

Portfolio description and summary of investment policy

The Portfolio invests in a mix of shares, bonds, property, commodities and cash. The Portfolio can invest a maximum of 45% offshore. The Portfolio typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investments, our offshore investment partner. The maximum net equity exposure of the Portfolio is 75%. The Portfolio's net equity exposure may be reduced from time to time using exchange-traded derivative contracts on stock market indices. The Portfolio is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only portfolio. The Portfolio is a pooled portfolio offered by Allan Gray Life and is only available to members of the Allan Gray Umbrella Retirement Fund.

Portfolio objective and benchmark

The Portfolio aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the benchmark without assuming any more risk. The Portfolio's benchmark is a composite benchmark that comprises indices that reflect the Portfolio's mandate.

How we aim to achieve the Portfolio's objective

We seek to buy shares at a discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares we may increase the Portfolio's weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Portfolio's stock market exposure. By varying the Portfolio's exposure to these different asset classes over time, we seek to enhance the Portfolio's long-term returns and to manage its risk. The Portfolio's bond and money market investments are actively managed.

Portfolio history

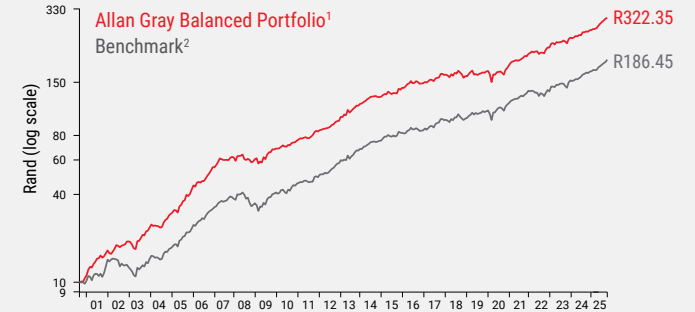
The Portfolio is managed in the same way as the Allan Gray Life Global Balanced (RRF) Portfolio. When assessing the Portfolio's performance and risk measures over time, including for periods before its inception (5 April 2017), the returns of the Allan Gray Life Global Balanced (RRF) Portfolio and the Allan Gray Life Global Balanced Portfolio can be used. When this data is combined, investors can get a view of the performance and risk measures of the strategy over the long term.

*The blended returns are calculated by Allan Gray Proprietary Limited using end of day index level values licensed from MSCI ("MSCI Data"). For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "AS IS" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilizing any MSCI Data, models, analytics or other materials or information.

1. The returns prior to 5 April 2017 are those of the Allan Gray Life Global Balanced (RRF) Portfolio since its inception on 1 August 2015. The returns prior to 1 August 2015 are those of the Allan Gray Life Global Balanced Portfolio since its alignment on 1 September 2000. The returns shown are net of the fees that would have been incurred had the current fee been applied since alignment.
2. 41% FTSE/JSE Capped Shareholder Weighted All Share Index including income, 10% FTSE/JSE All Bond Index, 9% 3-month STeFI, 24% MSCI All Country World Index including income and 16% J.P. Morgan GBI Global Index. From 01 July 2018 to 31 July 2022 the benchmark was 47% FTSE/JSE Capped Shareholder Weighted All Share Index including income, 14% FTSE/JSE All Bond Index, 9% 3-month STeFI, 18% MSCI All Country World Index including income and 12% J.P. Morgan GBI Global Index. From inception to 30 June 2018 the benchmark was 50% FTSE/JSE All Share Index, 15% FTSE/JSE All Bond Index, 10% Alexander Forbes 3-month Deposit Index, 15% MSCI All Country World Index and 10% J.P. Morgan GBI Global Index. Source: Iress, Bloomberg, performance as calculated by Allan Gray as at 30 November 2025.*
3. CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 October 2025 (source: Iress).
4. Maximum percentage decline over any period. The maximum drawdown occurred from 17 January 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 19 May 2008 to 20 November 2008. Drawdown is calculated on the total return of the Portfolio/benchmark (i.e. including income).
5. The percentage of calendar months in which the Portfolio produced a positive monthly return since inception.
6. The standard deviation of the Portfolio's monthly return. This is a measure of how much an investment's return varies from its average over time.
7. These are the highest or lowest consecutive 12-month returns since alignment. This is a measure of how much the Portfolio and the benchmark returns have varied per rolling 12-month period. The Portfolio's highest annual return occurred during the 12 months ended 30 April 2006 and the benchmark's occurred during the 12 months ended 30 April 2006. The Portfolio's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 30 April 2003. All rolling 12-month figures for the Portfolio and the benchmark are available from our Client Service Centre on request.

Performance net of all fees and expenses

Value of R10 invested at alignment



% Returns	Portfolio ¹	Benchmark ²	CPI inflation ³
Cumulative:			
Since alignment (1 September 2000)	3123.5	1764.5	271.0
Annualised:			
Since alignment (1 September 2000)	14.7	12.3	5.3
Latest 10 years	10.1	10.3	4.8
Latest 5 years	15.0	13.6	5.0
Latest 3 years	14.7	15.1	4.1
Latest 2 years	16.2	17.4	3.2
Latest 1 year	20.5	20.0	3.6
Year-to-date (not annualised)	19.9	19.3	3.6
Risk measures (since inception)			
Maximum drawdown ⁴	-23.5	-24.8	n/a
Percentage positive months ⁵	69.6	65.7	n/a
Annualised monthly volatility ⁶	8.9	9.6	n/a
Highest annual return ⁷	49.0	39.3	n/a
Lowest annual return ⁷	-12.2	-20.3	n/a

Suitable for those investors who

- Seek steady long-term capital growth
- Are comfortable with taking on some risk of market fluctuation and potential capital loss but typically less than that of an equity fund
- Wish to invest in a portfolio that complies with retirement fund investment limits
- Typically have an investment horizon of at least three years

Annual management fee

Allan Gray charges a fee based on the net asset value of the Portfolio excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Portfolio's total performance for the day, to that of the benchmark. This fee is presently exempt from VAT.

Fee for performance equal to the Portfolio's benchmark: 0.50% p.a.

For each percentage of daily performance above or below the benchmark we add or deduct 0.2%, subject to the following limits:

Maximum fee: 2.00% p.a. excl. VAT

Minimum fee: 0.50% p.a. excl. VAT

To the extent that the fee calculated exceeds the maximum fee or falls short of the minimum fee, the monetary excess or shortfall will be carried forward to the next day. Any excess or shortfall carried forward from previous day(s) will be added or subtracted to determine the fee payable.

A portion of the Portfolio may be invested in Orbis funds which are levied performance-based fees by Orbis. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are included in the TER. The TER is a measure of the actual expenses incurred by the Portfolio over a one-year and three-year period (annualised). Since Portfolio returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns. Transaction costs are disclosed separately.

Top 10 share holdings on 30 September 2025 (SA and Foreign) (updated quarterly)⁸

Company	% of portfolio
Naspers & Prosus	4.0
AB InBev	3.5
AngloGold Ashanti	2.7
British American Tobacco	2.6
Glencore	2.2
The Walt Disney Company	1.9
Standard Bank	1.8
Nedbank	1.6
Woolworths	1.5
Gold Fields	1.5
Total (%)	23.3

8. Underlying holdings of foreign funds are included on a look-through basis.

Since inception, the Portfolio's month-end net equity exposure has varied as follows:

Minimum	59.8% (February 2020)
Average	63.6%
Maximum	67.9% (July 2021)

Asset allocation on 30 November 2025⁹

Asset class	Total	Local	Foreign
Net equities	62.6	38.3	24.3
Hedged equities	13.6	3.4	10.2
Property	1.9	0.2	1.7
Commodity-linked	2.9	2.9	0.0
Bonds	13.7	11.3	2.4
Money market and cash ⁹	5.3	2.3	3.0
Total (%)	100.0	58.4	41.6¹⁰

9. Includes the impact of any currency hedging.

10. The Portfolio can invest a maximum of 45% offshore. Market movements may periodically cause the Portfolio to move beyond these limits. This must be corrected within 12 months.

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

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio¹¹	1.55	1.16
Fee for benchmark performance	0.53	0.53
Performance fees	0.97	0.59
Other costs excluding transaction costs	0.05	0.04
Transaction costs (including VAT)¹²	0.09	0.07
Total investment charge	1.64	1.23

11. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs.

12. 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 financial product, the investment decisions of the investment manager and the TER.

The Portfolio has delivered 17.2% year to date, slightly outperforming its benchmark. Over the last three years, the Portfolio has achieved an annualised return of 16.7%, compared to inflation of 4.2%. While the performance is pleasing, we recognise that the level of real returns generated is higher than what we would expect the Portfolio to sustain over the long term.

The Portfolio has benefited from the tailwinds of strong local and global markets. Locally, the FTSE/JSE All Share Index (ALSI) reached an all-time high, surpassing the 100 000 level for the first time and delivering a 32% year-to-date return. However, the strength of the index has been narrow, driven largely by gains in Naspers/Prosus and precious metal shares. Much of the broader market has lagged. Many domestically focused companies (SA Inc shares) have surrendered the gains made in 2024, as initial optimism around the government of national unity has not yet translated into materially stronger economic growth. We are finding more bargains among local shares where valuations have become more attractive. On a relative basis, our positioning in local equities has detracted from year-to-date performance. This includes an underweight position in precious metal shares, as well as underperformance from some of the Portfolio's multinational shares, such as brewer AB InBev and paper and packaging group Mondi.

Local fixed income has continued to perform well, supported by declining global interest rates, expectations of lower inflation and a lower repo rate in South Africa, and a reduction in the risk premium demanded by foreign investors. Despite this, we remain cautious, given our longer-term concerns about South Africa's fiscal position, and therefore maintain conservative positioning. Cash remains an attractive alternative and provides valuable optionality. The Portfolio has benefited from its preference for equities over bonds.

Gold shares have delivered exceptional recent returns and now account for 16% of the index. While each company has its own idiosyncratic fundamentals, the dominant driver has been the rising gold price. Gold and shares of gold mining companies can offer valuation diversification benefits in a portfolio. At the current gold price, valuations for gold shares are not high, which adds to their appeal. However, forecasting the gold price with confidence is notoriously difficult, so some humility in this area is advised. History reminds us that most gold mining companies have been poor businesses over the long term, often destroying value through acquisitions or overspending on new projects. We balance these factors by carefully considering the Portfolio's total exposure to the sector, without blindly anchoring to the weight in the index. We encourage readers who are interested in finding out more about our view of gold and gold mining shares to read our [article on gold](#) in our Q2 2025 *Quarterly Commentary* and to [listen to episode 28](#) of *The Allan Gray Podcast*.

Global markets have extended their strong run, with a 17% year-to-date return for the MSCI World Index. The Portfolio's offshore allocation has produced strong relative returns, making a meaningful contribution to overall outperformance of its benchmark. This may be surprising given our significant underweight to the US and mega-cap technology shares. Noteworthy contributors have included defence companies, critical energy infrastructure and select idiosyncratic opportunities, such as AI infrastructure company Nebius Group. We continue to view global markets as fully valued, with prices reflecting high expectations. This suggests an environment that calls for caution. The Portfolio's global holdings continue to look very different from the World Index.

During the quarter, we added to Glencore and reduced exposure to British American Tobacco.

Commentary contributed by Tim Acker

**Portfolio manager
quarterly commentary
as at 30 September 2025**

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Past performance is not indicative of future performance.

FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index

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MSCI Index

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FTSE Russell Index

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J.P. Morgan Index

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