

Steyn Capital

Investment Policy Summary

The Steyn Capital Global Emerging Markets Prescient Feeder Fund is a local feeder fund investing solely into the Steyn Capital Global Emerging Markets Fund (the Underlying Portfolio), a section 65 approved Irish UCITS fund on the Prescient Global Funds ICAV.

The Underlying Portfolio is a value orientated long only portfolio with a bottom-up stock selection approach, predominantly investing in listed equities in Emerging and Frontier markets.

Objectives & Strategy

The Underlying Portfolio's primary objective is to deliver high rates of return over the long term through exploitation of inefficiencies in global markets.

Performance Analysis

Performance may only be published in the MDD 1 year after the Portfolio's inception date.

Daily unit pricing is available on Bloomberg:

- Feeder Fund: CGMFA1
- Underlying Fund: PGSCMB

Asset Allocation – Underlying Fund

Geographic Equity Exposure	Q2 2026	Q1 2026
China	17.99%	14.22%
Diversified EM	11.92%	8.60%
Indonesia	10.63%	4.28%
Mexico	7.81%	4.68%
Hong Kong	7.68%	6.52%
Hungary	7.10%	7.95%
Taiwan	5.85%	4.88%
Brazil	5.71%	7.00%
Greece	5.34%	7.21%
Chile	2.68%	3.13%
Czech Republic	2.54%	2.85%
South Africa	2.38%	3.29%
Spain	2.14%	2.06%
Philippines	1.49%	3.54%
Poland	1.11%	4.05%
Korea	0.97%	2.79%
Argentina	0.94%	0.00%
India	0.00%	0.51%
Turkey	0.00%	3.91%
Austria	0.00%	2.71%
Total Equity Exposure	94.17%	94.17%
Cash	5.83%	5.83%
Total NAV	100.00%	100.00%

Portfolio Details

Investment Manager	Steyn Capital Management (Pty) Ltd
Portfolio Manager	James Corkin
Chief Investment Officer	André Steyn
ISIN / JSE Code	ZAE000356416 / CGMFA1
ASISA Category	Global – Equity – General
Benchmark	N/A
Currency	ZAR
Portfolio valuation & Liquidity	Daily @ 3pm
Transaction cut-off time	1 pm
Minimum initial investment	R10 000
Management Fee	0.25% (VAT not applicable)
Risk-reward Profile¹	High
Launch Date	26 January 2026
Distributions	Annually on 31 March
NAV² Price as at inception	100.00 cents per unit
Current NAV Price	96.96 cents per unit
Portfolio size	R51m (Strategy R493m)
Participatory interests	52 527 954
Total Expense Ratio³	To be published after 1 year

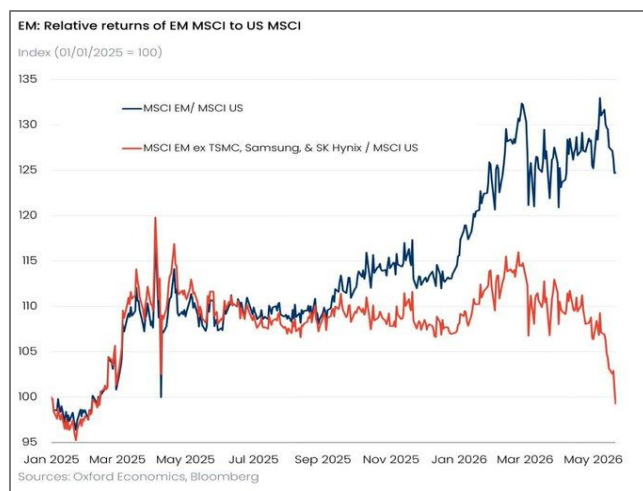
Monthly Commentary by Investment Manager

Detractors in the month included a Gold producer holding, which traded down alongside the gold price, and a Hong Kong-listed Hotel company, which traded down on no fundamental news. This was only partially offset by a Greek Port holding, which traded up alongside continued strong performance at its port, and a Luxury holding which benefitted from resilient incoming data on its core brands' performance. At month end, the fund held 33 positions, comprising 94% equity exposure.

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Q2 2026 Commentary by Investment Manager

The Emerging Markets Index rose 24.1% in the quarter, bringing its year-to-date return to 23.8%. This strong index return masks a bifurcation within emerging markets between AI-related semiconductor and capex names in Taiwan and Korea, and everything else. Three companies in particular - SK Hynix¹, Samsung² and TSMC- together represent almost one third of the Emerging Markets Index underlying exposure, and for the year-to-date these three stocks have rallied 277%, 158% and 57% respectively. Taken together, the return contribution of these three companies alone accounted for approximately 90% of the overall index return year to date, as this chart from Oxford Economics highlights below (note: the chart shows relative returns of MSCI EM to MSCI US, both including and excluding the companies mentioned above).



Our philosophy and process are to construct our portfolio bottom-up, without any reference to the broader index, by focusing on identifying and owning high quality businesses, which are not perceived as such, and which are trading at attractive valuations. Our process thus typically leads to us finding the best opportunities in areas of the market that are not attracting the kind of enthusiasm and capital currently rushing into the semiconductor and AI-capex sector. Over time, our experience and expectation are that a portfolio constructed in this way will generate strong absolute returns, irrespective of benchmark performance. This does however mean that the portfolio often looks very different to the index, which in periods of significant momentum in large index constituents or geographies, can result in divergencies in performance versus the index, as we have experienced in the last twelve months.

Portfolio positioning

Given we don't construct the portfolio with any reference to the benchmark, it is unusual for us to discuss companies that we haven't invested in. But given the extraordinary rallies in SK Hynix and Samsung Electronics, it bears reflecting on our hesitation with the memory-exposed stocks that have driven the index performance. Memory as an industry has a long history of both booms and busts, given its high capital intensity, long supply lead times, commodity-like nature, high fixed costs and the strong incentive for producers to run capacity once it has been built. Periods of tight supply and exceptional profitability have historically given way to gluts, falling prices and margin compression. SK Hynix, which is a more concentrated memory producer, experienced this phenomenon as recently as 2023, when it reported negative gross margins, illustrating the downside of this cyclicality. While AI demand, particularly for high-bandwidth memory, may well prove to be a structural improvement for the industry, the risk is that the market is capitalising the recent exceptional tightness as though it were permanent. While forward valuations may be optically low, they could potentially end up being much higher on normalised earnings than they currently appear.

Our strong preference is for businesses which exhibit characteristics such as consistently high returns on capital and incremental capital, strong brands, irreplaceable assets, pricing power and low valuations. We discuss some of these below.

In contrast to memory producers, TSMC manufactures highly-specialised and proprietary logic chips, where it has massive scale and technological leadership. Even if AI spending moderates, TSMC remains critical to its highly diversified customer base since almost all advanced proprietary logic chips require its manufacturing capabilities. TSMC prices its services based on technological value and complexity rather than supply-demand imbalances, which allows for more stable pricing during downturns. The 2023 downturn mentioned above is a case-in-point as while memory producers reported steep operating losses, TSMC maintained a 43% operating margin. We own TSMC in our portfolio and have done so since the Fund's launch. Our position size however remains modest compared to its current index weight of 15%, which has made it a source of relative underperformance. We have continued to trim the position into strength as the valuation has begun to impute increasingly optimistic growth expectations, to allocate capital to other opportunities.

¹ SK Hynix and SK Square

² Samsung Ordinary and Preferred shares

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Q2 2026 Commentary by Investment Manager (continued)

Two other examples of top holdings which illustrate our preferred criteria in companies are our holdings in Prada and Indofoods.

Hong-Kong listed Prada owns a portfolio of valuable global luxury brands, including Prada, Miu Miu and more recently Versace, which it has just acquired. Excluding the recent Versace acquisition, the company trades at only 8x Ev/EBIT, making it an outlier among global luxury companies, despite resilient performance at its core brands. We see several ways the group can continue its profitable growth, including through high-margin licensing and a refocus on its ultra-high net worth clientele. Versace, as the newest addition, is one of the most recognized luxury brands globally, and despite mismanagement at its prior home, the Prada group has both a demonstrated history of turning around brands, and low-hanging fruit to do so at Versace.

Indofood is an Indonesian holding company trading at more than a 50% discount to its sum-of-the-parts value and only 5x Ev/EBIT. The group is anchored by an 80% stake in Indofood ICBP, a 50-year-old market-leading consumer business whose Indomie brand has a dominant 75% share in Indonesia, as well as over 70% share across several countries in Africa and the Middle East. Unsurprisingly, it is recognized by Kantar as the world's most chosen instant noodle brand. This represents highly compelling value for a portfolio of high-quality, cash-generative consumer assets.

While our portfolio lagged the index in the current period, we have high conviction that our portfolio of companies will generate strong returns over time.

Contributors

The biggest contributor to performance in the quarter was our holding in TSMC, which traded up on earnings significantly exceeding consensus expectations, and management raising its full year revenue growth guidance to more than 30%.

Other contributors included our holding in OTP Bank, which is a leading regional banking franchise based in Hungary, with dominant market share in five countries, strong growth and a strong capital position. In addition, with the EU-friendly electoral outcome in the Hungarian general elections, both the political and regulatory outlook in its home market is improving. OTP continued trading up strongly following its first quarter results, on strong net interest margin expansion, and year-over-year loan growth of 16% driven by its Hungarian franchise.

Our Greek Port holding Piraeus Port, also traded up strongly in the quarter. Piraeus has strategic port and terminal assets just outside Athens, with rail links into fast-growing Eastern European markets. Operational performance remains solid, with resilient domestic activity and tourism offsetting recent weakness in transshipment volumes linked to Red Sea disruption. With net cash on its balance sheet and strong free cash flow generation, which we expect to improve further following the completion of a major capital expenditure programme, the company is well positioned to return increasing amounts of capital to shareholders.

Detractors

The largest detractor in the period was our holding in Pan African Resources. While the gold price has corrected following its strong rally through 2025 and into the first quarter of this year, Pan African remains highly profitable and cash generative at spot prices, with net cash on the balance sheet, and a strong production profile projected to increase by 40% year-over-year in 2026.

Becle S.A.B. was another modest detractor. The shares traded down ahead of quarterly earnings, reflecting concerns around short-term U.S. distributor disruption and continued category softness. Becle is a 250-year-old, family-owned Mexican spirits franchise with a market-leading global position in tequila and ownership of three of the top six global tequila brands. The company now trades on a trough valuation multiple, below tangible book value, and on an estimated 10% free-cash-flow yield. We believe the share price extrapolates depressed industry conditions into perpetuity and represents compelling value for a difficult-to-replicate spirits franchise at a point when the market is pricing current industry weakness as permanent. We've also observed the beginnings of potential consolidation within the broader spirits industry, and we believe Becle's valuable brands be worth significantly more in any potential transaction than what they are being priced at today.

Outlook

We continue to believe that the outlook for emerging markets remains exceptional. Despite the headline index gains, many high-quality companies sitting outside the AI spotlight have become even more attractively valued, and we have continued to concentrate the portfolio into these opportunities.

At month end, the fund held 33 positions, comprising 94% equity exposure.

As always, if anything is unclear, or if you wish to discuss our operations further, we welcome your questions.

Sincerely,

James Corkin, CA(SA)
André Steyn, CFA

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Information and Mandatory Disclosures

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from Prescient Management Company (RF) (Pty) Ltd ("the managers"). There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. Prices are published daily on the manager's website. Portfolio performance is calculated on a NAV to NAV basis with income reinvested. Additional information, including Key Investor Information Documents, Minimum Disclosure Documents, as well as other information relating to the portfolio is available, free of charge, on request from the manager. This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act 45 of 2002. The Manager retains full legal responsibility for any third party-named portfolio.

A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme which levies its own charges, and which could result in a higher fee structure for the feeder fund.

Portfolio specific risks include the following:

Equity investment risk: the value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

Geographic / sector risk: investments may be primarily concentrated in specific countries, geographical regions and/or industry sectors. This may mean that the resulting value may decrease whilst portfolios more broadly invested might grow.

Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks, and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees.

Adherence to policy objective: The portfolio adhered to its investment policy objective as stated in the Supplemental Deed.

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Footnotes

¹High risk portfolios generally hold more equity exposure than any other risk profiled portfolios and therefore tend to carry higher volatility. Volatility is a statistical measure of the dispersion of returns for a given security or market index. Expected potential long term returns could be higher than other risk profiles, in turn potential losses of capital could be higher.

²The NAV (net asset value) represents the assets of the portfolio less its liabilities.

³The portfolio's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the portfolio incurred as costs relating to the buying and selling of the portfolio's underlying assets. Transaction costs are a necessary cost in administering the portfolio and impacts portfolio returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of portfolio, investment decisions of the investment manager and the TER. The Total Expense Ratio cannot be determined accurately due to the short lifespan of the fund. The accurate TER figures will be available a year after the fund's inception.

Contact Details

Management Company

Prescient Management Company (RF) (Pty) Ltd

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Investment Manager

Steyn Capital Management (Pty) Ltd

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