ALLANGRAY

Fund managers: Duncan Artus, Sean Munsie, Tim Acker
(Most foreign assets are invested in Orbis funds)
Inception date: 5 April 2017

Allan Gray Stable Portfolio

31 July 2026

Portfolio description and summary of investment policy

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

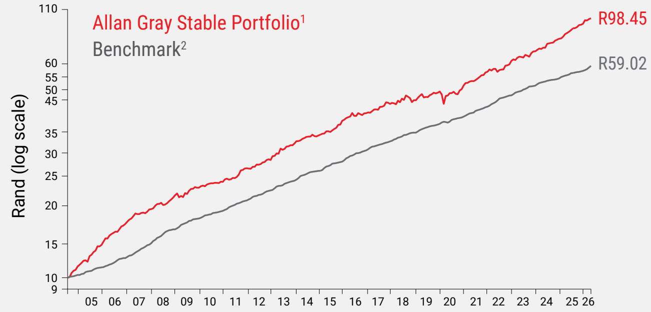
A major portion of the Portfolio is typically invested in money market instruments. We seek to deploy the Portfolio's cash by investing in shares when they can be bought at a significant discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term 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 Portfolio's stock market exposure in consideration of the Portfolio's capital preservation objectives. The Portfolio may also invest in bonds, property and commodities. The Portfolio's bond and money market investments are actively managed.

Portfolio history

The Portfolio is managed in the same way as the Allan Gray Life Global Stable Portfolio. When assessing the Portfolio's performance and risk measures over time, for periods before its inception (16 August 2017), the returns of the Allan Gray Life Global Stable Portfolio can be used. The combined history reflects the performance and risk of the strategy over the long term.

Performance net of all fees and expenses

Value of R10 invested at alignment



% Returns	Portfolio[1]	Benchmark[2]	CPI inflation[3]
Cumulative:			
Since alignment (1 August 2004)	884.5	490.2	215.2
Annualised:			
Since alignment (1 August 2004)	10.9	8.4	5.4
Latest 10 years	9.0	7.7	4.7
Latest 5 years	11.6	8.1	5.2
Latest 3 years	12.5	7.3	4.4
Latest 2 years	12.3	7.2	4.0
Latest 1 year	11.8	7.8	5.0
Year-to-date (not annualised)	6.6	6.2	4.0
Risk measures (since inception)			
Maximum drawdown[4]	-10.3	-0.7	n/a
Percentage positive months[5]	75.5	98.1	n/a
Annualised monthly volatility[6]	5.2	1.4	n/a
Highest annual return[7]	27.5	15.0	n/a
Lowest annual return[7]	-6.9	4.9	n/a

1. The returns prior to 16 August 2017 are those of the Allan Gray Life Global Stable Portfolio since its alignment on 1 August 2004. The returns are shown net of the fees that would have been incurred had the current fee applied since alignment.
2. The Portfolio's benchmark is the Consumer Price Index plus 3%, performance as calculated by Allan Gray as at 31 July 2026.
3. This data reflects the latest available headline CPI inflation numbers as at 30 June 2026 (source: Iress).
4. Maximum percentage decline over any period calculated from monthly returns. The maximum drawdown occurred from January 2020 to March 2020. Drawdown is calculated on the total return of the Portfolio (i.e. including income).
5. The percentage of calendar months in which the Portfolio produced a positive monthly return since alignment.
6. 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.
7. These are the highest or lowest consecutive 12-month returns since alignment. This is a measure of how much the Portfolio and the benchmark returns have varied per rolling 12-month period. The Portfolio's highest annual return occurred during the 12 months ended 30 April 2006 and the benchmark's occurred during the 12 months ended 31 August 2008. The Portfolio's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 31 May 2020.

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

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

Annual management fee

Allan Gray charges a fixed fee of 0.70% p.a. on the Portfolio assets excluding the portion invested in the range of Orbis funds. This fee is presently exempt from VAT.

A portion of the Portfolio 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 Portfolio over a one-year and three-year period (annualised). Since Portfolio returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns. Transaction costs are disclosed separately.

Top 10 share holdings on 30 June 2026 (SA and Foreign) (updated quarterly)[8]

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**

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

Asset allocation on 31 July 2026[8]

Asset class	Total	South Africa	Foreign
Net equities	30.0	15.2	14.8
Hedged equities	19.4	8.4	11.0
Property	0.8	0.0	0.8
Commodity-linked	1.6	1.3	0.3
Bonds	37.3	30.7	6.6
Money market and cash[9]	10.9	8.3	2.6
Total (%)	**100.0**	**63.9**	**36.1**[10]

9. Includes the impact of any currency hedging.

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

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

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

Minimum	23.2% (September 2025)
Average	31.4%
Maximum	40.1% (December 2018)

Total expense ratio (TER) and transaction costs for periods ending 30 June 2026 (updated quarterly)

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio[11]	1.58	1.19
Fee for benchmark performance	0.73	0.73
Performance fees	0.82	0.43
Other costs excluding transaction costs	0.03	0.03
Transaction costs (including VAT)[12]	0.06	0.05
Total investment charge	**1.64**	**1.24**

11. 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.

12. 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.

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

Portfolio 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 5.4% 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 indices 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**