

Fund description and summary of investment policy

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 40%. The Fund's net equity exposure may be reduced from time to time using exchange-traded derivative contracts on stock market indices. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund or a balanced fund.

ASISA unit trust category: South African – Multi Asset – Low Equity

Fund objective and benchmark

The Fund 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 Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited, plus 2%.

How we aim to achieve the Fund's objective

A major portion of the Fund is typically invested in money market instruments. We seek to deploy the Fund's cash by investing in shares when they can be bought at a significant discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares, we may allocate a low weight to shares or partially hedge the Fund's stock market exposure in consideration of the Fund's capital preservation objectives. The Fund may also invest in bonds, property and commodities. The Fund's bond and money market investments are actively managed.

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 unit trust that complies with retirement fund investment limits

Meeting the Fund objective

Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund aims to minimise the risk of loss over any two-year period.

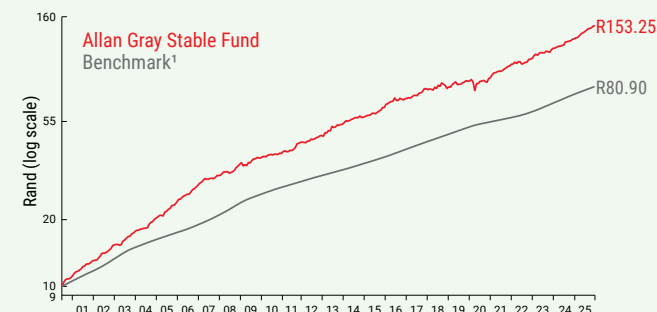
Fund information on 31 December 2025

Fund size	R60.7bn
Number of units	577 642 294
Price (net asset value per unit)	R51.91
Class	A

- The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank, plus 2%, performance as calculated by Allan Gray as at 31 December 2025.
- This data reflects the latest available headline CPI inflation numbers as at 30 November 2025 (source: Iress).
- Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 2020. Drawdown is calculated on the total return of the Fund (i.e. including income).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
- These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 30 April 2006 and the benchmark's occurred during the 12 months ended 30 June 2003. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 31 August 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark ¹	CPI inflation ²
Cumulative:			
Since inception (1 July 2000)	1432.5	709.0	274.6
Annualised:			
Since inception (1 July 2000)	11.3	8.5	5.3
Latest 10 years	8.6	7.6	4.8
Latest 5 years	11.5	7.7	5.0
Latest 3 years	12.1	9.2	4.0
Latest 2 years	12.5	9.1	3.2
Latest 1 year	14.8	8.6	3.5
Year-to-date (not annualised)	14.8	8.6	3.5
Risk measures (since inception)			
Maximum drawdown ³	-16.7	n/a	n/a
Percentage positive months ⁴	79.1	100.0	n/a
Annualised monthly volatility ⁵	5.0	0.6	n/a
Highest annual return ⁶	23.3	14.6	n/a
Lowest annual return ⁶	-7.4	4.6	n/a

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus quarterly.	31 Mar 2025	30 Jun 2025	30 Sep 2025	31 Dec 2025
Cents per unit	38.9637	51.5956	43.8841	37.7568

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years, to that of the benchmark. If the Fund's return over two years is equal to or less than 0%, Allan Gray will not charge a fee.

Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT

For each percentage of two-year performance above or below the benchmark we add or deduct 0.1%, subject to the following limits:

Maximum fee: 1.50% p.a. excl. VAT

Minimum fee: 0.50% p.a. excl. VAT

This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark.

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Top 10 share holdings on 31 December 2025 (SA and Foreign) (updated quarterly)⁷

Company	% of portfolio
AB InBev	2.8
AngloGold Ashanti	2.0
British American Tobacco	1.9
Standard Bank	1.4
Woolworths	1.3
Remgro	1.2
Nedbank	1.2
Gold Fields	1.2
Richemont	1.1
Sasol	1.0
Total (%)	15.2

7. Underlying holdings of foreign funds are included on a look-through basis.

Total expense ratio (TER) and transaction costs for periods ending 31 December 2025 (updated quarterly)

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	1.64	1.60
Fee for benchmark performance	1.01	1.01
Performance fees	0.45	0.41
Other costs excluding transaction costs	0.03	0.03
VAT	0.16	0.16
Transaction costs (including VAT)	0.05	0.04
Total investment charge	1.69	1.64

Top debt issuers on 31 December 2025 (SA and Foreign) (updated quarterly)^{7,8}

Issuer	% of portfolio
Republic of South Africa	18.1
Standard Bank	7.2
FirstRand	5.2
Absa	3.7
Investec	3.2
Nedbank	1.2
United States Treasury	1.1
Total (%)	39.6

8. Exposures representing 1% or more of the portfolio.

Asset allocation on 31 December 2025⁷

Asset class	Total	South Africa	Foreign
Net equities	24.8	11.0	13.8
Hedged equities	23.7	14.0	9.7
Property	0.9	0.1	0.8
Commodity-linked	2.2	1.8	0.3
Bonds	35.0	28.7	6.3
Money market and cash ⁹	13.4	11.1	2.3
Total (%)	100.0	66.7	33.3¹⁰

9. Includes the impact of any currency hedging.

10. The Fund can invest a maximum of 45% offshore. Market movements may periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	12.4% (January 2010)
Average	26.3%
Maximum	39.6% (December 2018)

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

Faced with the prospect of “Liberation Day” tariffs, multiple armed conflicts around the world, burgeoning government debt burdens and continued middling growth among the major economies outside of the United States, investors may be forgiven for approaching the markets in 2025 with apprehension. All told, though, 2025 will go down as another respectable year in terms of investment returns. And for South African investors, it will be remembered as being more than just respectable.

The FTSE/JSE All Share Index (ALSI) delivered a remarkable return of 42% in 2025, its highest annual return since the mid-2000s. This placed it among the best-performing stock markets globally in a year in which emerging markets dominated the leaderboard. To put this return into context, the ALSI has delivered an average annual return of 16% since 2019.

Central to this outperformance was the gold rally. The price of the metal surged 65% over the year to an all-time high, with 12% of that gain generated in the final quarter of the year alone. Heightened fiscal and inflation worries, geopolitical concerns and a White House advocating for ever-looser monetary policy form a heady mix for gold bugs. While buying by central banks remains an important underpin, more recently it has been investor demand, in the form of gold-backed exchange-traded funds, that has driven the price higher as the debasement trade gathers pace. The only time gold delivered stronger returns was in 1979, during a period marked by widespread inflation concerns.

The “lesser” precious metals in the basket were the major winners in 2025, with the prices of silver and platinum more than doubling, while palladium delivered an impressive gain of about 80%. On the back of these moves, precious metal producers listed on the Johannesburg Stock Exchange delivered returns ranging from 125% to 305% for the year. In previous commentaries, we have highlighted the increasingly concentrated nature of the local index. Gold and platinum miners now account for 26% of its weight compared to 10% at the start of 2025. The return profile from this sector is highly erratic and poses a headwind to future gains at the index level if metal prices were to cool.

Similarly, the local bond market continued its rally with the FTSE/JSE All Bond Index adding 9% in the last quarter of the year, bringing the annual return to 24%. This performance builds on strong 2024 returns, taking the two-year annualised return to an impressive 21%. While South African government bonds have closely tracked emerging market credit spreads, which are near all-time lows, there are also local factors at play. Key measures outlined in November’s Medium-Term Budget Policy Statement found favour with investors. These include reducing the inflation target to 3%, utilising additional Gold and Foreign Exchange Contingency Reserve Account proceeds to bolster the fiscus and cutting weekly bond auction levels. In addition to these measures, interest rate cuts from the South African Reserve Bank provided further support. The yield on the benchmark 10-year bond has returned to levels last seen in the early 2010s, a period when the nation’s finances were far healthier, highlighting the market’s bullish outlook.

At the end of 2025, 33% of the Fund was invested in direct offshore assets. While the stronger rand created a headwind during the year, the underlying Orbis funds delivered strong performance on both an absolute and relative basis.

The Fund returned 15% for the year, outperforming its benchmark by 6%. With many asset prices at, or near, multi-year highs locally and abroad, the prospect of future headline index returns remaining elevated looks less clear. Given the Fund’s emphasis on capital stability, current valuation levels are an important factor in deciding the overall asset allocation.

During the quarter, the Fund trimmed its exposure to gold miners and added to existing positions in Mondi, Spar and Shoprite.

Commentary contributed by Sean Munsie

**Fund manager quarterly
commentary as at
31 December 2025**

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Management Company

Allan Gray Unit Trust Management (RF) (Pty) Ltd (the "Management Company") is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority (FSCA). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however, it is not supervised or licensed in Botswana. Allan Gray (Pty) Ltd (the "Investment Manager"), an authorised financial services provider, is the appointed investment manager of the Management Company and is a member of the Association for Savings & Investment South Africa (ASISA). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)11 301 6335 or www.rmb.co.za.

Performance

Collective investment schemes in securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

Funds may be closed to new investments at any time in order to be managed according to their mandates. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The funds may borrow up to 10% of their market value to bridge insufficient liquidity.

Unit price

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund, including any income accruals and less any permissible deductions from the Fund, divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za.

Fees

Permissible deductions may include management fees, brokerage, securities transfer tax, auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray. For more information about our annual management fees, refer to the [frequently asked questions](#), available via the Allan Gray website.

Total expense ratio (TER) and transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one- and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, securities transfer tax, Share Transactions Totally Electronic (STRATE) and FSCA Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are necessary costs in administering the Fund and impact Fund returns. They 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. Since Fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and transaction costs is shown as the total investment charge (TIC).

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (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. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Foreign securities

The Fund invests in foreign securities. Depending on their markets, trading in those securities may carry risks relating to, among others, macroeconomic and political circumstances, constraints on liquidity or the repatriation of funds, foreign exchange rate fluctuations, taxation and trade settlement.

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

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FTSE Russell Index

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