ALLANGRAY

Fund managers: Allan Gray, Coronation, Nedgroup Investments, Ninety One
Inception date: 18 January 2019

Allan Gray Multi-Manager Cautious Portfolio

30 June 2025

Portfolio description and summary of investment policy

The Portfolio invests in the cautious mandates of a minimum of three managers, all of which are managed to comply with the investment limits governing retirement funds. The Allan Gray Stable Portfolio has a target allocation of 30% (excluding cash) in the Multi-Manager Portfolio. This allocation can change as a result of performance within pre-defined parameters. The Portfolio is a pooled portfolio offered by Allan Gray Life and is only available to members of the Allan Gray Umbrella Pension Fund and the Allan Gray Umbrella Provident Fund (collectively known as the Allan Gray Umbrella Retirement Fund).

Portfolio objective and benchmark

The Portfolio aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits. The Portfolio's benchmark is the Consumer Price Index, plus 3%.

How we aim to achieve the Portfolio's objective

We have selected managers with a strong track record who have consistently executed on their investment approach over time. These managers have complementary investment styles which, when combined appropriately, should improve the Portfolio's potential to deliver returns through different market cycles.

Suitable for those investors who

- Are risk-averse and require a high degree of capital stability
- Seek both above-inflation returns over the long term, and capital preservation over any two-year period
- Require some income but also some capital growth
- Wish to invest in a portfolio that complies with retirement fund investment limits
- Wish to diversify risk across multiple managers

Annual management fee

Each underlying manager charges a fee within their portfolio. Where performance fees are charged, this is based on the performance of the portfolio compared to its benchmark. The benchmarks of the underlying portfolios may differ from the benchmark of the Portfolio.

Allan Gray charges a multi-management fee based on the net asset value of the Portfolio, excluding the portion invested in Allan Gray portfolios. This fee is 0.20% p.a. (which equates to approximately 0.14% p.a. on the entire Portfolio).

Portfolio information on 30 June 2025

Portfolio size	R322.7m

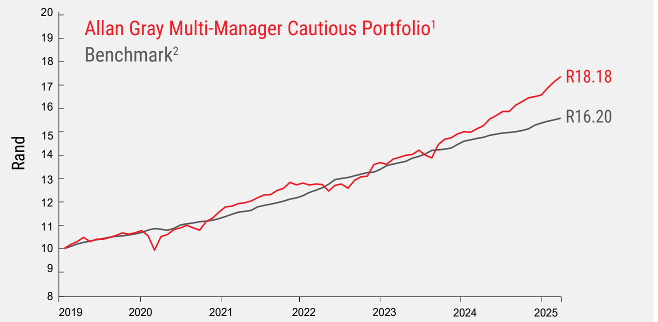
Underlying portfolio allocation on 30 June 2025

Portfolio	% of Portfolio
Allan Gray Stable Portfolio	29.1
Coronation Inflation Plus Portfolio	25.0
Ninety One Cautious Managed Portfolio	24.6
Nedgroup Investments Core Guarded Fund	19.4
Cash	2.0
Total	**100.0**

1. Performance is net of all fees and expenses.
2. Consumer Price Index (CPI), plus 3%, and was prorated from 18 January 2019 to 31 January 2019. CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 May 2025 (source: IRESS).
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 February 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 31 March 2020 to 31 May 2020. Drawdown is calculated on the total return of the Portfolio/benchmark (i.e. including income).
4. The percentage of calendar months in which the Portfolio produced a positive monthly return since inception.
5. 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.

Performance net of all fees and expenses

Value of R10 invested at inception



% Returns	Portfolio[1]	Benchmark[2]
Cumulative:		
Since inception (18 January 2019)	81.8	62.0
Annualised:		
Since inception (18 January 2019)	9.7	7.8
Latest 5 years	10.8	8.1
Latest 3 years	12.6	7.4
Latest 2 years	12.2	7.0
Latest 1 year	14.8	5.9
Year-to-date (not annualised)	7.0	3.8
Risk measures (since inception)		
Maximum drawdown[3]	-15.1	-0.7
Percentage positive months[4]	79.2	97.4
Annualised monthly volatility[5]	5.7	1.3

Quarterly commentary as at 30 June 2025

This quarter commenced with the US announcing broad trade tariffs to its trade partners with markets experiencing a slump at the announcement. Despite the initial fall in return due to the tariff announcement, the FTSE/JSE All Share Index (ALSI) went on to post a strong return of 10.2% over the quarter with the industrials and financials sectors contributing 11.8% and 8.5% respectively. Globally, the MSCI All Country World Index (MSCI ACWI) returned approximately 8% in rands, lagging the ALSI over the same period.

SA annual inflation in May 2025 was unchanged from the previous month, at 2.8%. Despite inflation having been low and the latest figure being below the 3% to 6% target range, the Monetary Policy Committee at the South African Reserve Bank (SARB) lowered the repo rate by 25 basis points to 7.25%. They stated that while inflation had been low, their decision “considered an adverse scenario which illustrated upside risks based on the assumption of global slowdown as a result of escalating trade tensions, where the rand depreciated sharply”.

Amidst all the uncertainty as a result of the prevailing risks, the Portfolio returned 5.1% (after fees) for the quarter, outperforming its benchmark which returned 1.4%. The Portfolio also generated meaningful returns over the long term, outperforming its benchmark over the reporting periods to the end of June 2025.

On a look-through basis, the top 10 local equity holdings saw Nedbank and Woolworths falling out, while Discovery and Richemont moved in to replace them. There were minor movements within the Portfolio’s asset class categories during the quarter.

Please refer to the commentary below from two of the underlying investment managers for a view of market conditions, performance and their portfolio positioning.

Commentary contributed by Tonderai Makeke

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

Company	% of Portfolio
Naspers & Prosus	1.6
British American Tobacco	1.4
AB InBev	1.1
FirstRand	0.9
AngloGold Ashanti	0.8
Standard Bank	0.7
Mondi	0.5
Gold Fields	0.5
Discovery	0.5
Richemont	0.5
Total (%)	**8.6**

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

Asset allocation on 30 June 2025

Asset class	Total	South Africa	Foreign
Net equities	32.2	14.8	17.4
Hedged equities	7.2	3.7	3.5
Property	1.5	1.0	0.5
Commodity-linked	1.8	1.6	0.2
Bonds	38.8	32.2	6.7
Money market, bank deposits and currency hedge	17.9	16.5	1.4
Other[6]	0.5	0.5	0.0
Total (%)	**100.0**	**70.4**	**29.6**

6. Hedge fund.

Total expense ratio (TER) and transaction costs

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2025[7]	1yr %	3yr %
Total expense ratio[8]	**0.93**	**0.86**
Fee for benchmark performance	0.64	0.64
Performance fees	0.22	0.15
Other costs excluding transaction costs[9]	0.07	0.07
Transaction costs[10]	**0.04**	**0.04**
Total investment charge	**0.97**	**0.90**

7. This estimate is based on information provided by the underlying managers.
8. 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.
9. Includes expenses such as audit fees, bank charges, custody fees, trustee fees and, for some underlying portfolios, the associated offshore TERs.
10. 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.

Commentary from underlying fund managers as at 30 June 2025

Coronation Inflation Plus Portfolio

The first half of 2025 was marked by heightened volatility and uncertainty, largely due to disruptive US policy shifts – particularly the trade policy overhaul ("Liberation Day") on 2 April – and escalating geopolitical tensions, including the US strike on Iranian nuclear facilities ("Operation Midnight Hammer"). Despite this backdrop, the Strategy delivered strong performance across all relevant timeframes, well ahead of its inflation-plus benchmark, underpinned by strict adherence to its investment philosophy.

SA fixed income assets were a key contributor to performance, benefiting from a lower inflation outlook and yield compression. The Strategy maintained exposure to SA bonds, managing duration risk and holding inflation-linked bonds for valuation and risk-offsetting purposes. While near-term inflation expectations have improved, the Strategy remains cautious about South Africa's longer-term debt dynamics.

Risk assets also boosted returns. The Strategy reduced global equity exposure immediately following the April shock but used the subsequent sell-off to increase holdings at more attractive valuations. Offshore allocations remain equity-heavy, with put protection in place for downside risk. The Strategy removed all currency hedges during the quarter, recognising that rand strength is more a result of dollar weakness than domestic improvement.

Local equities also performed well, led by sectors such as gold, platinum, telecoms and global stocks. The Strategy benefited from positions in rand-hedge counters (e.g. Richemont, AB InBev, Naspers), platinum group metals (Northam Platinum), and newly added Capitec, a high-quality bank with strong digital engagement and growth prospects in business banking. Smaller exposures (SA property, cash, offshore fixed income) also contributed by enhancing portfolio diversification.

Stock selection remains focused on resilient, high-quality local businesses that can thrive even in a sluggish economy. These companies reinvest consistently, which should improve their competitive positioning over time. The Strategy maintains sizeable holdings in global businesses listed locally, such as Mondi and Bidcorp, offering both value and diversification.

The team continues to monitor the accelerating impact of artificial intelligence, which is expected to widen the gap between winners and laggards. While markets performed well despite global tensions and domestic political instability, the Strategy remains vigilant of elevated risks. Emphasising valuation discipline and diversification across asset classes, sectors and geographies, the team avoids speculative macro forecasts and remains committed to responsible capital stewardship and consistent long-term client outcomes.

Nedgroup Investments Core Guarded Fund

In the second quarter of 2025, global markets were shaken by President Trump's sweeping overhaul of US trade policy, which raised average import tariffs from 2.5% to 24% and triggered fears of a deepening trade war. Major indices initially fell on concerns over inflation and disrupted supply chains, but sentiment rebounded sharply by quarter end. The S&P 500 recovered from an 18.8% April drawdown to reach a record high, while the MSCI ACWI rose 11.7% and emerging markets outperformed with a 12.2% gain. A US-brokered ceasefire between Israel and Iran helped stabilise oil prices, and a tentative trade deal with China further boosted investor confidence. Meanwhile, central banks took divergent paths: The European Central Bank cut rates by 25 basis points, the Bank of England held steady at 4.25%, and China paused its easing cycle. Bond markets remained volatile, though the Bloomberg Global Aggregate Bond Index returned 4.5% and the US dollar fell 7% against major currencies, reflecting ongoing uncertainty in both fiscal and geopolitical arenas.

SA markets delivered strong returns in the second quarter of 2025, with domestic equities and bonds performing well despite global trade tensions and renewed political uncertainty. The ALSI rose 10.2%, while the FTSE/JSE SA Listed Property Index gained 9.1%. Nominal government bonds outpaced inflation-linked bonds, with the FTSE/JSE All Bond Index returning 5.9%. The rand strengthened 3.1% against the US dollar but weakened 5.4% against the euro.

While commodity exports to the US remain relatively resilient, concerns over potential trade restrictions and the end of the African Growth and Opportunity Act (AGOA) benefits have added pressure. Domestically, the initial optimism surrounding the government of national unity has faded as questions around its cohesion and durability weigh on investor sentiment. Inflation held steady at 2.8% in May, prompting the SARB to consider revising its 3% to 6% target range. In this uncertain environment, investors are prioritising diversification and long-term resilience over short-term tactical positioning.

Therefore, the Nedgroup Investments Core Guarded Fund increased by 4.7% over the quarter. Navigating this complex environment requires a disciplined, diversified approach. With global trade dynamics in flux and local politics in transition, we are still focused on building resilience rather than making tactical bets.

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

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MSCI Index

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FTSE Russell Index

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