

## Fund description and summary of investment policy

The Fund invests primarily in shares listed on the Johannesburg Stock Exchange (JSE). The Fund can invest a maximum of 45% offshore. The Fund invests the bulk of its foreign allowance in equity funds managed by Orbis Investment Management Limited, our offshore investment partner. The Fund is typically fully invested in shares. Returns are likely to be volatile, especially over short- and medium-term periods.

**ASISA unit trust category:** South African – Equity – General

## Fund objective and benchmark

The Fund aims to create long-term wealth for investors. It aims to outperform the average return of South African General Equity Funds over the long term, without taking on greater risk of loss. To pursue its objective the Fund's portfolio may differ materially from those of its peers. This will result in the Fund underperforming its benchmark materially at times. The Fund aims to compensate for these periods of underperformance by delivering outperformance over the long term. The Fund's benchmark is the market value-weighted average return of funds in the South African – Equity – General category (excluding Allan Gray funds).

## How we aim to achieve the Fund's objective

We seek to buy shares offering the best relative value while maintaining a diversified portfolio. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares from sellers who over-react to short-term difficulties or undervalue long-term potential. We invest in a selection of shares across all sectors of the stock market, and across the range of large, mid and smaller cap shares.

## Suitable for those investors who

- Seek exposure to listed equities to provide long-term capital growth
- Are comfortable with stock market fluctuation, i.e. short- to medium-term volatility
- Are prepared to accept the risk of capital loss
- Typically have an investment horizon of more than five years
- Wish to use the Fund as an equity 'building block' in a diversified multi-asset class portfolio

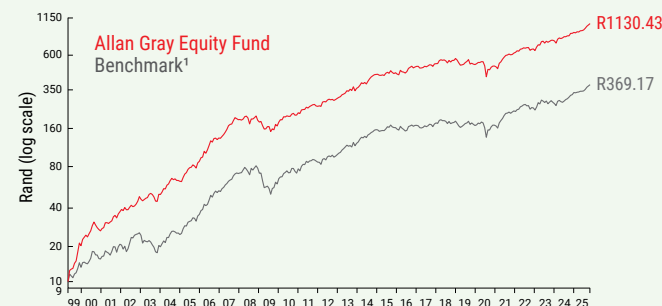
## Fund information on 31 August 2025

Fund size	R54.2bn
Number of units	47 201 872
Price (net asset value per unit)	R709.44
Class	A

1. The market value-weighted average return of funds in the South African – Equity – General category, excluding Allan Gray funds. (Effective 1 October 2024, this category started excluding funds that can only invest in South African equities.) Source: Morningstar, performance as calculated by Allan Gray as at 31 August 2025. From inception to 28 February 2015 the benchmark was the FTSE/JSE All Share Index including income. Source: IRESS.
2. CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
3. Maximum percentage decline over any period. The maximum drawdown occurred from 3 September 2018 to 23 March 2020 and maximum benchmark drawdown occurred from 22 May 2008 to 20 November 2008. 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 30 September 1999 and the benchmark's occurred during the 12 months ended 30 April 2006. 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 28 February 2009. 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 October 1998)	11204.3	3591.7	311.6
<b>Annualised:</b>			
Since inception (1 October 1998)	19.2	14.3	5.4
Latest 10 years	9.9	8.7	4.8
Latest 5 years	17.4	16.4	5.1
Latest 3 years	17.7	16.0	4.3
Latest 2 years	17.9	18.5	4.1
Latest 1 year	22.7	22.3	3.5
Year-to-date (not annualised)	19.7	16.6	3.4
<b>Risk measures (since inception)</b>			
Maximum drawdown <sup>3</sup>	-37.0	-45.4	n/a
Percentage positive months <sup>4</sup>	66.6	60.7	n/a
Annualised monthly volatility <sup>5</sup>	14.8	16.1	n/a
Highest annual return <sup>6</sup>	125.8	73.0	n/a
Lowest annual return <sup>6</sup>	-24.3	-37.6	n/a

Meeting the Fund objective

The Fund has created wealth for its long-term investors. Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the average equity fund. The maximum drawdown and lowest annual return numbers, in the ‘Performance net of all fees and expenses’ table, show that the Fund has successfully reduced downside risk in periods of negative market returns.

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.	31 Dec 2024	30 Jun 2025
Cents per unit	635.7956	838.4062

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 for the day to that of the benchmark.

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

For each annualised percentage point above or below the benchmark we add or deduct 0.2%. The maximum fee is uncapped and if the fee would have been negative, 0% will be charged for the day and the negative fee will be carried forward to reduce the next day’s fee (and all subsequent days until the underperformance is recovered).

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 30 June 2025 (SA and Foreign)  
(updated quarterly)<sup>7</sup>

Company	% of portfolio
British American Tobacco	5.3
Naspers & Prosus	5.0
AB InBev	4.9
Standard Bank	2.8
AngloGold Ashanti	2.5
The Walt Disney Company	2.4
Nedbank	2.1
Woolworths	2.1
Remgro	2.0
Mondi	2.0
Total (%)	31.1

7. Underlying holdings of foreign funds are included on a look-through basis.  
8. Includes listed property.  
9. FTSE/JSE All Share Index.

Total expense ratio (TER) and transaction costs (updated quarterly)

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
Total expense ratio	1.29	1.87
Fee for benchmark performance	1.02	1.04
Performance fees	0.21	0.65
Other costs excluding transaction costs	0.04	0.04
VAT	0.02	0.14
Transaction costs (including VAT)	0.10	0.08
Total investment charge	1.39	1.95

Sector allocation on 30 June 2025  
(updated quarterly)<sup>7</sup>

Sector	% of equities <sup>8</sup>	% of ALSI <sup>9</sup>
Financials	23.6	28.2
Consumer staples	18.9	11.4
Basic materials	13.4	22.5
Consumer discretionary	12.7	6.7
Industrials	11.3	2.9
Technology	9.2	16.4
Healthcare	4.4	1.2
Energy	3.2	0.7
Telecommunications	1.6	5.3
Real estate	1.5	4.8
Utilities	0.3	0.0
Total (%)	100.0	100.0

Asset allocation on 31 August 2025<sup>7</sup>

Asset class	Total	South Africa	Foreign
Net equities	93.9	53.3	40.6
Hedged equities	0.0	0.0	0.0
Property	1.7	0.3	1.5
Commodity-linked	0.0	0.0	0.0
Bonds	0.2	0.0	0.2
Money market and cash <sup>10</sup>	4.2	3.4	0.8
Total (%)	100.0	57.0	43.0 <sup>11</sup>

10. Includes the impact of any currency hedging.  
11. 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.

Market participants would be forgiven for having developed a mild case of post-traumatic stress disorder over the last three months. The now infamous "Liberation Day", the near collapse of South Africa's government of national unity (GNU) and the drastic escalation of tensions in the Middle East were the defining events of the quarter. Yet, if an investor fell into a coma at the end of March and only re-emerged at the end of June, a glance at closing stock market levels would suggest nothing but good news. Both the MSCI World Index and the S&P 500 were up 11% in US dollars at the end of the quarter. However, there was a wild ride in between. Over the four days after Donald Trump announced sweeping tariffs in early April, the S&P 500 fell 12%. A subsequent pause in implementation saw the index recover all its losses by 2 May, only to power ahead 25% from the Liberation Day bottom on the back of a trade deal with China and a negotiated ceasefire in the Middle East. Both the MSCI World Index and S&P 500 ended the second quarter at all-time highs.

We have yet to see where the final US tariff proposals will land. Current estimates put the effective forward rate at the highest level since the 1930s. At the peril of trying to read Trump's mind, the problem he is trying to fix is a real one. The United States' share of global consumption is almost double its share of global production – an outlier compared to most regional blocs. The US also has a growing fiscal deficit that must be funded. There are, however, reasons to be concerned. Firstly, policy uncertainty is usually not supportive for private sector capital investment. One faces a sharp headwind to maintain strong growth in such an environment (South Africa is an unfortunate case in point here). Secondly, US companies will bear the burden of the tariffs and have a choice: They can either pass on those higher costs to consumers via higher prices, or they can absorb them into their margins. The former is not conducive to low and stable inflation (something we thought was at risk even before the tariff announcements). The latter is not good for company earnings. The S&P 500 trades on 22 times forward earnings versus the MSCI World ex-US on 15 times; using this alone to conclude the US is expensive, is lazy. US companies deserve a premium rating, as they have grown faster with lower earnings volatility and higher cash conversion. However, what worries us is 1) the S&P 500's rating is more than 40% above its own history, and 2) earnings expectations are high despite the risks discussed above. As such, our global stock positions are tilted away from the US, and those within the US are in the less-crowded names.

Locally, things were even more extreme. The FTSE/JSE All Share Index (ALSI) fell 9% two days after 2 April, fully recovering over the next eight days and marching to an all-time high in mid-June (a 20% gain from the Liberation Day bottom). A sharper recovery was aided by the precious metal shares (up 14% over the quarter; making up 17% of the ALSI). If we are to ease our social and economic challenges, South Africa needs to grow real gross domestic product (GDP) meaningfully. The key internal enablers of this remain missing: The GNU is tenuous, capital investment is stagnant and infrastructure performance is still subpar. Unfortunately, even if we solve all our problems, the weakening global growth environment makes a turnaround much harder. For technical reasons, the ALSI today is far more exposed to the SA economy versus a decade ago. SA banks and insurers make up almost a quarter of the index, with retailers and healthcare making up a further 10%. Given our concerns about the SA economy, our positioning is tilted offshore, particularly towards the defensive rand hedges. AB InBev is a great example of such a share. Beer is winning share of throat, the company has pricing power from strong brands and consumers trading up, there is material scope for earnings to grow and, most importantly, we can buy it for a reasonable price.

To paraphrase Vladimir Lenin: There are decades where nothing happens, and there are weeks where decades happen. Given the heightened risk environment, we are primarily solving for absolute returns. If stock markets continue to run, our defensive tilt means we will likely lag on a relative basis but hopefully with healthy absolute returns. However, if there is a longer-lasting wobble, our positioning should hold up more robustly in protecting client capital. Our through-the-cycle track record has been built on the latter.

During the quarter, the Fund added to its positions in Glencore and Aspen Pharmacare and reduced its holdings in Gold Fields and Prosus.

**Commentary contributed by Jithen Pillay**

**Fund manager quarterly commentary as at 30 June 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](http://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.

## 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).

## FTSE/JSE All Share Index, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index

The FTSE/JSE All Share Index, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE All Share Index, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the FTSE/JSE All Share Index, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index vests in FTSE and the JSE jointly. All their rights are reserved.

## FTSE Russell Index

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## MSCI Index

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## 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](http://www.allangray.co.za) or via our Client Service Centre on **0860 000 654**

## 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 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 unit trust that complies with retirement fund investment limits
- Typically have an investment horizon of more than three years

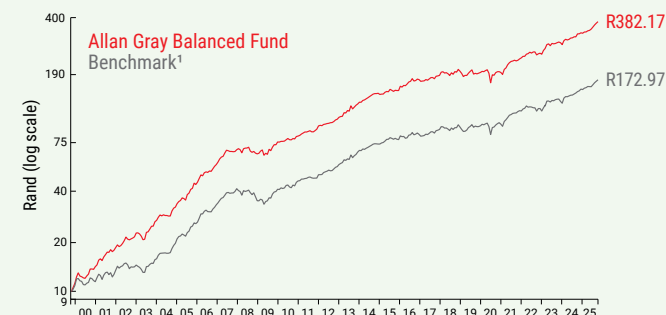
## Fund information on 31 August 2025

Fund size	R231.7bn
Number of units	602 538 248
Price (net asset value per unit)	R181.74
Class	A

- 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 August 2025. From inception to 31 January 2013 the benchmark was the market value-weighted average return of the funds in both the Domestic Asset Allocation Medium Equity and Domestic Asset Allocation Variable Equity sectors of the previous ASISA Fund Classification Standard, excluding the Allan Gray Balanced Fund. Source: Morningstar.
- CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
- 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).
- 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 April 2006. 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 28 February 2009. 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 October 1999)	3721.7	1629.7	294.3
<b>Annualised:</b>			
Since inception (1 October 1999)	15.1	11.6	5.5
Latest 10 years	9.9	8.4	4.8
Latest 5 years	14.9	12.4	5.1
Latest 3 years	16.0	14.1	4.3
Latest 2 years	15.9	14.4	4.1
Latest 1 year	20.2	17.1	3.5
Year-to-date (not annualised)	17.3	12.2	3.4
<b>Risk measures (since inception)</b>			
Maximum drawdown <sup>3</sup>	-25.4	-23.3	n/a
Percentage positive months <sup>4</sup>	70.7	68.2	n/a
Annualised monthly volatility <sup>5</sup>	9.2	9.1	n/a
Highest annual return <sup>6</sup>	46.1	41.9	n/a
Lowest annual return <sup>6</sup>	-14.2	-16.7	n/a



## Meeting the Fund objective

The Fund has created wealth for its long-term investors. Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the average balanced fund.

## 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.	31 Dec 2024	30 Jun 2025
<b>Cents per unit</b>	<b>172.6912</b>	<b>215.1332</b>

## 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.

**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 30 June 2025 (SA and Foreign) (updated quarterly)<sup>7</sup>

Company	% of portfolio
AB InBev	4.0
Naspers & Prosus	3.8
British American Tobacco	3.8
AngloGold Ashanti	2.0
Standard Bank	2.0
The Walt Disney Company	1.9
Nedbank	1.9
Glencore	1.6
Woolworths	1.6
Remgro	1.4
<b>Total (%)</b>	<b>24.1</b>

## Total expense ratio (TER) and transaction costs (updated quarterly)

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
<b>Total expense ratio</b>	<b>1.43</b>	<b>1.66</b>
Fee for benchmark performance	1.02	1.02
Performance fees	0.25	0.45
Other costs excluding transaction costs	0.04	0.04
VAT	0.12	0.15
<b>Transaction costs (including VAT)</b>	<b>0.07</b>	<b>0.06</b>
<b>Total investment charge</b>	<b>1.50</b>	<b>1.72</b>

## Asset allocation on 31 August 2025<sup>7</sup>

Asset class	Total	South Africa	Foreign
Net equities	64.6	37.1	27.4
Hedged equities	9.1	3.1	6.0
Property	1.2	0.2	1.0
Commodity-linked	3.3	2.7	0.6
Bonds	16.0	11.9	4.2
Money market and cash <sup>8</sup>	5.9	7.0	-1.2
<b>Total (%)</b>	<b>100.0</b>	<b>61.9</b>	<b>38.1<sup>9</sup></b>

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

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.

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

Minimum	49.3% (February 2000)
Average	63.3%
Maximum	72.9% (May 2021)

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

For the quarter, the FTSE/JSE All Share Index (ALSI) returned 10.2%, the FTSE/JSE All Bond Index returned 5.9% and the Fund returned 8.3%. If that was all you knew, you might think it was a relatively benign quarter, but uneventful it was not.

The quarter began with "Liberation Day" on 2 April when President Trump surprised markets with the degree and severity with which he proposed imposing import tariffs on every country that the US trades with. Even territories uninhabited by humans, such as the Heard and McDonald Islands, were threatened with tariffs. The market reaction was swift, and by 7 April, the ALSI was down 7.0% for the quarter in rands. Offshore, in US dollars, the S&P 500 was down 9.8%, while the MSCI World Index was down 9.9%.

When the US bond market began to buckle, President Trump walked back many of the proposed tariffs, either through revised agreements or 90-day pauses. Within weeks, markets had forgotten the panic of early April, continuing their upward trajectory and largely ignoring the future risk of elevated tariffs on global trade and gross domestic product (GDP).

Domestically, tensions remained elevated in the government of national unity, as the Budget was revised a third time and finally passed in May, with the proposed VAT increase abandoned. Where exactly the SA government will source the funds to finance our growing budget deficit is not entirely clear.

The quarter ended with the already tense situation in the Middle East reaching boiling point, as both Israel and the US bombed Iran, and Iran responded with missile strikes of their own. At quarter end, the countries had entered into a fragile ceasefire agreement.

Against this backdrop, we continue to do what we have always done: ignore short-term noise, and invest in assets we believe offer a margin of safety and potential for long-term outperformance. To the extent that the short-term market volatility created opportunities over the quarter to pick up previously expensive assets on the cheap, we looked to capitalise on those.

#### Positioning

Our positioning remained largely unchanged over the quarter. The direct offshore exposure of the Fund was 37%. However, if you include the dual-listed businesses that make the majority of their money offshore, the foreign exposure of the Fund was north of 50% on a look-through basis.

The three largest share positions in the Fund, namely British American Tobacco, AB InBev, and Naspers and Prosus, remain unchanged.

**British American Tobacco:** Continued volume declines in traditional cigarettes, slower-than-expected growth in vape products and concerns over the US regulatory environment continue to weigh on sentiment. However, we believe the market is overly focused on these elements and underappreciates British American Tobacco's resilient cashflows, attractive dividend yield and its rapidly growing Velo product (tobacco-free modern oral). The share trades at a significant discount to intrinsic value and, in our view, offers compelling long-term return prospects.

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As all these shares have rallied throughout the year, we have been trimming our positions.

Offshore, our partner, Orbis, has delivered excellent year-to-date results despite the continued underweight to US technology shares. While we remain cautious on index-level valuations at both Allan Gray and Orbis, we do hold select US exposure – favouring companies with strong balance sheets, durable competitive advantages and reasonable valuations. Where valuations do not offer a margin of safety, Orbis has shown the discipline to rotate into less crowded areas of the market, and continues to see much greater value outside the US than within it.

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We do not attempt to predict short-term market moves or macroeconomic surprises. Even if we did, we don't think we'd be any good at it. Instead, we focus on identifying assets with robust fundamentals trading at attractive prices. In uncertain environments, we believe this long-term orientation, underpinned by valuation discipline and a contrarian mindset, is essential to preserving and growing our clients' wealth.

During the quarter, we added to Glencore and reduced our exposure to Gold Fields.

#### Commentary contributed by Rory Kutisker-Jacobson

### Fund manager quarterly commentary as at 30 June 2025

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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).

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

The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index vests in FTSE and the JSE jointly. All their rights are reserved.

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## 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](http://www.allangray.co.za) or via our Client Service Centre on **0860 000 654**



## 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	R36 000
Lifetime maximum	R500 000
Maximum debit order*	R3 000

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

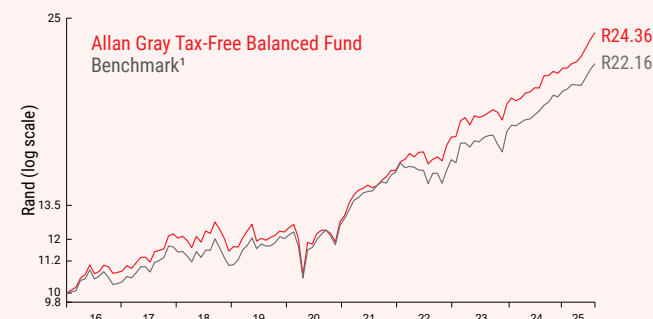
## Fund information on 31 August 2025

Fund size	R4.4bn
Number of units	195 965 958
Price (net asset value per unit)	R19.45
Class	A

- 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 August 2025.
- CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
- 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).
- 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 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)	143.6	121.6	57.7
<b>Annualised:</b>			
Since inception (1 February 2016)	9.7	8.7	4.9
Latest 5 years	14.7	12.4	5.1
Latest 3 years	16.1	14.1	4.3
Latest 2 years	15.8	14.4	4.1
Latest 1 year	19.9	17.1	3.5
Year-to-date (not annualised)	17.1	12.2	3.4
<b>Risk measures (since inception)</b>			
Maximum drawdown <sup>3</sup>	-24.6	-23.3	n/a
Percentage positive months <sup>4</sup>	69.6	67.0	n/a
Annualised monthly volatility <sup>5</sup>	8.9	8.8	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 five-year period, 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>31 Dec 2024</b>	<b>30 Jun 2025</b>
<b>Cents per unit</b>	<b>17.6520</b>	<b>21.6692</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 30 June 2025 (SA and Foreign) (updated quarterly)<sup>7</sup>

Company	% of portfolio
AB InBev	4.0
British American Tobacco	3.7
Naspers & Prosus	3.7
AngloGold Ashanti	2.0
Standard Bank	2.0
The Walt Disney Company	1.9
Nedbank	1.9
Woolworths	1.7
Glencore	1.6
Remgro	1.4
<b>Total (%)</b>	<b>24.0</b>

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

## Total expense ratio (TER) and transaction costs (updated quarterly)

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
<b>Total expense ratio</b>	<b>1.50</b>	<b>1.49</b>
Fee for benchmark performance	1.32	1.31
Other costs excluding transaction costs	0.04	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>1.58</b>	<b>1.56</b>

## Asset allocation on 31 August 2025<sup>7</sup>

Asset class	Total	South Africa	Foreign
Net equities	63.8	36.5	27.3
Hedged equities	8.9	2.9	6.0
Property	1.2	0.1	1.0
Commodity-linked	3.0	2.5	0.6
Bonds	16.6	12.4	4.2
Money market and cash <sup>8</sup>	6.5	7.5	-1.1
<b>Total (%)</b>	<b>100.0</b>	<b>62.0</b>	<b>38.0<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	64.3%
Maximum	72.5% (May 2021)

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The TER includes the annual management fees that have been charged (both the fee at benchmark and any

Minimum disclosure document and quarterly general investors' report **Issued:** 10 September 2025

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).

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

The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index vests in FTSE and the JSE jointly. All their rights are reserved.

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## Important information for investors

### Need more information?

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## 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

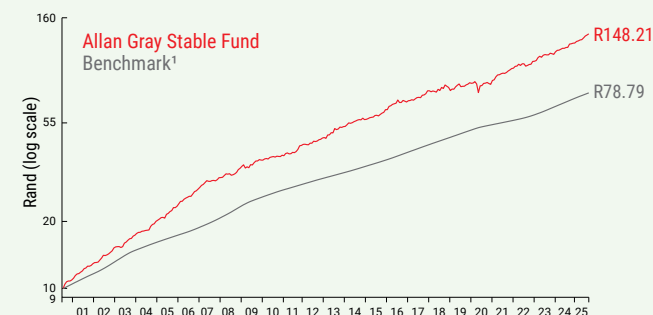
## Fund information on 31 August 2025

Fund size	R58.8bn
Number of units	569 472 685
Price (net asset value per unit)	R50.63
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 August 2025.
- CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 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 <sup>1</sup>	CPI inflation <sup>2</sup>
<b>Cumulative:</b>			
Since inception (1 July 2000)	1382.1	687.9	274.3
<b>Annualised:</b>			
Since inception (1 July 2000)	11.3	8.5	5.4
Latest 10 years	9.0	7.6	4.8
Latest 5 years	11.4	7.4	5.1
Latest 3 years	12.4	9.1	4.3
Latest 2 years	12.4	9.3	4.1
Latest 1 year	14.4	9.0	3.5
Year-to-date (not annualised)	11.0	5.8	3.4
<b>Risk measures (since inception)</b>			
Maximum drawdown <sup>3</sup>	-16.7	n/a	n/a
Percentage positive months <sup>4</sup>	78.8	100.0	n/a
Annualised monthly volatility <sup>5</sup>	5.0	0.6	n/a
Highest annual return <sup>6</sup>	23.3	14.6	n/a
Lowest annual return <sup>6</sup>	-7.4	4.6	n/a



## 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.

## 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.	30 Sep 2024	31 Dec 2024	31 Mar 2025	30 Jun 2025
<b>Cents per unit</b>	<b>42.4069</b>	<b>37.6557</b>	<b>38.9637</b>	<b>51.5956</b>

## 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 30 June 2025 (SA and Foreign) (updated quarterly)<sup>7</sup>

Company	% of portfolio
AB InBev	3.2
British American Tobacco	2.8
AngloGold Ashanti	1.6
Woolworths	1.3
Standard Bank	1.1
Nedbank	1.1
Remgro	1.1
Marriott International Inc	1.0
Gold Fields	1.0
Sasol	0.8
<b>Total (%)</b>	<b>15.2</b>

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

## Total expense ratio (TER) and transaction costs (updated quarterly)

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
<b>Total expense ratio</b>	<b>1.51</b>	<b>1.58</b>
Fee for benchmark performance	1.01	1.01
Performance fees	0.32	0.38
Other costs excluding transaction costs	0.03	0.03
VAT	0.15	0.16
<b>Transaction costs (including VAT)</b>	<b>0.04</b>	<b>0.04</b>
<b>Total investment charge</b>	<b>1.55</b>	<b>1.62</b>

## Top debt issuers on 30 June 2025 (SA and Foreign) (updated quarterly)<sup>7,8</sup>

Issuer	% of portfolio
Republic of South Africa	16.9
Standard Bank	7.7
FirstRand	5.6
Absa	3.8
Investec Bank	2.8
Nedbank	2.6
United States Treasury	1.3
<b>Total (%)</b>	<b>40.7</b>

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

## Asset allocation on 31 August 2025<sup>7</sup>

Asset class	Total	South Africa	Foreign
Net equities	24.6	10.7	14.0
Hedged equities	23.7	13.0	10.7
Property	1.0	0.1	0.9
Commodity-linked	1.9	1.5	0.5
Bonds	35.2	29.0	6.2
Money market and cash <sup>9</sup>	13.6	17.2	-3.6
<b>Total (%)</b>	<b>100.0</b>	<b>71.4</b>	<b>28.6<sup>10</sup></b>

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	26.4%
Maximum	39.6% (December 2018)

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

The Fund has returned 7.7% year to date, outperforming its benchmark by 3.4%. This is attributable to the strong absolute performance of both local and offshore assets, with the FTSE/JSE All Share Index (ALSI), the FTSE/JSE All Bond Index (ALBI) and the MSCI World Index at or close to all-time highs. In addition, local short-term fixed income has provided attractive real interest rates. Put them all together and we were fortunate to have a strong tailwind for returns – despite the significant drawdown in equity markets in April and geopolitical volatility. We caution investors in the Fund that the investment environment won't always be as favourable for absolute returns.

The Fund's absolute local equity returns continued to be driven by the strong performance of the gold shares as well as AB InBev and British American Tobacco, both of which have been rerated by the market on an improved fundamental outlook, as discussed in the Q1 2025 commentary. While Glencore, Sappi and Sasol have underperformed, we continue to look for shares that have a potentially different payoff profile relative to the Fund's considerable exposure to local fixed income instruments.

The pull-back in many SA Inc shares continued in the quarter as valuations compressed in response to a more realistic view on the outlook for profit growth, given the very low level of economic growth. We are actively looking for opportunities. The same cannot be said for the local bond market which rallied to an all-time high as measured by the ALBI. The yield on the 10-year government bond is back to its post-government of national unity low. This is even more impressive considering the sell-off in many developed world bond markets as investors focus on poor fiscal positions and high debt levels. We had increased local duration during the recent correction but remain more cautious than many of our peers. In our view, we need significantly higher economic growth to sustainably reduce debt levels. We cannot always rely on being bailed out by periods of high commodity prices.

The Fund has 28% invested directly offshore. The portions invested in the Orbis SICAV Global Balanced and Optimal SA funds have produced strong absolute and relative performance. The offshore component continues to look very different from the world equity and bond indices, and we remain underweight the US assets.

With equity markets at or near all-time highs, we would not be surprised to see some consolidation in markets as they digest the rapid rally from the April lows. We construct the Fund with the objective of producing long-term returns in excess of bank deposits and providing a high degree of capital stability.

During the quarter, the Fund purchased select fixed-rate local government bonds and reduced exposure to inflation linkers. On the equities front, we reduced the Fund's exposure to gold mining shares.

**Commentary contributed by Duncan Artus**

**Fund manager quarterly  
commentary as at  
30 June 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](http://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.

## 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).

## 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

The 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 are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The 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 are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the 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 vests in FTSE and the JSE jointly. All their rights are reserved.

## FTSE Russell Index

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Fund description and summary of investment policy

The Fund invests in a mix of South African interest-bearing securities. These securities can be issued by government, parastatals, corporates and banks. The Fund’s weighted average modified duration is limited to a maximum of two. Returns are likely to be less volatile than those of traditional income and bond funds, but more volatile than those of money market funds. The Fund is managed to comply with the investment limits governing retirement funds.

ASISA unit trust category: South African – Interest Bearing – Short Term

Fund objective and benchmark

The Fund aims to generate returns higher than bank deposits and traditional money market funds, while maintaining capital stability and low volatility. The Fund’s benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index.

How we aim to achieve the Fund’s objective

The Fund invests in select South African interest-bearing securities providing an income yield and a high degree of capital stability. We formulate an interest rate outlook, which is influenced by our inflation outlook and expectations of the resulting Reserve Bank policy response. Based on this analysis, we select securities for the Fund. These will primarily be floating-rate notes, money market instruments and fixed interest paper with a low duration. We take a conservative approach to credit risk, liquidity risk and duration risk.

Suitable for those investors who

- Are risk-averse but seek returns higher than bank deposits and traditional money market funds
- Need a short-term investment account
- Seek a domestic-only interest-bearing ‘building block’
- Require monthly income distributions

Fund information on 31 August 2025

Fund size	R2.2bn
Number of units	99 200 463
Price (net asset value per unit)	R10.33
Modified duration	1.4
Gross yield (i.e. before fees)	8.4
Net yield (i.e. after fees)	7.5
Fund weighted average maturity (years)	4.8
Class	A

- The Fund’s benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 31 August 2025. Source: Bloomberg.
- CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
- Maximum percentage decline over any period. The maximum drawdown occurred from 7 October 2024 to 8 October 2024. 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 31 May 2025 and the benchmark’s occurred during the 12 months ended 30 April 2025. The Fund’s lowest annual return occurred during the 12 months ended 30 April 2025 and the benchmark’s occurred during the 12 months ended 31 August 2025. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Income distributions for the last 12 months

Actual payout (cents per unit), the Fund distributes monthly

Sep 2024	Oct 2024	Nov 2024	Dec 2024
7.76	7.58	7.09	7.68
Jan 2025	Feb 2025	Mar 2025	Apr 2025
7.32	6.56	7.12	6.90
May 2025	Jun 2025	Jul 2025	Aug 2025
6.93	7.07	7.00	6.49

Performance net of all fees and expenses

% Returns	Fund	Benchmark <sup>1</sup>	CPI inflation <sup>2</sup>
Cumulative:			
Since inception (1 May 2024)	14.8	10.9	4.2
Annualised:			
Since inception (1 May 2024)	10.9	8.1	3.4
Latest 1 year	10.7	7.9	3.5
Year-to-date (not annualised)	7.0	5.1	3.4
Risk measures (since inception)			
Maximum drawdown <sup>3</sup>	-1.2	n/a	n/a
Percentage positive months <sup>4</sup>	100.0	100.0	n/a
Annualised monthly volatility <sup>5</sup>	0.7	0.1	n/a
Highest annual return <sup>6</sup>	10.8	8.2	n/a
Lowest annual return <sup>6</sup>	10.5	7.9	n/a

Meeting the Fund objective

Since inception, the Fund has outperformed its benchmark and provided returns in excess of CPI inflation. The Fund aims to minimise risk by maintaining capital stability and low volatility.

Annual management fee

A fixed fee of 0.65% p.a. excl. VAT

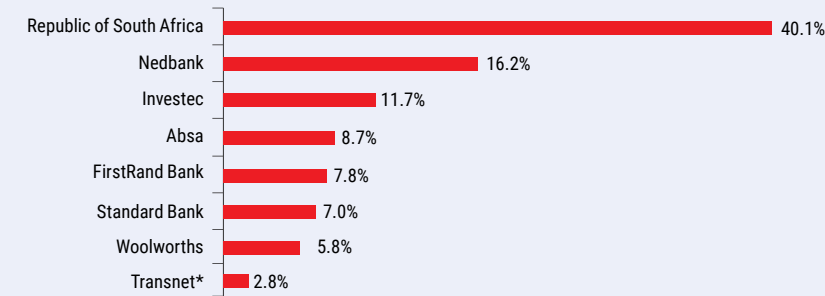
Total expense ratio (TER) and transaction costs (updated quarterly)

The annual management fee is included in the TER. The TER is the percentage of the value of the Fund that was incurred as expenses relating to the administration of the Fund, annualised over the relevant periods. 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 and are the percentage of the value of the Fund that was incurred as costs relating to the buying and selling of the assets underlying the Fund. The TER and transaction costs are based on actual data, where available, and best estimates. The total investment charge (TIC) is the sum of the TER and transaction costs.

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr % <sup>7</sup>
Total expense ratio	0.76	0.76
Fee for benchmark performance	0.65	0.65
Other costs excluding transaction costs	0.01	0.01
VAT	0.10	0.10
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.76	0.76

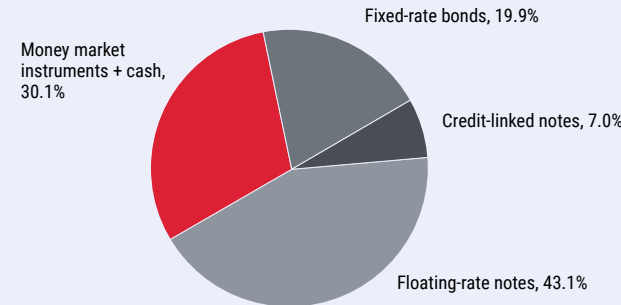
7. Based on since-inception data, as the Fund does not yet have a 3-year history.

Top credit exposures on 31 August 2025

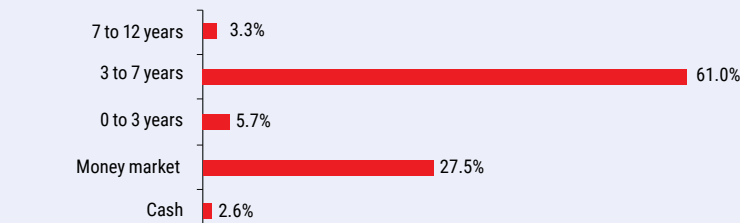


\*RSA government guaranteed

Asset allocation on 31 August 2025



Maturity profile on 31 August 2025



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



President Trump's "Liberation Day" tariff announcement on 2 April, followed by the subsequent threats, reversals and postponements, created a dizzying level of volatility in global financial markets during the second quarter. The S&P 500, as an example, is now back near all-time highs after falling more than 10% in early April. Indeed, at one point during the sell-off, US equities, bonds and the US dollar all weakened in tandem – a rare occurrence in recent financial market history. The US dollar and US bond yields have not fared as well as equities, with both still weaker versus their initial levels. Trump's One Big Beautiful Bill Act, which entrenches his first-term tax cuts together with new tax breaks and increased spending requirements, has added to investor uncertainty. If passed, the bill may increase federal debt by US\$3tn by some estimates (roughly 7% of US GDP) over the next decade. In addition, any positive sentiment attached to the Department of Government Efficiency's anticipated cost savings has quickly faded.

Trump's haphazard approach to policymaking has also induced angst among global central bankers. Most have now adopted a more careful path to further monetary policy easing, given the two-sided risks that tariffs and heightened trade tensions may pose to inflation. Officials at the US Federal Reserve have dialled back their economic growth projections while simultaneously increasing inflation expectations – conditions more akin to stagflation. Ambiguity exists around whether the inflationary impact of tariffs will be a one-off step higher in prices or something more structural as firms manage the increase in input costs. Conversely, the continuing uncertainty may begin to weigh on consumer confidence and planned investment, further impacting prospects for growth. The expectation is for two cuts (or 50 basis points) in the US by year end.

Locally, our Monetary Policy Committee has swung more dovish, lowering the repo rate to 7.25% at its May meeting, with all members voting in favour of the cut. This shift from its previous, more cautious approach may be attributed to several factors. The starting point is relevant given that the policy rate has been restrictive for some time, with the real rate at its highest level since the mid-2000s, a period during which inflation ran significantly higher. In the absence of an exogenous shock, such as a higher oil price, the current inflation outlook is benign, with the latest print at 2.8% – below the band targeted by the South African Reserve Bank (SARB).

The trade surplus, helped by stronger gold and platinum prices, contributes to a stable exchange rate. And as local growth expectations are revised downwards, cost pressures stemming from increased demand are few and far between. Lastly, the passing of the Budget and the continuation of the government of national unity have eased fiscal concerns somewhat, evidenced by government bond yields at their lowest point for the year to date.

The SARB has also introduced the possibility of lowering the inflation objective to 3% versus the previous 3% to 6% band. While discussions between the SARB and National Treasury remain ongoing, the market has cheered the prospect of a new, lower target. Experience elsewhere suggests that once inflation settles down in the 1% to 3% range, it usually stays there. The current band is too high and wide relative to the low prevailing inflation that the SARB wishes to lock in. With administered prices still expected to outpace overall inflation, government support in the form of lower price-linked wage settlements is clearly required.

Fixed-rate exposure was added to the Fund during the quarter on the expectation of a potentially deeper rate-cutting cycle locally. At quarter end, the Fund's annualised yield was 8.6%.

Commentary contributed by Sean Munsie

Fund manager  
commentary as at  
30 June 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](http://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. 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 applicable taxes.

## 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).

## Yield

The Fund's gross yield is the estimated weighted average yield-to-maturity of all underlying interest-bearing instruments as at the last day of the month. The one-year TER is deducted from the gross yield to derive a yield net of fund expenses. Actual returns may differ based on changes in market values, interest rates and market factors during the investment period.

## 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.

## 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).

## FTSE/JSE All Share Index, FTSE/JSE All Bond Index

The FTSE/JSE All Share Index and FTSE/JSE All Bond Index are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE All Share Index and FTSE/JSE All Bond Index are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the FTSE/JSE All Share Index and FTSE/JSE All Bond Index vests in FTSE and the JSE jointly. All their rights are reserved.

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## Fund description and summary of investment policy

The Fund invests in shares listed on the Johannesburg Stock Exchange (JSE). The Fund is typically fully invested in shares. Returns are likely to be volatile, especially over short- and medium-term periods.

ASISA unit trust category: South African – Equity – SA General

## Fund objective and benchmark

The Fund aims to create long-term wealth for investors. It aims to outperform the South African equity market over the long term, without taking on greater risk. To pursue its objective the Fund's portfolio may differ materially from its benchmark. This will result in the Fund underperforming its benchmark materially at times. The Fund aims to compensate for these periods of underperformance by delivering outperformance over the long term. The Fund's benchmark is the FTSE/JSE All Share Index including income.

## How we aim to achieve the Fund's objective

We seek to buy shares offering the best relative value while maintaining a diversified portfolio. 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. We invest in a selection of shares across all sectors of the JSE, and across the range of large, mid and smaller cap shares.

## Suitable for those investors who

- Seek exposure to JSE-listed equities to provide long-term capital growth
- Are comfortable with stock market fluctuation, i.e. short- to medium-term volatility
- Are prepared to accept the risk of capital loss
- Typically have an investment horizon of more than five years
- Wish to use the Fund as an equity 'building block' in a diversified multi asset class portfolio

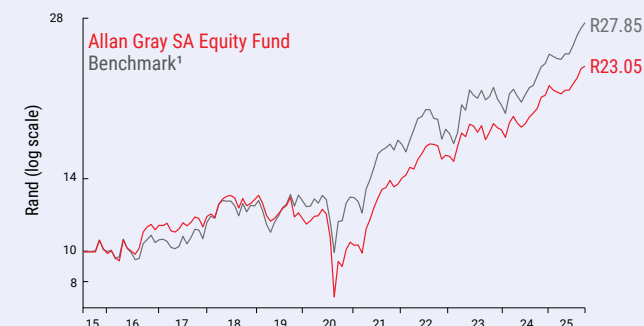
## Fund information on 31 August 2025

Fund size	R5.2bn
Number of units	1 019 118
Price (net asset value per unit)	R548.93
Class	A

1. FTSE/JSE All Share Index including income (source: IRESS), performance as calculated by Allan Gray as at 31 August 2025.
2. CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
3. Maximum percentage decline over any period. The maximum drawdown for the Fund occurred from 25 January 2018 to 23 March 2020 and maximum benchmark drawdown occurred from 17 January 2020 to 19 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 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 of the Fund. 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 (13 March 2015)	130.5	178.5	66.6
<b>Annualised:</b>			
Since inception (13 March 2015)	8.3	10.3	5.0
Latest 10 years	9.0	11.1	4.8
Latest 5 years	17.5	17.2	5.1
Latest 3 years	15.5	19.1	4.3
Latest 2 years	16.9	20.8	4.1
Latest 1 year	19.1	25.8	3.5
Year-to-date (not annualised)	18.4	23.6	3.4
<b>Risk measures (since inception)</b>			
Maximum drawdown <sup>3</sup>	-44.3	-35.2	n/a
Percentage positive months <sup>4</sup>	60.3	57.9	n/a
Annualised monthly volatility <sup>5</sup>	14.0	14.1	n/a
Highest annual return <sup>6</sup>	57.3	54.0	n/a
Lowest annual return <sup>6</sup>	-32.0	-18.4	n/a

Fund history

The Allan Gray Equity Fund was managed in exactly the same way as this Fund from the inception of the Allan Gray Equity Fund on 1 October 1998, until March 2015, when the Allan Gray Equity Fund changed its mandate to include the ability to invest offshore. A combined history of the two funds since inception of the Allan Gray Equity Fund can be viewed [here](#).

Meeting the Fund objective

The Fund aims to outperform the South African equity market over the long term, without taking on greater risk. The Fund experiences periods of underperformance in pursuit of this objective. Since inception and over the latest 10-year period, the Fund has underperformed its benchmark. Over the latest five-year period, 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.	31 Dec 2024	30 Jun 2025
Cents per unit	799.5876	1112.2886

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund. The fee rate is calculated daily by comparing the Fund’s total performance for the day to that of the benchmark.

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

For each annualised percentage point above or below the benchmark we add or deduct 0.2%. The maximum fee is uncapped and if the fee would have been negative, 0% will be charged for the day and the negative fee will be carried forward to reduce the next day’s fee (and all subsequent days until the underperformance is recovered).

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

Total expense ratio (TER) and transaction costs

The annual management fee is 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 30 June 2025 (updated quarterly)

Company	% of portfolio
Naspers & Prosus	9.7
AB InBev	8.2
British American Tobacco	6.9
Standard Bank	4.9
Nedbank	4.4
Mondi	4.1
Glencore	3.8
AngloGold Ashanti	3.8
FirstRand	3.8
Woolworths	3.2
Total (%)	52.8

Sector allocation on 30 June 2025 (updated quarterly)

Sector	% of equities <sup>7</sup>	% of ALSI <sup>8</sup>
Financials	27.8	28.2
Consumer staples	22.1	11.4
Basic materials	20.3	22.5
Technology	10.0	16.4
Consumer discretionary	7.5	6.7
Industrials	5.3	2.9
Energy	2.3	0.7
Healthcare	2.2	1.2
Telecommunications	1.6	5.3
Real estate	0.7	4.8
Total (%)	100.0	100.0

7. Includes listed property.  
8. FTSE/JSE All Share Index.

Total expense ratio (TER) and transaction costs (updated quarterly)

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
Total expense ratio	0.41	0.69
Fee for benchmark performance	1.00	1.00
Performance fees	-0.65	-0.41
Other costs excluding transaction costs	0.01	0.01
VAT	0.05	0.09
Transaction costs (including VAT)	0.12	0.11
Total investment charge	0.53	0.80

Asset allocation on 31 August 2025

Asset class	Total
Net equities	95.9
Hedged equities	0.0
Property	0.8
Commodity-linked	0.1
Bonds	0.0
Money market and cash	3.1
Total (%)	100.0

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

Market participants would be forgiven for having developed a mild case of post-traumatic stress disorder over the last three months. The now infamous “Liberation Day”, the near collapse of South Africa’s government of national unity (GNU) and the drastic escalation of tensions in the Middle East were the defining events of the quarter. Yet, if an investor fell into a coma at the end of March and only re-emerged at the end of June, a glance at closing stock market levels would suggest nothing but good news. Both the MSCI World Index and the S&P 500 were up 11% in US dollars at the end of the quarter. However, there was a wild ride in between. Over the four days after Donald Trump announced sweeping tariffs in early April, the S&P 500 fell 12%. A subsequent pause in implementation saw the index recover all its losses by 2 May, only to power ahead 25% from the Liberation Day bottom on the back of a trade deal with China and a negotiated ceasefire in the Middle East. Both the MSCI World Index and S&P 500 ended the second quarter at all-time highs.

We have yet to see where the final US tariff proposals will land. Current estimates put the effective forward rate at the highest level since the 1930s. At the peril of trying to read Trump’s mind, the problem he is trying to fix is a real one. The United States’ share of global consumption is almost double its share of global production – an outlier compared to most regional blocs. The US also has a growing fiscal deficit that must be funded. There are, however, reasons to be concerned. Firstly, policy uncertainty is usually not supportive for private sector capital investment. One faces a sharp headwind to maintain strong growth in such an environment (South Africa is an unfortunate case in point here). Secondly, US companies will bear the burden of the tariffs and have a choice: They can either pass on those higher costs to consumers via higher prices, or they can absorb them into their margins. The former is not conducive to low and stable inflation (something we thought was at risk even before the tariff announcements). The latter is not good for company earnings.

Locally, things were even more extreme. The FTSE/JSE All Share Index (ALSI) fell 9% two days after 2 April, fully recovering over the next eight days and marching to an all-time high in mid-June (a 20% gain from the Liberation Day bottom). A sharper recovery was aided by the precious metal shares (up 14% over the quarter; making up 17% of the ALSI). If we are to ease our social and economic challenges, South Africa needs to grow real gross domestic product (GDP) meaningfully.

The key internal enablers of this remain missing: The GNU is tenuous, capital investment is stagnant and infrastructure performance is still subpar. Unfortunately, even if we solve all our problems, the weakening global growth environment makes a turnaround much harder. For technical reasons, the ALSI today is far more exposed to the SA economy versus a decade ago. SA banks and insurers make up almost a quarter of the index, with retailers and healthcare making up a further 10%. Given our concerns about the SA economy, our positioning is tilted towards the defensive rand hedges. AB InBev is a great example of such a share. Beer is winning share of throat, the company has pricing power from strong brands and consumers trading up, there is material scope for earnings to grow and, most importantly, we can buy it for a reasonable price.

To paraphrase Vladimir Lenin: There are decades where nothing happens, and there are weeks where decades happen. Given the heightened risk environment, we are primarily solving for absolute returns. If the stock market continues to run, our defensive tilt means we will likely lag on a relative basis but hopefully with healthy absolute returns. However, if there is a longer-lasting wobble, our positioning should hold up more robustly in protecting client capital. Our through-the-cycle track record has been built on the latter.

During the quarter, the Fund added to its positions in Glencore and Aspen Pharmacare and reduced its holdings in Gold Fields and Prosus.

**Commentary contributed by Jithen Pillay**

**Fund manager quarterly  
commentary as at  
30 June 2025**



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## Fees

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## Total expense ratio (TER) and transaction costs

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## FTSE/JSE All Share Index, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index

The FTSE/JSE All Share Index, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE All Share Index, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the FTSE/JSE All Share Index, FTSE/JSE Financials Index, FTSE/ JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index vests in FTSE and the JSE jointly. All their rights are reserved.

## FTSE Russell Index

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## MSCI Index

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## Fund description and summary of investment policy

The Fund invests mainly in selected shares and it uses exchange-traded derivative contracts on stock market indices to substantially reduce its net equity exposure to within a range of 0-20%. As a result, the Fund's return depends on the level of short-term interest rates (implicit in the pricing of the sold futures contracts) and the performance of the Fund's selected shares relative to the stock market index. The Fund's return is therefore unlikely to be correlated with equity market returns. In addition, a portion of the Fund is typically invested in cash and margin deposits.

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

## Fund objective and benchmark

The Fund aims to provide investors with long-term positive returns higher than those available in the money market sector, irrespective of stock market returns. The Fund's benchmark is the daily interest rate as supplied by FirstRand Bank Limited.

## How we aim to achieve the Fund's objective

The Fund invests in selected shares and seeks to substantially reduce stock market risk by selling exchange-traded equity index derivatives. The selected share portfolio is derived from our thorough research process, but the selection of equities in this Fund may differ from that in the other Allan Gray funds. The deviation of the Fund's selected share portfolio from the composition of the underlying benchmark indices (on which the derivative contracts are based) is restricted and closely monitored. This does not eliminate the risk of capital loss should the selected equities underperform.

## Suitable for those investors who

- Seek absolute (i.e. positive) returns regardless of stock market trends
- Require a high degree of capital stability over a 3-year time horizon
- Wish to invest in a product that offers uncorrelated returns relative to shares or bonds as a 'building block' in a diversified multi-asset class portfolio

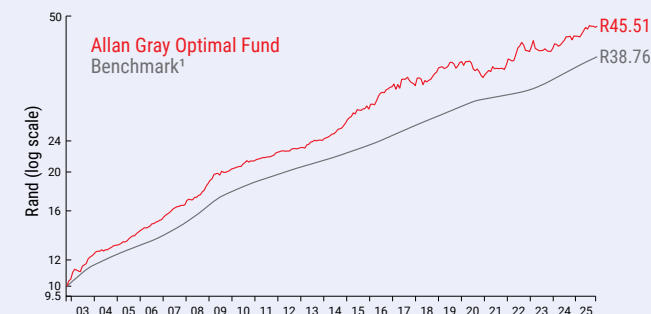
## Fund information on 31 August 2025

Fund size	R0.9bn
Number of units	23 487 250
Price (net asset value per unit)	R24.69
Class	A

- The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank, performance as calculated by Allan Gray as at 31 August 2025.
- CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
- Maximum percentage decline over any period. The maximum drawdown occurred from 6 February 2020 to 15 September 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 September 2003 and the benchmark's occurred during the 12 months ended 30 September 2003. The Fund's lowest annual return occurred during the 12 months ended 31 August 2020 and the benchmark's occurred during the 12 months ended 30 November 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 <sup>1</sup>	CPI inflation <sup>2</sup>
<b>Cumulative:</b>			
Since inception (1 October 2002)	355.1	287.6	216.9
<b>Annualised:</b>			
Since inception (1 October 2002)	6.8	6.1	5.2
Latest 10 years	5.0	5.4	4.8
Latest 5 years	6.8	5.3	5.1
Latest 3 years	6.2	6.9	4.3
Latest 2 years	8.4	7.2	4.1
Latest 1 year	9.6	6.8	3.5
Year-to-date (not annualised)	6.2	4.4	3.4
<b>Risk measures (since inception)</b>			
Maximum drawdown <sup>3</sup>	-10.2	n/a	n/a
Percentage positive months <sup>4</sup>	72.4	100.0	n/a
Annualised monthly volatility <sup>5</sup>	4.4	0.6	n/a
Highest annual return <sup>6</sup>	18.1	11.9	n/a
Lowest annual return <sup>6</sup>	-8.2	2.5	n/a

Meeting the Fund objective

Since inception and over the latest five-year period, the Fund has outperformed its benchmark. Over the latest 10-year period, the Fund has underperformed its benchmark, which is the daily interest rate supplied by FirstRand Bank Limited. The Fund aims to deliver long-term positive returns, irrespective of stock market returns.

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.	31 Dec 2024	30 Jun 2025
Cents per unit	37.8455	42.9417

Annual management fee

The fee rate is calculated daily by comparing the Fund’s total performance to that of the benchmark.

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

The Fund is first required to recover any underperformance before a fee higher than the fee for performance equal to the benchmark can be charged. This is known as a high watermark. If the Fund’s performance is above its previous high watermark, we add 0.2% to the fee for each percentage of performance above the high watermark. The fee is uncapped.

Total expense ratio (TER) and transaction costs

The annual management fee is 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 30 June 2025 (updated quarterly)

Company	% of portfolio
British American Tobacco	9.0
Naspers & Prosus	8.1
AngloGold Ashanti	6.5
AB InBev	6.4
Gold Fields	6.3
FirstRand	4.0
Aspen	3.8
Mondi	3.7
Premier Group	3.6
Sasol	2.7
Total (%)	54.0

Total expense ratio (TER) and transaction costs (updated quarterly)

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
Total expense ratio	1.16	1.17
Fee for benchmark performance	1.00	1.00
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.01	0.02
VAT	0.15	0.15
Transaction costs (including VAT)	0.09	0.11
Total investment charge	1.25	1.28

Asset allocation on 31 August 2025

Asset class	Total
Net equities	5.4
Hedged equities	84.7
Property	0.0
Commodity-linked	0.0
Bonds	0.0
Money market and cash	9.9
Total (%)	100.0

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

Minimum	-3.6% <sup>7</sup> (September 2016)
Average	4.5%
Maximum	15.4% (November 2018)

7. The negative net equity exposure as at 30 September 2016 is due to the cash acquisition of SABMiller by Anheuser-Busch In-Bev. This was corrected and the Fund had a positive net equity exposure by 4 October 2016.

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

The local FTSE/JSE All Share Index continued to hit fresh all-time highs in recent months, building on the strong gains already posted in the first quarter. At end-June, the index had added 10.2% for the quarter and 25.2% for the year. The headline returns mask the volatility experienced by investors over the last three months, owing to a combination of President Trump's "Liberation Day" tariff announcements and subsequent reversal, local upheaval within the governing coalition parties and continued geopolitical tension.

This quarter, strong performances were seen by the platinum miners, telecommunication providers and Naspers/Prosus. The Fund's underweight exposure to these segments of the market and its holdings in Aspen Pharmacare and Sappi – which struggled this quarter – have dragged on recent performance. Long-running overweight exposure to British American Tobacco, AB InBev and AngloGold Ashanti partly offset some of these headwinds. Against this backdrop, the Fund lagged the benchmark in the second quarter.

British American Tobacco remains the Fund's largest overweight holding relative to the index and has been among the main contributors to overall performance for the year to date. The investment case has received fresh impetus owing to the company's exposure to fast-growing categories of new nicotine products, including vapour devices and tobacco-free nicotine oral pouches. The expected revenue contribution from these products, particularly in the US, has the potential to support more sustainable earnings growth going forward while also strengthening the balance sheet and allowing for further, increased share buybacks. While we have trimmed some of our position during the year on price appreciation, the share remains attractively valued, in our opinion, with a differing risk profile to other positions within the Fund.

Given the Fund's use of exchange-traded equity index derivative contracts to substantially reduce stock market risk, it is helpful to understand how the composition of the index has evolved over time. The most significant changes are owing to both share price performance as well as index reweighting. Naspers/Prosus has retained its large weighting (16%), but banks and gold miners now represent 18% and 11% of the index, respectively. These increases have come mainly at the expense of multinationals (such as Richemont and AB InBev) and the diversified miners. Significant differences between the Fund's bottom-up stock selection and the index offer opportunities for future potential outperformance, irrespective of the level of the overall index.

During the quarter, we added exposure to Aspen Pharmacare and Woolworths and initiated new positions in Motus and Astral Foods. We sold Harmony Gold and reduced exposure to MTN.

Commentary contributed by Sean Munsie

**Fund manager quarterly  
commentary as at  
30 June 2025**

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## Information and content

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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](http://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. 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 applicable taxes.

## 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.

## 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).

## 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

The 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 are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The 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 are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the 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 vests in FTSE and the JSE jointly. All their rights are reserved.

## 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](http://www.allangray.co.za) or via our Client Service Centre on **0860 000 654**

Fund description and summary of investment policy

The Fund invests in South African interest bearing securities. Securities include national government, parastatal, municipal, corporate bonds and money market instruments. The Fund price is sensitive to interest rate movements because of the long-term nature of the Fund's investments. The duration of the Fund may differ materially from the benchmark. The Fund is managed to comply with investment limits governing retirement funds.

ASISA unit trust category: South African – Interest Bearing – Variable Term

Fund objective and benchmark

The Bond Fund's goal is to deliver returns that exceed inflation and cash over the long term, without taking on undue risk. The Fund's benchmark is the FTSE/JSE All Bond Index.

How we aim to achieve the Fund's objective

We try to balance credit risk, duration risk and liquidity risk when selecting investments. We target total returns for investors rather than trying to mirror the returns of the FTSE/JSE All Bond Index. When we cannot find value in the bond markets, our portfolio will be weighted towards cash to achieve better returns.

Suitable for those investors who

- Seek a bond 'building block' for a diversified multi-asset class portfolio
- Are looking for returns in excess of those provided by money market or cash investments
- Are prepared to accept more risk of capital depreciation than in a money market or cash investment

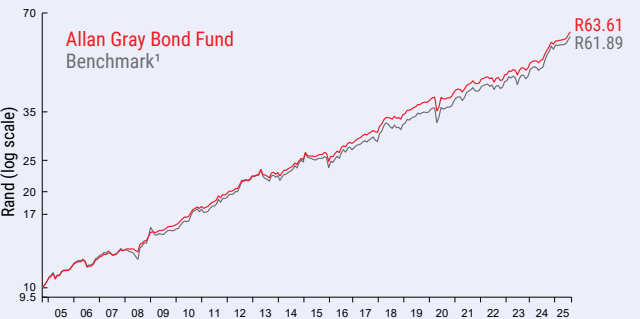
Fund information on 31 August 2025

Fund size	R10.2bn
Number of units	590 061 723
Price (net asset value per unit)	R11.16
Modified duration	5.3
Gross yield (before fees)	9.9
Class	A

1. FTSE/JSE All Bond Index (source: IRESS), performance as calculated by Allan Gray as at 31 August 2025.
2. CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
3. Maximum percentage decline over any period. The maximum drawdown occurred from 27 February 2020 to 24 March 2020 and maximum benchmark drawdown occurred from 26 February 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 30 September 2024 and the benchmark's occurred during the 12 months ended 30 September 2024. The Fund's lowest annual return occurred during the 12 months ended 31 January 2016 and the benchmark's occurred during the 12 months ended 31 January 2016. 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>
Cumulative:			
Since inception (1 October 2004)	536.1	518.9	201.2
Annualised:			
Since inception (1 October 2004)	9.2	9.1	5.4
Latest 10 years	9.4	9.4	4.8
Latest 5 years	10.5	11.3	5.1
Latest 3 years	12.6	13.6	4.3
Latest 2 years	15.4	16.8	4.1
Latest 1 year	14.3	15.1	3.5
Year-to-date (not annualised)	9.8	10.4	3.4
Risk measures (since inception)			
Maximum drawdown <sup>3</sup>	-18.9	-19.3	n/a
Percentage positive months <sup>4</sup>	72.5	69.3	n/a
Annualised monthly volatility <sup>5</sup>	5.9	7.5	n/a
Highest annual return <sup>6</sup>	22.0	26.1	n/a
Lowest annual return <sup>6</sup>	-2.6	-5.6	n/a



## Meeting the Fund objective

The Fund has outperformed its benchmark since inception, and performed in line with its benchmark over the latest 10-year period. Over the latest five-year period, the Fund has underperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund aims to take no greater risk than its benchmark. The maximum drawdown and lowest annual return numbers, in the 'Performance net of all fees and expenses' table, show that the Fund has successfully reduced downside risk in periods of negative market returns.

## Income distributions for the last 12 months

Actual payout, the Fund distributes quarterly	30 Sep 2024	31 Dec 2024	31 Mar 2025	30 Jun 2025
Cents per unit	26.5758	26.1592	25.4437	26.1703

## Annual management fee

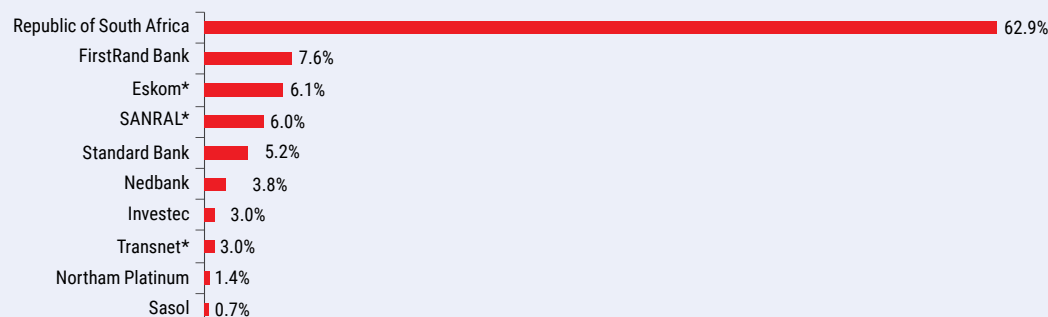
A fixed fee of 0.5% p.a. excl. VAT

## Total expense ratio (TER) and transaction costs (updated quarterly)

The annual management fee is 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.

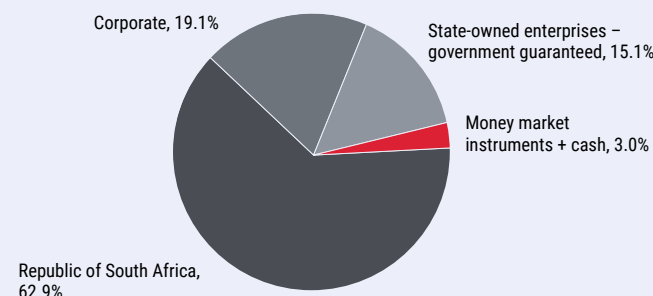
TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
<b>Total expense ratio</b>	<b>0.59</b>	<b>0.59</b>
Fee for benchmark performance	0.50	0.50
Other costs excluding transaction costs	0.01	0.01
VAT	0.08	0.08
<b>Transaction costs (including VAT)</b>	<b>0.00</b>	<b>0.00</b>
<b>Total investment charge</b>	<b>0.59</b>	<b>0.59</b>

## Top 10 credit exposures on 31 August 2025

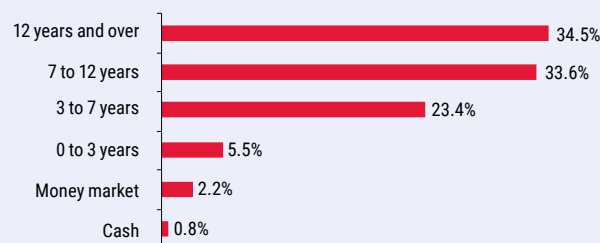


\*RSA government guaranteed

## Asset allocation on 31 August 2025



## Maturity profile on 31 August 2025



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

The Fund has a long history of offering a higher yield but lower modified duration (or interest rate risk) than its benchmark. The prevailing environment that has allowed this unusual dynamic of lower risk and higher yields to exist is that inflation-adjusted cash rates have been extremely high in South Africa for extended periods. This is in part due to the large net funding deficit that our economy needs to fill, which puts pressure on rates, as well as the hawkish nature of the South African Reserve Bank (SARB).

Of late, the SARB has shown a sudden and notable change in both thinking and rhetoric, opening the door for a potential move to an overnight cash rate of 6% (from the current 7.25%) at their last meeting. They argue that this would be underpinned by the move to a 3% inflation target, although, in reality, South Africa's inflation has arrived there without any such formal target in place. This follows a collapse in inflationary drivers in South Africa and a narrowing of the gap in SA versus US inflation. Our thesis for higher global, and in particular US, inflation remains intact given the heightened pressures from defence spending, debt burdens and tariff-related deglobalisation. In South Africa, however, inflationary price drivers have been dampened significantly: The National Energy Regulator of South Africa (NERSA) squashed Eskom's attempt to put through 40% tariff hikes, the Democratic Alliance and other coalition partners pushed back against the VAT increase, the Organization of the Petroleum Exporting Countries (OPEC) has opened the taps on oil supply, and the US dollar index has derated materially following an offshore unwinding of the "US exceptionalism" narrative.

Such a decline in the SA versus offshore inflationary premium (if structural) warrants a lower fair value yield (or a higher fair value price) on our bonds, which has been taken into account in the Fund's positioning. The 20-year SA government bond unwound approximately 75% of the post-GNU rally in the week following "Liberation Day". The Fund added to modified duration in that week, as well as during the yield and spread correction that has taken place since.

Risks still remain elevated, however. South Africa's debt and interest burden is far greater than its history, with a revised debt peak at 77% of GDP that will likely be revised higher, yet again, in the coming months. The GNU remains fragile on a multi-year outlook, and R1tn of SA government bond maturities over the next five years will put pressure on the steepness of the yield curve. The pace of future infrastructure spend and real GDP growth could also be lower than what the market priced for in the exuberance of the post-GNU rally.

In the last quarter, the Fund reduced exposure to floating-rate notes given our expectation for a lower return from cash-like instruments, as well as the recent collapse in bank funding spreads. The Fund has also been adding to fixed-rate duration since the post-Liberation Day sell-off in SA government bonds. As such, the Fund's modified duration gap versus its benchmark is lower than it was previously.

Commentary contributed by Thalia Petousis

**Fund manager quarterly  
commentary as at  
30 June 2025**

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## Yield

The Allan Gray Bond Fund's gross yield is the estimated weighted average yield-to-maturity of all underlying interest-bearing instruments as at the last day of the month. Actual returns may differ, based on changes in market values, interest rates and market factors during the investment period.

## Fees

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## 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).

## FTSE/JSE All Bond Index, FTSE/JSE All Share Index

The FTSE/JSE All Bond Index and FTSE/JSE All Share Index are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE All Bond Index and FTSE/JSE All Share Index are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the FTSE/JSE All Bond Index and FTSE/JSE All Share Index vests in FTSE and the JSE jointly. All their rights are reserved.

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## Fund description and summary of investment policy

The Fund invests primarily in a mix of South African interest-bearing securities, with limited exposure to offshore interest-bearing securities. Returns are likely to be less volatile than those of a bond-only fund. The Fund is managed to comply with the investment limits governing retirement funds.

ASISA unit trust category: South African – Multi Asset – Income

## Fund objective and benchmark

The Fund aims to generate income and produce returns that are superior to traditional money market funds, while preserving capital and minimising the risk of loss over any one- to two-year period. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index.

## How we aim to achieve the Fund's objective

The Fund invests in a broad range of South African interest-bearing securities, such as floating-rate notes, inflation-linked bonds, fixed-rate instruments and money market securities, with limited exposure to offshore interest-bearing securities. It provides investors with income and a high degree of capital stability. We formulate an interest rate outlook, which is influenced by our inflation outlook and expectations of the resulting Reserve Bank policy response. Based on this analysis, we select securities for the Fund. While the Fund can have limited exposure to equities and property, we expect this to occur infrequently and to typically coincide with unusual or extreme points in the valuation cycle. We take a conservative approach to managing the Fund, balancing credit risk, duration risk and liquidity risk when selecting securities.

## Suitable for those investors who

- Are risk-averse and require capital preservation over any one- to two-year period
- Seek returns higher than traditional money market funds
- Seek a unit trust that provides an income
- Seek a prudently managed income 'building block'
- Wish to invest in a unit trust that complies with retirement fund investment limits

## Income distributions for the last 12 months

Actual payout, the Fund distributes quarterly	30 Sep 2024	31 Dec 2024	31 Mar 2025	30 Jun 2025
Cents per unit	24.6096	23.6333	22.3434	22.1425

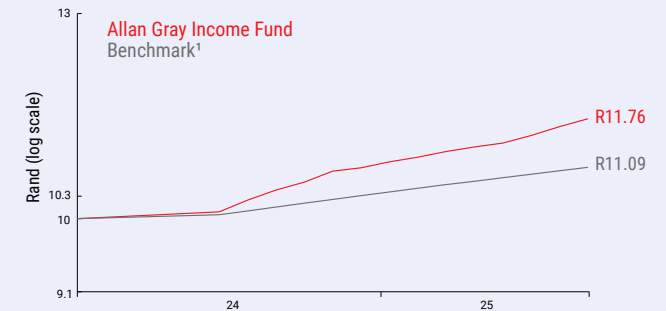
## Fund information on 31 August 2025

Fund size	R1.9bn
Number of units	92 307 370
Price (net asset value per unit)	R10.61
Modified duration	2.3
Gross yield (i.e. before fees)	8.9
Net yield (i.e. after fees)	8.0
Fund weighted average maturity (years)	4.7
Class	A

- The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 31 August 2025. Source: Bloomberg.
- CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
- Maximum percentage decline over any period. The maximum drawdown occurred from 1 October 2024 to 8 October 2024. 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 31 May 2025 and the benchmark's occurred during the 12 months ended 30 April 2025. The Fund's lowest annual return occurred during the 12 months ended 31 August 2025 and the benchmark's occurred during the 12 months ended 31 August 2025. 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 May 2024)	17.6	10.9	4.2
<b>Annualised:</b>			
Since inception (1 May 2024)	12.9	8.1	3.4
Latest 1 year	11.7	7.9	3.5
Year-to-date (not annualised)	7.9	5.1	3.4
<b>Risk measures (since inception)</b>			
Maximum drawdown <sup>3</sup>	-0.9	n/a	n/a
Percentage positive months <sup>4</sup>	100.0	100.0	n/a
Annualised monthly volatility <sup>5</sup>	1.2	0.1	n/a
Highest annual return <sup>6</sup>	12.7	8.2	n/a
Lowest annual return <sup>6</sup>	11.7	7.9	n/a

Meeting the Fund objective

Since inception, the Fund has outperformed its benchmark and provided returns in excess of CPI inflation. The Fund aims to minimise risk of loss over any one-to-two year period.

Annual management fee

A fixed fee of 0.75% p.a. excl. VAT

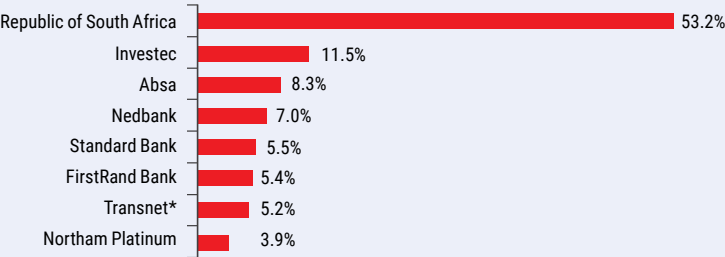
Total expense ratio (TER) and transaction costs (updated quarterly)

The annual management fee is included in the TER. The TER is the percentage of the value of the Fund that was incurred as expenses relating to the administration of the Fund, annualised over the relevant periods. 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 and are the percentage of the value of the Fund that was incurred as costs relating to the buying and selling of the assets underlying the Fund. The TER and transaction costs are based on actual data, where available, and best estimates. The total investment charge (TIC) is the sum of the TER and transaction costs.

TER and transaction costs breakdown for the 1-and 3-year period ending 30 June 2025		
	1yr %	3 yr % <sup>7</sup>
Total expense ratio	0.87	0.87
Fee for benchmark performance	0.75	0.75
Other costs excluding transaction costs	0.01	0.01
VAT	0.11	0.11
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.87	0.87

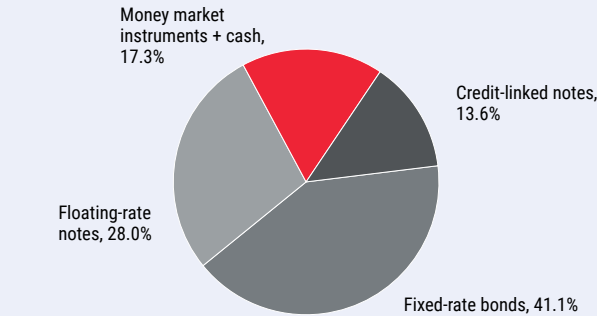
7. Based on since-inception data, as the Fund does not yet have a 3-year history.

Top credit exposures on 31 August 2025



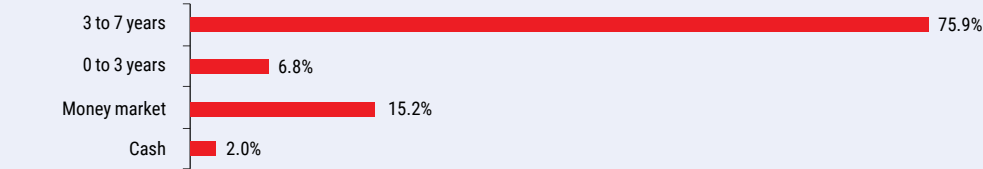
\*RSA government guaranteed

Asset allocation on 31 August 2025<sup>7</sup>



7. Foreign exposure on 31 August 2025: 0.0% is invested in foreign investments.

Maturity profile on 31 August 2025



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

President Trump's "Liberation Day" tariff announcement on 2 April, followed by the subsequent threats, reversals and postponements, created a dizzying level of volatility in global financial markets during the second quarter. The S&P 500, as an example, is now back near all-time highs after falling more than 10% in early April. Indeed, at one point during the sell-off, US equities, bonds and the US dollar all weakened in tandem – a rare occurrence in recent financial market history. The US dollar and US bond yields have not fared as well as equities, with both still weaker versus their initial levels. Trump's One Big Beautiful Bill Act, which entrenches his first-term tax cuts together with new tax breaks and increased spending requirements, has added to investor uncertainty. If passed, the bill may increase federal debt by US\$3tn by some estimates (roughly 7% of US GDP) over the next decade. In addition, any positive sentiment attached to the Department of Government Efficiency's anticipated cost savings has quickly faded.

Trump's haphazard approach to policymaking has also induced angst among global central bankers. Most have now adopted a more careful path to further monetary policy easing, given the two-sided risks that tariffs and heightened trade tensions may pose to inflation. Officials at the US Federal Reserve have dialled back their economic growth projections while simultaneously increasing inflation expectations – conditions more akin to stagflation. Ambiguity exists around whether the inflationary impact of tariffs will be a one-off step higher in prices or something more structural as firms manage the increase in input costs. Conversely, the continuing uncertainty may begin to weigh on consumer confidence and planned investment, further impacting prospects for growth. The expectation is for two cuts (or 50 basis points) in the US by year end.

Locally, our Monetary Policy Committee has swung more dovish, lowering the repo rate to 7.25% at its May meeting, with all members voting in favour of the cut.

This shift from its previous, more cautious approach may be attributed to several factors. The starting point is relevant given that the policy rate has been restrictive for some time, with the real rate at its highest level since the mid-2000s – a period during which inflation ran significantly higher. In the absence of an exogenous shock, such as a higher oil price, the current inflation outlook is benign, with the latest print at 2.8% – below the band targeted by the South African Reserve Bank (SARB). The trade surplus, helped by stronger gold and platinum prices, contributes to a stable exchange rate. And as local growth expectations are revised downwards, cost pressures stemming from increased demand are few and far between. Lastly, the passing of the Budget and the continuance of the government of national unity have eased fiscal concerns somewhat, evidenced by government bond yields at their lowest point for the year to date.

The SARB has also introduced the possibility of lowering the inflation objective to 3% versus the previous 3% to 6% band. While discussions between the SARB and National Treasury remain ongoing, the market has cheered the prospect of a new, lower target. Experience elsewhere suggests that once inflation settles down in the 1% to 3% range, it usually stays there. The current band is too high and wide relative to the low prevailing inflation that the SARB wishes to lock in. With administered prices still expected to outpace overall inflation, government support in the form of lower price-linked wage settlements is clearly required.

Further fixed-rate exposure was added to the Fund during the quarter on the expectation of a potentially deeper rate-cutting cycle locally. At quarter end, the Fund's annualised yield was 9.0%.

Commentary contributed by Sean Munsie

**Fund manager  
commentary as at  
30 June 2025**



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## Management Company

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## 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. 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).

## Yield

The Fund's gross yield is the estimated weighted average yield-to-maturity of all underlying interest-bearing instruments as at the last day of the month. The one-year TER is deducted from the gross yield to derive a yield net of fund expenses. Actual returns may differ based on changes in market values, interest rates and market factors during the investment period.

## 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.

## 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).

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Fund description and summary of investment policy

The Fund invests in South African money market instruments with a term shorter than 13 months. These instruments can be issued by government, parastatals, corporates and banks. The Fund is managed to comply with regulations governing retirement funds.

While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument held by the Fund defaults. In this event losses will be borne by the Fund and its investors.

ASISA unit trust category: South African – Interest Bearing – SA Money Market

Fund objective and benchmark

The Fund aims to preserve capital, maintain liquidity and generate a sound level of income. The Fund’s benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) 3-month Index.

How we aim to achieve the Fund’s objective

The Fund invests in selected money market instruments providing an income yield and a high degree of capital stability. We formulate an interest rate outlook, which is influenced by our inflation outlook and expectations of the resulting Reserve Bank policy response. Based on this analysis, we select investments for the Fund. These assets are typically held to maturity. We take a conservative approach to credit risk.

Suitable for those investors who

- Require monthly income distributions
- Are highly risk-averse but seek returns higher than bank deposits
- Need a short-term investment account

Fund information on 31 August 2025

Fund size	R29.2bn
Number of units	24 868 346 515
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.63
Fund weighted average coupon (days)	86.96
Fund weighted average maturity (days)	116.78
Class	A

- The current benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) 3-month Index. From inception to 31 March 2003, the benchmark was the Alexander Forbes 3-Month Deposit Index. From 1 April 2003 to 31 October 2011, the benchmark was the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund. From 1 November 2011 to 19 August 2024, the benchmark was the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 31 August 2025. Source: Bloomberg.
- CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
- 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 31 July 2003 and the benchmark’s occurred during the 12 months ended 31 July 2003. The Fund’s lowest annual return occurred during the 12 months ended 31 October 2021 and the benchmark’s occurred during the 12 months ended 31 October 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Income distribution for the last 12 months

Actual payout (cents per unit), the Fund distributes monthly

Sep 2024	Oct 2024	Nov 2024	Dec 2024
0.71	0.72	0.68	0.68
Jan 2025	Feb 2025	Mar 2025	Apr 2025
0.68	0.61	0.67	0.64
May 2025	Jun 2025	Jul 2025	Aug 2025
0.66	0.63	0.65	0.63

Performance net of all fees and expenses

% Returns	Fund	Benchmark <sup>1</sup>	CPI inflation <sup>2</sup>
Cumulative:			
Since inception (1 July 2001)	502.8	473.2	252.6
Annualised:			
Since inception (1 July 2001)	7.7	7.5	5.4
Latest 10 years	7.2	6.7	4.8
Latest 5 years	6.8	6.3	5.1
Latest 3 years	8.3	7.8	4.3
Latest 2 years	8.7	8.1	4.1
Latest 1 year	8.3	7.7	3.5
Year-to-date (not annualised)	5.3	4.9	3.4
Risk measures (since inception)			
Percentage positive months <sup>3</sup>	100.0	100.0	n/a
Annualised monthly volatility <sup>4</sup>	0.6	0.6	n/a
Highest annual return <sup>5</sup>	12.8	13.3	n/a
Lowest annual return <sup>5</sup>	4.3	3.8	n/a

Meeting the Fund objective

The Fund has preserved capital, maintained liquidity and generated a sound level of income.

Annual management fee

A fixed fee of 0.25% p.a. excl. VAT

Total expense ratio (TER) and transaction costs (updated quarterly)

The annual management fee is 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.

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
Total expense ratio	0.29	0.29
Fee for benchmark performance	0.25	0.25
Other costs excluding transaction costs	0.00	0.00
VAT	0.04	0.04
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.29	0.29

Top credit exposures as at 31 August 2025

	% of portfolio
Governments	53.1
Republic of South Africa	53.1
Banks <sup>6</sup>	41.6
Nedbank	13.5
Standard Bank	10.2
Investec Bank	8.6
Absa	5.2
FirstRand	4.1
Corporates	5.3
Shoprite Holdings	2.5
Sanlam	1.6
Daimler Truck	1.2
Total (%)	100.0

6. Banks include negotiable certificates of deposit (NCDs), floating-rate notes, fixed-rate notes, and call deposits.

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

While savers have enjoyed high real, or inflation-adjusted, cash rates in South Africa for extended periods, of late these spreads have become both notably high and somewhat egregious for net borrowers. In the past several months, the Fund's yield has reached levels in excess of 5% greater than SA inflation. These are spreads that the Fund has not achieved since 2003, and point to the fact that real, or inflation-adjusted, cash rates may be too high.

High nominal interest rates are in part due to the large net funding deficit that our economy needs to fill as well as the hawkish nature of the South African Reserve Bank (SARB). Recently, the SARB has shown a sudden and notable change in both thinking and rhetoric, opening the door for a potential move to an overnight cash rate of 6% (from the current 7.25%) at their last meeting. They argue that this would be underpinned by the move to a 3% national inflation target, although in reality, South Africa's inflation has arrived there without any such formal target in place. This follows a collapse in inflationary drivers in South Africa and a narrowing of the gap in SA versus US inflation to just 0.4%. By contrast, in the five years pre-COVID, South Africa's inflation ran at +3.5% wider than inflation in the US.

Our thesis for higher global, and in particular US, inflation remains intact, given the heightened pressures from defence spending, debt burdens and tariff-related deglobalisation. In South Africa, however, inflationary price drivers have been dampened significantly: The National Energy Regulator of South Africa (NERSA) squashed Eskom's attempt to put through 40% tariff hikes, the Democratic Alliance and other coalition partners pushed back against the VAT increase, the Organization of the Petroleum Exporting Countries (OPEC) has opened the taps on oil supply, and the US dollar index has derated materially following an offshore unwinding of the "US exceptionalism" narrative. Feeding the disinflationary environment on the ground locally has also been a weak SA consumer with subdued demand for goods and services, as well as a flood of cheap Chinese vehicles, steel and manufactured goods into our market. This has both lowered prices and toppled several local industry players who cannot compete.

In the last quarter, the Fund added to its fixed-rate exposure via government Treasury bills in order to lock in higher rates, given the potential for a more aggressive rate-cutting cycle than the SARB previously guided to.

Commentary contributed by Thalia Petousis

**Fund manager quarterly  
commentary as at  
30 June 2025**

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## Performance

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## 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.

## The Allan Gray Money Market Fund is not a bank deposit account

The Fund aims to maintain a constant price of 100 cents per unit. The total return an investor receives is made up of interest received and any gain or loss made on instruments held by the Fund. While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument defaults. In this event, investors may lose some of their capital. To maintain a constant price of 100 cents per unit, investors' unit holdings will be reduced to the extent of such losses. The yield is calculated according to applicable ASISA standards. Excessive withdrawals from the Fund may place it under liquidity pressure; if this happens, withdrawals may be ring-fenced and managed over a period of time.

Purchase and redemption requests must be received by the Management Company by 11:00 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.

## 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).

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## 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](http://www.allangray.co.za) or via our Client Service Centre on **0860 000 654**