

**Fund description and summary of investment policy**

The Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts and can only be accessed through these products. 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 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. 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.

**ASISA unit trust category:** South African – Multi Asset – High Equity

**Fund objective and benchmark**

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund’s benchmark is the market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds).

**How we aim to achieve the Fund’s objective**

We seek to buy shares at a 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 increase the Fund’s weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Fund’s stock market exposure. By varying the Fund’s exposure to these different asset classes over time, we seek to enhance the Fund’s long-term returns and to manage its risk. The Fund’s bond and money market investments are actively managed.

**Suitable for those investors who**

- Seek steady long-term capital growth
- Are comfortable with taking on some risk of market fluctuation and potential capital loss, but typically less than that of an equity fund
- Wish to invest in a tax-free investment account
- Typically have an investment horizon of at least three years

**Maximum investment amounts**

Maximum lump sum per investor account	R46 000
Lifetime maximum	R500 000
Maximum debit order*	R 3 833.33

\*Only available to investors with a South African bank account.

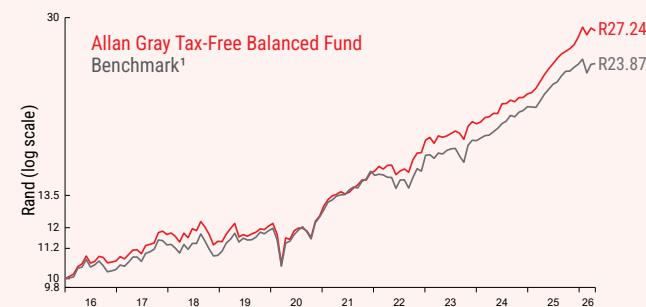
**Fund information on 31 May 2026**

Fund size	R5.7bn
Number of units	231 605 595
Price (net asset value per unit)	R21.53
Class	A

1. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 31 May 2026.
2. This data reflects the latest available headline CPI inflation numbers as at 30 April 2026 (source: Iress).
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 20 January 2020 to 23 March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. 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.
6. 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 31 March 2021 and the benchmark’s occurred during the 12 months ended 31 March 2021. 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 March 2020. 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 <sup>1</sup>	CPI inflation <sup>2</sup>
<b>Cumulative:</b>			
Since inception (1 February 2016)	172.4	138.7	61.8
<b>Annualised:</b>			
Since inception (1 February 2016)	10.2	8.8	4.8
Latest 10 years	9.5	8.3	4.6
Latest 5 years	13.9	11.2	4.9
Latest 3 years	15.4	13.0	4.0
Latest 2 years	18.2	14.8	3.4
Latest 1 year	19.4	13.2	4.0
Year-to-date (not annualised)	5.8	1.5	2.5
<b>Risk measures (since inception)</b>			
Maximum drawdown <sup>3</sup>	-24.6	-23.3	n/a
Percentage positive months <sup>4</sup>	70.2	68.5	n/a
Annualised monthly volatility <sup>5</sup>	8.8	8.7	n/a
Highest annual return <sup>6</sup>	31.7	30.7	n/a
Lowest annual return <sup>6</sup>	-13.4	-10.3	n/a

**Fund history**

This Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts. Refer to the Allan Gray Balanced Fund factsheet for a history of the Allan Gray Balanced Fund since its inception on 1 October 1999.

**Meeting the Fund objective**

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund experiences periods of underperformance in pursuit of this objective. Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark.

**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 biannually.	<b>30 Jun 2025</b>	<b>31 Dec 2025</b>
<b>Cents per unit</b>	<b>21.6692</b>	<b>20.9421</b>

**Annual management fee**

A fixed fee of 1.25% p.a. excl. VAT.

Allan Gray charges this fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. Orbis charges fixed fees within the Orbis funds that the Fund invests in. 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 March 2026 (SA and Foreign) (updated quarterly)<sup>7</sup>**

Company	% of portfolio
AB InBev	4.2
Glencore	3.5
Naspers & Prosus	3.1
AngloGold Ashanti	3.0
British American Tobacco	2.5
Standard Bank	2.2
Nedbank	1.7
Sasol	1.7
Woolworths	1.5
Remgro	1.5
<b>Total (%)</b>	<b>24.9</b>

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

**Total expense ratio (TER) and transaction costs for periods ending 31 March 2026 (updated quarterly)**

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
<b>Total expense ratio</b>	<b>1.49</b>	<b>1.48</b>
Fee for benchmark performance	1.32	1.31
Other costs excluding transaction costs	0.03	0.04
VAT	0.14	0.14
<b>Transaction costs (including VAT)</b>	<b>0.08</b>	<b>0.07</b>
<b>Total investment charge</b>	<b>1.57</b>	<b>1.55</b>

**Asset allocation on 31 May 2026<sup>7</sup>**

Asset class	Total	South Africa	Foreign
Net equities	66.4	38.7	27.7
Hedged equities	8.1	1.9	6.2
Property	0.9	0.1	0.8
Commodity-linked	2.4	2.0	0.4
Bonds	16.1	10.9	5.2
Money market and cash <sup>8</sup>	6.0	4.1	2.0
<b>Total (%)</b>	<b>100.0</b>	<b>57.7</b>	<b>42.3<sup>9</sup></b>

8. Includes the impact of any currency hedging.

9. 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.

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

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

Minimum	57.5% (February 2016)
Average	64.4%
Maximum	72.5% (May 2021)

With the US and Israel launching a joint military operation against Iran on 28 February, the first quarter of 2026 was characterised by heightened geopolitical risk, sharp moves in commodity and equity markets, and continued divergence across asset classes. Against this backdrop, the Fund delivered a pleasing return of 4.1% for the quarter, outperforming its benchmark by 6.3%. Commodity-linked equity exposure and asset allocation decisions played a key role in this relative performance.

Commodity prices and related equity market volatility were key drivers of returns during the quarter, with performance diverging meaningfully across sectors:

- **Gold:** The precious metal was highly volatile. It started the year at around US\$4 300 per ounce, rallied to a record high above US\$5 400 per ounce in late January, and then declined sharply in March as rising real yields and a stronger US dollar offset its safe-haven appeal. From peak to quarter end, the price of gold fell approximately 16% to US\$4 554 per ounce, ending the quarter slightly above where it began. JSE-listed gold shares showed similar price movements.
- **Platinum:** Similar to gold, at the beginning of the year, platinum continued the strength seen in much of 2025, rising from US\$2 226 per ounce to over US\$2 800 per ounce in late January. It then fell sharply to US\$1 908 per ounce, ending the quarter lower than it began.
- **Oil:** In sharp contrast to the precious metals sector, oil staged a substantial rally in March as the escalation of the US-Israeli war with Iran disrupted supply. This raised concerns around the risks of a prolonged closure of the Strait of Hormuz and the implications for energy markets and related commodities. Having begun the year trading at US\$61 per barrel, Brent crude oil ended the quarter at over US\$100 per barrel.

Throughout much of last year and the early part of this year, we trimmed our gold and platinum group metals equity exposure into strength. As such, while we build the portfolio from the bottom up and remain benchmark agnostic, our underweight positioning in precious metal equities benefited our domestic equity returns, particularly in March. Similarly, our overweight positions in Glencore, Thungela and Sasol benefited from the rally in oil and energy-related commodity prices. After being out of favour with the market for much of the last decade, Sasol was particularly strong, rallying over 100% during the quarter.

Given the importance of oil to the global economy, disruptions to energy supply have widespread implications for global growth, inflation and interest rates. Financial markets have broadly reacted negatively, with global equities declining and volatility intensifying. Rising inflation and interest rate expectations have also seen bond markets sell off.

For example, the South African 10-year government bond fell sharply, with the yield moving from just over 8% at the start of March to 9.6% at the end of the quarter. This is equivalent to a price decline of roughly 8.8%. Recent volatility masks what has, however, been a favourable market for bond investors in South Africa. Over one year, on the back of improving domestic sentiment, declining inflation and South Africa's removal from the Financial Action Task Force (FATF) grey list, the FTSE/JSE All Bond Index has returned 19.2%. Thus, despite the March sell-off, owning South African bonds has been a good investment.

A notable divergence has, however, arisen between the performance of domestic bonds and domestically focused "SA Inc." equities. In contrast to domestic bonds, sentiment towards SA Inc. equities, particularly consumer-facing names, turned negative in 2025. This negativity has carried through into 2026, as constrained household income growth and weak consumer confidence have weighed on sales and earnings growth. Since the start of 2025, the share prices of Mr Price, Truworths, TFG and Spar are all down by over 45%. Even historic market darling Clicks has come under pressure, falling 22% over this period. After being materially underweight these shares for some time, we have been selectively buying them over the past few months, as we believe the share prices are now discounting a rather dire future.

Offshore, the Fund's meaningful allocation to Orbis funds has continued to drive positive relative performance. In particular, we have benefited from being underweight an expensive US market and holding a basket of idiosyncratic, diversified equities and bonds that look very different to the average manager. The common thread across these assets is their individual attractiveness. Over time, this exposure remains a key driver of long-term returns and risk management.

The first quarter of 2026 highlighted the importance of diversification in an environment marked by geopolitical shocks and commodity volatility. The Fund remains focused on long-term value creation through disciplined asset allocation and security selection. We continue to position the portfolio to withstand a range of outcomes, recognising that periods of uncertainty often present the best opportunities for the patient investor.

During the quarter, the Fund added to its positions in Truworths and Dis-Chem and reduced its holdings in Sasol and Gold Fields.

**Commentary contributed by Rory Kutisker-Jacobson**

**Fund manager quarterly  
commentary as at  
31 March 2026**

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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](http://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.

## 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).

## 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).

## Information for investors in the tax-free investment account

The Allan Gray Tax-Free Investment Account is administered by Allan Gray Investment Services (Pty) Ltd, an authorised administrative financial services provider, and underwritten by Allan Gray Life Ltd, an insurer licensed to conduct investment-linked life insurance business as defined in the Insurance Act 18 of 2017. The underlying investment options of the Allan Gray individual products are portfolios of collective investment schemes in securities (unit trusts or funds).

## 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 indices

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## Important information for investors

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