Inception date: 15 July 2004

Allan Gray Life Global Stable Portfolio

Quarter ended 30 June 2026

Portfolio objective and benchmark

This portfolio is for risk-averse institutional investors. It aims to offer superior returns to money market investments with limited capital volatility whilst striving for capital preservation over any two-year period. In terms of Allan Gray's risk-profiled range, this portfolio has less risk of capital loss than the Balanced Portfolio. The benchmark is the Alexforbes 3-month Deposit Index plus 2% or CPI plus 3%.

Product profile

- Conservatively managed pooled portfolio.
- Investments selected from all asset classes.
- Investments may include foreign funds including, but not limited to, those managed by Orbis. Orbis is our global investment management partner which shares the same founder and investment philosophy as Allan Gray.
- We attempt to limit the risk of capital loss by holding shares with limited downside or attractive dividend yields and/or hedging stock market exposure.
- Modified duration of the fixed interest portfolio will be conservative.

Investment specifics

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

Compliance with Prudential Investment Guidelines

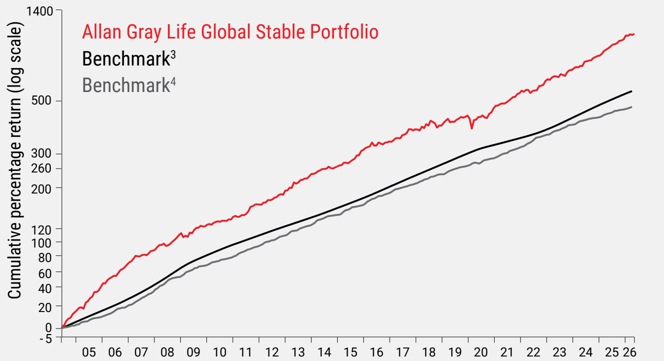
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will 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	R5 965m

Performance[1]

Cumulative performance since inception[2]



% Returns[5]	Portfolio[1]	Benchmark[3]	Benchmark[4]
Since inception[2]	11.6	8.9	8.4
Latest 10 years	9.6	8.5	7.7
Latest 5 years	12.2	8.6	8.2
Latest 3 years	12.4	9.6	7.3
Latest 2 years	14.2	9.3	7.0
Latest 1 year	12.6	8.8	7.9
Latest 3 months	1.7	2.1	3.2

Asset allocation on 30 June 2026[6]

Asset class	Total	South Africa	Foreign
Net equities	30.7	16.5	14.1
Hedged equities	18.1	6.9	11.2
Property	0.8	0.0	0.8
Commodity-linked	1.5	1.2	0.3
Bonds	37.9	31.4	6.5
Money market and cash[7]	11.0	8.3	2.7
Total (%)	**100.0**	**64.4**	**35.6**

Top 10 share holdings on 30 June 2026 (SA and Foreign)[6]

Company	% of portfolio
AB InBev	2.9
British American Tobacco	1.4
AngloGold Ashanti	1.3
Standard Bank	1.3
Richemont	1.3
Remgro	1.2
Woolworths	1.2
Taiwan Semiconductor Mfg	1.0
Shoprite	1.0
Sasol	0.9
Total (%)	**13.5**

1. Performance is gross of Allan Gray fees. Underlying Orbis fund returns are net of fees.
2. Since alignment date (1 August 2004).
3. Alexforbes 3-month Deposit Index plus 2%.
4. CPI plus 3% p.a. This data reflects the latest available headline CPI inflation numbers as at 31 May 2026 (Source: Iress). The return for June 2026 is an estimate.
5. 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.
6. Underlying holdings of foreign funds are included on a look-through basis.
7. Includes the impact of any currency hedging.

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

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

While 2025 delivered stellar market returns, the first half of the year has presented an altogether more difficult environment for investors, with the outbreak of war in the Middle East in February being the single biggest market-moving event. The escalation of the conflict and the resulting shipping disruptions in the Strait of Hormuz, through which roughly one-fifth of the global oil supply is transported, led to a sharp rise in crude oil prices. In turn, rising inflation expectations and lower economic growth estimates have heightened global market volatility.

Heading into the year, the consensus was that the interest rate-cutting cycle would continue, but the war has reversed this narrative and pushed the European Central Bank and the Bank of Japan towards hikes. Other banks moved to hold rates steady owing to the uncertainty. Developed market sovereign debt yields broadly moved higher. In the United States, expectations that the incoming US Federal Reserve (Fed) chair, Kevin Warsh, would favour policy easing were also challenged, as the Fed's recent statement took a more hawkish tone. Greater emphasis was placed on reining in rising prices as US inflation hit levels last seen in 2023, when the Fed was tightening monetary policy. Market expectations shifted dramatically towards two rate hikes by the end of the year.

The South African Reserve Bank (SARB) raised the key repo rate by 25 basis points (bps) to 7% at its Monetary Policy Committee (MPC) meeting in May. This marked the SARB's first interest rate hike since 2023, following two consecutive holds. The vote split four-to-two, with four members favouring the hike and two preferring no change. A larger 50bps hike was considered, but the MPC ultimately decided that second-round effects, where the shock broadens into wages and inflation expectations, were not yet sufficiently evident in the data to justify a larger increase.

The signing of a Memorandum of Understanding between the US and Iran in June and subsequent attempts to restore normal transit through the Strait of Hormuz, have contributed to a significant decline in the oil price, fully reversing the war-driven increases. Despite ongoing tensions and a fragile ceasefire, the recent drop in oil prices has mitigated the immediate inflation risks in South Africa's near-term outlook that had warranted the rate hike in May. As a result, expectations for further rate increases have moderated from the elevated levels seen during the conflict.

The artificial intelligence (AI) trade, powered by record levels of data centre capital expenditure, remains a dominant theme driving US equity markets to new all-time highs. Approximately half the weight of the S&P 500 is now attributed to AI-related shares, highlighting the binary nature of the US market into "AI winners" versus "AI losers".

The MSCI World Index returned 9.7% in US dollars (8.4% in rand terms) for the first half of 2026, while the FTSE/JSE All Share Index and the FTSE/JSE All Bond Index returned -3.0% and 4.2%, respectively, in rand terms. The Portfolio's year-to-date return of 5.6% should be viewed against this backdrop. Local equity selection added to the Portfolio's return, with holdings in AB InBev and Sasol, together with underweight exposure to precious metal miners among the largest contributors to relative outperformance. Hedging instruments have also helped shield the Portfolio from broader equity market weakness. Within the Portfolio's offshore exposure, the performance of the underlying Orbis funds also boosted returns.

During the quarter, we trimmed the Portfolio's exposure to Sasol, British American Tobacco and AB InBev, and we added to positions in Prosus, Sanlam and select local retailers.

Commentary contributed by Sean Munsie

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.

FTSE Russell Index

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2026. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "Russell®", "FTSE Russell®", is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indices or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indices or data and no party may rely on any indices or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

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**