
<b>Total expense ratio</b>	<b>5.83</b>	<b>3.57</b>
Fee for benchmark performance	1.10	1.12
Performance fees <sup>9</sup>	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>

9. As at 30 June 2025, performance fees of 5.8% were available for refund in the event of subsequent underperformance.

## Top 10 holdings on 31 August 2025

Company	% of portfolio
SPDR® Gold Trust	4.5
US TIPS >10 Years	4.4
Siemens Energy	3.5
Taiwan Semiconductor Mfg.	3.3
Kinder Morgan	3.2
Samsung Electronics	3.1
Newmont	2.4
Barrick Mining	2.2
Prysmian Group	2.2
Balfour Beatty	2.1
<b>Total (%)</b>	<b>31.1</b>

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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## Management Company

Allan Gray Unit Trust Management (RF) (Pty) Ltd (the "Management Company") is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority (FSCA). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however, it is not supervised or licensed in Botswana. Allan Gray (Pty) Ltd (the "Investment Manager"), an authorised financial services provider, is the appointed investment manager of the Management Company and is a member of the Association for Savings & Investment South Africa (ASISA). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)11 301 6335 or [www.rmb.co.za](http://www.rmb.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 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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## Important information for investors

### Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website [www.allangray.co.za](http://www.allangray.co.za) or via our Client Service Centre on **0860 000 654**



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

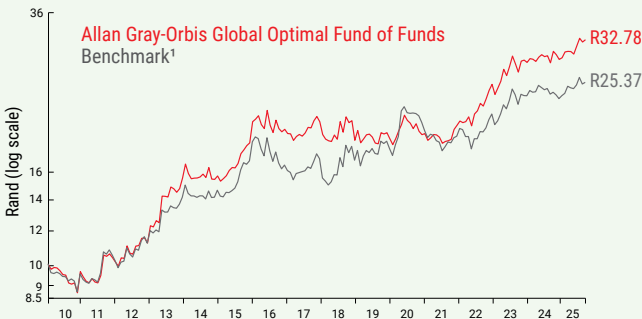
Fund availability: Subject to offshore capacity constraints. Please visit our website or contact our Client Service Centre for further information about any constraints that may apply.

Fund information on 31 August 2025

Fund size	R1.1bn
Number of units	32 387 668
Price (net asset value per unit)	R32.73
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



1. The simple average of the benchmarks of the underlying funds, performance as calculated by Allan Gray as at 31 August 2025.
2. This data reflects the latest available inflation numbers for South Africa and the United States of America, as at 31 July 2025 (Source: IRESS). South African CPI inflation has been calculated based on the most recent rebased values from Stats SA.
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.

% Returns	Fund		Benchmark¹		CPI inflation²	
Cumulative:	ZAR	US\$	ZAR	US\$	ZAR	US\$
Since inception (2 March 2010)	227.8	42.4	153.7	10.2	113.4	48.3
Annualised:						
Since inception (2 March 2010)	8.0	2.3	6.2	0.6	5.0	2.6
Latest 10 years	6.4	3.4	4.6	1.7	4.8	3.1
Latest 5 years	9.7	8.6	3.2	2.2	5.1	4.5
Latest 3 years	11.8	10.5	8.0	6.7	4.3	3.0
Latest 2 years	7.3	10.6	3.0	6.2	4.1	2.8
Latest 1 year	11.5	11.6	6.5	6.5	3.5	2.7
Year-to-date (not annualised)	9.6	16.6	1.9	8.3	3.4	1.8
Risk measures (since inception)						
Maximum drawdown³	-18.9	-31.3	-26.6	-16.1	n/a	n/a
Percentage positive months⁴	53.2	57.0	48.4	50.5	n/a	n/a
Annualised monthly volatility⁵	12.9	7.3	13.3	4.3	n/a	n/a
Highest annual return⁶	39.6	15.4	35.6	9.4	n/a	n/a
Lowest annual return⁶	-12.4	-15.3	-19.1	-11.6	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. 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 2024
Cents per unit	0.0000

## Annual management fee

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

Orbis charges annual management fees within the underlying Orbis funds. Each fund's fee rate is calculated based on the fund's performance relative to its own benchmark. For more information please refer to the Orbis Optimal SA Fund factsheets 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 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.

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
<b>Total expense ratio</b>	<b>1.08</b>	<b>1.08</b>
Fee for benchmark performance	1.00	1.00
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.08	0.08
VAT	0.00	0.00
<b>Transaction costs (including VAT)</b>	<b>0.13</b>	<b>0.12</b>
<b>Total investment charge</b>	<b>1.21</b>	<b>1.20</b>

## Top 10 share holdings on 31 August 2025

Company	% of portfolio
Corpay	4.1
Mitsubishi Estate	3.2
Taiwan Semiconductor Mfg.	3.2
British American Tobacco	3.0
FirstService	2.9
Smurfit Westrock	2.7
Techtronic Industries	2.7
QXO	2.7
Nebius Group	2.7
Ryder System	2.6
<b>Total (%)</b>	<b>29.8</b>

## Fund allocation on 31 August 2025

Foreign absolute return funds	%
Orbis Optimal SA (US\$)	62.1
Orbis Optimal SA (Euro)	37.9
<b>Total (%)</b>	<b>100.0</b>

## Asset allocation on 31 August 2025

Asset class	Total	United States	UK	Europe ex-UK <sup>7</sup>	Japan	Other <sup>7</sup>	Emerging markets
Net equities	1.0	-8.0	1.9	4.0	2.2	-1.5	2.2
Hedged equities	83.7	43.2	7.0	3.9	16.2	8.8	4.7
Property	6.3	0.0	0.0	0.0	3.4	2.9	0.0
Money market and cash	9.0	5.9	0.7	-1.2	2.7	0.7	0.1
<b>Total (%)</b>	<b>100.0</b>	<b>41.2</b>	<b>9.6</b>	<b>6.7</b>	<b>24.5</b>	<b>11.0</b>	<b>7.0</b>
Currency exposure	100.0	51.4	0.0	36.7	5.9	5.6	0.4

7. Refers to developed markets only.

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

At its core, biotechnology is the art of turning cutting-edge science – and large amounts of capital – into medicines. For investors, long-term returns hinge on two factors. First, how drug sales stack up against the market's expectations. Second, the incremental returns on each additional research and development (R&D) dollar invested. Businesses that excel at both compound capital; those that stumble destroy it.

When researching biotech companies, we tilt the odds in our favour by placing emphasis on two essentials: identifying underappreciated drugs and backing disciplined management teams that have a proven ability to allocate capital effectively. The Orbis Optimal SA Fund holds four companies we find to be rare businesses that embody these traits and trade at undemanding valuations. In our view, leaving limited downside and outsized upside.

#### Genmab

Distinguished by its proven antibody discovery engine that has yielded eight approved medicines, Genmab is approaching patent expirations for its flagship product, Darzalex, in the late 2020s and early 2030s. Investors routinely flee when a patent cliff looms, fixating on the certain loss of legacy revenue while discounting whatever might replace it. Genmab sits squarely in that sentiment trough.

Meanwhile, a slate of late-stage assets and a growing roster of partnered drugs are only beginning to contribute revenue, with sales and royalties that extend well into the 2030s. Genmab's R&D machine is still run by its scientist-founder, Dr Jan van de Winkel, whose more than two-decade tenure and sizeable equity stake have fostered disciplined capital allocation and scientific excellence. The company's recent acquisition of ProfoundBio adds antibody-drug-conjugate technology that slots neatly into Genmab's core expertise, expanding the opportunity set without stretching the balance sheet. Yet, the market still treats Genmab as a single-product story, allowing us to buy the stock today at 70% of the value of already-approved drugs, implying the world-class pipeline and discovery engine are worth nothing.

#### Alnylam Pharmaceuticals

Alnylam stands at the forefront of RNA-interference (RNAi) therapeutics, a technology capable of silencing specific gene expressions and reducing harmful proteins. After decades of development, RNAi has proven safe and efficacious in serious diseases like transthyretin amyloid cardiomyopathy (ATTR-CM). Each of Alnylam's four marketed medicines and two partnered medicines were invented in-house – a remarkable R&D productivity streak highlighting its scientific prowess.

Earlier this year, the company received regulatory approval for its next-generation ATTR-CM medicine, Amvuttra. While the drug is still in the early stages of its launch, our research suggests that Amvuttra's sales will outpace consensus expectations. Alnylam's management team, steered by its CEO, Dr Yvonne Greenstreet, has a solid track record of both scientific rigour and commercial execution. A stronger-than-expected Amvuttra sales ramp should propel Alnylam to profitability this year and cement its status among biotech giants like Vertex and Gilead.

#### CRISPR Therapeutics

Five years ago, CRISPR was a popular stock among growth-oriented investors, known for pioneering CRISPR (Clustered Regularly Interspaced Short Palindromic Repeats) gene-editing technology. However, the biotech sentiment implosion has been so profound that we can now buy CRISPR at a significant discount to just the cash on its balance sheet plus the value of its commercialised therapy, Casgevy, which is used to treat sickle-cell disease and transfusion-dependent  $\beta$ -thalassaemia.

CRISPR Therapeutics became the first company to get a CRISPR-based therapy approved by regulators. Because every patient must clear eligibility screens, undergo stem-cell harvesting and be treated at a steadily expanding network of specialised centres, uptake follows a measured, step-like curve, unlike conventional drugs that generate revenue almost immediately after approval. Our market assessment suggests Casgevy is a multibillion-dollar opportunity with a strong competitive position and no visible patent cliff. And partnering with Vertex gives Casgevy the commercial muscle it deserves while allowing CRISPR to remain research-focused. Despite this, the market's expectations remain muted, constrained by the therapy's unusual launch trajectory. That disconnect in share price is magnified by the company's healthy balance sheet: Management raised substantial capital when financing was readily accessible, enabling CRISPR to keep funding high-upside research while many peers are slashing budgets.

#### Insmad

The newest addition to our biotech holdings, Insmad, is awaiting U.S. Food and Drug Administration (FDA) approval for brensocatib in bronchiectasis, a chronic lung disease whose patients currently lack therapeutic treatment options and suffer a quality-of-life burden. We anticipate a rapid adoption curve that will push the company toward sustained profitability.

The attraction, however, goes well beyond one drug. A second pipeline asset, TPIP, just delivered what could be described as best-case scenario Phase 2 data in pulmonary arterial hypertension. With an already-approved medicine, ARIKAYCE, that is indicated for the treatment of mycobacterium avium complex lung disease, the anticipated approval of brensocatib and later TPIP (assuming successful clinical trials), Insmad is building a potentially lucrative respiratory disease franchise.

Despite a recent rally following TPIP's positive results, shares remain well below our estimate of their intrinsic value. Insmad also has a history of creating significant shareholder value through disciplined R&D bets. A continuation of this strategy should lead to further value creation that the market is not pricing into the shares.

An environment of widespread scepticism and low valuations in the biotech sector is precisely the climate which we find appealing. It has allowed us to assemble a portfolio of companies that we believe are exceptional. Not only are they advancing groundbreaking science and delivering life-changing therapies for patients, but they are also led by management teams we deeply respect and admire. While there will no doubt be surprises and inevitable setbacks along the way, we have established positions in these companies at prices that, in our view, provide a wide margin of safety.

The Orbis Optimal SA Fund's overall net equity exposure fell over the quarter. Among individual positions, we initiated a position in a UK-based grocery retailer. We exited the position in B&M European Value Retail, a UK-based discount retailer, after disappointing results and the departure of the company's CEO.

**Adapted from a commentary contributed by Povilas Dapkevicius and Mo Zhao, Orbis Portfolio Management (Europe) LLP, London**

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

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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## 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).

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## FTSE Russell Index

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