

Portfolio objective and benchmark

This portfolio is designed for institutional investors seeking superior absolute returns (in excess of inflation) over the long term with a higher risk tolerance in the short term than the Balanced Portfolio. The benchmark is the mean performance of the large managers as surveyed by Alexforbes.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all local asset classes.
- Fully reflects the manager's strong investment convictions and could deviate considerably in both asset allocation and stock selection from the average retirement portfolio.

Investment specifics

- This portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Compliance with Prudential Investment Guidelines

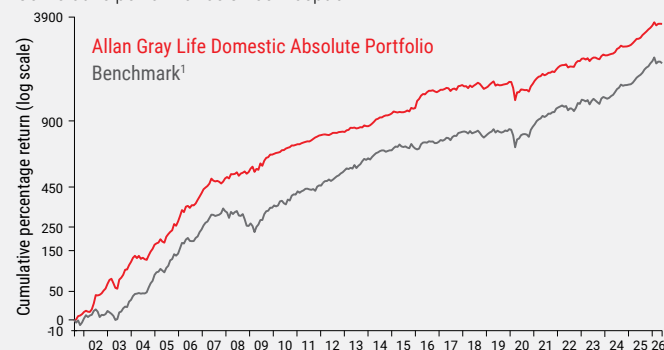
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 30 June 2026

Assets under management	R282m
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Performance gross of fees

Cumulative performance since inception



% Returns ²	Portfolio	Benchmark ¹
Since inception	15.4	13.2
Latest 10 years	8.6	10.0
Latest 5 years	13.2	13.8
Latest 3 years	15.0	16.3
Latest 2 years	18.5	18.9
Latest 1 year	19.6	16.6
Latest 3 months	1.8	0.2

- Mean of Alexforbes Domestic Large Manager Watch. The return for June 2026 is an estimate.
- Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 June 2026.

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

Top 10 share holdings on 30 June 2026

Company	% of portfolio
AB InBev	8.2
Standard Bank	6.3
Glencore	5.4
Richemont	3.9
Woolworths	3.5
British American Tobacco	3.5
Prosus	3.1
AngloGold Ashanti	2.7
Remgro	2.4
Tiger Brands	2.0
Total (%)	41.2

Asset allocation on 30 June 2026

Asset class	Total
Net equities	60.3
Hedged equities	2.1
Property	0.3
Commodity-linked	3.0
Bonds	25.5
Money market and cash	8.9
Total (%)	100.0

The Portfolio has returned 4.9% year to date, ahead of its benchmark, which returned 0.1%. On a long-term basis, the absolute level of recent real returns is above what we would expect to deliver through the cycle. Long may it last.

The FTSE/JSE All Share Index (ALSI) is down 14% from its late February peak, amid a seemingly never-ending stream of geopolitical headlines that have manifested in increased price volatility, particularly among gold and platinum shares. What may be noteworthy for tenured investors is how precious metal shares have recently behaved more like risk-on assets. This runs counter to the notion that gold serves as a hedge against geopolitical risk. Gold Fields, which was the largest-weighted share in the ALSI during the first quarter of the year, has since fallen 41% from its peak in late January. As we have previously highlighted, the elevated weighting of precious metal shares in the ALSI is likely to introduce greater volatility and detract from the quality of the index's underlying fundamentals. At the end of the second quarter, the Portfolio's exposure to precious metals through miners and commodity exchange-traded funds was 7%.

As we reduced our positions in precious metals and British American Tobacco over the past year, we used the opportunity to initiate or add to positions that, in our view, improve the quality of the Portfolio. These include companies we

have been materially underweight for some time, such as luxury goods group Richemont and food retailer Shoprite. Given their strong business fundamentals, it may be hard to believe that both shares have underperformed the broader market until recently. Richemont is the world's second-largest luxury goods company after LVMH. Richemont owns some of the best jewellery brands in the world, including Cartier and Van Cleef & Arpels, with its less-profitable watch division contributing a declining share of group profits. Richemont has a very strong balance sheet with net cash before lease liabilities of approximately €8.5bn. We also like the fact that it's difficult to see artificial intelligence (AI) disrupting the luxury goods market, and that the company may even benefit from wealth created by the technology. There has also been a shift in the company's geographical revenue mix, away from Greater China to the United States.

During the quarter, the Portfolio added to its positions in FirstRand and Shoprite and reduced its holdings in Glencore and gold miners.

Commentary contributed by Duncan Artus

**Fund manager quarterly
commentary as at
30 June 2026**

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MSCI Index

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