



Bateleur Capital Quarterly Report

3Q26





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Introduction

Global capital markets remain volatile, fluid and challenging. To put this in context, in our prior quarterly commentary dated 10 July 2026, oil had retraced to USD 72 a barrel on prospects of a Middle East ceasefire; Anthropic was valued in the private markets at USD 900bn, a valuation we thought was exuberant at the time; and US 10-year Treasury Bills, the “risk-free” reference rate for global markets, yielded 4.5%.

Fast forward to the present, and oil is back above USD 100 a barrel as the Middle East conflict remains unresolved; Anthropic is set to IPO in November with an expected valuation around USD 2tn, more than double its private market value just three months ago; and US 10-year Treasury yields have spiked to 5.3%, their highest level since 2007 – the period immediately preceding the global financial crisis.

Historically, when US long bond yields rise sharply, growth equities tend to underperform as a higher discount rate is applied when valuing them. However, with the most recent increase in yields, technology shares, led by AI chip and hardware providers and to a lesser extent the hyperscalers, have continued to outperform the broader market, indicating investors’ willingness to pay up for the certainty of near-term earnings growth.

Investors are also questioning the safe-haven status of US Treasuries given continually rising US debt and widening fiscal deficits, and need to be compensated accordingly through higher yields. These conversations have further extended to Europe, where France has its own fiscal challenges to contend with. The Bateleur funds have no exposure to offshore bonds.

Given these emerging warning signs and demanding AI-related growth expectations, our offshore positioning remains conservative. Within the technology sector, we continue to concentrate equity exposure around companies with proven business models like Amazon, Google, Microsoft and TSMC. This selective approach allows participation in AI-driven growth while maintaining a prudent cash buffer to deploy should a market correction materialise.

Domestically, growth remains elusive, with the South African Reserve Bank (“SARB”) downgrading SA’s 2026 GDP growth forecast to 1.2%, broadly the same as the rate achieved in 2025. While imported inflation from the higher oil price and restrictive monetary policy have temporarily detracted from economic growth, the main stumbling block remains the excruciatingly slow progress on policy reform, resulting in low business confidence and a lack of private-sector fixed investment.

We remain cautious regarding the timing of a meaningful turnaround in SA’s GDP growth prospects. That said, domestic asset prices largely reflect the subdued economic environment and investor expectations are low. While valuations remain depressed and current share price action is muted, we continue to find opportunities to deploy capital into well-managed, high-quality businesses that are expected to produce good shareholder returns over time. This combination of low entry prices and operational quality underpins our domestic equity positioning.

During September, the Bateleur investment team attended the RMB Morgan Stanley South African conference in Cape Town, where we had the opportunity to interact with 56 of SA’s largest listed corporates. The majority of these meetings confirmed the difficult domestic trading environment. However, a handful of companies are executing well and delivering sustainable double-digit earnings growth.

This cohort, without exception, shares common traits: strong management teams; revenue growth from market share gains and new initiatives; and a demonstrated track record of sound capital allocation. Encouragingly, several Bateleur portfolio holdings feature in this list, including Bidcorp, OUTsurance, PPC, Premier Group (“Premier”), Shoprite, Southern Sun and Sun International.

We discuss the findings from this conference in the body of this report, as well as an updated synopsis of the Premier investment case.

Thematic Insights

Feedback from the RMB Morgan Stanley South African Conference

During September, the Bateleur investment team attended the annual RMB Morgan Stanley South African conference. The conference presented an opportunity to interact with executives from listed and unlisted companies, government policymakers, economists and political analysts.

From our perspective, there were three key takeaways from the conference: 1) fiscal consolidation and structural reforms will continue, albeit at a slow pace; 2) the South African consumer is under pressure, but there are pockets of growth; and 3) there is a growing divergence in the quality of management teams.

Fiscal Consolidation and Structural Reforms to Continue, Albeit at a Slow Pace

National Treasury restated its commitment to fiscal consolidation following three consecutive years of primary surpluses. With a fourth surplus, estimated at R130bn in the 2026/27 fiscal year, the debt-to-GDP ratio has stabilised and is expected to gradually taper down in coming years. This compares favourably with many developed economies, where budget deficits continue to expand debt burdens. Fiscal restraint and the SARB's hawkish stance (high absolute and real interest rates) have together supported the rand and domestic bond yields, but at the cost of GDP growth.

The reform presentations offered little evidence that public infrastructure investments in rail, ports and electricity distribution will accelerate in the near term. The magnitude of capital required is well beyond what state-owned enterprises ("SOEs") can afford to fund, leaving the private sector to fill the gap. Driven by Operation Vulindlela, several major initiatives have been established to attract private capital. Top-down, these programmes show progress, but at the corporate level, feedback was mixed. Management teams acknowledge an improvement in government relations and collaboration, off a low base, but the pace of reform remains a point of frustration.

For example, SAIPPA¹ indicated that sizeable private capital is available to increase renewable energy generation. However, limited grid access and delays in establishing an independent transmission system operator remain major hurdles. They also cited the commercial terms on offer, particularly tariffs, contract tenure and risk sharing, as barriers to committing capital.

Encouragingly, rail performance has improved, but the recovery has been concentrated in bulk minerals (coal, manganese and iron ore lines). Restoring these corridors is central to driving export revenue, but an improvement in general freight would have far-reaching benefits by lowering transport costs for all goods. The general freight lines, which serve manufacturing, agriculture and consumer goods, also require substantial investment that is not being prioritised².

Based on the above, we expect GDP growth to remain soft in the near term, a view shared by most participants at the conference. Of those polled, 61% do not expect structural reforms to lift GDP growth above 2% by 2028.

¹ South African Independent Power Producers Association

² Traxtion (private rail operator) identified extensive rehabilitation requirements across track, traction, power, signalling, yards and sidings

The South African Consumer is Under Pressure, but There are Pockets of Growth

South African consumers continue to face severe macroeconomic headwinds. In response, domestic retailers have stepped up promotional activity to protect market share at the expense of profitability. At the same time, competition from offshore platforms such as Alibaba, Amazon, Etsy, Shein and Temu is escalating – particularly in clothing and general merchandise. According to RMB Morgan Stanley data presented, their combined market share has surged from less than 4% three years ago to over 10%.

In addition, management teams highlighted a growing structural threat – the rapid expansion of online betting. Digital gambling is eroding discretionary income, with Pepkor estimating it absorbs 2.5% to 5.0% of its customers' earnings, while The Foschini Group described the trend as an "uncontainable drain on discretionary spend".

Despite the weak consumer backdrop, there are pockets of the economy that stand out and offer growth opportunities:

Online Food Retail is Insulated from Offshore Competition

Perishable groceries provide local food retailers with a natural advantage against global e-commerce, as shipping fresh, daily essentials over long distances is logistically impractical.

In the domestic food retail sector, Shoprite has turned this dynamic into a competitive advantage with its unrivalled scale and technological innovation. The company's market-leading online platform, Checkers Sixty60, has increased sales by 34.7% to R25.5bn in the financial year ended June 2026, and management plans to further expand the offering into financial services and healthcare. As a result, we expect Shoprite to continue to deliver superior growth relative to both its peers and the broader domestic retail environment.

The Informal Economy is Being Formalised – the Fintech Opportunity

Many corporates see a growing opportunity in South Africa's informal economy, a large, cash-heavy market that formal retailers and banks have largely bypassed.

To take advantage of this opportunity, Pepkor is merging Flash, its informal-market fintech business, with Shop2Shop to build a platform for informal traders, and plans to launch its own bank, PlusB, next year. To date, Pepkor's fintech offering has grown revenue by 20% a year over the last three years, and this growth is set to accelerate as the above initiatives gain traction.

Regional Outperformance is Evident

The Western Cape is outperforming the rest of the country, supported by two reinforcing trends: rising foreign tourism and a growing share of fixed capital investment.

According to Stats SA, foreign tourist arrivals at Cape Town International Airport increased by 8.1% to 561 820 in the first half of 2026. Underpinned by conferences, sporting events and leisure travel, Southern Sun's Cape Town hotels are operating at occupancies above 70%, while room rates are increasing well ahead of inflation. This strength is also evident at the V&A Waterfront, where Growthpoint's share of distributable income rose by 19% in the financial year to June 2026.

Both Wilson Bayly Holmes-Ovcon ("WBHO") and PPC reported the Western Cape as their best-performing region, attracting a disproportionate share of fixed capital investment. WBHO expects the current high activity levels to persist, supported by a strong pipeline of visible work that includes the Cape Winelands Airport, while PPC is investing in a new integrated cement plant in the province.

There is a Growing Divergence in the Quality of Management Teams

Of the 56 corporates we met, a handful are outperformers. These companies share common traits:

- They have strong management teams, sound strategies, and are executing effectively.
- Their revenue growth is driven by market share gains and new initiatives.
- Management has a strong understanding of capital allocation and aim to increase intrinsic value per share through a combination of capital investment, acquisitions and share buybacks.

We are encouraged that several Bateleur portfolio holdings feature in this cohort of companies, including Bidcorp, OUTsurance, PPC, Premier, Shoprite, Southern Sun and Sun International.

Premier, a core holding across the funds under our management, shows all three traits, and we set out the investment case below.

Premier Group

Premier is a South African food producer tracing its origins to 1824, when Attwell's Bakery was founded in the Western Cape. Today, it remains true to its origins with Millbake, the milling and baking division, accounting for over 70% of group EBITDA³.

Millbake operates 13 bakeries, six wheat mills and two maize mills under the Blue Ribbon bread, Snowflake flour and Iwisa maize meal brands. It holds 31% of the South African bread market, 35% of the wheat-flour market and 18% of the maize-meal market, with over two-thirds of its volumes sold into informal markets.

Bread is an attractive category because it is local, bought frequently and is highly defensive. A loaf has a short shelf life, so it needs to be baked close to the consumer and delivered regularly. This creates meaningful barriers to entry. Large bakeries benefit from economies of scale, while dense delivery routes reduce the cost of getting each loaf to the shelf. Bread is a staple and one of the most affordable sources of calories, with Premier's Blue Ribbon range retailing between R17.99 and R21.99 a loaf. Because of this value, households tend to continue purchasing bread even when budgets are under pressure. Consumers may trade down between brands, pack sizes or price points, but are less likely to eliminate the category altogether.

The structure of South Africa's retail market further enhances these advantages. The informal sector is highly fragmented, with thousands of spaza shops and independent retailers requiring frequent deliveries. Servicing these outlets efficiently requires an established distribution network, reliable supply and sufficient route density to make deliveries economical. Once established, this network is difficult for smaller competitors to replicate. Importantly, the same infrastructure can be used to distribute a broader range of products, allowing a scaled player such as Premier to spread its distribution costs across multiple product categories.

Groceries make up the balance of group EBITDA and historically included sugar confectionery such as Manhattan and Mister Sweet, alongside home and personal care like Lil-lets and Dove Cotton. The segment's overall contribution is set to increase significantly following Premier's recent acquisition of Rhodes Food Group ("RFG"), which introduces a strong portfolio of household brand names into the group, including Rhodes canned fruit and vegetables, Bull Brand canned meat, Hinds spices and Today pies.

The transaction serves a number of strategic purposes. Firstly, it diversifies group revenues across broader categories, moving Premier beyond its core bread and flour markets. Secondly, it should accelerate financial performance via cost and revenue synergies as well as capital investment opportunities.

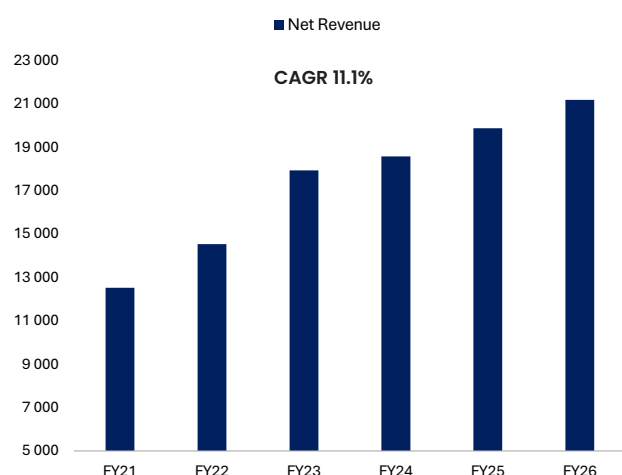
³ Based upon FY27 estimates including Rhodes Food Group acquisition

On the cost side, management estimates more than R120m in synergies across procurement, insurance, merchandising, logistics and IT systems alone. For example, moving to a single national logistics provider is projected to save over R20m annually, while the enlarged group's scale benefits could reduce RFG's insurance costs by up to R30m per year.

Premier is driving revenue synergies by incorporating RFG's canned, frozen, and spice lines into its existing basket to distribute through its extensive informal-market network, a channel where RFG has historically under-indexed. Early cross-selling momentum is already visible through bundled promotions that combine Premier's Millbake range with Rhodes canned vegetables and juices.

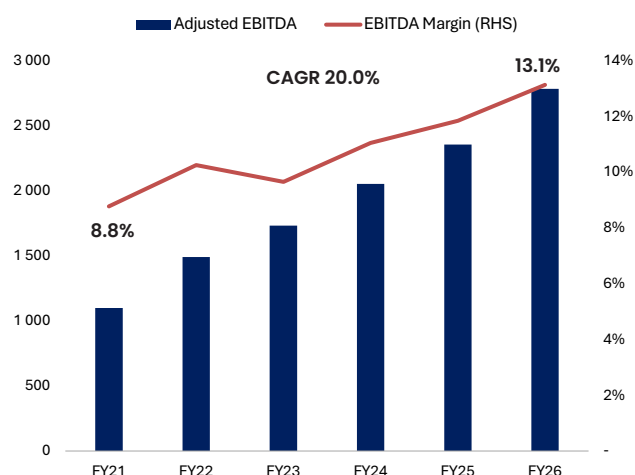
Since 2021, group revenue and EBITDA have compounded at 11.1% and 20.0% respectively, while EBITDA margins have risen from 8.8% to 13.1% (charts 1 and 2).

Chart 1: Premier Revenue (Rm)



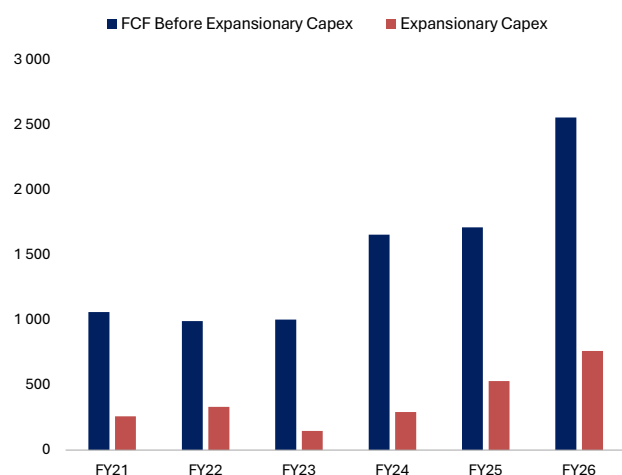
Source: Company Reports; Bloomberg

Chart 2: Premier EBITDA (Rm) & EBITDA Margin (%)



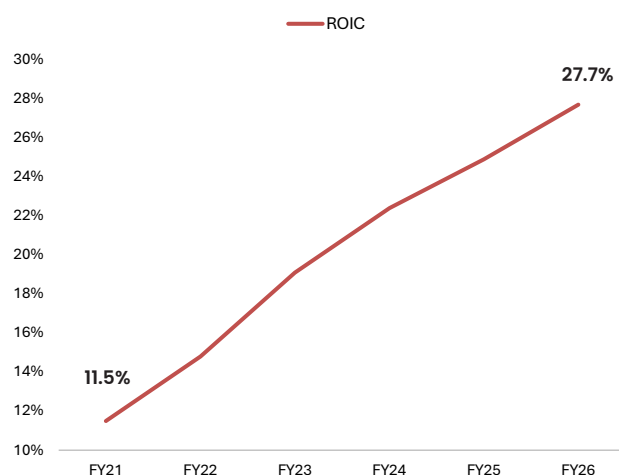
The group has generated consistent free cash flow ("FCF"), which has funded investments into high-return projects (chart 3). Since 2021, Premier has invested R2.3bn into growth projects, mainly at Millbake, including the Pretoria mill and bakery and the recently commissioned Aeroton mega-bakery. The group's upward trend in return on invested capital ("ROIC") confirms these projects have been strongly accretive (chart 4).

Chart 3: Premier FCF & Expansionary Capex (Rm)



Source: Company Reports; Bloomberg

Chart 4: Premier Return on Invested Capital (%)



Premier's ongoing capital expenditure programme is central to maintaining its cost leadership and driving operational improvements across the business. By modernising infrastructure and investing in efficiency, the group aims to protect and expand its competitive advantages across several areas:

- **Scale and modernisation of manufacturing sites.** Large, state-of-the-art facilities replace smaller, ageing sites. For example, the mega-bakery in Aeroton replaces three older, less efficient bakeries, reducing the cost per loaf produced.
- **Integrated sites.** Wheat mills are located next to the major bakeries, allowing most of Premier's flour to move directly into its own bread production, supporting margins.
- **Own the route to market.** Premier owns its depots and delivery fleet, giving direct control over distribution.

The Premier investment case can be summarised as follows:

- **Management with a strong track record.** Since 2021, management has delivered strong revenue growth, margin expansion and a rising ROIC. It has done so with little assistance from the economy, given South Africa's real GDP grew by less than 1% a year on average between 2022 and 2025.
- **Capital investment to drive earnings growth.** The Aeroton bakery is in its ramp-up phase and Premier confirmed that a new bakery, previously unknown to the market, has been commissioned in Middelburg. These new bakeries are expected to deliver cost savings and efficiencies in the 2028 financial year.
- **Attractive valuation.** Premier trades on 12.5 times estimated March 2027 earnings, which we consider attractive for a business expected to sustain earnings growth in the teens over the medium term.

However, more recently, Premier made the decision not to reopen the Tulbagh fruit cannery acquired from RFG. Following the closure, the Competition Commission requested the Competition Tribunal to either revoke the merger approval or impose new conditions relating to the transaction. Premier intends to defend its legal position, reiterating that the decision was taken post completion of the merger with RFG and was prompted solely by the subsequent deterioration of market conditions for canned fruit exports.

The cannery closure, in our opinion, was a strategic misstep from a management team that has, to date, delivered excellent operational and financial results. We expect that a sensible solution will be found with limited implications for the group's overall valuation. However, until legally resolved, this regulatory challenge is expected to create a temporary overhang on Premier's share price and valuation.

Quarterly Performance

Returns in Review

The net performance of the Bateleur funds is tabled below and has been annualised over various periods.

The majority of our funds are managed with an absolute-return focus, where our consistent investment process prioritises companies growing their earnings and dividends over the medium term with strong cash flow and positive shareholder return potential.

Annualised Net Returns as at 30 September 2026	Track Record*	1 Year	3 Years	5 Years	Inception
Unit Trusts					
Bateleur Flexible Prescient Fund	16	2.8%	8.2%	8.5%	12.5%
Benchmark: CPI +4%		8.4%	8.0%	8.9%	9.0%
Bateleur SA Flexible Prescient Fund	3	7.1%	11.2%		10.7%
Benchmark: CPI +4%		8.4%	8.0%		8.3%
Bateleur FR SA Equity Fund	11	5.1%	10.1%	11.1%	6.9%
Benchmark: FTSE/JSE Capped All Share Index		5.6%	19.2%	13.9%	8.0%
Hedge Funds					
Bateleur Long Short Prescient RI Hedge Fund	21	5.7%	11.3%	11.6%	14.1%
Benchmark: CPI +4%		8.4%	8.0%	8.9%	9.3%
Bateleur Market Neutral Prescient RI Hedge Fund	18	8.6%	7.1%	8.7%	9.5%
Benchmark: STeFI		6.8%	7.5%	6.8%	6.3%
Bateleur Special Opportunities Prescient RI Hedge Fund	8	13.3%	14.6%	14.5%	14.3%
Benchmark: CPI +4%		8.4%	8.0%	8.9%	8.7%

Note: Please refer to performance disclaimers at the end of the report - all fund figures in the pages to follow are net of fees.

*Track record in years

Key Underlying Contributors and Detractors

At Bateleur Capital, we have maintained a consistent investment process across our suite of equity-centric funds since inception. This approach naturally leads to shared holdings and similar themes, tailored to the specific parameters of each mandate. We summarise below the positions that had the greatest bearing on performance across our funds this year.

The labels beside each company name below identify the funds in which that holding was either a key contributor or detractor.

Key Underlying Contributors YTD

Glencore

FLEX

SA FLEX

SA EQ

LS HF

SO HF

Glencore has delivered a strong year-to-date (“YTD”) total return of 37%, benefiting from higher energy and copper prices alongside an improved performance from its marketing business. Glencore’s investment thesis rests upon a compelling copper growth pipeline, positioning the company as one of the world’s largest copper producers by 2035, complemented by a unique marketing segment that continues to capitalise on a volatile geopolitical backdrop. Glencore continues to trade at a steep discount to diversified mining peers. Management is beginning to address this with a secondary listing in Australia which, in our view, creates structural flexibility to separate its copper operations from coal to potentially unlock shareholder value.

Remgro

FLEX

SA FLEX

SA EQ

LS HF

SO HF

Remgro has delivered a sound 12% YTD total return. Recent financial results were encouraging, reflecting tangible operational progress and turnarounds in key assets, including Mediclinic, Maziv, Heineken Beverages and Rainbow Chicken. Ongoing group simplification and disciplined capital allocation have bolstered balance sheet strength, leaving Remgro with over R23bn in net cash (13% of net asset value – “NAV”). With sustained earnings momentum in key investee companies, a deep 35% discount to intrinsic NAV and the potential for further special dividends, we expect continued outperformance.

Shoprite

FLEX

SA FLEX

SA EQ

LS HF

Shoprite has delivered a total return of 22% YTD, outperforming the JSE General Retailers Index, which declined 25%. This outperformance is the direct result of a deliberate five-year capital deployment strategy aimed at building supply chain scale and expanding its digital ecosystem. This is best reflected in the success of Checkers Sixty60, which achieved 34.7% sales growth and now represents over 11% of Supermarket RSA sales. Beyond expanding market share, Shoprite’s digital ecosystem is turning into a margin-accretive pillar for the group as unit economics improve and non-grocery revenue streams scale. Together, these infrastructure and e-commerce initiatives reinforce a formidable competitive advantage that we expect to compound over the medium term.

TSMC

FLEX

TSMC’s share price rose 51% in the first nine months of 2026. TSMC remains the world’s leading high-end semiconductor foundry, manufacturing the vast majority of advanced logic chips for customers including AMD, Apple, Broadcom and Nvidia. Facing limited competition at the leading edge, TSMC sits at the epicentre of the global AI build-out: high-performance computing is already its largest revenue segment, and its most advanced capacity is sold out well in advance. The business delivered solid fundamental results in its most recent quarter: second-quarter revenue rose 34% year on year to USD 40.2bn, while operating margins expanded to 60.3% and return on equity rose to 45.9% (with a significant net cash position on the balance sheet). Management raised 2026 revenue growth guidance to slightly above 40% in US dollar terms and lifted capital expenditure guidance from USD 52–56bn to USD 60–64bn, a clear signal of sustained AI-led demand for its leading-edge chips. At roughly 22 times our estimate of forward earnings, the stock remains attractively priced for a dominant semiconductor manufacturing franchise with structural growth anticipated over the medium to long term.

Key Underlying Detractors YTD

AVI

FLEX

SA FLEX

SA EQ

LS HF

SO HF

AVI's share price declined 23% in the third quarter when the company reported pedestrian full-year results following a robust first-half performance. Cost savings lifted operating profit; however, short-term revenue was under pressure as competition in the creamer business intensified and wholesalers deferred orders ahead of the planned June national protest action. We hold the management team of AVI in high regard and consider the company's return metrics as best-in-class, with industry-leading profitability and shareholder returns. AVI's two largest businesses, Entyce Beverages and Snackworks, delivered a combined net operating margin of 27% in the year to June 2026, placing them in the top 4% of major branded food producers globally (ninth out of 233 measured). Over the past 21 years, AVI has paid out 100% of its headline earnings through ordinary and special dividends. AVI trades at less than 10 times its estimated June 2027 earnings, the lowest level since 2008, and with a through-the-cycle dividend yield of 10% or more, it presents an attractive investment proposition.

Naspers/Prosus

FLEX

SA FLEX

SA EQ

LS HF

Naspers/Prosus share price performance has been disappointing. The decline in Tencent's share price explains most of the weakness, compounded by the Naspers/Prosus discount to NAV widening to near-record levels. The market remains sceptical of Tencent's AI strategy, but we are encouraged by its progress. Its in-house Hunyuan model is progressing towards frontier capability, and WorkBuddy, its office agent and China's equivalent of Anthropic's Claude Cowork, has become the most used productivity agent in China. In addition, Xiaowei, an AI agent built into WeChat and similar in form to Meta's Muse, is close to public launch. This ongoing de-rating, in our opinion, represents a disconnect from Tencent's fundamentals, driven largely by short-term fund flows favouring AI hardware stocks and persistent headwinds in Chinese consumer sentiment. We expect Tencent to be one of China's largest beneficiaries of AI over the medium term, and to drive long-term value creation at Naspers and Prosus.

Reinet

FLEX

SA FLEX

SA EQ

LS HF

SO HF

Reinet's share price performance has been disappointing following the release of its annual results in May, with the discount to NAV widening to approximately 37%. With cash accounting for 81% of NAV, current trading levels imply a 22% discount to its cash holdings alone. In the second-quarter report-back, we detailed our engagements with management and the board and have subsequently participated, and raised several questions, at Reinet's AGM in August and held a follow-up meeting with management. We remain supportive of the ongoing share buyback programme under which, on a per-share basis, value accrues to the remaining shareholders. We were further encouraged by the chairman's comments that further share repurchases will be considered early in the new year. Given Reinet's steep discount to NAV and asymmetric payoff profile, the company remains a core holding.

Universal Music Group

FLEX

Universal Music Group's ("UMG") share price declined 22% in the quarter after a disappointing financial result that saw revenue growth slow and profit margins contract in the first half of 2026. Despite the stock having de-rated on near-term concerns, we do not believe the long-term value of UMG's assets have been permanently impaired. UMG's longer-term operational performance has been sound, having grown revenue by 10% per annum and adjusted EBITDA by 12% per annum between 2021 and 2025. Its artist roster, extensive music catalogue and dominant market position remain firmly intact. Music streaming remains underpenetrated globally, with a substantial runway for continued subscriber growth over the medium to long term. We also expect UMG to secure better pricing from its streaming partners from late 2026 onwards. In this context, we wrote to the UMG board raising four areas of incremental concern relating to near-term execution at the business: slowing growth in the core subscription business, weak cost control and falling FCF, guidance that has been redefined after targets were missed, and reactive capital allocation. The chairman replied in writing, expressing confidence in management's long-term strategy and welcoming continued engagement with us. With the stock at a listing-low valuation of 14 times forward earnings, the position has been maintained as we look for improved performance in the near term.



Bateleur Flexible Prescient Fund

The Bateleur Flexible Prescient Fund is a multi-asset fund with a 16-year track record of achieving long-term real capital growth. The fund has the flexibility to invest across a broad mix of asset classes both locally and offshore – including equities, bonds, property and cash. This makes the fund suitable for investors seeking inflation-beating growth with prudent risk management, adaptable asset allocation and offshore exposure.

The Bateleur Flexible Prescient Fund declined 1.2% over the third quarter, bringing its September YTD return to -1.1% net of fees. As comparisons over the same period, the JSE All Share Index (“ALSI”) declined 3.2% before fees, the All Bond Index (“ALBI”) rose 3.5%, and cash (“STeFI”) returned 5.0%. In the 16-year period since inception in July 2010, the fund has compounded at 12.5% per annum net of fees, ahead of its CPI +4% benchmark of 9.0% per annum gross of fees.

Fund returns have been generated at volatility below that of the overall SA equity market (an average of 7.0% for the fund since inception vs 12.1% for the ALSI over the same measurement period).

A breakdown of the return by strategy as well as the top individual contributors and detractors is shown in the table below.

Fund Attribution YTD’26

Return by Strategy		Top Contributors		Top Detractors	
			%		%
JSE-Listed Equities	0.2%	Glencore	1.0%	Naspers/Prosus	-3.4%
Foreign-Listed Equities	-0.5%	Shoprite	0.9%	Reinet	-1.1%
Government Bonds	0.0%	TSMC	0.7%	Accenture	-0.8%
Costs & Other	-0.8%	Remgro	0.6%	Universal Music Group	-0.7%
Total	-1.1%	Sun International	0.5%	AVI	-0.5%

Source: Bateleur Capital

Asset Allocation

Asset Allocation	30 September 2026	% Change Q/Q	30 June 2026
JSE-Listed Equities	65.0%	0.0%	65.0%
Foreign-Listed Equities	24.7%	0.3%	24.4%
Government Bonds	0.0%	0.0%	0.0%
Cash	10.3%	-0.3%	10.6%
Total	100%		100%

Source: Bateleur Capital

Top 5 Holdings as at 30 September 2026

Remgro	Standard Bank	Naspers	Shoprite	FirstRand
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Portfolio Changes and Current Positioning

Asset allocation was unchanged over the quarter with JSE-listed equity exposure at 65% at the end of September, foreign-listed equity exposure at 25%, and cash at 10%.

JSE-listed equity exposure is above the fund's long-term average, reflective of the sizeable number of well-managed companies with strong franchises that are trading at deep discounts to fair value. This, notwithstanding the subdued South African economic outlook.

Based on our estimates, the fund's JSE-listed equity portfolio (27 holdings in total) trades on an estimated weighted-average 12-month forward P/E multiple of 9.8 times and a dividend yield of 4.5%.

Foreign-listed equity exposure remains conservative at 25%, indicative of our concerns regarding above-trend valuations, demanding AI growth expectations, excessive government debt levels and rising bond yields.

The fund's foreign-listed equity portfolio (15 holdings in total) trades on an estimated weighted-average 12-month forward P/E multiple of 19.4 times and a dividend yield of 2.0%.

Fund turnover was limited over the review period, partly explained by the lack of a re-rating in the underlying portfolio as well as lower-than-average volumes traded through the JSE. It also signifies confidence in the current composition of the portfolio.

The fund's holding in South32 was profitably exited following strong share price gains on the back of a higher copper price and the company's announced sale of its aluminium business to Alcoa. Proceeds from the South32 sale were recycled into Glencore.

A new investment was initiated in platinum group metals ("PGM") producer Northam Platinum ("Northam"), which has effectively put itself up for sale via an auction process. At current PGM prices, Northam trades on an estimated spot P/E multiple of 8.5 times and a dividend yield of 6.2%. Unlike its major competitors Valterra Platinum and Impala Platinum, which have stagnant production profiles, Northam has a clearly articulated organic growth strategy to increase PGM production by c.40% over the next five years. Our assessment is that investors are currently pricing an extremely low probability of Northam being sold.

The fund's holding in hospital group Netcare was reduced following an upward re-rating in the share. These sale proceeds were reinvested into the fund's existing holding in food producer AVI, which we discussed earlier in the report. We consider AVI one of the higher-quality listed companies in SA, capably led by long-standing CEO Simon Crutchley.

Within global equities, the holding in Philip Morris was profitably exited during the quarter after the share price exceeded our fair value target. Proceeds were recycled into British American Tobacco, which trades at approximately half the rating of Philip Morris and is making strong inroads into the US oral nicotine market via its Velo brand.

Holdings were also profitably lightened in Progressive and Visa with exposure to these companies still retained in the fund, but at a reduced weighting. Proceeds were reinvested in concessions operator Vinci and used to increase the fund's holding in Microsoft.

Bateleur SA Flexible Prescient Fund

The Bateleur SA Flexible Prescient Fund is a multi-asset fund that follows a disciplined investment process and aims to achieve sustainable capital growth in real terms. The fund has the flexibility to invest across a broad mix of local asset classes – including equities, bonds, property and cash. This makes the fund suitable for investors wanting a “building block” approach, and for those seeking inflation-beating growth with prudent risk management and adaptable asset allocation concentrated within South Africa.

The Bateleur SA Flexible Prescient Fund declined 1.6% over the third quarter, bringing its September YTD return to 1.0% net of fees. As comparisons over the same period, the ALSI declined 3.2% before fees, the ALBI rose 3.5%, and STeFI returned 5.0%. Since inception in September 2023, the fund has compounded at 10.7% per annum net of fees, ahead of its CPI +4% benchmark of 8.3% per annum gross of fees.

Fund returns have been generated at volatility below that of the overall SA equity market (an average of 8.0% for the fund since inception vs 9.4% for the ALSI over the same measurement period).

A breakdown of the return by strategy as well as the top individual contributors and detractors is shown in the table below.

Fund Attribution YTD'26

Return by Strategy		Top Contributors		Top Detractors	
			%		%
JSE-Listed Equities	1.0%	Glencore	1.2%	Naspers/Prosus	-3.9%
Government Bonds	0.1%	Shoprite	0.9%	Reinet	-1.2%
Cash	0.6%	Standard Bank	0.7%	AVI	-0.7%
Costs & Other	-0.7%	Remgro	0.6%	Pepkor	-0.4%
Total	1.0%	South32	0.5%	Northam Platinum	-0.3%

Source: Bateleur Capital

Asset Allocation

Asset Allocation	30 September 2026	% Change Q/Q	30 June 2026
JSE-Listed Equities	91.9%	1.7%	90.2%
Government Bonds	0.0%	0.0%	0.0%
Cash	8.1%	-1.7%	9.8%
Total	100%		100%

Source: Bateleur Capital

Top 5 Holdings as at 30 September 2026

FirstRand	Standard Bank	Remgro	Naspers	Shoprite
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Portfolio Changes and Current Positioning

Asset allocation remained broadly stable over the period, with equity exposure increasing from 90.2% to 91.9%, offset by a corresponding decline in cash holdings from 9.8% to 8.1%. Equity exposure of 91.9% is reflective of the sizeable number of well-managed companies with strong franchises that are trading at deep discounts to fair value. This, notwithstanding the subdued South African economic outlook.

The fund maintains a strong preference for attractively valued, high-quality domestic equities offering good medium-term shareholder return potential. While long-dated SA Government bond yields moved higher over the quarter, the fund continues to hold no exposure, given persistent inflation risks and high oil prices.

Portfolio activity in the period was subdued as the majority of fund holdings continue to trade well below our assessment of fair value. The fund's holding in South32 was profitably exited following strong share price gains, driven by a higher copper price and the company's announced sale of its aluminium business to Alcoa. Proceeds were used to increase exposure to Northam.

Northam has effectively put itself up for sale via an auction process. At current PGM prices, Northam trades on an estimated spot P/E multiple of 8.5 times and a dividend yield of 6.2%. Unlike its major competitors Valterra Platinum and Impala Platinum, which have stagnant production profiles, Northam has a clearly articulated organic growth strategy to increase PGM production by c.40% over the next five years. Our assessment is that investors are currently pricing an extremely low probability of Northam being sold.

In addition, holdings in AVI, which we discussed earlier in the report, and Anheuser-Busch InBev ("AB InBev") were increased during the quarter. These purchases were funded by exiting or reducing holdings in Absa Bank, Netcare and Standard Bank.

Management at AB InBev continues to execute well, utilising the company's cash-generative qualities to reduce debt alongside meaningful capital returns in the form of share buybacks. Earnings growth is expected to be supported by tailwinds from moderating input costs, stable emerging market currencies and reduced finance charges. At its capital markets day in September, management set new medium-term targets, with operating profit now expected to grow at an average annual rate of 5% to 9%, leading to our internal expectations of low double-digit earnings growth supported by continued share buybacks and balance sheet deleveraging. AB InBev is currently trading at 15.7 times its estimated December 2027 earnings, an attractive level for access to a portfolio of leading global beer brands.

While valuations remain depressed, we are confident in the ability of portfolio holdings to create shareholder value. At period end, the fund held 32 equity positions, of which the top 10 made up 50.4% of the fund's exposure. The portfolio is attractively priced, trading on an estimated weighted-average 12-month forward P/E ratio of 9.9 times and offering a 5.0% forward dividend yield.

Bateleur FR SA Equity Fund

The Bateleur FR SA Equity Fund is a South African equity fund which aims to deliver returns in excess of the FTSE/JSE Capped All Share Index over the medium to longer term, while maintaining acceptable risk parameters. The fund invests in selected shares across all sectors and across the spectrum of large-, mid- and small-cap companies. Although permitted to invest in offshore jurisdictions, the fund is intended as a core "building block" for investors and accordingly focuses on South African markets.

The Bateleur FR SA Equity Fund declined 1.3% over the third quarter, bringing its September YTD return to -0.2% net of fees – ahead of its FTSE/JSE Capped ALSI ("Capped ALSI") benchmark that declined by 3.1%.

Fund returns have been generated at slightly lower levels of volatility than that of the overall SA equity market (an average of 12.5% for the fund since inception vs 13.2% for the Capped ALSI over the same measurement period).

A breakdown of the return by strategy as well as the top relative contributors and detractors is shown in the table below.

Fund Attribution YTD'26

Return by Strategy		Top Relative Contributors	%	Top Relative Detractors	%
JSE-Listed Equities	0.2%	Glencore [^]	1.4%	Reinet [^]	-0.9%
Costs & Other	-0.4%	Gold Fields*	1.0%	Anglo American*	-0.7%
Total	-0.2%	Sun International [^]	0.6%	AngloGold*	-0.6%
		African Rainbow Minerals [^]	0.6%	Sasol*	-0.6%
		Shoprite [^]	0.5%	Naspers/Prosus [^]	-0.6%

Source: Bateleur Capital, * = relative underweight, ^ = relative overweight

Asset Allocation

Asset Allocation	30 September 2026	% Change Q/Q	30 June 2026
JSE-Listed Equities	97.1%	-1.2%	98.3%
Cash	2.9%	1.2%	1.7%
Total	100%		100%

Source: Bateleur Capital

Top 5 Holdings as at 30 September 2026

FirstRand	Standard Bank	Remgro	Naspers	Valterra Platinum
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Portfolio Changes and Current Positioning

The fund's equity allocation remained broadly stable over the period at 97%.

The fund maintains a strong preference for attractively valued, high-quality domestic equities that are expected to compound earnings and dividends over the medium term.

Portfolio activity in the period was subdued as the majority of fund holdings continue to trade well below our assessment of fair value. The fund's holding in South32 was profitably exited following strong share price gains, driven by a higher copper price and the company's announced sale of its aluminium business to Alcoa. Proceeds were used to increase exposure to Northam.

Northam has effectively put itself up for sale via an auction process. At current PGM prices, Northam trades on an estimated spot P/E multiple of 8.5 times and a dividend yield of 6%. Unlike its major competitors Valterra Platinum and Impala Platinum, which have stagnant production profiles, Northam has a clearly articulated organic growth strategy to increase PGM production by c.40% over the next five years. Our assessment is that investors are currently pricing an extremely low probability of Northam being sold.

In addition, holdings in AVI, which we discussed earlier in the report, and AB InBev were increased during the quarter. These purchases were funded by exiting or reducing holdings in Absa Bank, Netcare and Standard Bank.

Management at AB InBev continues to execute well, utilising the company's cash-generative qualities to reduce debt alongside meaningful capital returns in the form of share buybacks. Earnings growth is expected to be supported by tailwinds from moderating input costs, stable emerging market currencies and reduced finance charges. At its capital markets day in September, management set new medium-term targets, with operating profit now expected to grow at an average annual rate of 5% to 9%, leading to our internal expectations of low double-digit earnings growth supported by continued share buybacks and balance sheet deleveraging. AB InBev is currently trading at 15.7 times its estimated December 2027 earnings, an attractive level for access to a portfolio of leading global beer brands.

While valuations remain depressed, we are confident in the ability of portfolio holdings to create shareholder value. At period end, the fund held 32 equity positions, of which the top 10 made up 55.3% of the fund's exposure. The portfolio is attractively priced, trading on an estimated weighted-average 12-month forward P/E ratio of 9.6 times and offering a 5.0% forward dividend yield.

Bateleur Long Short Prescient RI Hedge Fund

The Bateleur Long Short Prescient RI Hedge Fund is our flagship award-winning hedge fund and longest-running fund with a 21-year track record. The fund is a long/short equity hedge fund and is suitable for investors looking to benefit from equity market growth while safeguarding their capital during times of market uncertainty, ultimately aiming to achieve superior returns at lower volatility compared to equity markets over the medium to longer term.

The Bateleur Long Short Prescient RI Hedge Fund declined 1.8% net of fees over the nine-month period ended September 2026. As comparisons over the same period, the ALSI declined 3.2% before fees, the ALBI gained 3.5%, while STeFI returned 5.0%. In the nearly 22-year period since inception in January 2005, the fund has compounded at 14.1% per annum net of fees, ahead of its CPI +4% benchmark of 9.3% per annum gross of fees.

Fund returns have been generated without significant leverage and at volatility well below that of the overall SA equity market (7.7% for the fund since inception vs 15.4% for the ALSI over the same measurement period).

A breakdown of the top YTD individual contributors and detractors is shown in the table below.

Fund Attribution YTD'26

Top Contributors	%	Top Detractors	%
PPC	2.6%	Naspers/Prosus	-2.6%
Sun International	1.5%	Astral Foods	-1.6%
Glencore	1.0%	Reinet	-1.1%
Rhodium ETF	0.7%	Wilson Bayly Holmes-Ovcon	-1.0%
Premier Group	0.6%	AVI	-0.9%

Source: Bateleur Capital

Asset Allocation

Asset Allocation	30 September 2026	% Change Q/Q	30 June 2026
Core Long Equities	98.1%	6.7%	91.4%
Short Positions	-3.1%	1.1%	-4.2%
Liquid Investments & Cash	5.0%	-7.8%	12.8%
Net Exposure	95.0%	7.8%	87.2%
Gross Exposure	101.2%	5.6%	95.6%

Source: Bateleur Capital

Top 5 Holdings as at 30 September 2026

AVI	Premier Group	Astral Foods	Remgro	PPC
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Portfolio Changes and Current Positioning

Net equity exposure increased to 95% at quarter-end, up from 87% at the end of June 2026, with gross exposure increasing from 96% to 101%.

Net equity exposure is well above the fund's long-term average of 67%, indicative of the considerable number of undervalued opportunities on the JSE, especially in the small- and mid-cap space.

Based on our estimates, the fund's domestic equity portfolio (27 holdings in total) trades on an estimated weighted-average 12-month forward P/E multiple of 8.3 times and a dividend yield of 5.5%. We expect to achieve good returns from this portfolio over time as these holdings were, on average, acquired at attractive entry prices.

For patient capital, price discovery does ultimately materialise (assuming the investment case is correct), as was observed with the recent offers to acquire and delist agricultural group Omnia and short-term insurer Santam (a fund holding).

Both these companies are JSE stalwarts, with Santam listing in 1964 and Omnia in 1980. It will be sad to see both companies disappear from the JSE, but these buyouts and delistings are clearly symptomatic of the general lack of interest and mispricing evident in the domestic public equity markets.

The 8% increase in net equity exposure over the quarter was largely driven by the purchase of three shares – upweighting the existing holdings in Astral Foods ("Astral") and AVI, and initiating a new investment in Northam.

The fund's holding in food producer AVI was substantially upweighted following recent share price weakness. We consider AVI one of the higher-quality listed companies in SA, capably led by long-standing CEO Simon Crutchley, and discussed the name earlier in the report.

The fund's investment in chicken producer Astral was also increased over the quarter. Astral is expected to report record annual earnings and a debt-free balance sheet, and to declare a large final dividend when the company announces its annual results in November. Despite an expectation of stellar results, the company's share price has come under pressure due to the potential threat of an El Niño event in the upcoming maize planting season, and soft commodity supply disruptions due to ongoing geopolitical conflicts. While the level of poultry input costs is critical to Astral's investment case, we take comfort in the record domestic 2025/26 maize crop harvest, and high expected carry-out stocks, combined with an attractive valuation at normalised levels of poultry profitability.

A new investment was initiated in PGM producer Northam, which has effectively put itself up for sale via an auction process. At current PGM prices, Northam trades on an estimated spot P/E multiple of 8.5 times and a dividend yield of 6%. Unlike its major competitors Valterra Platinum and Impala Platinum, which have stagnant production profiles, Northam has a clearly articulated organic growth strategy to increase PGM production by c.40% over the next five years. Our assessment is that investors are currently pricing an extremely low probability of Northam being sold.

Bateleur Market Neutral Prescient RI Hedge Fund

The Bateleur Market Neutral Prescient RI Hedge Fund was launched in 2008 and expanded on our hedge fund capabilities. The fund is a relative-value equity hedge fund that is generally positioned to be market neutral and is suitable for investors looking for returns in excess of cash on an annual basis, and at lower levels of volatility compared to the JSE All Bond Index while prioritising capital preservation.

The Bateleur Market Neutral Prescient RI Hedge Fund registered a 1.1% gain over the third quarter, bringing its September YTD return to 3.9% net of fees – below its STeFI benchmark of 5.0%. Since inception in July 2008, the fund has compounded at 9.5% per annum net of fees. As comparisons over the same period, STeFI has compounded at 6.3% per annum, and the ALBI at 10.2%.

Fund returns have been generated at volatility well below that of the ALBI (2.8% for the fund since inception vs 7.5% for the ALBI over the same measurement period).

A breakdown of the top strategy contributors and detractors is shown in the table below.

Fund Attribution YTD'26

Top Contributors	%	Top Detractors	%
Market Pairs	1.1%	Technology & Telecoms	-1.7%
Oil & Commodities	0.8%	Retail & Food Producers	-0.4%
Healthcare	0.1%	Holding Companies	-0.3%
Property	0.1%		

Source: Bateleur Capital

Performance Commentary

The fund's YTD performance is below benchmark and our internal expectations, albeit a positive return in a period when the ALSI declined 3.2% (total return). The fund displayed good capital preservation characteristics, producing positive monthly returns during March, June and September when the ALSI declined by 10.5%, 3.7% and 5.8% respectively.

The total contribution to returns from the fund's trading activities was marginally negative, reflecting a mixed YTD performance. The market pairs and oil & commodities strategies delivered solid gains, with immaterial profitability in healthcare, property, financials and industrials – offset by losses in the holding companies, retail & food producers and technology & telecoms strategies.

The market pairs strategy is the largest YTD contributor but was unprofitable in the third quarter. Long directional exposure to Astral, KAL Group and Sun International was the primary source of weakness, partially offset by tactical short exposure to ALSI futures. Astral is expected to report record annual earnings and a debt-free balance sheet, and to declare a large final dividend when the company announces its annual results in November. Despite an expectation of stellar results, the company's share price was under pressure due to the potential threat of an El Niño event in the upcoming maize planting season and soft commodity supply disruptions due to ongoing geopolitical conflicts. While the level of poultry input costs is critical to Astral's investment case, we take comfort in the record domestic 2025/26 maize crop harvest and high expected carry-out stocks combined with an attractive valuation, at normalised levels of poultry profitability, to remain invested.

The oil & commodities strategy delivered a 0.8% gain in the third quarter and YTD. The fund's diversified mining exposure, particularly South32 (long) relative to BHP Group and Anglo American (both short), was profitable. South32's share price advanced 32% in the quarter. In July the company agreed to sell its aluminium business to Alcoa for up to USD 5.6bn, a sale that would leave it a base-metals miner with production growth focused on copper, zinc and silver. In addition, the fund profitably traded relative-value pairs in the PGM sector and Sasol against the rand oil price.

The holding companies strategy delivered a mixed performance, with profitability from Remgro offset by losses in Reinet (both long). Reinet's share price performance has been disappointing following the release of its annual results in May, with the discount to NAV widening to approximately 37%. With cash accounting for 81% of NAV, current trading levels imply a 22% discount to its cash holdings alone. In the second-quarter report-back, we detailed our engagements with management and the board and have subsequently participated, and raised several questions, at Reinet's AGM in August and held a follow-up meeting with management. We remain supportive of the ongoing share buyback programme under which, on a per-share basis, significant value accrues to the remaining shareholders. We were further encouraged by the chairman's comments that further share repurchases will be considered early in the new year. Given Reinet's steep discount to NAV and asymmetric payoff profile, the company remains a core holding in the fund.

The retail & food producers strategy was the largest third-quarter detractor, reversing a positive first-half performance. Directional long exposure and paired positions relative to AVI (long) were loss-making in the period. We hold the management team of AVI in high regard and consider the company's return metrics as best-in-class with industry-leading profitability and shareholder returns. The company has an enviable track record of returning 100% of its earnings to shareholders, in the form of dividends and special dividends, over the last 21 years while compounding earnings. However, AVI's share price fell 23% in the quarter when the company reported soft full-year results following a robust first-half performance. Revenue grew 1.4% against market expectations of 5%, after AVI reduced creamer prices to maintain volumes as competition intensified. In addition, wholesalers deferred orders ahead of the planned June national protest action, which further affected short-term operational performance. Exposure was increased, with AVI currently trading at less than 10 times its estimated June 2027 earnings, the lowest level since 2008, and a through-the-cycle dividend yield of 10% or more, the valuation is very attractive.

The technology & telecoms strategy remains the largest YTD detractor despite a positive third quarter. Microsoft (long) versus Apple (short) recovered YTD underperformance, while Naspers (long & paired), as discussed earlier in the report, continues to track weak sentiment towards Tencent.

Asset Allocation

Asset Allocation	30 September 2026	% Change Q/Q	30 June 2026
Equity Holdings	28.4%	-0.3%	28.7%
Futures & Index Holdings	-5.3%	0.3%	-5.6%
Liquid Investments & Cash	76.9%	0.0%	76.9%
Net Exposure	23.1%	0.0%	23.1%
Gross Exposure	78.1%	-7.6%	85.7%

Source: Bateleur Capital

Portfolio Changes and Current Positioning

Net and gross exposures remained within conservative parameters throughout the period given increased volatility and uncertainty in local and global capital markets. At period end, gross exposure was in line with past trends while net exposure remained above historical levels based on the attractive valuations of domestic-facing companies.

Bateleur Special Opportunities Prescient RI Hedge Fund

The Bateleur Special Opportunities Prescient RI Hedge Fund is a long/short equity hedge fund that seeks to capture value opportunities primarily in South African equities, where the value is likely to be unlocked over a period of two to three years. The fund was launched in 2018 and is suitable for investors who are more tolerant of risk and short-term volatility, and are seeking superior returns over the medium to long term.

The Bateleur Special Opportunities Prescient RI Hedge Fund declined 5.4% over the third quarter, bringing its September YTD return to 2.5% net of fees – lagging its CPI +4% benchmark of 7.2%. Since inception in February 2018, the fund has compounded at 14.3% per annum net of fees. As comparisons over the same period, its benchmark has compounded at 8.7% per annum gross of fees, and the JSE Mid Cap Index at 7.1%.

A breakdown of the top individual contributors and detractors is shown in the table below.

Fund Attribution YTD'26

Top Contributors	%	Top Detractors	%
Sun International	2.0%	Reinet	-1.7%
PPC	1.5%	Astral Foods	-1.6%
Rainbow Chicken	1.4%	AVI	-1.4%
Premier Group	0.9%	Wilson Bayly Holmes-Ovcon	-0.6%
Remgro	0.8%	Mpact	-0.4%

Source: Bateleur Capital

Asset Allocation

Asset Allocation	30 September 2026	% Change Q/Q	30 June 2026
Equity Holdings	92.9%	-0.3%	93.2%
Liquid Investments & Cash	7.1%	0.3%	6.8%
Net Exposure	92.9%	-0.3%	93.2%
Gross Exposure	92.9%	-0.3%	93.2%

Source: Bateleur Capital

Top 5 Holdings as at 30 September 2026

Premier Group	AVI	Remgro	Southern Sun	Sun International
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Portfolio Changes and Current Positioning

At period end, there were 19 core long positions in the fund and no short positions. The top 10 positions made up 61% of the fund's exposure and the fund was 93% invested. The portfolio is attractively priced, trading on an estimated 12-month forward P/E ratio of 8.7 times (9.3 times at 30 June 2026) and offering a 6.2% forward dividend yield (6.0% at 30 June 2026).

The fund's food producer holdings (Astral, AVI and Premier) detracted a combined 3.4% from performance in the third quarter, while Sun International gave back part of its good YTD share price gains. Italtile, KAL Group and WBHO also experienced notable share price declines, reflecting the generally weak sentiment towards domestic-facing companies.

Reinet has been the largest detractor YTD following its annual results in May, after which its discount to NAV widened to approximately 37%. Given its steep discount to NAV and asymmetric payoff profile, the company remains a core holding in the fund.

The fund's holding in food producer AVI was upweighted following recent share price weakness. We consider AVI one of the higher-quality listed companies in SA, capably led by long-standing CEO Simon Crutchley, and too discussed the name earlier in the report.

Lastly, Astral is expected to report record annual earnings and a debt-free balance sheet, and to declare a large final dividend when the company announces its annual results in November. Despite an expectation of stellar results, the company's share price was under pressure due to the potential threat of an El Niño event in the upcoming maize planting season and soft commodity supply disruptions due to ongoing geopolitical conflicts. While the level of poultry input costs is critical to Astral's investment case, we take comfort in the record domestic 2025/26 maize crop harvest and high expected carry-out stocks combined with an attractive valuation, at normalised levels of poultry profitability, to remain invested.

We continue to prioritise companies with proven management teams and strong cash-generation abilities that can deliver sustained earnings and dividend growth. While valuations remain depressed and current share price action is muted, we are confident in the ability of portfolio holdings to create shareholder value.

HEDGE FUNDS

Bateleur Long Short Prescient RI Hedge Fund

Lead Class Performance

Inception date of the Fund

January 2005 — Fund I Partnership

October 2016 — Retail CIS Hedge

Highest rolling 1 year return: Fund 52.1% | Benchmark 73.0%

Lowest rolling 1 year return: -12.1% | Benchmark -37.6%

Bateleur Market Neutral Prescient RI Hedge Fund

Lead Class Performance

Inception date of the Fund

July 2008 — MN Fund Partnership

Oct 2016 — Qualified CIS Hedge

Reclassified to Retail CIS Hedge Fund from 20 December 2022

Highest rolling 1 year return: Fund 19.8% | Benchmark 28.2%

Lowest rolling 1 year return: -3.7% | Benchmark -5.6%

Bateleur Special Opportunities Prescient RI Hedge Fund

Lead Class Performance

Inception date of the Fund

1 February 2018

Reclassified to Retail CIS Hedge Fund from 20 December 2022

Highest rolling 1 year return: Fund 90.6% | Benchmark 51.9%

Lowest rolling 1 year return: -27.6% | Benchmark -23.7%

UNIT TRUSTS

Bateleur Flexible Prescient Fund

A1 Class Performance

Inception date of the Fund July 2010

Highest rolling 1 year return: Fund 39.0% | Benchmark 54.5%

Lowest rolling 1 year return: -7.2% | Benchmark -18.4%

Bateleur SA Flexible Prescient Fund

A2 Class Performance

Inception date of the Fund August 2023

Highest rolling 1 year return: Fund 25.2% | Benchmark 54.5%

Lowest rolling 1 year return: 4.9% | Benchmark 13.4%

Bateleur FR SA Equity Fund

B6 Class Performance

Inception date of the Fund April 2015

Highest rolling 1 year return: Fund 54.4% | Benchmark 55.3%

Lowest rolling 1 year return: -25.5% | Benchmark -24.5%

The forecasts are based on reasonable assumptions, are not guaranteed to occur and are provided for illustrative purposes only.

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