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Camissa Asset Management

First Quarter

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Redefining
boring

Master Drilling: cutting-edge mining solutions

Mandi Dungwa - Portfolio Manager

As mining ventures deeper and grows more complex, companies that make access quicker and less costly are becoming increasingly important. Master Drilling has spent over four decades at the forefront of this shift. It is a global leader in specialised drilling solutions, operating in highly challenging and technically demanding environments. We explore how Master Drilling is using its scale, technology and innovation to capture high-value opportunities in a progressively complicated mining landscape.

Master Drilling: cutting-edge mining solutions

Master Drilling has become an expert in raise boring, a mechanised method of excavating vertical shafts by drilling a small pilot hole downwards and enlarging it with a reamer. The reamer is a cutting tool used to widen the existing hole by rotating and pulling it from the bottom of the pilot hole to the surface to create a smooth, round, full-sized shaft. It requires access to the lower level of the mine to install the reamer and remove debris. This mining method can deliver large shafts reaching depths of up to 1 380 metres and diameters of up to nine metres.

The technique is also widely used in civil engineering and hydraulic applications. Within mining, it is particularly valuable for developing ventilation shafts, ore passes and access routes.

The key advantages of raise boring over conventional drill-and-blast methods are:

- **Improved safety:** Workers are not exposed inside shafts during excavation.
- **Greater efficiency:** Project timelines can often be reduced by up to 50%.
- **Lower costs:** Typically, 30-40% cheaper than the labour-intensive and hazardous conventional methods.
- **Higher precision:** Produces smooth, accurately sized shafts.

Shaping mines and margins

Master Drilling operates the world's largest raise boring fleet, a dominant position built through strategic acquisitions and the consolidation of a historically fragmented global market. Expansion accelerated during a period of subdued mining expenditure following the collapse of China's infrastructure-led commodity supercycle around the middle of the last decade.

As *charted below*, this counter-cyclical investment strategy, acquiring raise boring fleets and competitors at the bottom of the cycle, has positioned the company favourably. These investments are expected to generate strong returns as mining capital expenditure recovers. This recovery is supported by improving demand linked to the global energy transition and the rising geopolitical importance of critical minerals.

Demand for raise boring services is inherently cyclical and fluctuates significantly over the life of a mine. As a result, it is essential for drilling companies to maintain diversification across regions, commodities and customers to sustain high utilisation rates across their fleet. Master Drilling's global footprint and broad exposure help mitigate these demand fluctuations and support more stable earnings.

Structural tailwinds: deeper mining

A structural sector trend is the increasing depth of mines as shallower ore bodies deplete. Extending operations further underground drives the need for larger-diameter raise boring, which requires more specialised equipment and technical

Global mining capex and Master Drilling's raise bore fleet

Source: Wood Mackenzie, Master Drilling, Camissa Asset Management estimates expertise. These projects are inherently more complex and higher risk, commanding significantly higher revenue per machine for capable service providers.

Master Drilling has carved out a distinct competitive edge through technological innovation. Rather than merely purchasing equipment, the group retrofits machines with proprietary, patented technology to drill deeper shafts at greater diameters than standard industry models. A notable demonstration of this capability is the partnership with Northam Platinum at the Zondereinde mine. Here, Master Drilling completed the world's deepest, largest-diameter raise bore shaft in just 31 months. By comparison, conventional drill-and-blast methods for a shaft of similar size (4.8 m wide and 1 380 m deep) would have taken an estimated five to seven years.

Master Drilling has significantly increased its exposure to larger, more advanced machinery, which now accounts for around 70% of its raise boring fleet (up from roughly 60% five years ago). Due to strong demand, these machines are fully utilised at present and generate approximately 90% higher revenue per machine than smaller units.

Transformative technology: a potential game changer

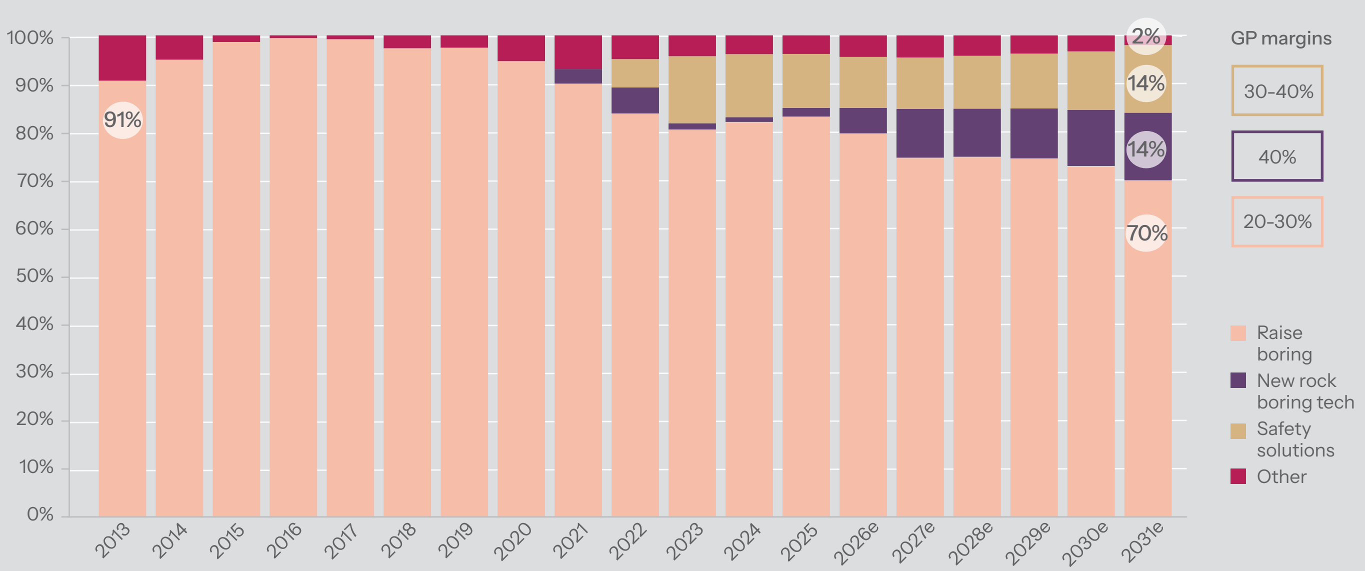
In addition to steady growth from its core raise boring business, Master Drilling has the potential to materially enhance profitability through the commercialisation of several new technologies. While these innovations have progressed to contract stage, the key hurdle remains proving scalability and consistent commercial success.

The **mobile tunnel borer (MTB)** is the most advanced of these innovations, effectively adapting raise boring for horizontal application. Engineered for underground mine access, it has the potential to halve development timelines, accelerate production and materially lower project costs. Financially, the impact is outsized: a single MTB can generate revenue equivalent to approximately five large raise boring machines. Given similar operating costs, this implies a significant expansion in margins.

Blind shaft boring (BSB) enables vertical shaft development in undeveloped (virgin) ground. Unlike conventional raise boring, it does not require pre-existing underground access, making it well suited for greenfield projects. By providing an efficient alternative to traditional shaft sinking, BSB substantially expands Master Drilling's addressable market.

Developed in partnership with African Rainbow Minerals, the **reef boring machine (RBM)** targets complex narrow and tabular ore bodies that are difficult to mine using conventional mechanised methods. The technology focuses on the selective extraction of high-grade ore and reducing dilution and waste. It benefits continuous, high-production operations in challenging geological conditions.

Master Drilling revenue and gross profit by division



Source: Master Drilling, Camissa Asset Management estimates

Master Drilling: cutting-edge mining solutions

Together, these technologies provide substantial embedded optionality. If successfully commercialised, they could be transformative - redefining Master Drilling's role in the mining value chain and structurally boosting margins. However, their impact will depend on effective execution and the pace of client adoption. We showcase Master Drilling's evolving revenue mix and potential profitability outcomes on the *previous page*.

Turning safety into strategic advantage

Master Drilling has strategically broadened its scope beyond traditional drilling technologies through the acquisition of a majority stake in the A&R Group, a provider of safety solutions for underground mining operations.

Proximity detection technology is A&R's core offering, designed for high-risk underground environments where interactions between workers and heavy machinery can be fatal. The system equips personnel and equipment with detection devices that automatically slow or stop machinery when a worker is in range. Essentially an override function, it significantly reduces accident risk and is supported by sustained demand through South African safety regulations.

Master Drilling already holds over 20% of the South African market for safety solutions, leaving substantial room for growth. The company aims to tap into its global client relationships to export these safety solutions. South African miners are frontrunners in this area, particularly in the gold and platinum sectors, where some of the world's deepest mines require advanced safety systems.

As global safety standards tighten with evolving industry complexities, international adoption is expected to accelerate. This segment offers a highly resilient revenue stream for Master Drilling, that:

- **Is non-discretionary:** Safety spending is less sensitive to commodity cycles than traditional capital expenditure.
- **Has sticky contracts:** Once awarded, these long-term contracts are difficult to displace.
- **Produces accretive margins:** Profitability is currently more than the core raise boring operations, expanding the group's overall margin.

Multiple pathways to growth

Master Drilling stands out, not only as a leader in specialised raise boring, but also as a pioneer in transformative mining technologies and safety solutions. Its established fleet, global footprint and consistent focus on innovation position the company to capture increasingly complex, higher-value projects.

While the core business remains a steady foundation, the rollout of new technologies offers the potential for materially higher margins and expanded market reach. Simultaneously, the growing safety solutions segment provides a resilient and complementary revenue stream that is largely decoupled from commodity cycles. Together, these elements create multiple avenues for sustainable long-term value, reinforcing Master Drilling's role as a strategic partner in a modernising mining sector. UP

Zoetis is the alpha dog of the pet economy

Mohamed Mitha - Portfolio Manager

"Amid shrinking households and declining birth rates, one family member is increasingly taking centre stage: the pet. Half of Americans consider their pets to be as much a part of the family as human members, with pets now outnumbering children in households across the US. Within this thriving market sits Zoetis (pronounced "zoh-eh-tis") – the world's largest animal health company."

Zoetis is the alpha dog of the pet economy

Originally part of Pfizer, Zoetis was spun off in 2013 and has since forged its own path as the leader in animal healthcare. We examine Zoetis' role at the forefront of this expanding market.

A winning portfolio

Zoetis offers a portfolio of high-quality, high-margin vaccines and medicines for both companion animals and livestock - *illustrated below*. The company markets over 300 products across more than 100 countries, addressing conditions such as parasites, pain management and dermatitis. Currently, the US constitutes 55% of revenue for the business.

A product that highlights Zoetis' competitive edge is Simparica Trio, a once-monthly chewable tablet for dogs that provides protection against fleas, ticks and heartworm. It was the first triple-action parasiticide on the market and, since its launch in 2020, has surpassed $1 billion in annual sales to become the top selling parasiticide in the US.

Its success reflects a simple but powerful insight: reaching pet owners early - ideally at a puppy's first veterinarian visit - creates compelling long-term economics. A satisfied owner who starts their dog on Simparica Trio in puppyhood is, in all likelihood, a customer for the next 12 to 15 years. This industry strategy is known as "winning the puppy".

Approximately 95% of Zoetis' product portfolio is prescription-only, making vets critical commercial gatekeepers. Vets are cautious by nature and therefore, once a product has proven safe and effective, they are reluctant to switch. Zoetis engages deeply with the veterinarian channel, investing in bursaries, education and expanded offerings in genetics, diagnostics, digital tools and data analytics.

Zoetis has a disciplined approach to research and development and partners extensively with veterinary schools, academic institutions and clinical practitioners. This ecosystem is designed to generate insights that are both scientifically rigorous and commercially relevant. A collaborative approach has helped Zoetis consistently lead key therapeutic categories, including the development of the first COVID vaccine for animals.

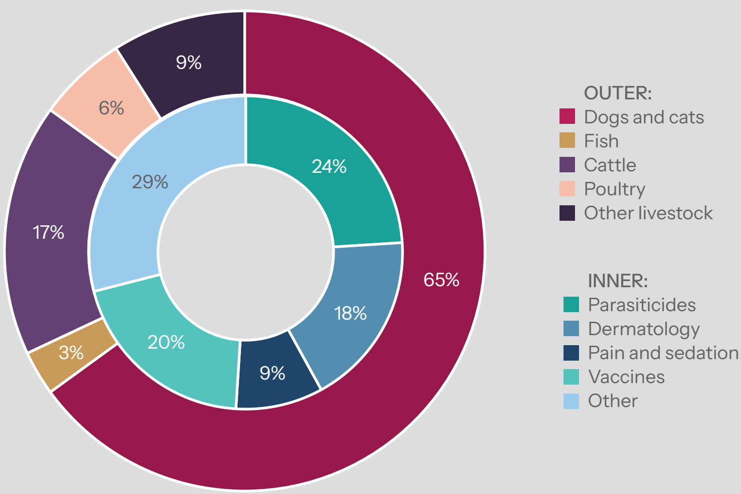
Consequently, Zoetis has outperformed the broader animal health market. Over the 12 years to 2025, revenue grew at an average of 8% per year, compared to 5% for the wider industry. Since listing, earnings have grown at an impressive 13% per year on average.

The pet economy

Zoetis has been a major beneficiary of the structural rise in pet ownership, underpinned by three durable forces.

First, the **increasing humanisation of pets**. A recent US study found that 9 in 10 dog owners value their dog's health as much as, or more than, their own. This sentiment is particularly strong among Gen Z. With nearly two-thirds of US households

Revenue split and selected Zoetis products (2025)



Source: company reports, Camissa Asset Management estimates

owning at least one pet, powerful commercial tailwinds continue to build.

Second, **companion animal lifespans have lengthened materially** due to advances in nutrition and veterinary care. Dogs lived an average of nine years in the 1980s. Today, that figure is closer to 13 years. Cats have moved from 7 years to around 12. Longer lifespans lead to more frequent vet visits, increased medication use and a greater demand for treatments as age-related conditions (ie tumours, parasites, and arthritis) become more prevalent.

Third, **spending on pets has proven resilient** through economic cycles. When household budgets tighten, 70% of owners would rather cancel streaming subscriptions and 91% would spend less on dining out, before reducing pet spend. Zoetis' research suggests that 86% of owners would pay "whatever it takes" for essential pet healthcare.

The company's increasing focus on companion animals (now 65% of sales) reflects this dynamic. Pet owners tend to make decisions more emotionally than economically, supporting higher innovation uptake and stronger margins than livestock markets, where farmers apply stricter cost-benefit criteria.

Human versus animal pharma

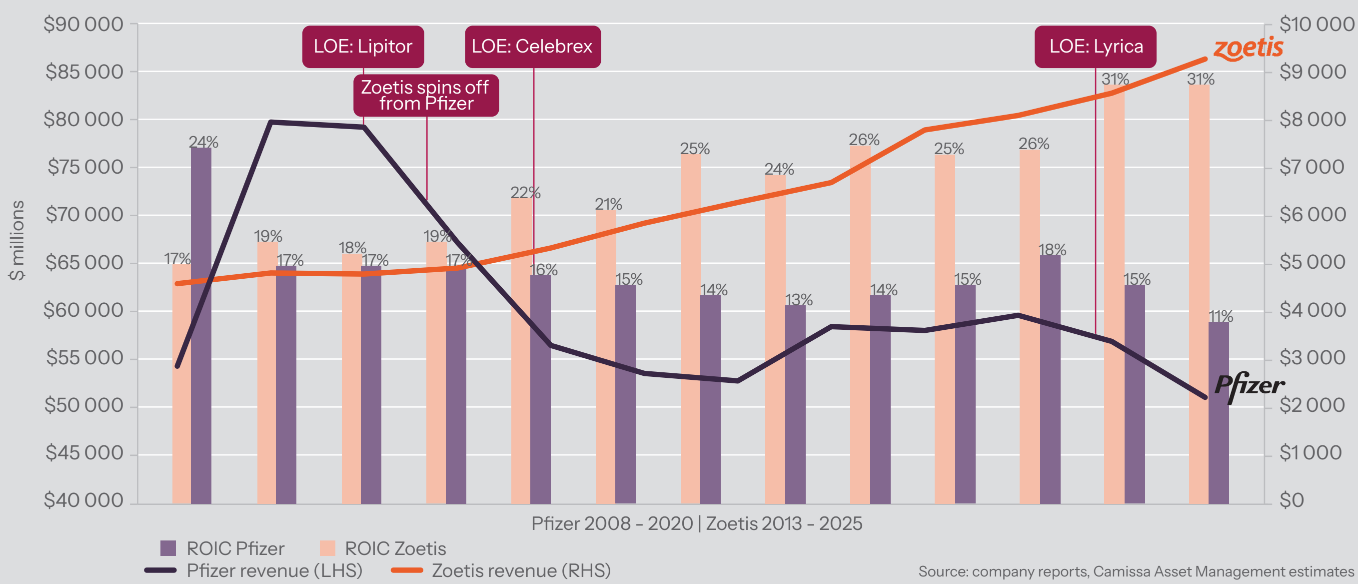
The animal health market benefits from several structural advantages over the human pharmaceutical market. Research and development timelines are shorter (around 7 years versus 12–15 years for human pharma) and costs are materially lower, while still meeting stringent standards. Smaller, faster-enrolling trial populations further accelerate development.

In addition, success rates are around four times higher. Many animal drugs are adaptations of compounds already proven in other species, significantly reducing risk in development. A molecule validated in dogs, for example, can often be reformulated for cats with relatively limited additional investment.

Perhaps the most important advantage relative to the human drug industry is the absence of dominant third-party payers. Human pharma must contend with insurers and government formularies that compress pricing. In animal health, the paying customer is usually the pet owner, guided by their vet. Patent protection also tends to be more durable: while generics exist, smaller market sizes deter widespread generic provider entry and vet-driven brand loyalty creates a lasting competitive moat.

Together, these dynamics enable Zoetis to commercialise innovation efficiently, delivering high financial returns with lower structural risk. By contrast, human pharma companies (such as Pfizer) typically face sharp revenue declines when blockbuster drugs experience loss-of-exclusivity (LOE), alongside a weaker return on invested capital (ROIC) profile - see *chart below*.

Human vs animal pharma



Source: company reports, Camissa Asset Management estimates

Zoetis is the alpha dog of the pet economy

The chasing pack

While Zoetis remains the clear leader, rivals Elanco and Merck Animal Health, have introduced competing products across key categories. Credelio (Elanco) and Bravecto (Merck) challenge Simparica Trio in parasiticides, while Elanco's Zenrelia and Merck's Numelvi target Zoetis' Apoquel in dermatology. Elanco's aggressive promotional pricing of Zenrelia has led to market share losses for Zoetis, with Numelvi's recent approval adding further competitive pressure - though Zoetis is responding with line extensions and improved formulations, consistent with its innovation-led strategy.

A pipeline with bite

Innovation is central to Zoetis' long-term growth and the company's pipeline remains one of its strongest assets. Major product launches are planned annually over the next several years (*tabled below*), with chronic kidney disease - the leading cause of feline mortality - being a key area of focus. Zoetis has seven drugs in development that target this condition in an estimated $3-4 billion per annum market with no disease-modifying treatments currently available.

Oncology is a strategic priority, with Zoetis developing purpose-built therapies specifically for canine cancers. Cancer affects one in four dogs and one in five cats and it remains the leading cause of death in adult dogs (accounting for over 30% of US cases). Despite this, treatment options are limited and largely repurposed from human medicine.

Altogether, new therapeutic areas represent more than $5 billion per annum in opportunity - significant relative to current Zoetis revenue of $9.5 billion per annum.

The pipeline also reflects a deliberate shift toward greater complexity, with increasing investment in monoclonal antibody (mAb) technologies. Unlike conventional synthetic drugs, these biologics are derived from living organisms and target specific biological pathways with precision. Despite higher development costs, they offer stronger efficacy and transformative potential across cancer, allergies, diabetes and osteoarthritis pain.

A leader in a growing market

Zoetis stands as the leader in a structurally growing market, supported by rising pet ownership, ongoing pet humanisation and resilient owner spending. Its innovation-led culture, enduring vet relationships and differentiated pipeline position it for above-market growth over the long term. Despite the competitive headwinds, we view the recent share price weakness as a compelling opportunity to hold this exceptional business in our clients' portfolios. UP

Zoetis' robust product pipeline across time horizons

2025 launches
- Long-acting Osteo-arthritis mAB (Portela)
- Long-acting Osteo-arthritis mAB (Lenivia)
- HPAI vaccines*

Expected 2026
- Next-gen Chemistry Diagnostics[2]
- Long-acting Cytopoint
- HVT-ND Vaccine

Expected 2027
- Renal mAB Therapy*
- Simparica DUO
- HVT-ND-ILT Vaccine
- PCV2a-b mHyo Needle-free Vaccine

Expected 2028 - 2029
- Dermatology mAB
- Convenia® (new formulation)
- Oral Vaccines
- Oncology mAB 1*
- Oncology mAB 2*
- DNA Vaccine 1

Expected[3] 2030+
- Renal mAB Therapy*
- Obesity Therapeutic
- Anxiety Therapeutic
- Long-acting Parasiticide
- Cardiology Solution*
- Bacterial Vaccines
- Parasite Vaccines
- mHyo Microdose Vaccine
- Dermatology Therapeutic*
- DNA Vaccine 2

Expected blockbusters[1]

[1] Products with expected future potential sales of $100 million+, not necessarily to be achieved within disclosed time horizon.
[2] Completion of final validation expected in 2026.
[3] Non-exhaustive.

*Conditional licenses or approvals
Source: company reports, Camissa Asset Management estimates

GTT powers liquefied natural gas growth

Abdul Davids - Portfolio Manager

"Few companies can claim to have designed the invisible infrastructure underpinning an entire global industry. Gaztransport & Technigaz SA, a French engineering company headquartered in the quiet Parisian suburb of Saint-Rémy-lès-Chevreuse, with just 738 employees, is one such company."

GTT powers liquefied natural gas growth

Trading as GTT, it commands over 90% market share in the design of membrane containment systems for liquefied natural gas (LNG) carriers - an almost monopolistic position that should attract any investor focused on competitive moats. We investigate the technology, market position and exceptional economics behind this low-profile firm.

Innovation to integration

GTT's roots stretch back to the early 1960s, when European engineers met the challenge of transporting Algerian natural gas across the Mediterranean. The idea of a pipeline was abandoned due to regional instability, prompting innovators to develop a way to ship gas in liquid form at cryogenic temperatures of minus 163°C. Two French companies emerged from this effort:

Technigaz, founded in 1963 as a subsidiary of Gazocean (a joint venture between Gaz de France and Japan's NYK Line), patented membrane containment panels in 1964. It delivered its first LNG carrier the same year.

Gaztransport SA, established by the Worms Group in 1966, followed with the competing Invar steel containment system. Its first vessel, the Polar Alaska, was delivered in 1969.

For three decades, these rival firms independently refined their cryogenic membrane technologies amid a turbulent LNG market, including the industry downturn of the 1980s. In 1994, they merged to form Gaztransport & Technigaz, uniting their complementary Mark and NO containment systems. The new entity was initially owned by Gaz de France (40%), Total (30%) and Bouygues Offshore (30%). In February 2014, GTT listed on the Euronext Paris in an IPO that underscored the strength of its competitive position.

In 2024, GTT posted record revenue of €641 million, up 50% from the year before, and an operating profit margin exceeding 60%. These are remarkably strong metrics.

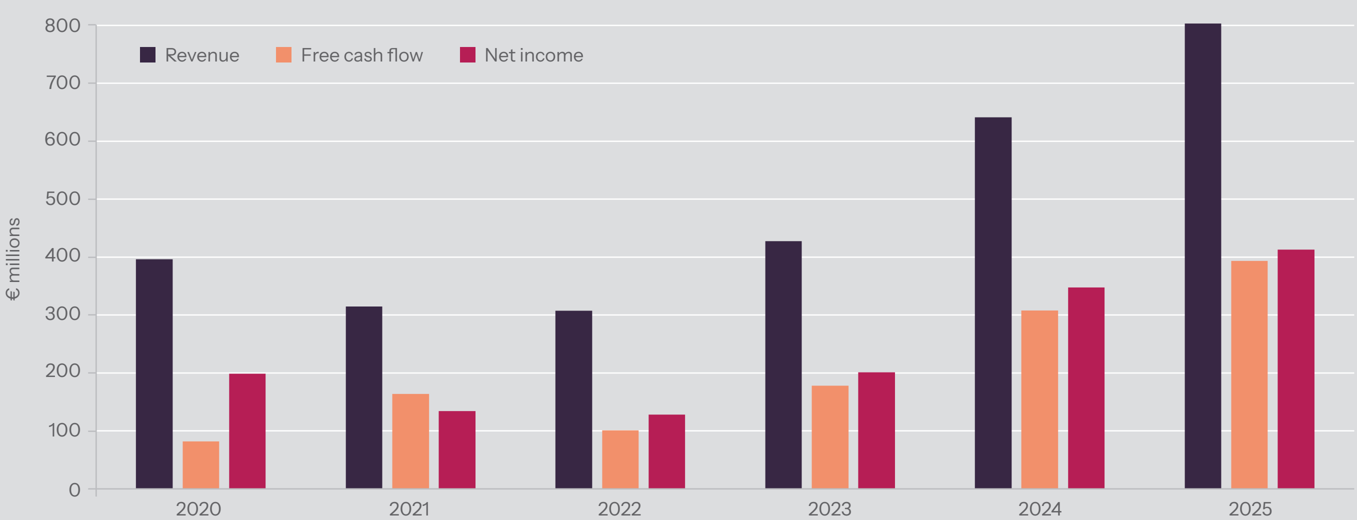
Exceptional economics

GTT operates an asset-light licensing model, designing containment systems and licensing the technology to shipyards. It earns royalties on each vessel built.

This technology is installed on more than 80% of the global LNG fleet. Nearly every new carrier constructed in the world's leading Korean and Chinese shipyards carries a GTT license.

The business model has an exceptionally lean cost structure, with gross margins consistently exceeding 95%, while operating profit margins have held between 50% and 55% over the past five years. GTT's financial performance reflects the cyclical nature of LNG carrier orders, which softened in 2021–2022 before rebounding to record levels in 2025.

GTT key financial metrics



Source: GTT financials, Camissa Asset Management

Revenue more than doubled from €307 million in 2022 to €803 million in 2025, with earnings rising to €413 million and free cash flow reaching €393 million, as *charted on the previous page*. The company ended 2025 with €218 million in net cash.

Fuelling growth, managing risk

The investment case for GTT rests on expanding global LNG demand, which is currently propelled by several converging forces:

- Energy security concerns have prompted European and Asian countries to diversify gas supply through adding long-term LNG contracts.
- Environmental regulations from the International Maritime Organisation are pushing the shipping industry to adopt LNG as a marine fuel, creating additional demand for GTT's fuel tank designs.
- Record new liquefaction capacity is coming online, necessitating a corresponding wave of new carrier orders.
- An ageing LNG fleet, with many vessels over 25 years old, adds a further replacement-driven demand tailwind.

Below, we highlight the outlook for LNG supply and demand as forecast by the International Energy Agency (IEA). The IEA projects a growing shortfall in supply that is likely to peak at around 200 million tonnes by 2040 based on its forecast of demand growth and current operational LNG supply, as well as new LNG supply under construction.

There are, however, risks to these forecasts. Geopolitical conflicts and US tariff changes have introduced caution among shipowners in timing orders.

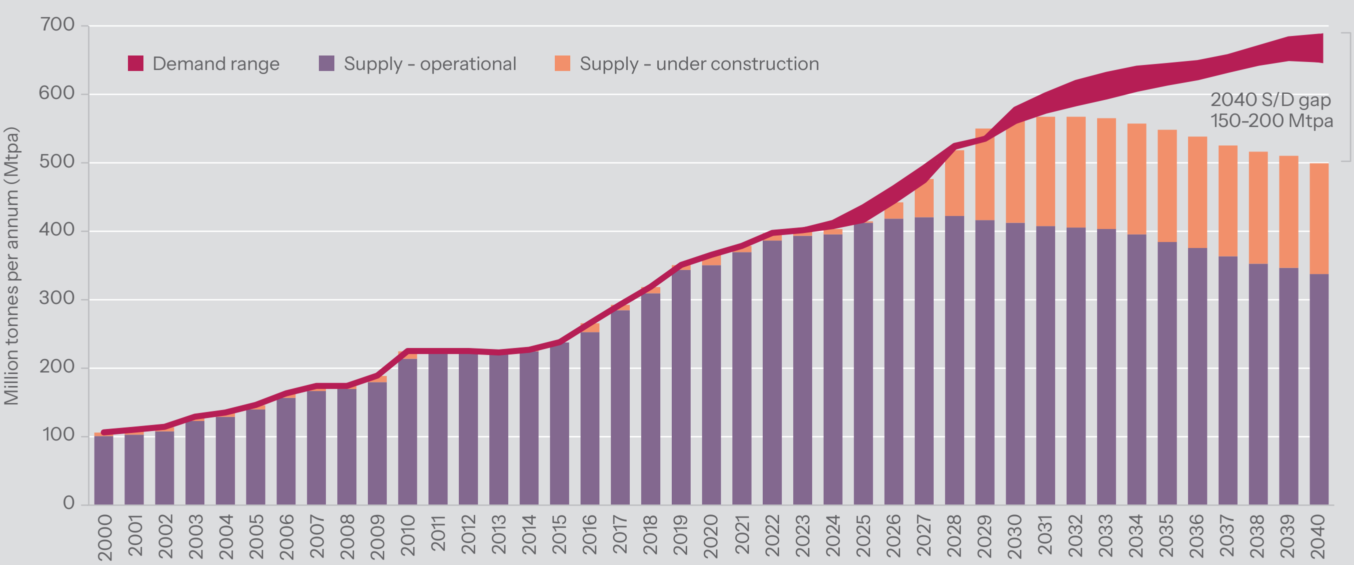
Additionally, Korean shipyards, GTT's primary customers, have developed competing containment technologies (including KOGAS's KC-1 and Samsung's KCS systems), yet none match GTT's proven track record.

Finally, the long-term trajectory of global decarbonisation raises questions about the duration of LNG's role as a transition fuel, though forecasts point to sustained robust demand for at least the next two decades.

Competitive advantages and barriers to entry

GTT's competitive moat is among the widest in industrial engineering. At the end of 2024, it held 3 482 active worldwide patents and ranked first among French mid-cap companies for patent filings at the National Institute of Industrial Property for four consecutive years. Its Mark III Flex+ and NO96 Super+ systems cut boil-off rates to just 0.07% of cargo per day. This is roughly half that of competing Korean alternatives. This directly lowers fuel costs and emissions for shipowners. Additionally, the certification process with international classification societies (Bureau Veritas, Lloyd's Register and DNV) is lengthy and rigorous, creating a formidable qualification barrier for new entrants.

LNG supply/demand balance



Source: IEA, Camissa Asset Management

GTT powers liquefied natural gas growth

Beyond technology, GTT enjoys deep, long-standing relationships with the three major Korean shipyards (HD Hyundai, Samsung Heavy Industries, Hanwha Ocean) and China's Hudong-Zhonghua, which together build most of the world's LNG carriers. Switching costs are high as shipyards have invested for decades in tooling, training and workflow integration with GTT's systems. The royalty-based model eliminates manufacturing risk and gives the company significant operating leverage, whereby incremental revenue flows almost entirely to the bottom line.

Order book visibility

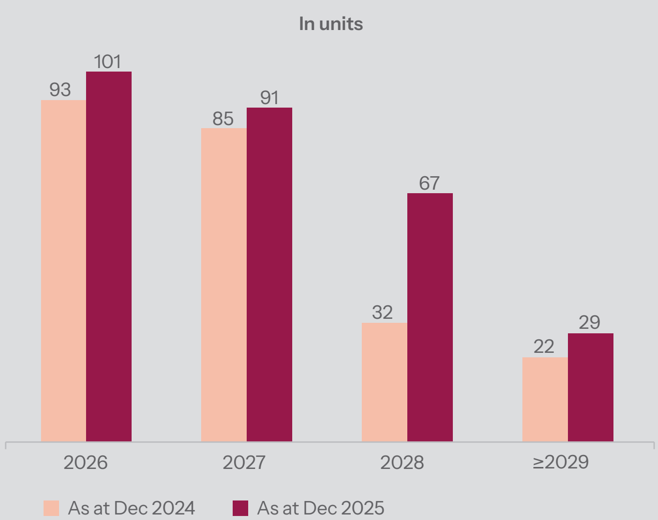
As *shown below*, GTT's order book totalled around €1.6 billion across 288 units at the end of 2025, providing multi-year revenue visibility. Management expects 150 new LNG carrier orders in 2026, supported by the record wave of US LNG project approvals and ongoing fleet replacement needs.

The strength of specialised intellectual property

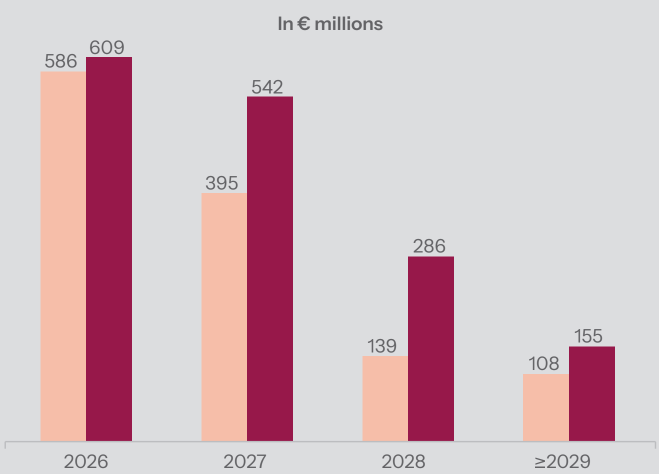
GTT is that rarest of industrial enterprises: a capital-light technology licensor with monopoly-like market share, extraordinary margins, a fortress balance sheet and a multi-decade structural growth runway. Its containment systems are the critical enabling technology for the global LNG market, which is expanding as the world navigates the complex transition from coal to cleaner fuels. While geopolitical crosscurrents and nascent Korean competition warrant monitoring, GTT's 60-year head start in cryogenic engineering, its unmatched patent portfolio and deeply entrenched relationships with the world's shipyards make it an exceedingly difficult franchise to replicate.

With a €1.6 billion order book providing visibility to the end of the decade, record earnings momentum and emerging optionality in hydrogen and ammonia transport, GTT presents a compelling investment case. The enduring power of its specialised intellectual property produces superior economic results, which are benefiting our clients. UP

GTT order book by year of delivery



Revenues expected from current order book



Source: GTT 2025 financial year presentation

Carrier's growth transition for a warming world

Mpsatshweu Mehlape - Investment Analyst

"Carrier Global (Carrier) manufactures heating and cooling products for residential homes, commercial buildings (including data centres) and cold chain transportation. The company was founded in 1915 in New York City by Willis Carrier who invented modern air conditioning in 1902. Carrier has since evolved from a traditional air conditioning company, into an innovative global leader in temperature control solutions."

Carrier's growth transition for a warming world

We unpack Carrier's business model, the cooling off of American residential market demand following a boom, the company's strategic expansion into Europe and the high-growth opportunities from data centre cooling and aftermarket services.

Carrier's key brands

The *table below* highlights Carrier's core brands across market segments, along with their positioning. Its key market-leading brands include:

- **Carrier** - the dominant brand in the Americas;
- **Viessmann** - a top-tier player in Europe; and
- **Toshiba** – a premium brand in the Asia-Pacific region.

Carrier's US market post-boom

North America remains Carrier's core market, where it holds the leading market share with a large installed product base and deep penetration within dealer and independent installer networks.

The US residential market experienced a period of surging demand following the 2020 pandemic - *charted on the next page*. The shift to working from home, combined with subsidies from the Inflation Reduction Act (IRA) and the prevailing low interest rates, accelerated the replacement cycle for home heating and cooling products. However, by the end of 2025, these pandemic-era tailwinds had abated. The demand for air conditioning units and air-source heat pumps has subsequently declined and is expected to contract further in 2026.

The US market is predominantly driven by replacement demand, with 75% of new unit sales replacing legacy systems. Old air conditioners are significantly more energy-intensive than modern units due to outdated technology, worn components and lower efficiency - often consuming twice the energy to achieve the same effect. Upgrading to modern systems can yield material long-term electricity cost savings that more than justify the conversion costs.

Looking ahead, industry volumes are poised to resume growth as a vast portion of the aging, inefficient residential units are replaced. This cycle is expected to gain momentum through 2027 and beyond. In this consolidated[1] residential market, Carrier's incumbent brand and dominant distribution footprint position it well to capture the forecasted growth.

Positioned for the EU's energy transition

Carrier's European business primarily serves the need for indoor heating rather than air conditioning. Its recently acquired Viessmann business is the leading German provider of integrated home energy management systems, encompassing heat pumps, solar panels, battery storage and smart thermostats.

[1] The top 10 companies in the USA's air conditioner market account for over 80% of sales.

Carrier's core brand portfolio

Market segment	Market position	% of revenues	Key brands
Residential	#1	54%	Carrier, Bryant, Viessmann, Toshiba
Light commercial*	#1	12%	Carrier, Bryant, Viessmann, Toshiba, ICP
Commercial**	#3	22%	Carrier, Automatedlogic, Nlyte
Cold chain refrigeration	#1	12%	Carrier, Transicold, Sensitech

*Smaller refrigerant volumes usage and less complex systems to install
**Refers to operators of hospitals, retail stores, education facilities, data centres and other buildings requiring bespoke integrated temperature control systems
Source: Carrier Global

Following the cancellation of fossil-fuel boiler subsidies in early 2025, the market is transitioning from legacy gas boilers to high-efficiency electric heat pumps, which are four times more profitable for Carrier than gas boilers.

While the upfront cost of a heat pump remains higher than a boiler - a factor that initially tempered the transition - robust government support in key markets like Germany, UK, France and Italy has mitigated this barrier. In Germany, which accounts for half of Viessmann's revenue, government subsidies can cover up to 70% of installation costs for compliant heat pump systems. Post-installation, electric heat pumps deliver significantly lower operational expenses than traditional gas boilers, while drastically reducing carbon emissions, particularly when the electricity comes from renewable sources.

Data center cooling

Perhaps the most explosive area of growth for Carrier is data centre cooling. The rapid progress in, and utilisation of, artificial intelligence (AI) systems has resulted in enormous growth in the building of new data centres, and plans for future builds are exponentially larger. High-density AI server racks operating at peak utilisation can reach internal temperatures of between 85°C and 95°C and require uninterrupted cooling. This structural demand has seen Carrier's data centre revenue double between 2024 and 2025.

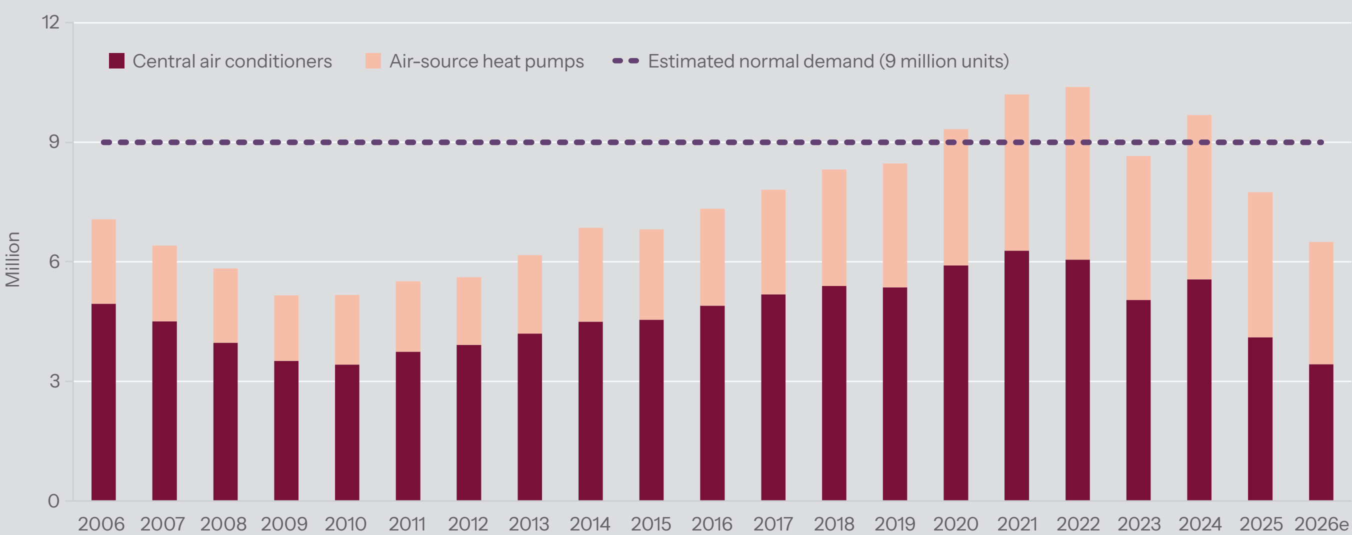
While legacy data centre architectures rely heavily on traditional air-cooling chillers, which currently comprise 87% of the market, next-generation AI racks require direct-to-chip liquid cooling. Carrier is actively innovating to provide for this shift, with advanced Coolant Distribution Units (CDUs) that sit adjacent to servers to continuously circulate low-temperature, non-conductive coolant directly over the chips – as *illustrated on the following page*.

Carrier provides a fully integrated, customised ecosystem, which includes hardware (chillers, air handlers and CDUs) and specialised software (building automation systems and dedicated engineering services within close proximity). This comprehensive, full-system offering creates high switching costs for clients and differentiates Carrier from component-only manufacturers.

Building a high-margin service network

Historically, 75% of Carrier products were serviced by third-party providers or in-house teams rather than Carrier itself. Since 2020, management fundamentally shifted strategy to transform after-sales into a core operational pillar to capture lucrative, recurring revenue streams. Aftermarket sales have grown by 15% per year since then, representing around 23% of total group revenue in 2025.

US residential shipments of units



Source: AHRI, Carrier Global financials

Carrier's growth transition for a warming world

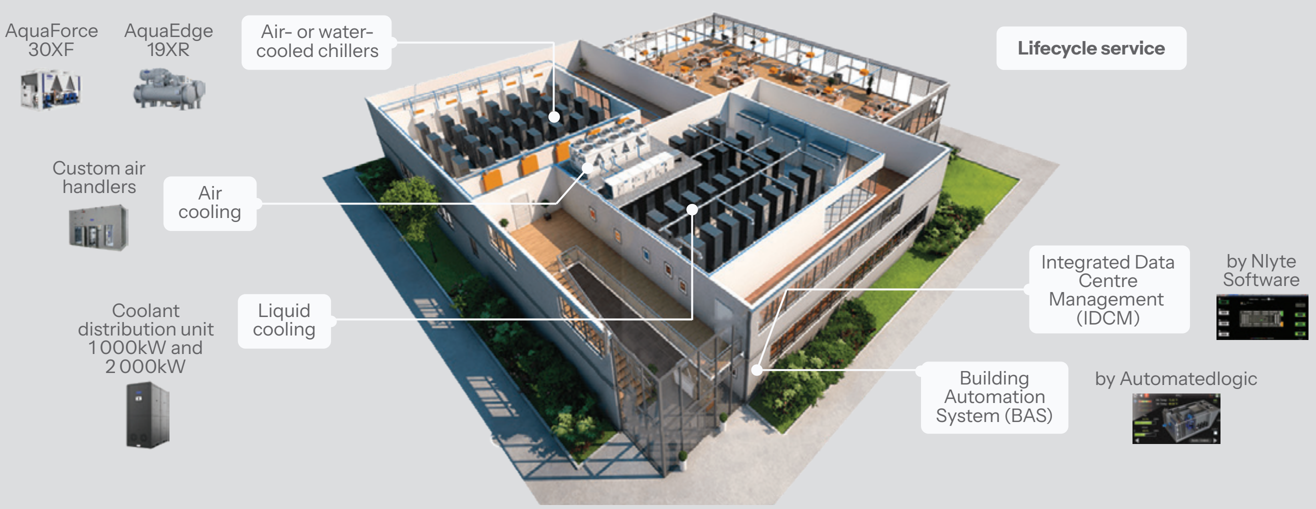
In its Commercial division, Carrier currently has an installed base of over 400 000 chillers, yet fewer than 60% are serviced by the company. As these systems become more complex, in-house and independent maintenance teams are struggling to keep pace with the technical expertise of Carrier's specialised own technicians. This represents a substantial growth opportunity for Carrier to convert un-serviced units into long-term service agreements. By capturing these high-margin after-sales contracts, Carrier secures recurring revenues.

To sustain and further this shift to providing after-sales servicing, Carrier is pursuing structured initiatives in its main markets. In the US, the Techvantage program aims to address the skilled labour deficit by hiring 1 000 new technicians and training 100 000 more by 2030. In Europe, the System Profi program is actively upskilling Viessmann's 80 000 installer partners into 'System Installers' capable of generating five times more revenue than traditional single-product installers.

Transitioning for growth

Carrier is pivoting from a pure hardware seller to an integrated temperature control solutions provider, thereby accelerating growth and boosting profitability. The company's revenue growth will be primarily driven by the product transition toward decarbonisation, demand for AI data centre infrastructure cooling, and the expanding provision of high-margin services. Consequently, in a world of increasingly extreme temperatures due to climate change, Carrier presents a compelling investment case for clients in our global funds. UP

Carrier's leading cooling distribution units



Source: Carrier Global

Camissa Asset Management Funds

Performance to 31 March 2026	1 year	3 years[1]	5 years[1]	10 years[1]	15 years[1]	Since launch[1]	Launch	TER[2] 1-year	TER[2] 3-year	TC[3] 1-year	TC[3] 3-year
Unit trust funds[4]											
Equity Alpha Fund	34.0%	17.8%	13.4%	12.3%	11.6%	15.7%	Apr-04	2.09%	1.72%	0.33%	0.28%
SA Equity General funds mean	24.4%	14.8%	12.5%	8.5%	9.5%	12.2%					
Outperformance	9.6%	3.1%	0.9%	3.9%	2.1%	3.5%					
SA Equity Fund	35.1%	17.8%	-	-	-	15.3%	Sep-22	2.02%	1.70%	0.58%	0.42%
SA Equity SA General funds mean	29.5%	16.4%				16.3%					
Outperformance	5.7%	1.3%				-1.0%					
Global Equity Feeder Fund	3.5%	9.5%	6.2%	-	-	7.7%	Nov-19	1.90%	1.86%	0.25%	0.25%
FTSE World Index (ZAR)	12.9%	16.1%	14.0%			14.7%					
Outperformance	-9.4%	-6.7%	-7.8%			-7.0%					
Balanced Fund	18.1%	14.3%	11.3%	10.4%	-	10.2%	May-11	1.52%	1.51%	0.24%	0.23%
SA Multi Asset High Equity funds mean	16.2%	12.6%	10.6%	8.0%		9.1%					
Outperformance	2.0%	17%	07%	2.3%		1.0%					
SA Balanced Fund	31.0%	-	-	-	-	18.5%	Aug-23	1.46%	1.82%	0.34%	0.56%
SA Multi Asset SA High Equity funds mean	28.1%					16.7%					
Outperformance	2.9%					1.8%					
Protector Fund	18.7%	14.3%	11.7%	10.5%	8.9%	10.3%	Dec-02	1.51%	1.51%	0.17%	0.17%
CPI + 4%[5]	7.0%	7.6%	8.8%	8.8%	9.4%	9.9%					
Outperformance	11.7%	6.7%	2.9%	1.8%	-0.4%	0.4%					
Stable Fund	18.9%	15.0%	13.6%	10.7%	-	9.8%	May-11	1.47%	1.47%	0.25%	0.21%
CPI + 2%[5]	5.0%	5.7%	6.8%	6.5%		6.1%					
Outperformance	13.8%	9.3%	6.8%	4.2%		3.7%					
Institutional funds[6]											
Managed Equity Fund	38.3%	19.9%	15.1%	12.7%	11.9%	12.7%	Sep-06				
FTSE/JSE Capped SWIX Index	34.1%	19.2%	15.4%	10.3%	12.0%	12.1%					
Outperformance	4.1%	0.6%	-0.3%	2.4%	-0.1%	0.7%					
Domestic Balanced Fund[7]	33.1%	19.1%	15.3%	12.8%	11.1%	10.7%	May-07				
Peer median[8]	27.9%	16.8%	14.3%	10.1%	10.7%	10.2%					
Outperformance	5.2%	2.3%	1.0%	2.7%	0.4%	0.5%					
Global Balanced Fund[9]	19.9%	15.9%	12.9%	11.9%	-	11.5%	Jul-13				
Peer median[10]	19.6%	14.5%	12.6%	9.7%		10.5%					
Outperformance	0.3%	1.4%	0.3%	2.1%		1.0%					
Bond Fund	20.4%	15.6%	13.7%	11.4%		10.7%	May-07				
BESA All Bond Index	19.2%	14.3%	12.5%	10.4%		9.08%					
Outperformance	1.2%	1.4%	1.6%	1.0%		0.5%					
Money Market Fund	9.2%	9.6%	8.5%	8.2%	7.6%	7.9%	Jan-04				
Alexander Forbes STeFI Composite Index	7.4%	8.0%	6.8%	6.8%	6.5%	7.1%					
Outperformance	1.9%	1.6%	1.8%	1.5%	1.1%	0.9%					
Shariah unit trust funds[4]											
Islamic Equity Fund	33.7%	14.1%	11.5%	11.0%	9.9%	11.5%	Jul-09	1.50%	1.49%	0.18%	0.18%
SA Equity General funds mean	24.4%	14.8%	12.5%	8.5%	9.5%	10.9%					
Outperformance	9.2%	-0.6%	-1.1%	2.6%	0.4%	0.6%					
Islamic Global Equity Feeder Fund	19.9%	9.7%	7.3%	-	-	9.6%	Jan-19	1.79%	1.80%	0.12%	0.12%
Global Equity General funds mean	4.0%	11.5%	8.7%			12.6%					
Outperformance	15.8%	-1.8%	-1.4%			-3.1%					
Islamic Balanced Fund	28.4%	13.0%	12.1%	11.3%	-	10.1%	May-11	1.50%	1.49%	0.17%	0.15%
SA Multi Asset High Equity funds mean	23.0%	14.3%	12.3%	9.1%		9.6%					
Outperformance	5.3%	-1.2%	-0.2%	2.3%		0.5%					
Islamic High Yield Fund	14.1%	11.5%	9.5%	-	-	8.8%	Mar-19	0.58%	0.58%	0.03%	0.02%
Short-term Fixed Interest Index (STeFI)	7.4%	8.0%	6.8%			6.5%					
Outperformance	6.7%	3.5%	2.7%			2.3%					

Highest and lowest monthly fund performance	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Equity Alpha Fund	7.5%	-3.0%	11.7%	-5.4%	11.7%	-5.4%	12.6%	-21.6%	12.6%	-21.6%	12.6%	-21.6%
SA Equity Fund	7.4%	0.0%	-	-	-	-	-	-	-	-	11.5%	-5.9%
Global Equity Feeder Fund	4.9%	-2.1%	5.9%	-7.5%	12.7%	-7.5%	-	-	-	-	18.1%	-15.6%
Balanced Fund	4.5%	-1.2%	9.5%	-4.5%	9.5%	-4.5%	9.5%	-15.7%	-	-	9.5%	-15.7%
SA Balanced Fund	6.3%	0.8%	-	-	-	-	-	-	-	-	6.3%	-5.2%
Protector Fund	4.8%	0.4%	7.6%	-3.0%	7.6%	-3.7%	7.6%	-13.9%	7.6%	-13.9%	9.5%	-13.9%
Stable Fund	4.5%	0.1%	7.1%	-4.4%	7.1%	-4.4%	7.1%	-11.4%	-	-	7.1%	-11.4%
Islamic Equity Fund	5.1%	-0.7%	7.4%	-5.7%	7.4%	-8.9%	9.6%	-14.3%	9.6%	-14.3%	9.6%	-14.3%
Islamic Global Equity Feeder Fund	4.0%	-2.0%	8.8%	-7.8%	10.6%	-7.8%	-	-	-	-	14.6%	-8.4%
Islamic Balanced Fund	3.3%	-1.8%	5.3%	-4.1%	5.3%	-6.2%	8.0%	-9.3%	-	-	8.2%	-9.3%
Islamic High Yield Fund	1.5%	0.8%	1.9%	-0.4%	1.9%	-1.2%	-	-	-	-	2.7%	-2.4%

Footnotes and disclaimer follow overleaf.

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Footnote: [1]Annualised (ie the average annual return over the given time period); [2]TER (total expense ratio) = % of average NAV of portfolio incurred as charges, levies and fees in the management of the portfolio for rolling one and three-year periods to 31 March 2026. [3]Transaction costs (TC) are unavoidable costs incurred in administering the financial products offered by Camissa Collective Investments and impact financial product 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 financial product, the investment decisions of the investment manager and the TER. This is also calculated on rolling one and three-year periods to 31 March 2026. [4]Source: Morningstar; net of all costs incurred within the fund and measured using NAV prices with income distributions reinvested; [5]CPI for March is an estimate; [6]Source: Camissa Asset Management; gross of management fees; [7]Domestic Balanced Fund benchmark returns are an estimate for March; [8]Median return of Alexander Forbes SA Manager Watch: BIV Survey; [9]Global Balanced Fund benchmark returns are an estimate for March; [10]Median return of Alexander Forbes Global Large Manager Watch.

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Performance: Unit trusts are generally medium to long-term investments. The value of units will fluctuate, and past performance should not be used as a guide for future performance. Camissa does not provide any guarantee either with respect to the capital or the return of the portfolio(s). Foreign securities may be included in the portfolio(s) and may result in potential constraints on liquidity and the repatriation of funds. In addition, macroeconomic, political, foreign exchange, tax and settlement risks may apply. However, our robust investment process takes these factors into account.

Performance is based on a lump sum investment into the relevant portfolio(s) and is measured using Net Asset Value (NAV) prices with income distributions reinvested. NAV refers to the value of the fund's assets less the value of its liabilities, divided by the number of units in issue. Figures are quoted after the deduction of all costs incurred within the fund. Individual investor performance may differ because of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Camissa may close a portfolio to new investors to manage it more effectively in accordance with its mandate.

Fees: Different classes of units may apply and are subject to different fees and charges. Commission and incentives may be paid, and if so, would be included in the overall costs. 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. A schedule of the maximum fees is available upon request.