Allan Gray Life Domestic Equity Portfolio

Quarter ended 30 June 2026

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 All Share Index, including dividends, but with a lower risk of capital loss. The benchmark is the FTSE/JSE Capped 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

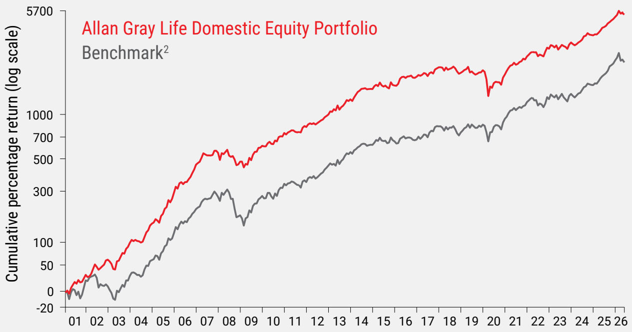
- This portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Portfolio information on 30 June 2026

Assets under management	R4 836m

Performance gross of fees

Cumulative performance since inception[1]



% Returns [3]	Portfolio	Benchmark[2]
Since inception[1]	17.1	13.9
Latest 10 years	9.6	11.5
Latest 5 years	15.6	14.7
Latest 3 years	17.0	17.8
Latest 2 years	19.9	22.0
Latest 1 year	19.8	19.4
Latest 3 months	-1.2	-2.4

Sector allocation on 30 June 2026

Sector	% of equities[4]	% of Capped ALSI [2]
Financials	26.8	30.6
Consumer staples	23.1	9.4
Basic materials	19.9	28.4
Consumer discretionary	11.8	5.8
Technology	7.4	10.0
Industrials	4.0	2.2
Energy	3.0	0.7
Healthcare	2.3	1.2
Real estate	0.9	5.0
Telecommunications	0.7	6.5
Total (%)	**100.0**	**100.0**

1. Since alignment date (1 February 2001).
2. FTSE/JSE Capped All Share Index. From 1 October 2020 to 31 December 2025, the benchmark was the FTSE/JSE Capped Shareholder Weighted All Share Index. The benchmark prior to 1 October 2020 was the FTSE/JSE All Share Index.
3. 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.
4. Includes listed property.

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	8.4
Naspers & Prosus	7.4
Standard Bank	5.7
Glencore	5.3
British American Tobacco	4.9
Nedbank	4.2
FirstRand	4.1
AngloGold Ashanti	4.0
Remgro	3.4
Richemont	2.6
Total (%)	**50.1**

Asset allocation on 30 June 2026

Asset class	Total
Net equities	98.7
Hedged equities	0.0
Property	0.9
Commodity-linked	0.0
Bonds	0.0
Money market and cash	0.4
Total (%)	**100.0**

Tel 0860 000 654 or +27 (0)21 415 2301 **Email** institutional@allangray.co.za **www.allangray.co.za**

Fund manager quarterly commentary as at 30 June 2026

The Portfolio returned -1.2% for the quarter, slightly ahead of the benchmark's -2.4%. Year to date, performance has improved, with the Portfolio returning 3.6% compared to the benchmark's -2.8%. While the recent improvement in relative returns is pleasing, we continue to focus on long-term returns rather than near-term market movements.

Throughout the Portfolio's history, outperformance has tended to be stronger in falling markets than in rising markets. The recent performance has been in line with this pattern. 2025 was a more challenging period for the Portfolio: Absolute returns were good at 30.3% but lagged the benchmark's 42.6% return. The first half of 2026 has proven more challenging for markets overall. However, the Portfolio has meaningfully outperformed in this environment. The period also included significant volatility linked to the escalation of the US-Israeli conflict with Iran, reminding investors of the unpredictability of geopolitical events. This reinforces the importance of maintaining a diversified portfolio. We aim to position the Portfolio such that it can perform reasonably well across a range of macroeconomic environments rather than relying on a single outcome.

The strength of the FTSE/JSE All Share Index (ALSI) through 2025 and early 2026 was narrow and driven largely by resource shares, particularly a small group of precious metals producers. A key feature of the Portfolio's positioning has been an underweight to this segment. While we maintained a meaningful absolute allocation to gold, it remained well below the index weight, which we viewed as excessively large. Although we recognise gold's role as a portfolio hedge, we have limited exposure given concerns about single-commodity dependence and the sector's long history of value destruction. These risks became more evident during the period, with the gold price correcting after a strong run and company-specific issues emerging, such as Gold Fields' licence dispute in Ghana. Speculative activity in platinum group metals (PGMs) was pronounced in late 2025 and early 2026, with prices rising sharply. We used this strength to reduce exposure, maintaining only a small position. Since then, many PGM shares have corrected significantly, with some falling by more than half from their first-quarter peaks.

A second key theme has been the Portfolio's continued rotation into SA Inc. shares. Many domestically focused companies have lagged the broader market and still trade at depressed valuations despite the ALSI reaching record highs earlier this year. We took profits in areas of strength, such as precious metals and multinationals like British American Tobacco, and redeployed capital into selected domestic businesses where valuations are more compelling. These include retailers such as Shoprite, Mr Price and Dis-Chem, which we view as high-quality businesses trading at meaningful discounts to their history. While the local macroeconomic backdrop remains extremely challenging, we continue to approach these opportunities with selectivity and caution.

During the quarter, the Portfolio added to select SA Inc. positions, including Bidvest and FirstRand, while reducing exposure to AngloGold, Glencore and British American Tobacco.

Commentary contributed by Tim Acker

Important information for investors

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 indices

The FTSE/JSE indices referenced herein are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE indices are the proprietary information of FTSE and the JSE. All copyright subsisting in the FTSE/JSE indices' values and constituent lists 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.

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**