

Portfolio objective and benchmark

This portfolio is for institutional investors requiring management of a specific equity portfolio. It aims to offer superior returns to that of the FTSE/JSE Capped Shareholder Weighted All Share Index, including dividends, but with a lower risk of capital loss. The benchmark is the FTSE/JSE Capped Shareholder Weighted All Share Index, including dividends.

Product profile

- Actively managed pooled portfolio.
- Represents Allan Gray's 'houseview' for a specialist equity-only mandate.
- Portfolio risk is controlled by limiting the exposure to individual counters.

Investment specifics

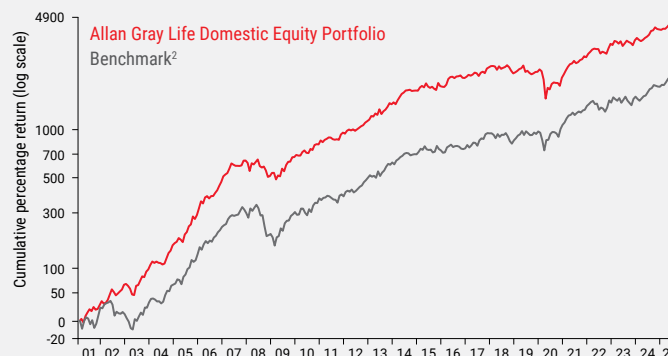
- This portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Portfolio information on 30 September 2025

Assets under management	R4 951m
-------------------------	---------

Performance gross of fees

Cumulative performance since inception¹



% Returns ³	Portfolio	Benchmark ²
Since inception ¹	17.1	14.0
Latest 10 years	10.0	11.6
Latest 5 years	18.9	18.8
Latest 3 years	17.9	21.6
Latest 2 years	19.6	26.7
Latest 1 year	17.3	28.1
Latest 3 months	7.4	12.8

Sector allocation on 30 September 2025

(updated quarterly)

	% of equities ⁴	% of Capped SWIX ²
Financials	25.9	25.8
Basic materials	23.6	31.8
Consumer staples	20.5	10.1
Technology	10.8	12.8
Consumer discretionary	8.7	6.0
Industrials	4.6	2.4
Energy	2.7	0.7
Healthcare	1.9	1.0
Real estate	0.8	4.5
Telecommunications	0.5	4.9
Total (%)	100.0	100.0

- Since alignment date (1 February 2001).
- FTSE/JSE Capped Shareholder Weighted All Share Index. The benchmark prior to 1 October 2020 was the FTSE/JSE All Share Index.
- Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 September 2025.
- Includes listed property.

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

Top 10 share holdings on 30 September 2025 (updated quarterly)

Company	% of portfolio
Naspers & Prosus	10.7
AB InBev	7.3
British American Tobacco	5.3
AngloGold Ashanti	5.1
Glencore	5.0
Standard Bank	4.8
FirstRand	4.0
Nedbank	3.8
Mondi	3.6
Remgro	2.9
Total (%)	52.4

Asset allocation on 30 September 2025

Asset class	Total
Net equities	98.2
Hedged equities	0.0
Property	0.8
Commodity-linked	0.0
Bonds	0.0
Money market and cash	1.0
Total (%)	100.0

The Portfolio has returned 21% year to date, lagging its benchmark by 10%. Despite this underperformance, on a long-term basis, the absolute level of real returns is above what we would expect the Portfolio to deliver through the cycle.

The FTSE/JSE All Share Index (ALSI) is reaching new highs when measured both in rands and US dollars, breaching the 100 000 level for the first time. The index has been driven by Prosus/Naspers and precious metal shares. In contrast, many SA Inc shares have been weak, and we are looking for opportunities among them.

We highlighted the strong performance of the gold sector in the Portfolio's Q2 2025 commentary. This has continued and then some! Gold Fields, AngloGold, DRDGold and Pan African Resources are all at all-time highs. Gold Fields and AngloGold are now jointly valued at R1.3 trillion and make up 13% of the index. While each of the stocks has its own idiosyncratic fundamentals, the significant price moves have been driven by the strong gold price. Although we have been positive on the gold price for a long period, we are very aware of the difficulty in predicting the gold price in the short and medium term. Long-standing clients would be aware that we have been attracted to the diversification that gold shares can bring to portfolios, but we are also cognisant that they have been poor businesses over the long term. We manage this tension by carefully thinking about position size and capping the Portfolio's exposure to the sector. 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*. Unfortunately, given strong price performance, we were underweight the platinum sector.

One long-term holding in the Portfolio which has found favour with investors is British American Tobacco (BAT). The British pound share price has risen by more than 40% over the last 12 months. Part of this was an attractive starting valuation, as we have highlighted on many occasions, but the rerating was also driven by improving fundamentals. We believe the business is in a better position today than it was two years ago. The market has increasingly focused on the growth of the modern oral business within its next-generation product portfolio. Modern oral is the nicotine pouch business, which is growing quickly, especially in the US. While BAT's product, Velo, is a distant number two to Philip Morris's Zyn product in the US market, it is rapidly gaining share. BAT is the global leader outside of the US. BAT is trading on a 9 times price-to-earnings (PE) multiple compared to Philip Morris at 24 times. While we have reduced the position given the price movement, there remains further rerating potential relative to Philip Morris should BAT continue to deliver in its next-generation product portfolio.

During the quarter, the Portfolio purchased AB InBev and Glencore and sold BAT and MultiChoice.

Commentary contributed by Duncan Artus

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

© 2025 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/presentation are provided by Allan Gray as general information about the company and its products and services. 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/presentation 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.

Allan Gray Life Ltd is an insurer licensed to conduct investment-linked life insurance business as defined in the Insurance Act 18 of 2017.

Past performance is not indicative of future performance.

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

The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Financials Index are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Financials Index are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Financials Index vests in FTSE and the JSE jointly. All their rights are reserved.

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

Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website www.allangray.co.za or via our Client Service Centre on 0860 000 654