

Fund description and summary of investment policy

The Fund invests in a focused portfolio of companies with significant business interests in Africa regardless of the location of the stock exchange listing (excluding South Africa). The Fund price is reported in US dollars, but the underlying holdings are denominated in various currencies. Returns are likely to be volatile.

Classification: Africa ex-SA – Equity

Fund objective and benchmark

The Fund aims to outperform African (excluding South Africa) equity markets over the long term without taking on greater risk of loss. The Fund's benchmark is the MSCI Emerging Frontier Markets Africa ex-SA Index. The Fund does not seek to mirror the benchmark but instead may deviate meaningfully from this performance benchmark in pursuit of superior returns. To the extent that its investments differ from those in the benchmark, the Fund faces the risk of underperforming the benchmark.

African equity markets

There are numerous risks involved in investing in African equity markets. These risks may be significantly higher than in more developed markets and may include (but are not limited to) the following:

- Individual countries may impose capital controls preventing the repatriation of foreign currency
- Returns are expected to be more volatile, and the average drawdown may be higher, than in more developed markets
- Low liquidity whereby subscriptions into the Fund may have to be phased in, and redemptions from the Fund may be limited per dealing day
- Market prices may not accurately reflect the fair value of a Fund asset and fair value pricing may be used

There is no assurance that the investment approach of the Fund will be successful or that the Fund will achieve its investment objective.

See the "Important information for investors" section for more information.

How we aim to achieve the Fund's objective

We invest in shares that we believe offer superior fundamental value while taking into account risk and return. We research companies and assess their intrinsic value based on long-term fundamentals; we then invest in businesses where our assessment of intrinsic value exceeds the share price by a margin of safety. This approach allows us to identify shares that may be out of favour with the market because of poor near-term prospects, but offer good value over the long term. The Fund's holdings will deviate meaningfully from those in the index both in terms of individual holdings and sector exposure.

Suitable for those investors who

- Seek exposure to African (excluding South African) equities
- Are comfortable with above-average stock market and currency fluctuations
- Are prepared to take on the risk of capital loss
- Have a minimum investment horizon of five years

Fund information on 31 December 2025

Fund currency	US\$
Fund size	US\$600m
Number of units	2 076 413
Price (net asset value per share)	US\$251.86
Number of share holdings	38
Dealing day	Weekly (Thursday)
Class	C
Class inception date	14 May 2020

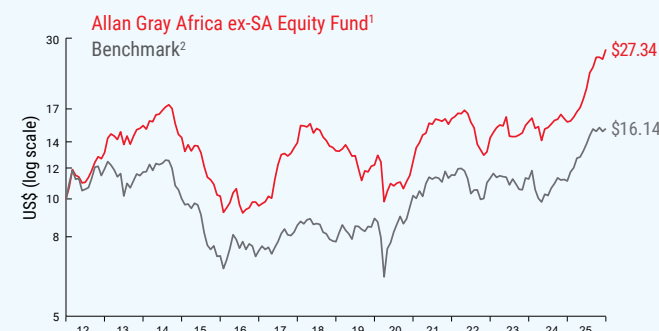
Minimum investment amounts

Minimum initial investment	US\$50 000
Minimum subsequent investment	US\$1 000

- The performance and risk measures prior to inception of the C Class of the Fund are calculated using the performance of the A Class of the Fund.
- MSCI Emerging Frontier Markets Africa ex-SA Index (source: MSCI), performance as calculated by Allan Gray as at 31 December 2025. Calculation based on the latest available data as supplied by third parties. From inception to 31 October 2023, the benchmark was the Standard Bank Africa Total Return Index.
- Maximum percentage decline over any period calculated from monthly returns. The maximum drawdown occurred from August 2014 to July 2016 and maximum benchmark drawdown occurred from July 2014 to March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
- This is the highest or lowest rolling 12-month return the Fund has experienced since inception. The Fund's highest annual return occurred during the 12 months ended 31 January 2018 and the benchmark's occurred during the 12 months ended 31 March 2021. The Fund's lowest annual return occurred during the 12 months ended 31 August 2015 and the benchmark's occurred during the 12 months ended 31 August 2015. All rolling 12-month figures for the Fund and the benchmark are available from the Allan Gray Service Team on request.

Performance in US\$ net of all fees and expenses

Value of US\$10 invested at inception with all distributions reinvested



% Returns	Fund ¹	Benchmark ²
Cumulative:		
Since inception (1 January 2012)	173.4	61.4
Annualised:		
Since inception (1 January 2012)	7.4	3.5
Latest 10 years	10.4	8.9
Latest 5 years	16.3	9.4
Latest 3 years	21.9	11.8
Latest 2 years	27.5	18.5
Latest 1 year	62.9	42.2
Year-to-date (not annualised)	62.9	42.2
Risk measures (since inception, based on month-end prices)		
Maximum drawdown ³	-51.7	-54.4
Percentage positive months ⁴	59.5	52.4
Annualised monthly volatility ⁵	18.2	18.8
Highest annual return ⁶	69.1	71.9
Lowest annual return ⁶	-38.6	-43.4

Relative to benchmark return required to reach high watermark: 0.0%.

Meeting the Fund objective

The Fund aims to outperform African equity markets (excluding South Africa) over the long term without taking on greater risk of loss. The Fund experiences periods of underperformance in pursuit of this objective. Since inception, the Fund has outperformed its benchmark by a significant margin. The maximum drawdown and lowest annual return numbers in the "Performance in US\$ net of all fees and expenses" table show that the Fund has not experienced more downside than its benchmark in periods of negative market returns. We believe our philosophy of buying undervalued equities should generate positive absolute returns over time.

Subscription and redemption charge

Investors will be charged 1% when subscribing for Fund shares and 1% when redeeming Fund shares. These charges are paid into the Fund to offset the costs associated with the transactions that are borne by the Fund. Allan Gray Bermuda Limited (the "Investment Manager") may waive these charges at its discretion, for example in the case of significant offsetting between subscriptions and redemptions.

Annual management fee

The management fee consists of a base fee of 0.7% and a performance component. The fee rate is calculated weekly by comparing the Fund's total performance for the week, after the base fee is deducted, to that of the benchmark.

Fee for performance equal to the Fund's benchmark: 0.70% p.a.

For each percentage point above or below the benchmark we add or deduct 0.2%. This means that Allan Gray shares in approximately 20% of the performance relative to the benchmark.

The fee is capped at 4.7% over any 12-month rolling period and can decrease to a minimum of 0%. If the fee would have been negative, the negative fee will be carried forward to reduce the next week's fee (and all subsequent weeks until the underperformance is recovered).

Total expense ratio (TER) and transaction costs

The annual management fee charged is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one- and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Country of listing on 31 December 2025⁷

Country	% of equities	Benchmark ²
Egypt	22.0	17.2
Nigeria	19.1	0.0
United Kingdom	16.3	0.0
BRVM	12.1	6.9
Zimbabwe	9.8	0.0
Kenya	5.8	13.7
Australia	4.9	0.0
Malawi	2.7	0.0
Uganda	1.8	0.0
Morocco	1.6	51.9
Rwanda	1.4	0.0
United States	1.0	0.0
Norway	0.6	0.0
Canada	0.5	0.0
Ghana	0.3	0.0
Tanzania	0.1	0.0
Zambia	0.0	0.0
Mauritius	0.0	5.5
Tunisia	0.0	4.8
Total (%)⁸	100.0	100.0

7. The listing may not represent the geographical location of the company's operations. The fund invests based on the primary place of operation, not listing.

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

9. The investment management fees paid by the Fund were overstated due to the understatement of the Standard Bank Africa Total Return Index since October 2020. These fees have been returned to the Fund and the performance fees reflected in the table have been restated accordingly.

10. Includes the impact of any currency hedging.

Sector allocation on 31 December 2025

Sector	% of equities	Benchmark ²
Consumer staples	34.2	6.3
Financials	31.2	48.1
Basic materials	12.6	3.6
Telecommunications	9.7	13.7
Energy	8.7	1.4
Utilities	1.8	1.1
Healthcare	1.7	2.0
Industrials	0.0	18.4
Technology	0.0	0.2
Real estate	0.0	5.2
Total (%)⁸	100.0	100.0

Asset allocation on 31 December 2025

Asset class	Total
Net equities	97.0
Hedged equities	0.0
Property	0.0
Commodity-linked	0.0
Bonds	0.0
Money market and cash ¹⁰	3.0
Total (%)⁸	100.0

Total expense ratio (TER) and transaction costs for periods ending 30 September 2025 (updated quarterly)⁹

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	2.06	1.07
Management fee	0.70	0.70
Performance fees	1.05	-0.02
Custody fees	0.20	0.17
Other costs (excl. transaction costs)	0.11	0.22
Transaction costs	0.14	0.11
Total investment charge	2.20	1.18

After years of mediocre to poor returns across African markets, long-suffering investors were finally rewarded in 2025. For the first time in many years, emerging and frontier markets outperformed developed markets, and within these markets, Africa shone.

For the 2025 calendar year, the S&P 500 was up 17.9%, the MSCI World Index (World Index) was up 21.1%, the MSCI Emerging Markets Index (EM Index) rose 33.6%, and the MSCI Emerging Frontier Markets Africa ex-SA Index (EFM Africa ex-SA Index) increased by a staggering 42.2%. The Fund outperformed all of these benchmarks, returning 62.9% for the year.

While a pleasing result, given the quantum of performance this year, it is necessary to highlight a few aspects:

1. It is important to put the recent performance of African markets into context. Measured over three years and longer, the stellar returns of African markets in 2025 look significantly less ... well ... stellar. Over three years, the S&P 500, World Index and EM Index have delivered returns of 23.0%, 21.2% and 16.4% per annum (p.a.) respectively. Against this backdrop, African markets, as reflected by the EFM Africa ex-SA Index, have lagged, returning 14.5% p.a. By comparison, an investor in the Fund has done better, generating a return of 21.9% p.a. However, one would still have been better off investing in the World Index or US stocks. One could argue that much of the outperformance seen in African markets this year resulted from recovering the underperformance of prior years.
2. Past performance is no guarantee of future performance. After such a strong year, this old adage warrants explicit repeating. We run a concentrated portfolio and returns across African markets have historically been volatile and lumpy. While we continue to believe that the basket of shares we own is undervalued, returns consistently above 50% p.a. are not sustainable over a multi-year period. If you are anticipating returns above 50% in perpetuity, please temper your expectations.
3. The performance across the Fund has been largely broad based, nevertheless, the Fund continues to screen as extremely cheap on an absolute and relative basis.

Let's unpack this last point in a little more detail.

At year end, the Fund's largest sectoral exposure is to consumer staples. This position is concentrated in a handful of names, with the two largest positions being Eastern Tobacco, the dominant cigarette producer in Egypt, and Delta Corporation, the dominant beer producer in Zimbabwe. Eastern Tobacco had a difficult 2023 and 2024, as a fixed exchange rate constrained its ability to access forex and, hence, procure tobacco on international markets. Although the liberalisation of the Egyptian pound in 2024 resulted in a significantly weaker exchange rate, the company has seen a material improvement in its fundamentals, as volumes have recovered significantly from 2024 lows. For the year, Eastern Tobacco has generated a total US dollar return of 43.1%. Despite such a strong return, on our estimates, it trades on a forward price-to-earnings multiple of less than 7 times and a dividend yield north of 7.5%.

In Zimbabwe, despite the perceived macro headwinds, Delta Corporation is going from strength to strength. Beer volumes sold are at 15-year highs and the company continues to generate significant free cash flow. As more than 80% of Delta Corporation's Zimbabwean sales are now undertaken in US dollars or rands, it is able to pay out healthy dividends in US dollars. The share has rallied in the last few months, returning 61% for the year, but it remains attractive in our minds. At year end, Delta Corporation was trading on an earnings multiple of roughly 8 times and a dividend yield of 5.6%.

The Fund's second largest sectoral exposure is to financials, more specifically banks, with exposure largely concentrated in four names: Three Nigerian banks in Guaranty Trust Holding Company (GTCO), Zenith and Stanbic IBTC, and Egypt's Commercial International Bank (CIB). Collectively, these four banks accounted for 23.7% of the Fund's net asset value (NAV) at year end. The unweighted, average dollar return of these four shares in 2025, including dividends and other corporate actions, was 77%. After such strong performance, you would expect them to trade at elevated multiples, but given strong fundamental performance and an extremely depressed starting base, they are anything but. At year end, GTCO, Zenith, Stanbic IBTC and CIB traded on price-to-earnings multiples of 4.3 times, 2.5 times, 5.0 times and 5.2 times respectively. This is a low price to pay for tier-one banks in their respective markets, particularly when you consider that the average return on equity across the four is north of 30%.

In the basic materials and energy sectors, our positioning is concentrated in a few names too. Here, the largest exposures are to Zimplats, a platinum group metal (PGM) miner in Zimbabwe, Endeavour Mining, a West African gold miner, and Seplat, a Nigerian oil and gas producer. Zimplats and Endeavour Mining have rallied strongly throughout the year on the back of significantly higher PGM and gold prices, up 89% and 204% respectively, yet continue to trade on undemanding multiples at spot metal prices, particularly in comparison to South African and developed market peers. Zimplats is a shallow, low-cost and long-life PGM miner, majority owned and controlled by Impala Platinum. In our opinion, it is by far the highest quality mine in the Impala Platinum stable, yet it trades at a material discount to the parent company. Endeavour Mining has recently had some operational challenges, but it has a number of levers it can pull to materially grow volumes in both the short and longer term. At a spot gold price of US\$4 300 per ounce, it trades on less than 8 times our estimate of free cash flow. Finally, Seplat, a long-term holding of the Fund, had another strong year as it fully absorbed the acquired ExxonMobil assets and produced results that continue to surprise the market. For the year, Seplat was up 69%, including dividends. At spot, on our estimates, Seplat continues to trade on less than 11 times normal free cash flow.

Collectively, these nine stocks make up 59% of the Fund at year end. All of them are generating healthy levels of cash and, on our estimates, can be bought for less than 10 times spot earnings. In contrast, the S&P 500, MSCI World and MSCI Emerging Markets indices traded on price-to-earnings multiples of 27 times, 24 times and 17 times respectively, at the end of 2025. For long-term investors, the upside potential remains compelling.

Commentary contributed by Rory Kutisker-Jacobson

Fund manager quarterly commentary as at 31 December 2025

© 2026 Allan Gray Proprietary Limited. All rights reserved. The content and information may not be reproduced or distributed without the prior written consent of Allan Gray Proprietary Limited ("Allan Gray").

Information and content

The information in and content of this publication are provided by Allan Gray as general information about the Fund. Allan Gray does not guarantee the suitability or potential value of any information or particular investment source. The information provided is not intended to, nor does it constitute financial, tax, legal, investment or other advice. Before making any decision or taking any action regarding your finances, you should consult a qualified financial adviser. Nothing contained in this publication constitutes a solicitation, recommendation, endorsement or offer by Allan Gray; it is merely an invitation to do business. Allan Gray has taken and will continue to take care that all information provided, in so far as this is under its control, is true and correct. However, Allan Gray shall not be responsible for and therefore disclaims any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of, or which may be attributable, directly or indirectly, to the use of or reliance on any information provided. While the Fund has been approved to market its shares to the public in Botswana by the Regulatory Authority of Botswana, the undertaking is not supervised or licensed in Botswana. The Fund is incorporated and registered under the laws of Bermuda and is supervised by the Bermuda Monetary Authority. The Fund's share classes are also listed on the Bermuda Stock Exchange. The primary custodian of the Fund is Citibank N.A., New York Offices. The custodian can be contacted at 390 Greenwich Street, New York, New York, 10012, USA. Allan Gray Bermuda Limited (the "Investment Manager") is registered with the Bermuda Monetary Authority as a Class B Registered Person and authorised to conduct investment business under the Investment Business Act. Allan Gray Bermuda Limited has appointed Allan Gray Unit Trust Management (RF) Proprietary Limited (the "Representative") as its representative for the purpose of approval in terms of the Collective Investment Schemes Control Act 45 of 2002. The Representative is incorporated under the laws of South Africa and is supervised by the Financial Sector Conduct Authority (FSCA). The Fund may be closed to new investments at any time to be managed according to its mandate. Shares in the Fund are traded at ruling prices and the Fund can engage in borrowing and scrip lending. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Investments in the Fund are made according to the terms and conditions and subject to the restrictions set out in the prospectus. The offering of shares in the Fund may be restricted in certain jurisdictions. Please contact the Allan Gray service team to confirm if there are any restrictions that apply to you.

Performance

Collective investment schemes (unit trusts or funds) are generally medium- to long-term investments. Where annualised performance is mentioned, this refers to the average return per year over the period. The value of shares or the investment may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may cause the value of underlying international investments to go up or down. Neither the Investment Manager, the Fund nor the Representative provides any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. The performance graph is for illustrative purposes only. Actual investor performance may differ as a result of the investment date, the date of reinvestment and applicable taxes.

Standard Bank Africa Total Return Index

Standard Bank Plc requires that we include the following legal note. The Standard Bank Africa Total Return Index is the proprietary information and registered trademark of Standard Bank Plc. All copyright subsisting in the Standard Bank Africa Total Return Index values and constituent lists vests in Standard Bank Plc. All their rights are reserved.

Share price

Share prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund, including any income accruals and less any permissible deductions from the Fund divided by the number of shares in issue. Forward pricing is used. The weekly price of the Fund is normally calculated each Friday. Purchase requests must be received by the Registrar of the Fund by 17:00 South African time on that dealing day to receive that week's price. Redemption requests must be received by the Registrar of the Fund by 17:00 South African time on the particular dealing day on which shares are to be redeemed to receive that week's price. Share prices are available on www.allangray.co.za.

Fees and charges

Permissible deductions from the Fund may include management fees, brokerage, securities transfer tax, auditor's fees, bank charges and custody fees. A schedule of fees, charges and maximum commissions is available on request from the Representative.

Total expense ratio (TER) and transaction costs

The TER is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one- and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged) and other expenses like audit fees. Transaction costs (including brokerage, securities transfer tax and investor protection levies where applicable) are shown separately. Transaction costs are necessary costs in administering the Fund and impact Fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time, including market returns, the type of fund, the investment decisions of the Investment Manager and the TER.

Since Fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns. As collective investment scheme expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and transaction costs is shown as the total investment charge (TIC).

African markets

There are significant risks involved in investing in shares listed in the Fund's universe of emerging and developing countries, including liquidity risks, sometimes aggravated by rapid and large outflows of "hot money" and capital flight, concentration risk, currency risks, political and social instability, the possibility of expropriation, confiscatory taxation or nationalisation of assets and the establishment of foreign exchange controls which may include the suspension of the ability to transfer currency from a given country. African countries have varying laws and regulations and, in some, foreign investment is controlled or restricted in varying degrees.

Capacity

The Fund currently has limited capacity. The Investment Manager may, at its discretion, refuse a subscription or phase a subscription into the Fund over a number of dealing days. Total investor redemptions may be limited to US\$5m or 2.5% of the Fund (whichever is less) per dealing day. The Investment Manager retains the right to distribute all or part of any redemption proceeds in specie (in kind).

Fair value pricing

The board of directors of the Fund (the "Board") may fair value the Fund's assets in accordance with the Board's fair value pricing policies if: 1) the closing market quotations or official closing prices are not readily available or do not accurately reflect the fair value of a Fund asset; or 2) the value of a Fund asset has been materially affected by events occurring before the Fund's pricing time but after the close of the exchange or market on which the asset is principally traded. The Board delegates the responsibility for fair value pricing decisions to a valuation committee of the Investment Manager.

Contractual risk

The Fund can use derivatives to manage its exposure to stock markets, currencies and/or interest rates and this exposes the Fund to contractual risk. Contractual risk includes the risk that a counterparty will not settle a transaction according to its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, causing the Fund to suffer a loss. Such contract counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

Derivatives

Borrowing, leveraging and trading securities on margin will result in interest charges and, depending on the amount of trading activity, such charges could be substantial. The low margin deposits normally required in futures and forward trading, which the Fund may utilise, permit a high degree of leverage. As a result, a relatively small price movement in a futures or forward contract may result in immediate and substantial losses to the investor. Price movements of forward contracts and other derivative contracts in which the assets of the Fund may be invested are highly volatile and are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. Forward contracts are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Trading in forward contracts is substantially unregulated and there is no limitation on daily price movements.

Bloomberg Index Services Limited

Bloomberg Index Services Limited Bloomberg® and the indices referenced herein (the "Indices", and each such index, an "Index") are service marks of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg") and/or one or more third-party providers (each such provider, a "Third-Party Provider") and have been licensed for use for certain purposes to Allan Gray Proprietary Limited (the "Licensee"). To the extent a Third-Party Provider contributes intellectual property in connection with the Index, such third-party products, company names and logos are trademarks or service marks, and remain the property, of such Third-Party Provider. Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, shall have any liability or responsibility for injury or damages arising in connection therewith.

MSCI Index

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

Important information for investors

Prospectus update

Non-material updates were made to the prospectus for this Fund in October 2025. The updated document is available on our [website](http://allangraybermuda.com).

Need more information?

You can obtain additional information about the Fund, including copies of the prospectus, application forms and the annual report, free of charge, by contacting the Allan Gray service team, at **0860 000 654** or **+27 (0)21 415 2301** or by email at allangraybermuda@allangray.com.