ALLAN GRAY

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 October 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

The Portfolio typically maintains a high exposure to fixed interest instruments, including bonds and 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 property and commodities, and its investments are actively managed.

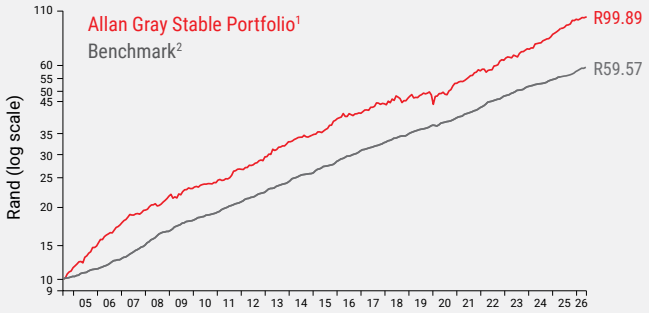
Portfolio history

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.

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 October 2026.
3. This data reflects the latest available headline CPI inflation numbers as at 30 September 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.

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)	898.9	495.7	217.0
Annualised:			
Since alignment (1 August 2004)	10.9	8.3	5.3
Latest 10 years	9.1	7.6	4.7
Latest 5 years	11.0	7.9	4.9
Latest 3 years	12.7	6.7	3.9
Latest 2 years	12.5	7.2	4.0
Latest 1 year	10.4	7.8	4.5
Year-to-date (not annualised)	8.2	7.2	4.5
Risk measures (since inception)			
Maximum drawdown [4]	-10.3	-0.7	n/a
Percentage positive months [5]	75.0	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

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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 September 2026 (SA and Foreign) (updated quarterly)[8]

Company	% of portfolio
AB InBev	2.7
AngloGold Ashanti	1.5
Sasol	1.3
Remgro	1.2
Standard Bank	1.2
British American Tobacco	1.2
Shoprite	1.1
Richemont	1.0
Naspers & Prosus	1.0
Taiwan Semiconductor Mfg	1.0
Total (%)	**13.2**

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

Asset allocation on 31 October 2026[8]

Asset class	Total	South Africa	Foreign
Net equities	30.9	16.1	14.9
Hedged equities	18.0	7.9	10.1
Property	0.9	0.0	0.9
Commodity-linked	1.5	1.2	0.3
Bonds	37.9	31.3	6.6
Money market and cash[9]	10.7	7.8	2.9
Total (%)	**100.0**	**64.3**	**35.7**[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 September 2026 (updated quarterly)

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio[11]	**1.10**	**1.13**
Fee for benchmark performance	0.73	0.73
Performance fees	0.33	0.37
Other costs excluding transaction costs	0.04	0.03
Transaction costs[12]	**0.05**	**0.05**
Total investment charge	**1.15**	**1.18**

Note: All TER components and transaction costs include VAT.

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.

Portfolio manager quarterly commentary as at 30 September 2026

The Portfolio's objective is to deliver long-term returns that are superior to bank deposits, while aiming to provide a high degree of capital stability and minimise the risk of loss over any two-year period. It seeks to achieve this by investing in a mix of shares, bonds, commodities and cash, both locally and offshore, based on the overall attractiveness of each underlying asset. When markets are rallying, this provides a strong underpin to returns. However, when prices are flat or down, the Portfolio's absolute return objective becomes that much harder to achieve.

The FTSE/JSE All Share Index has delivered a disappointing year-to-date return of -3.2%. This performance stands in stark contrast to what local equity investors have experienced in recent years, particularly when set against the stellar returns delivered in 2025. At a sector level, Financials and Resources have performed the best, delivering year-to-date returns of 3.8% and 1.2% respectively. Industrials have lagged significantly, returning -13.6% year to date.

While the Resources sector drove the market rally last year, the sector's performance so far this year has been more mixed, ranging from Sasol at the top end (+116%) to Sibanye Stillwater (-25%). Energy-related companies and diversified miners, particularly those with copper exposure, have generally performed well, while precious metals miners have struggled. The hawkish shift in global central bank interest rate expectations, driven by resurgent inflation, has created a near-term headwind for the gold price. The longer the conflicts in the Middle East and Ukraine persist, the greater the risk that higher crude oil and refined product prices feed through into a broader basket of goods, services and, ultimately, wages.

The sharp rise in developed market government bond yields reflect these fears, along with concerns regarding the debt issuance needed to fund future borrowing requirements amid greater competition for investor capital. While South African government bond yields have weakened from their lows earlier this year, the FTSE/JSE All Bond Index has outperformed developed market peers, generating a return of 3.5% year to date. Investors continue to benefit from improving fiscal dynamics and the adoption of a lower inflation target, assisted by rand stability and favourable terms of trade that were supported by the strong precious metals prices.

Naspers and Prosus rank among the worst-performing shares in the Industrials sector year to date. The market is questioning Tencent's position in the artificial intelligence (AI) race relative to Alibaba and ByteDance, while near-term profitability has been weighed down by heavy AI investment.

Within the local economy, the effects of muted growth and pressure on consumers have not been felt uniformly across listed companies. The earnings of local banks and insurers, operating in a more regulated and perhaps less contested market, have generally grown in line with, or above, market expectations – although market expectations were not overly ambitious at the outset. Conversely, retailers across both staples and discretionary categories, many of which have historically traded at premium earnings multiples, face heightened competition for an increasingly strained consumer wallet. In some instances, the market appears to be factoring the adverse scenario into company valuations in perpetuity, creating an opportunity for longer-term, contrarian investors.

Against a more challenging market backdrop than investors have experienced in recent years, the Portfolio has returned 6.0% year to date. Local equity stock selection has contributed positively to the Portfolio's return. Overweight holdings in AB InBev and Sasol, along with underweight exposure to precious metals miners, as well as Naspers and Prosus, were among the largest contributors to relative performance. Hedging instruments have also helped shield the Portfolio from broader equity market weakness. Within the Portfolio's offshore exposure, the underlying Orbis funds also contributed positively to performance.

During the quarter, the Portfolio added to its holdings in Prosus, Clicks and Truworths following share price weakness and trimmed its holdings in Richemont and Gold Fields.

Commentary contributed by Sean Munsie

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Past performance is not indicative of future performance.

Total expense ratio 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) and other expenses like audit and trustee fees. Transaction cost (including brokerage, securities transfer tax, Share Transactions Totally Electronic (STRATE) and FSCA Investor Protection Levy) are shown separately. All TER components and transaction costs include VAT, where applicable. 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).

FTSE/JSE indices

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MSCI Index

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