

Orbis Global Cautious

What's in a bond yield? A bunch of compensation for a bunch of risks and costs. Stacking those up shows us what has driven bond yields this year. We will examine the risks and costs for the 10-year US Treasury yield, then look at the unusually busy quarter Scott Bessent has had.

The obvious risk for bonds is whether the borrower will make their payments in full and on time. For a government borrowing in its own currency, this credit risk is allegedly moot. Of course they can make their payments. If need be, they'll just print more money. That currency could lose its value versus others, so currency risk remains a concern, but one that falls mainly on foreign lenders. Yet even to domestic lenders, government bonds must offer compensation for plenty of other risks and costs.

Inflation is the silent assassin of bond returns. It whittles away the purchasing power of fixed bond payments, so bond yields must compensate lenders for inflation risk. Inflation seems a likely culprit for the rise in yields, for two reasons: the Federal Reserve, and oil prices.

In May, Kevin Warsh took over as chair of the Federal Reserve, America's central bank. Warsh stepped in following five years of too-high inflation, and he was appointed by Trump, who has pressured the Fed to lower interest rates. (When central bankers worry about inflation, they generally raise interest rates instead.) Warsh says much less than his predecessors, and much of what he has said is confusing. Can bond investors trust this guy as America's top inflation cop? If the Fed's credibility suffers, inflation expectations will rise.

Muddying things for Warsh, wars in Ukraine and Iran have disrupted global energy supplies, sending oil prices to over \$100 a barrel. Oil is an input into all sorts of goods and services. So intuitively, higher oil prices suggest higher inflation and higher compensation for it in bond yields.

As the leftmost chart below shows, that is not the story the bond market is telling. The market's long-term inflation expectations have been surprisingly stable this year. Essentially all of the increase in Treasury yields has been in real (after-inflation) yields, not higher expected inflation. Our prime suspect looks innocent.

Next on the list is inconvenience. Perhaps bonds have become more of a pain to hold and investors are demanding more compensation for the trouble. We can measure that by comparing the 10-year Treasury yield to 10-year interest rate swaps.

Investors accept a lower rate to receive fixed payments from a swap versus a Treasury bond. That seems bizarre. The bond is backed by the full faith and credit of the United States government, with its tax authority, army, and money printing press. The swap is backed by some private counterparty. Why on earth should the government pay more? Because for many institutions, holding a Treasury bond is inconvenient. Regulators may frown on it, and there are often better uses for the cash. With swaps, no money is exchanged up front, making them a more convenient way to receive fixed payments. Tracking the difference between these two rates tells us if Treasuries are becoming more or less convenient to hold. As for inflation expectations, so-called "swap spreads" have been stable this year, as the second chart shows. The only thing rising is the expected path of rates. Another suspect dismissed.

What about concerns over government debt? The US now spends more on interest payments than it does on its military. Debt is over 100% of gross domestic product (GDP), and the state continues to run deficits of near-6% of GDP, which only adds to the debt pile and interest bill. Perhaps this is Trump's Liz Truss moment, and a loss of fiscal confidence is driving bond yields higher. If that were the case, we should see yields rising more in the US than elsewhere. Looking at other big advanced economies, that is not the case, as the third chart shows.

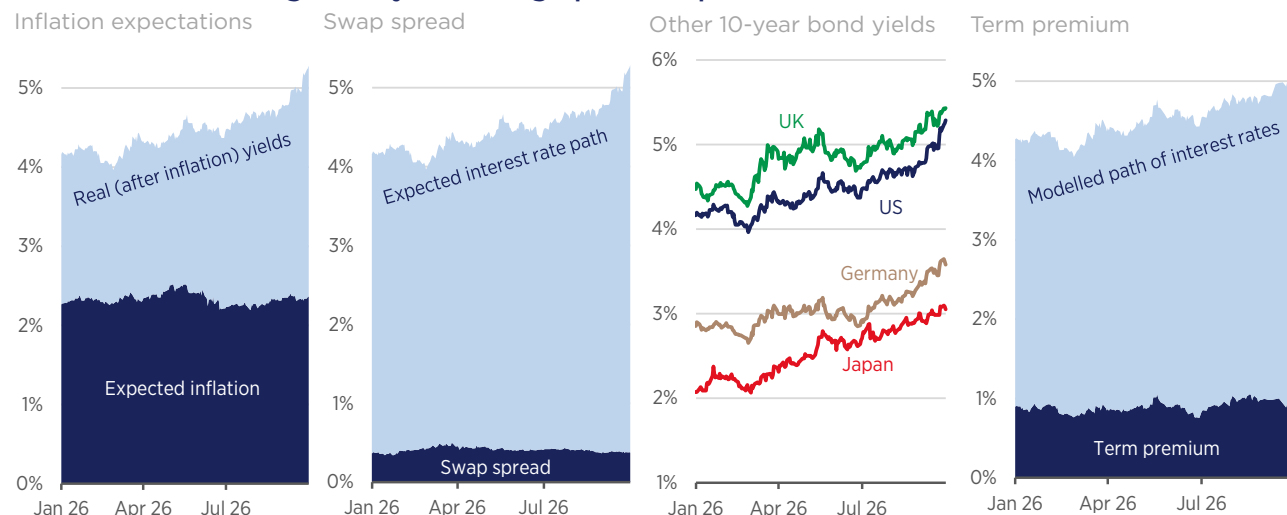
Domestically, we might see signs of concern in the term premium—the compensation lenders get for locking up money in one long loan rather than a series of short loans. In essence, someone buying a long-term bond is giving up flexibility, and that introduces risks and costs which must be compensated. When future interest rates are less predictable, due to fiscal incompetence or volatile inflation, the term premium tends to rise. It cannot be observed directly, so gauging it relies on estimates and models. On an average of three common models, fiscal fears are not showing up in the term premium, as the rightmost chart shows. A higher expected path for short-term interest rates explains essentially all of the rise in Treasury yields.

So for all the talk about unsustainable fiscal policy, the bond market appears calm. No Truss moment for Trump, at least not yet.

Orbis Global Cautious (*continued*)

In the case of the rising bond yield, we have ruled out most of the prime suspects, leaving only the culprit. Bond yields have risen this year because markets are expecting a higher path for short-term interest rates.

The case of the rising bond yield: lining up the suspects



Sources: All: LSEG DataStream, Orbis. Inflation expectations: 10-year Treasury yield minus 10-year Treasury Inflation-Protected Security yield. Swap spread: 10-year Treasury yield minus 10-year US Overnight Indexed Swap rate. Term premium: average of Fed researchers' ACM, CR, and DKW models.

Why rate expectations have risen is a simpler story. Demand for capital has grown, changing the balance of savings and investment. When demand for capital rises, those hungry for it must offer higher compensation to coax money out of savers' hands. The cost of capital must go up.

That is exactly what we've seen this year. In 2024, big US companies returned roughly a trillion dollars on net to investors through dividends, share buybacks, and debt repayments. Over the four quarters ending this March, they raised about \$300bn dollars on net from investors, largely to fund the AI buildout. This swing, of \$1.3 trillion, represents about 4.2% of US GDP. Demand for capital from big US companies has gone way, way up.

So too has demand from the US government, an inevitable consequence of larger budget deficits. The Fed is not buying many bonds at the moment, so foreigners and the private sector must absorb more of the new Treasury debt. Unlike the Fed, these investors demand a higher yield to lend more money, and the government sorely needs it. In 2024, the Treasury borrowed an incremental \$1.8 trillion from foreign and private investors. Over the 12 months ending in March, that figure was \$2.4 trillion. The resulting increase of \$550bn is worth 1.8% of GDP.

Looking just at big US companies and the government is not comprehensive, but with swings this big, it suffices to make the point. American demand for capital is about 6 percentage points of GDP higher than it was a year ago. To coax that additional \$1.9 trillion out of savers' hands, the cost of capital has gone up, and this is what has driven bond yields higher.

Bessent's buybacks

That puts Treasury secretary Scott Bessent, the nation's top bond salesman, in an uncomfortable position. He has responded in the way we expected—by inching towards financial repression.

We wrote about [financial repression](#) a year ago. A quick recap: What should policymakers do about their staggering debt piles? The true answer is austerity: cut spending, raise taxes, or both. But that is beyond both the courage and charisma of most politicians. Faced with tough choices, we believe policymakers will pursue financial repression. This involves suppressing the government's real (after-inflation) borrowing costs, then trying to inflate away the debt. The trick is to keep yields down while keeping confidence up. Here, US Treasury Secretary Scott Bessent has made some interesting choices.

First, he intervened in the Japanese yen in an effort to stop Japan from selling Treasury bonds, the first such intervention in nearly three decades. Bessent previewed the action by writing himself a big note saying "Buy Japanese Yen", directly in front of a camera, with his official cabinet placard helpfully in view. Afterwards, Bessent insinuated that he knew the Bank of Japan's policy path, he declared himself the "house" (as in a casino), and he dared the market to bet against him.

Bessent followed up the yen intervention with a surprise announcement that the Treasury would increase its buybacks of old long-term bonds. We flagged this possibility last year. In Bessent's view, the bond market was in a "fever" and yields were rising too far above their "equilibrium" rate—whatever that means—so buybacks

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were the medicine. Treasury buybacks were historically small exercises intended to support trading activity in older bonds. Beefing up buybacks to push down bond yields makes them a different and more potent tool. The surprise earned Bessent a rebuke from his and Warsh's mutual mentor, legendary Pittsburgh-based investor Stanley Druckenmiller. Druckenmiller castigated Bessent, calling his increased buybacks "artificial yield suppression" and a "subsidy to procrastination" while doing nothing to solve the actual problem of irresponsible fiscal policy.

Buybacks don't solve the real problem, but they are not artificial. It is the Treasury's right and responsibility to manage the composition of its debt. With buybacks, there is no coercion, no money printing, and all transactions happen at market prices. Nor do buybacks help to defer the inevitable fiscal reckoning. Bonds issued during the zero-interest-rate days paid much less interest. As market rates rose, those bonds suffered, as their prices had to fall enough to make their yields competitive. (Simplifying a little, 2% interest on \$100 of face value is a 2% current yield if the bond's price is \$100, but a 4% current yield if the price is \$50.) Buying back low-rate bonds at a discount, funded by selling high-rate bonds at full price, does mechanically reduce the government's debt-to-GDP ratio, which uses face values for debt. But it increases the government's interest expense.

At the moment, the Treasury is handling essentially all incremental borrowing through short-term bills, which mature in a year or less. Selling short-term bills to buy long-term bonds makes the government's interest bill more volatile, because more of the debt pile must be rolled over every year. Higher and more volatile borrowing costs are more interesting and should attract more attention. That spotlight should accelerate, not delay, the pressure on policymakers to properly deal with the debt. For a preview, think of UK budget events. Weeks of leaks, then the red briefcase on Downing Street, followed by immediate and intense scrutiny of the UK's bonds and currency. American fiscal events could soon feel much more British.

Druckenmiller also criticised Bessent for his communication. Bessent seems to have forgotten the first rule of financial repression: do not talk about financial repression. And if you really must talk about it, at least try not to say anything weird, because doing so threatens confidence.

It is weird enough for a Treasury secretary to say "I have asymmetric information. I am the house now." It is even weirder to say it about another country's central bank. It is weird to surprise announce an increase to your buybacks just a week after publishing your regular buyback plan. It is weird to claim that the bond market is in a fevered drift away from some imagined equilibrium. Crane your head enough, and Bessent's actions are understandable. But his communication has been too weird to bolster confidence.

Fortunately for him, that hasn't really mattered. Growing demand for capital has been the dominant force in bond markets. But with the actions taken this quarter, the smell of financial repression has grown thicker in the air.

Where does that leave us?

The US government is running big deficits in the middle of an investment boom. Other countries have deficits of their own to finance, and are seeing their borrowing costs rise too, creating more competition for savers' capital. If the world's hunger for capital remains voracious, pressure on bond yields will remain upward. Inflation remains high in much of the rich world, and interest rates remain too low to credibly bring inflation down. Oil, gas, diesel, and a raft of other commodities remain volatile. Households remain mostly employed and willing to spend, but are weary from cost-of-living pressures. All while the AI companies at the heart of the boom continue to invest with excitement about the potential return opportunities before them.

Against that backdrop, we are not tempted by the yields now on offer in conventional long-term American, British, Japanese, and German government bonds. We prefer shorter-term or inflation-linked bonds, as well as those from more fiscally responsible governments like Norway, Iceland, and Australia. If financial repression is the endgame, the US dollar will bear the brunt of the pain, so we remain underweight the dollar in favour of gold and more reasonably valued currencies.

After Bessent's busy quarter, the market knows that the US Treasury secretary is worried about the government's borrowing costs. Deficits continue, while the government's debt gets ever more concentrated in short-term bills. As the level and volatility of borrowing costs grow, so should the attention paid to them. We wrote a year ago that the bond market may eventually come to fear politicians. Politicians must feel the heat of the bond market first.

Commentary contributed by Rob Perrone, Orbis Portfolio Management (Europe) LLP, London

This report does not constitute a recommendation to buy, sell or hold any interests, shares or other securities in the companies mentioned in it nor does it constitute financial advice.



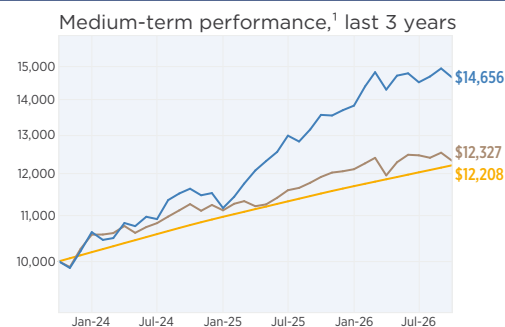
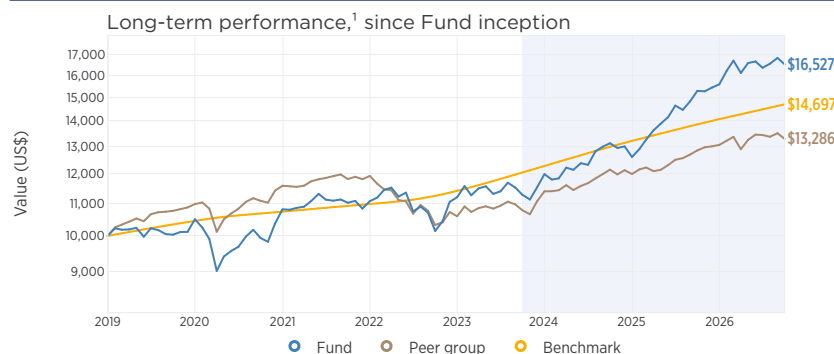
Orbis SICAV

Global Cautious Fund

Shared Investor Refundable Reserve Fee Share Class (C) ("Shared Investor RRF Class (C)")

The Fund is actively managed and seeks to apply a cautious balance between investment returns and risk of loss with a diversified global portfolio of equities, fixed income instruments and commodity-linked instruments. The performance fee benchmark ("Benchmark") of the Class is US\$ Bank Deposits plus two (2) percentage points ("US\$ Bank Deposits + 2%").

Growth of US\$10,000 investment, net of fees, dividends reinvested



Return information through to the Class inception date on 29 February 2024 is based on the returns that would have resulted from an investment in the Shared Investor RRF Class (C) at Fund inception with no subsequent transactions, if the Class had existed then. Returns from that date are actual returns of that Class.

Returns¹ (%)

	Fund	Peer group	Benchmark
Annualised	<i>Net</i>		<i>Gross</i>
Since Fund inception	6.7	3.7	5.1
5 years	8.5	2.4	6.1
3 years	13.6	7.2	6.9
1 year	8.1	3.4	6.0
Not annualised			
Calendar year to date	6.0	1.8	4.4
3 months	1.0	(1.1)	1.5
1 month	(1.8)		0.5

	Year	Net %
Best performing calendar year since Fund inception	2025	23.7
Worst performing calendar year since Fund inception	2022	1.2

Risk Measures,¹ since Fund inception

	Fund	Peer group	Benchmark
Historic maximum drawdown (%)	14	14	0
Months to recovery	12	36	n/a
Annualised monthly volatility (%)	8.6	5.9	0.6

Fees & Expenses (%), for last 12 months

Ongoing charges	0.80
Base fee	0.60
Fund expenses	0.20
Performance fee/(refund)	0.04
Paid to Orbis from the Reserve	0.57
Net change in Fee Reserve	(0.53)

Total Expense Ratio (TER) 0.84

3.2% underperformance net of base fee would reduce the fee reserve balance to zero.

Price	US\$16.66	Benchmark	US\$ Bank Deposits + 2%
Pricing currency	US dollars	Peer Group	Average Global Cautious Fund Index
Domicile	Luxembourg	Fund size	US\$99.0 million
Type	SICAV	Fund inception	1 January 2019
Minimum Investment	US\$50,000	Strategy size	US\$764 million
Dealing	Daily	Strategy inception	1 January 2019
Entry/exit fees	None	Class inception	29 February 2024
ISIN	LU2729849211	UCITS compliant	Yes

Asset and Currency Allocation² (%)

	United States	UK	Europe ex-UK	Japan	Other	Emerging Markets	Total
Gross Equity	14	7	3	2	3	11	40
Net Equity	6	7	1	1	3	10	28
Gross Fixed Income	37	1	4	0	5	9	57
Net Fixed Income	37	1	4	0	5	9	57
Commodity-Linked							4
Total	51	8	7	2	8	20	100
Currency	31	3	25	11	13	18	100

Top 10 Holdings

	Sector	%
US Treasuries < 1 Year	Government Bond	12.9
US TIPS > 10 Years	Inflation-Linked Government Bond	6.4
SPDR® Gold Trust	Commodity-Linked	3.5
US TIPS 1 - 3 Years	Inflation-Linked Government Bond	3.2
US TIPS 3 - 5 Years	Inflation-Linked Government Bond	2.8
Icelandic Gov. Bonds < 1 Year	Government Bond	2.6
Samsung Electronics	Information Technology	2.5
Taiwan Semiconductor Mfg.	Information Technology	2.3
US Treasuries 1 - 3 Years	Government Bond	2.3
US TIPS < 1 Year	Inflation-Linked Government Bond	2.1
Total		40.6

Portfolio Characteristics

Total number of holdings	144
12 month portfolio turnover (%)	28
12 month name turnover (%)	36

Fixed Income Characteristics

Duration (years) ³	3.9
Yield to Maturity (%) ³	4.9

Orbis Fund share prices fluctuate and are not guaranteed. Returns may decrease or increase as a result of currency fluctuations. When making an investment in the Funds, an investor's capital is at risk. See Notices for important information about this Fact Sheet.

¹ Fund data through to the Class inception date on 29 February 2024 assumes an investment was made at Fund inception in the Shared Investor RRF Class (C) with no subsequent transactions, even though such a Class did not exist at that date.

² Regions other than Emerging Markets include only Developed countries.

³ Real effective duration and yield to maturity are used for inflation-linked bonds. Please refer to Notices for further details.

Orbis SICAV Global Cautious Fund

Shared Investor Refundable Reserve Fee Share Class (C) (“Shared Investor RRF Class (C)”)

This Fact Sheet is a Minimum Disclosure Document and a monthly General Investor Report as required by the South African Financial Sector Conduct Authority.

Manager	Orbis Investment Management (Luxembourg) S.A.
Investment Manager	Orbis Investment Management Limited
Fund Inception date	1 January 2019
Class Inception date (Shared Investor RRF Class (C))	29 February 2024
Number of shares (Shared Investor RRF Class (C))	2,057,380
Income distributions during the last 12 months	None

Fund Objective and Benchmark

The Fund seeks to apply a cautious balance between investment returns and risk of loss with a diversified global portfolio of equities, fixed income instruments and commodity-linked instruments. It aims for higher long-term returns than its Fund Benchmark. The Fund Benchmark, against which the Fund's long-term returns are measured, is comprised of 30% MSCI World Index with net dividends reinvested and 70% JP Morgan Global Government Bond Index, each expressed in US\$ (the “Fund Benchmark” or the “30/70 Index”). The Performance Fee Benchmark of the Shared Investor RRF Class (C), which is used to calculate performance fees for that Class, is US\$ Bank Deposits plus two (2) percentage points (the “Performance Fee Benchmark”).

How We Aim to Achieve the Fund's Objective/Adherence to Objective

The Fund is actively managed and invests in equities, fixed income instruments and commodity-linked instruments. Fund weightings among the different asset classes are determined based on their appreciation, income and risk of loss potential, with appropriate diversification.

Equities. The Investment Manager targets the Fund to hold 10-60% of its net asset value in a pool of global equities, including some which may provide exposure to real estate. The Fund invests in shares considered to offer fundamental value and dividend paying potential that is superior to the Fund Benchmark. The lower the price of a share as compared to its assessed intrinsic value, the more attractive Orbis considers the equity's fundamental value. The Investment Manager believes the main risk of investing in equities is that their prices will decline if relevant stockmarkets fall significantly. To reduce this risk, when Orbis' research suggests that stockmarkets are overvalued and vulnerable, the Investment Manager may reduce exposure to, or hedge, stockmarket risk. When Orbis' research suggests that stockmarkets represent good value, the Investment Manager may increase exposure to stockmarket risk by decreasing the amount of that hedging. The Investment Manager intends to limit the Fund's exposure to stockmarkets net of hedging to between 0-40% of its net asset value. Furthermore, the Fund may buy and sell exchange-traded equity call and put options for investment efficiency purposes, but only to the extent the Fund is capable of meeting its payment or delivery obligations related to such options, for example, by holding the underlying security.

Fixed Income Instruments. The Investment Manager targets the Fund to hold 30-90% of its net asset value in fixed income instruments issued by corporate bodies, governments and other entities (potentially including a limited amount of distressed, or similar, debt). These are selected – like equities – with the aim of increasing the Fund's overall risk-adjusted return. Characteristics such as yield, liquidity and potential diversification benefits are viewed in the context of the risk and reward of the portfolio as a whole. When Orbis' research suggests that bond markets are overvalued and vulnerable, the Investment Manager may reduce exposure to, or hedge, bond market risk. When Orbis' research suggests that bond markets represent stronger value, the Investment Manager may increase exposure to bond market risk by decreasing the amount of that hedging. The Investment Manager intends to limit aggregate hedging of the Fund's stockmarket and bond market exposure to no more than 40% of its net asset value. The Fund's fixed income selections in aggregate may differ significantly from the Fund Benchmark in duration and credit quality and may include securities of issuers that are under bankruptcy or similar judicial reorganisation, notably distressed debt. In addition, the Fund may invest in money market instruments, cash, cash equivalents and high yield bonds.

Commodity-linked Instruments. The Investment Manager targets the Fund to hold 0-20% of its net asset value in commodity-linked instruments, which may provide the Fund with indirect exposure to commodities.

The Fund will gain exposure to commodities if the Investment Manager's investment research process identifies a commodity or class of commodities as being more attractive than overall equity and fixed income opportunities, taking into account any risk reduction benefits of diversification.

Exchange rate fluctuations significantly influence global investment returns. For this reason, part of Orbis' research effort is devoted to forecasting currency trends. Taking into account these expected trends, Orbis actively reviews the Fund's currency exposure. In doing so, it places particular focus on managing the Fund's exposure to those currencies less likely to hold their long-term value.

The Investment Manager may cause the Fund to be under or over the asset allocation and hedging targets and limits described above, at times meaningfully so and/or for extended periods of time, where it considers this to be in the best interest of the Fund. The Fund does not seek to mirror the investment universe of the Fund Benchmark. Its holdings may deviate meaningfully from the Fund Benchmark's.

The net returns that would have resulted from an investment in the Shared Investor RRF Class (C) at Fund inception with no subsequent transactions, if the Class had existed then, stitched with the actual returns of the share class after the Class inception date, have outperformed the Performance Fee Benchmark of the Class since Fund inception. The Fund will experience periods of underperformance in pursuit of its long-term objective.

Management Fee

As is described in more detail in the Fund's Prospectus, the Fund's various share classes bear different management fees. The fees are designed to align the Manager's and Investment Manager's interests with those of investors in the Fund.

The Shared Investor RRF Class (C)'s management fee is charged as follows:

- **Base Fee:** Calculated and accrued daily at a rate of 0.6% per annum of the Class' net asset value. Investors separately pay an administrative fee directly to Allan Gray Proprietary Limited or one of its affiliates. The Investment Manager or one of its affiliates is entitled to receive a separate fee from Allan Gray Proprietary Limited or one of its affiliates in connection with this administrative fee, related to services the Investment Manager and its affiliates provide to Allan Gray Proprietary Limited or its affiliates.
- **Refundable Performance Fee:** When the performance of the Shared Investor RRF Class (C) (after deducting the Base Fee and an additional 0.3% per annum, which is deemed to be representative of the aforementioned administrative fee) beats the Performance Fee Benchmark over the period from one dealing day to the next, 25% of the value of the outperformance is paid into a reserve and reinvested into the Fund. If the value of the reserve is positive on any dealing day, the Investment Manager is entitled to a performance fee in an amount capped at the lesser of an annualised rate of (a) one-third of the reserve's net asset value and (b) 2.5% of the net asset value of the Shared Investor RRF Class (C). Fees paid from the reserve to the Investment Manager are not available to be refunded as described below.

When the performance of the Shared Investor RRF Class (C) (after deducting the Base Fee and the aforementioned additional 0.3% per annum) trails the Performance Fee Benchmark over the period from one dealing day to the next, 25% of the value of the underperformance is refunded from the reserve to the Shared Investor RRF Class (C). If at any time sufficient value does not exist in the reserve to provide the refund, a reserve recovery mark is set, and subsequent underperformance is tracked. Such relative losses must be recovered before any outperformance results in any payment to the reserve.

Please review the Fund's prospectus for additional detail and for a description of the management fee borne by the Fund's other share classes.

Orbis SICAV Global Cautious Fund

Shared Investor Refundable Reserve Fee Share Class (C) (“Shared Investor RRF Class (C)”)

Fees, Expenses and Total Expense Ratio (TER)

The relevant class within the Fund bears all expenses payable by such class, which shall include but not be limited to fees payable to its Manager, Investment Manager and additional services providers, fees and expenses involved in registering and maintaining governmental registrations, taxes, duties and all other operating expenses, including the cost of buying and selling assets. However, the Manager and the Investment Manager have agreed that in the current calendar year, except for specified exclusions, operating expenses attributable to the Fund’s Shared Investor RRF Class (C) will be capped at 0.20%. The cap will be automatically extended for further successive one year periods unless terminated by the Manager or the Investment Manager at least three months prior to the end of the then current term. The operating expenses that are capped are all expenses, excluding the Manager’s and Investment Managers’ fees described above under “Management Fee,” the cost of buying and selling assets, interest and brokerage charges, and certain taxes. Please refer to the Fund’s Prospectus for a description of the expense cap or expense coverage cap applicable to its other share classes. Where an investor subscribes or redeems an amount representing 5% or more of the net asset value of the Fund, the Manager may cause the Fund to levy a fee of 0.40% of the net asset value of the Fund’s shares being acquired or redeemed. The annual management fees charged are included in the TER. The TER is a measure of the actual expenses incurred by the Class over a 12 month period, excluding trading costs. Since Fund and Class returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns. Expenses may vary, so the current TER is not a reliable indicator of future TERs.

Risk/Reward Profile

- The Investment Manager aims to contain the risk of monetary loss to a level that is below the risk of loss experienced by global equity funds but higher than that experienced by government bond funds and cash deposits over the long term. Investors should be aware that this expected reduction in risk of loss comes at the expense of long-term expected return.
- While the Investment Manager expects the Fund’s investment approach to result in volatility below that of a typical global equity or global balanced fund, the Fund’s net asset value will fluctuate, and the Fund will experience periods of volatility and negative returns; investments in the Fund may suffer capital loss.
- Investors should understand that the Investment Manager generally assesses an investment’s attractiveness over a three-to-five year time horizon.

Changes in the Fund’s Top 10 Holdings

30 June 2026	%	30 September 2026	%
US Treasuries < 1 Year	9.3	US Treasuries < 1 Year	12.9
US TIPS > 10 Years	7.8	US TIPS > 10 Years	6.4
US TIPS 3 - 5 Years	6.1	SPDR® Gold Trust	3.5
US Treasuries 1 - 3 Years	3.8	US TIPS 1 - 3 Years	3.2
SPDR® Gold Trust	2.7	US TIPS 3 - 5 Years	2.8
Icelandic Gov. Bonds < 1 Year	2.6	Icelandic Gov. Bonds < 1 Year	2.6
Samsung Electronics	2.4	Samsung Electronics	2.5
Australian Gov. Bonds 7 - 10 Years	2.3	Taiwan Semiconductor Mfg.	2.3
Australian Gov. Bonds 1 - 3 Years	2.2	US Treasuries 1 - 3 Years	2.3
Taiwan Semiconductor Mfg.	2.2	US TIPS < 1 Year	2.1
Total	41.4	Total	40.6

Past performance is not a reliable indicator of future results. Orbis Fund share prices fluctuate and are not guaranteed. Returns may decrease or increase as a result of currency fluctuations. When making an investment in the Funds, an investor’s capital is at risk.

Orbis SICAV Global Cautious Fund

Additional Information

South African residents should contact Allan Gray Unit Trust Management (RF) Proprietary Limited at 0860 000 654 (toll free from within South Africa) or offshore_direct@allangray.co.za to receive, free of charge, additional information about a proposed investment (including prospectus, application forms, annual reports and a schedule of fees, charges and maximum commissions). The Investment Manager can be contacted at +1 441 296 3000 or clientservice@orbis.com. The Fund's Depositary is Citibank Europe plc, Luxembourg Branch, 31 Z.A. Bourmicht, L-8070 Bertrange, Luxembourg. All information provided herein is subject to the more detailed information provided in the Fund's Prospectus.

Share Price and Transaction Cut Off Times

Share prices are calculated for the (i) Shared Investor Refundable Reserve Fee Share Class (B) and (ii) Shared Investor Refundable Reserve Fee Share Class (C) on a net asset value basis by share class, normally as of 5:30 pm (Bermuda time), (a) each business day and/or (b) any other days in addition to (or substitution for) any of the days described in (a), as determined by the Investment Manager or Manager (as indicated in the Fund's prospectus) without notice.

Subscriptions are only valid if made on the basis of the Fund's current Prospectus. To be processed on a given dealing day: subscription requests into an Orbis Fund that is not an Orbis SICAV Fund must be submitted by 5:00 pm on that dealing day; subscription requests into an Orbis Fund that is an Orbis SICAV Fund must be submitted by 5:30 pm; redemption requests from an Orbis Fund that is not an Orbis SICAV Fund must be submitted by 12 noon; redemption requests from an Orbis Fund that is an Orbis SICAV Fund must be submitted by 5:30 pm; requests to switch from an Orbis Fund that is not an Orbis SICAV Fund to a different Orbis Fund that is also not an Orbis SICAV Fund must be submitted by 12 noon; requests to switch from an Orbis SICAV Fund into a different Orbis Fund that is not an Orbis SICAV Fund must be submitted by 5:00 pm; requests to switch from an Orbis Fund that is not an Orbis SICAV Fund to a different Orbis Fund that is an Orbis SICAV Fund must be submitted by 12 noon; and requests to switch from an Orbis Fund that is an Orbis SICAV Fund to a different Orbis Fund that is also an Orbis SICAV Fund must be submitted by 5:30 pm. All times given are Bermuda time, and all requests must be properly completed and accompanied by any required funds and/or information.

Share prices, updated every dealing day, are available:

- for the Shared Investor RRF Share Class (C), from the Allan Gray Unit Trust Management (RF) Proprietary Limited's website at www.allangray.co.za, and
- for the Shared Investor RRF Share Class (B), from the Orbis website at www.orbis.com.

Weekly prices can be obtained via e-mail, by registering with Orbis for this service at the Orbis website at www.orbis.com.

Legal Notices

Returns are net of fees, include income and assume reinvestment of dividends. Figures quoted are for the periods indicated for a \$10,000 investment (lump sum, for illustrative purposes only). Annualised returns show the average amount earned on an investment in the Fund/share class each year over the given time period. This Report does not constitute advice nor a recommendation to buy, sell or hold, nor an offer to sell or a solicitation to buy interests or shares in the Orbis Funds or other securities in the companies mentioned in it.

Collective Investment Schemes (CIS) are generally medium to long-term investments. The value of an investment in the Fund may go down as well as up, and past performance is not a reliable indicator of future results. Neither the Manager nor the Investment Manager provides any guarantee with respect to capital or the Fund's returns. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Commission and incentives may be paid by investors to third parties and, if so, would be included in the overall costs. Individual investors' performance may differ as a result of investment date, reinvestment date and dividend withholding tax, as well as a levy that may apply in the case of transactions representing more than 5% of the Fund's net asset value. The Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. 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.

The discussion topics for the commentaries were selected, and the commentaries were finalised and approved, by Orbis Investment Management Limited, the Fund's Investment Manager. Information in this Report is based on sources believed to be accurate and reliable and provided "as is" and in good faith. The Orbis Group does not make any representation or warranty as to accuracy, reliability, timeliness or completeness of the information in this Report. To the maximum extent permitted by applicable law, the Orbis Group disclaims all liability (whether arising in contract, tort, negligence or otherwise) for any error, omission, loss or damage (whether direct, indirect, consequential or otherwise) in connection with the information in this Report.

Fund Information

The Fund Benchmark is a composite index consisting of the MSCI World Index with net dividends reinvested (30%) and the JP Morgan Global Government Bond Index (70%), expressed in US\$. The Performance Fee Benchmark of the Shared Investor RRF Share Class (B) and Shared Investor RRF Share Class (C) is US\$ Bank Deposits plus two (2) percentage points, expressed in US\$. The Total Rate of Return for Bank Deposits is the compounded total return for one-month interbank deposits in the specified currency.

Net Equity is Gross Equity minus stockmarket hedging. Fixed Income refers to fixed income instruments issued by corporate bodies, governments and other entities, such as bonds, money market instruments and cash. Net Fixed Income is Gross Fixed Income minus bond market hedging. Except where otherwise noted, government fixed income securities are aggregated by time to maturity and issuer. TIPS are not aggregated with ordinary treasuries.

Duration is a measure of the sensitivity of a bond's price to changes in interest rates. Duration is calculated using the modified duration of the fixed income instruments in the portfolio, or the effective duration in the case of fixed income instruments with embedded options and real effective duration in the case of inflation-linked bonds. Yield to Maturity ("YTM") is the total expected return on a bond if it is held until it matures. YTM for the Fund is the average of the portfolio's fixed income instruments' YTM, weighted by their net asset value. Real YTM is used for inflation-linked bonds. The calculations are gross and exclude non-performing fixed income instruments.

Fund Minimum

Minimum investment amounts in the Fund are specified in the Fund's Prospectus, provided that a new investor in the Orbis Funds must open an investment account with Orbis, which may be subject to minimum investment restrictions, country restrictions and/or other terms and conditions. For more information on opening an Orbis investment account, please visit www.orbis.com.

Clients investing via Allan Gray, which includes the Allan Gray Investment Platform, an Allan Gray investment pool or otherwise through Allan Gray Nominees, remain subject to the investment minimums specified by the applicable terms and conditions.

Sources

Fund Benchmark data source: The 30/70 Index values are calculated by Orbis using end of day index level values licensed from MSCI ("MSCI Data") and J.P. Morgan. For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "as is" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilising any MSCI Data, models, analytics or other materials or information. JP Morgan Global Government Bond Index (the "JPM GBI"): Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The JPM GBI is used with permission. Copyright 2026, J.P. Morgan Chase & Co. All rights reserved. The 30/70 Index may not be copied, used, or distributed without prior written approval.

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Notes to Help You Understand This Report

Certain capitalised terms are defined in the Glossary section of the Orbis Funds' respective Prospectuses, copies of which are available upon request from Allan Gray Unit Trust Management (RF) Proprietary Limited, a Member of the Association for Savings & Investments SA. The country and currency classification for securities follows that of third-party providers for comparability purposes. Emerging Markets follows MSCI classification when available and includes Frontier Markets. Emerging Markets currency exposure is based on currency denomination. Based on a number of factors including the location of the underlying business, Orbis may consider a security's classification to be different and manage the Funds' exposures accordingly. Totals presented in this Report may not sum due to rounding. The Fund does not seek to mirror the investment universe of the Benchmark and is thus not constrained by the Benchmark's composition.

Risk measures are ex-post and calculated on a monthly return series. Drawdowns occur when the cumulative return of the Fund drops below its preceding peak. Months to recovery measures the number of months from the preceding peak in performance to recovery of that level of performance.

Beta compares the sensitivity of the periodic returns of a fund to those of an index. A beta of 1.0 implies that a percentage move in the index has been reflected by a similar percentage move in the fund, on average. A beta higher than 1.0 implies that a fund has proportionally more exposure to market volatility than the index.

Annualised Monthly Volatility measures the variability of monthly returns, adjusted to reflect an annual level. A higher value suggests greater volatility and risk, while a lower value indicates more stable returns.

Tracking error is a measure of the difference between a fund's return and the return of its benchmark. Low tracking error indicates that the fund is closely following its benchmark. High tracking error indicates the opposite.

12 month portfolio turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the lesser of total security purchases or sales in the Fund over the period, divided by the average net asset value (NAV) of the Fund. Cash, cash equivalents and short-term government securities are not included.

12 month name turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the number of positions held by the Fund at the start of the period but no longer held at the end of the period, divided by the total number of positions held by the Fund at the start of the period.

Active share is a measure of the extent to which the holdings of the Orbis Equity and Balanced Funds differ from their respective benchmark's holdings. It is calculated by summing the absolute value of the differences of the weight of each individual security in the specific Orbis Fund, versus the weight of each holding in the respective benchmark index, and dividing by two. For the Balanced Funds, three calculations of active share are disclosed. The Portfolio active share incorporates the equity, fixed income, commodity-linked and other securities (as applicable) held by the Orbis Fund and compares those to the holdings of the composite benchmark. The Equity and Fixed Income active shares are calculated as if the equity and fixed income portions of the Orbis Funds are independent funds; each of those two sets of holdings is separately compared to the fully-weighted holdings in the appropriate component of the composite benchmark. Although the Balanced Funds hedge stock and bond market exposure, the active share calculations are "gross" and not adjusted to reflect the hedging in place at any point in time.

Benchmark related information is as at the date of production based on data provided by the official benchmark and/or third party data providers. There may be timing differences between the date at which data is captured and reported.

The total expense ratio has been calculated using the expenses, excluding trading costs, and average net assets for the 12 month period ending 30 September 2026.

Orbis SICAV Funds: The Fund expenses exclude portfolio transaction costs. The performance related management fee becomes payable to Orbis on each Dealing Day as defined in the Funds' Prospectus.

Additional Notices

This is a marketing communication for the purposes of the Bermuda Monetary Authority's investment business rules and ESMA guidelines on marketing materials. You should consider the relevant offering documents including the Fund Prospectus and Key Information document (for a SICAV Fund) before making any final investment decisions. These offering documents are available in English on our website (www.orbis.com). Please refer to the respective Fund's Prospectus for full information on the risks associated with investing.

Investors in a SICAV Fund can obtain a summary of their investor rights in English on our website (www.orbis.com). When investing in the Orbis Funds an investor acquires shares within the Fund and not in the underlying assets held within the Fund. The return of your investment may change as a result of currency fluctuations if the return is calculated in a currency different from the currency shown in this Report.