ALLANGRAY

Fund managers: Duncan Artus, Jithen Pillay, Rory Kutisker-Jacobson, Tim Acker
(Most foreign assets are invested in Orbis funds)
Inception date: 1 October 1998

Allan Gray Equity Fund

28 February 2026

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

Meeting the Fund objective

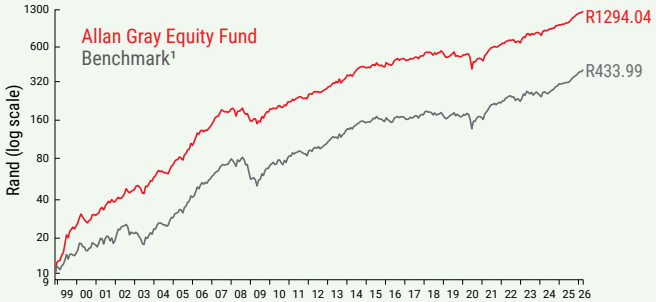
The Fund has created wealth for its long-term investors. Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater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

Fund information on 28 February 2026

Fund size	R61.4bn
Number of units	48 016 543
Price (net asset value per unit)	R802.91
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



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 28 February 2026. From inception to 28 February 2015 the benchmark was the FTSE/JSE All Share Index including income. Source: Iress.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (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.

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 1998)	12840.4	4239.9	313.5
Annualised:			
Since inception (1 October 1998)	19.4	14.7	5.3
Latest 10 years	10.9	10.7	4.7
Latest 5 years	16.7	16.0	4.9
Latest 3 years	17.5	17.4	4.0
Latest 2 years	23.6	28.6	3.3
Latest 1 year	33.7	35.2	3.5
Year-to-date (not annualised)	8.1	6.9	0.4
Risk measures (since inception)			
Maximum drawdown[3]	-37.0	-45.4	n/a
Percentage positive months[4]	67.2	61.4	n/a
Annualised monthly volatility[5]	14.7	16.0	n/a
Highest annual return[6]	125.8	73.0	n/a
Lowest annual return[6]	-24.3	-37.6	n/a

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2025	31 Dec 2025
Cents per unit	**838.4062**	**851.4978**

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 0.20%. The maximum fee is uncapped and if the fee would have been negative, 0.00% 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 31 December 2025 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
AB InBev	5.2
Naspers & Prosus	4.7
AngloGold Ashanti	4.0
British American Tobacco	3.9
Glencore	3.4
Standard Bank	3.1
Nedbank	2.2
Remgro	2.1
The Walt Disney Company	2.1
Woolworths	2.1
Total (%)	**32.8**

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

Sector allocation on 31 December 2025 (updated quarterly)[7]

Sector	% of equities[8]	% of ALSI[9]
Financials	20.8	27.4
Consumer staples	18.1	9.0
Basic materials	17.4	31.8
Consumer discretionary	13.0	5.7
Industrials	9.1	2.1
Technology	8.5	12.9
Healthcare	6.2	1.0
Energy	2.6	0.6
Telecommunications	2.1	4.7
Real estate	1.9	4.7
Utilities	0.3	0.0
Total (%)	**100.0**	**100.0**

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**1.41**	**1.65**
Fee for benchmark performance	1.02	1.03
Performance fees	0.32	0.46
Other costs excluding transaction costs	0.04	0.04
VAT	0.03	0.12
Transaction costs (including VAT)	**0.10**	**0.08**
Total investment charge	**1.51**	**1.74**

Asset allocation on 28 February 2026[7]

Asset class	Total	South Africa	Foreign
Net equities	95.6	55.8	39.8
Hedged equities	0.0	0.0	0.0
Property	2.0	0.3	1.7
Commodity-linked	0.0	0.0	0.0
Bonds	0.1	0.0	0.1
Money market and cash[10]	2.2	0.9	1.3
Total (%)	**100.0**	**57.0**	**43.0**[11]

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.

Fund manager quarterly commentary as at 31 December 2025

2025 was a year for the history books. Heightened geopolitical tensions created, and then seemingly resolved, trade wars, and artificial intelligence (AI)-induced optimism dominated global markets. In South Africa, the near collapse of the government of national unity early in the year and a strained relationship with the United States were overshadowed by the strong tailwind provided by rising precious metal prices that lifted the FTSE/JSE All Share Index (ALSI). A cursory glance at 2025's returns hides the sharp volatility that persisted during the year.

Globally, the MSCI World Index delivered a third consecutive year of strong double-digit returns, rising 21% in 2025 to close the year at a near all-time high. This performance was supported by the US, which comprises 72% of the index. As has been the case over the last three years, the breadth of this performance was narrow. Just seven stocks, the aptly named "magnificent seven", accounted for 46% of the S&P 500's performance in 2025 – largely fuelled by the promise of their AI advancements fundamentally changing the world and strengthening their business prospects. Futurist Roy Amara sums up the current investor psyche towards AI well: In the short term, people often overestimate the impact of a new technology while underestimating the long-term impact.

In the fullness of time, AI will almost certainly alter the way we interact and work. However, in the shorter term, it remains uncertain which AI hyperscaler will emerge as the winner and how these companies will appropriately monetise and fund their ambitions. What is more visible is that the five largest public AI hyperscalers plan to collectively spend more than US$1.5tn over the next three years. To put this into context, South Africa's annual gross domestic product stands at around US$450bn. We have two primary concerns here. Firstly, this capital expenditure will pose a material headwind to the earnings of these companies in the coming years, which we think is underappreciated. Secondly, the S&P 500 trades on a high multiple of these elevated earnings expectations and is fast approaching levels last seen during the 2000s technology bubble.

History shows that the first movers in world-altering technologies are rarely the eventual winners. Despite not owning any of the magnificent seven, aside from Alphabet, the offshore component of the Fund performed well by owning more reasonably priced stocks that are beneficiaries of the AI capital expenditure described above, as well as holding positions in underappreciated sectors such as defence and biotechnology.

Locally, the ALSI delivered a 42% return in 2025 – its best calendar year in two decades, with the index near an all-time high. Similar to the US, performance was narrow. Precious metal miners rallied sharply, more than doubling and contributing 58% of the ALSI's return for the year. The domestic component of the Fund delivered strong absolute returns but lagged relative to the ALSI due to an underweight position in the precious metal sub-sector. Collectively, gold and platinum group metal miners now represent over 25% of the ALSI. While we have a constructive view on the gold price over the longer term, in the short term, the price will likely be volatile amid shifting geopolitical and macroeconomic conditions. South African gold miners also have a poor long-term track record. Historically, gold price windfalls have often been eroded by poor cost discipline and value-destructive expansion. As such, we have been selective about the precious metal miners included in the Fund, favouring companies more likely to return free cash flow to shareholders.

Borrowing from Sir John Templeton, "Bull markets are born on pessimism, grow on scepticism, mature on optimism and die on euphoria." Given current valuations, we are concerned about the prospects for absolute returns both globally and locally. Therefore, the Fund is positioned defensively to protect capital. Within the offshore component, the Fund is tilted away from the US in favour of cheaper geographies. Where US exposure exists, it is in the less-crowded names. In South Africa, a slow reform agenda, anaemic capital investment and infrastructure concerns underpin our view that meaningful economic growth will remain elusive. Accordingly, the Fund's local positioning is skewed towards defensive rand hedges – British American Tobacco and AB InBev are good examples. Where the Fund holds South African-exposed stocks, they are businesses that we believe can sustain earnings growth even in a weaker-than-expected economic environment.

During the quarter, the Fund added to its positions in Naspers and Mr Price and reduced its holdings in Prosus and the gold miners.

Commentary contributed by Jithen Pillay

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Management Company

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

Performance

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

Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

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

Foreign securities

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

FTSE/JSE indices

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FTSE Russell Index

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MSCI Index

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Need more information?
You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website **www.allangray.co.za** or via our Client Service Centre on **0860 000 654**

ALLANGRAY

Fund managers: Duncan Artus, Pieter Koornhof, Rory Kutisker-Jacobson, Siphesihle Zwane, Tim Acker
Inception date: 13 March 2015

Allan Gray SA Equity Fund

28 February 2026

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

Meeting the Fund objective

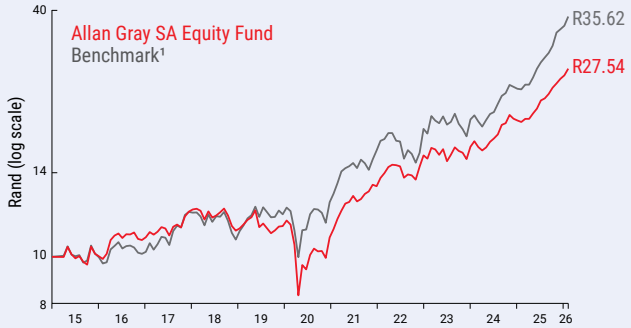
The Fund aims to outperform the South African equity market over the long term, without taking on greater risk. Since inception and over the latest 10- and five-year periods, the Fund has underperfomed its benchmark.

Fund information on 28 February 2026

Fund size	R5.5bn
Number of units	1 133 562
Price (net asset value per unit)	R642.84
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (13 March 2015)	175.4	256.2	67.4
Annualised:			
Since inception (13 March 2015)	9.7	12.3	4.8
Latest 10 years	10.5	13.8	4.7
Latest 5 years	17.0	18.7	4.9
Latest 3 years	17.5	22.5	4.0
Latest 2 years	27.6	37.6	3.3
Latest 1 year	39.3	54.5	3.5
Year-to-date (not annualised)	8.8	11.0	0.4
Risk measures (since inception)			
Maximum drawdown[3]	-44.3	-35.2	n/a
Percentage positive months[4]	62.1	59.8	n/a
Annualised monthly volatility[5]	13.8	14.1	n/a
Highest annual return[6]	57.3	54.5	n/a
Lowest annual return[6]	-32.0	-18.4	n/a

1. FTSE/JSE All Share Index including income (source: Iress), performance as calculated by Allan Gray as at 28 February 2026.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (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 28 February 2026. 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.

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

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.

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.	30 Jun 2025	31 Dec 2025
Cents per unit	**1112.2886**	**1197.7599**

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 0.20%. The maximum fee is uncapped and if the fee would have been negative, 0.00% 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 31 December 2025 (updated quarterly)

Company	% of portfolio
Naspers & Prosus	8.5
AB InBev	7.3
Glencore	5.3
AngloGold Ashanti	5.3
Standard Bank	5.2
British American Tobacco	5.1
Nedbank	4.4
FirstRand	3.8
Mondi	3.2
Remgro	2.9
Total (%)	**51.0**

Sector allocation on 31 December 2025 (updated quarterly)

Sector	% of equities[7]	% of ALSI[8]
Financials	26.5	27.4
Basic materials	23.4	31.8
Consumer staples	21.3	9.0
Consumer discretionary	9.1	5.7
Technology	8.6	12.9
Industrials	4.3	2.1
Energy	2.9	0.6
Healthcare	2.0	1.0
Real estate	0.9	4.7
Telecommunications	0.8	4.7
Total (%)	**100.0**	**100.0**

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

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**0.20**	**0.35**
Fee for benchmark performance	1.00	1.00
Performance fees	-0.84	-0.70
Other costs excluding transaction costs	0.01	0.01
VAT	0.03	0.04
Transaction costs (including VAT)	**0.11**	**0.10**
Total investment charge	**0.31**	**0.45**

Asset allocation on 28 February 2026

Asset class	Total
Net equities	98.6
Hedged equities	0.0
Property	0.9
Commodity-linked	0.1
Bonds	0.0
Money market and cash	0.5
Total (%)	**100.0**

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

Fund manager quarterly commentary as at 31 December 2025

2025 was a year for the history books. Heightened geopolitical tensions created, and then seemingly resolved, trade wars, and artificial intelligence (AI)-induced optimism dominated global markets. In South Africa, the near collapse of the government of national unity early in the year and a strained relationship with the United States were overshadowed by the strong tailwind provided by rising precious metal prices that lifted the FTSE/JSE All Share Index (ALSI). A cursory glance at 2025's returns hides the sharp volatility that persisted during the year.

Globally, the MSCI World Index delivered a third consecutive year of strong double-digit returns, rising 21% in 2025 to close the year at a near all-time high. This performance was supported by the US, which comprises 72% of the index. As has been the case over the last three years, the breadth of this performance was narrow. Just seven stocks, the aptly named "magnificent seven", accounted for 46% of the S&P 500's performance in 2025 – largely fuelled by the promise of their AI advancements fundamentally changing the world and strengthening their business prospects. Futurist Roy Amara sums up the current investor psyche towards AI well: In the short term, people often overestimate the impact of a new technology while underestimating the long-term impact.

In the fullness of time, AI will almost certainly alter the way we interact and work. However, in the shorter term, it remains uncertain which AI hyperscaler will emerge as the winner and how these companies will appropriately monetise and fund their ambitions. What is more visible is that the five largest public AI hyperscalers plan to collectively spend more than US$1.5tn over the next three years. To put this into context, South Africa's annual gross domestic product stands at around US$450bn. This raises two primary concerns: Firstly, this capital expenditure will pose a material headwind to the earnings of these companies in the coming years, which we think is underappreciated. Secondly, the S&P 500 trades on a high multiple of these elevated earnings expectations and is fast approaching levels last seen during the 2000s technology bubble.

Locally, the ALSI delivered a 42% return in 2025 – its best calendar year in two decades, with the index near an all-time high. Similar to the US, performance was narrow. Precious metal miners rallied sharply, more than doubling and contributing 58% of the ALSI's return for the year. The Fund delivered strong absolute returns but lagged relative to the ALSI due to an underweight position in the precious metal sub-sector. Collectively, gold and platinum group metal miners now represent over 25% of the ALSI. While we have a constructive view on the gold price over the longer term, in the short term, the price will likely be volatile amid shifting geopolitical and macroeconomic conditions. South African gold miners also have a poor long-term track record. Historically, gold price windfalls have often been eroded by poor cost discipline and value-destructive expansion. As such, we have been selective about the precious metal miners included in the Fund, favouring companies more likely to return free cash flow to shareholders.

Borrowing from Sir John Templeton, "Bull markets are born on pessimism, grow on scepticism, mature on optimism and die on euphoria." Given current valuations, we are concerned about the prospects for absolute returns.
In South Africa, a slow reform agenda, anaemic capital investment and infrastructure concerns underpin our view that meaningful economic growth will remain elusive. Therefore, the Fund is positioned defensively to protect capital and is skewed towards defensive rand hedges – British American Tobacco and AB InBev are good examples. Where the Fund holds South African-exposed stocks, they are businesses that we believe can sustain earnings growth even in a weaker-than-expected economic environment.

During the quarter, the Fund added to its positions in Naspers and Mr Price and reduced its holdings in Prosus and the gold miners.

Commentary contributed by Jithen Pillay

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Management Company

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

Performance

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

Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

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

FTSE/JSE indices

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ALLANGRAY

Fund managers: Duncan Artus, Rory Kutisker-Jacobson, Tim Acker
(Most foreign assets are invested in Orbis funds)
Inception date: 1 October 1999

Allan Gray Balanced Fund

28 February 2026

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

Meeting the Fund objective

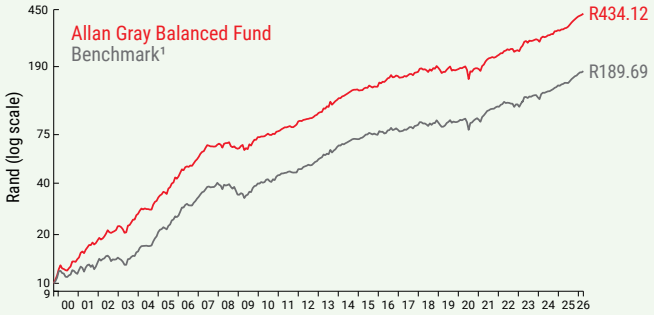
The Fund has created wealth for its long-term investors. Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater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

Fund information on 28 February 2026

Fund size	R260.9bn
Number of units	620 873 380
Price (net asset value per unit)	R204.35
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 1999)	4241.2	1796.9	296.2
Annualised:			
Since inception (1 October 1999)	15.3	11.8	5.4
Latest 10 years	10.4	9.2	4.7
Latest 5 years	15.0	12.3	4.9
Latest 3 years	16.0	13.8	4.0
Latest 2 years	21.3	17.3	3.3
Latest 1 year	30.5	21.3	3.5
Year-to-date (not annualised)	7.4	3.3	0.4
Risk measures (since inception)			
Maximum drawdown[3]	-25.4	-23.3	n/a
Percentage positive months[4]	71.3	68.8	n/a
Annualised monthly volatility[5]	9.1	9.0	n/a
Highest annual return[6]	46.1	41.9	n/a
Lowest annual return[6]	-14.2	-16.7	n/a

1. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 28 February 2026. 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.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (source: Iress).
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 20 January 2020 to 23 March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 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.

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.	30 Jun 2025	31 Dec 2025
Cents per unit	**215.1332**	**194.8429**

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 0.10%, subject to the following limits:

Maximum fee: 1.50% p.a. excl. VAT
Minimum fee: 0.50% p.a. excl. VAT

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

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

Total expense ratio (TER) and transaction costs

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

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

Company	% of portfolio
AB InBev	4.1
Naspers & Prosus	3.6
AngloGold Ashanti	3.1
Glencore	2.8
British American Tobacco	2.6
Standard Bank	2.3
Nedbank	2.0
The Walt Disney Company	1.7
Woolworths	1.6
Remgro	1.5
Total (%)	**25.2**

Asset allocation on 28 February 2026[7]

Asset class	Total	South Africa	Foreign
Net equities	67.9	40.6	27.3
Hedged equities	7.9	2.2	5.7
Property	1.2	0.1	1.1
Commodity-linked	2.9	2.5	0.4
Bonds	14.8	10.0	4.8
Money market and cash[8]	5.2	3.6	1.7
Total (%)	**100.0**	**58.9**	**41.1[9]**

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.

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**1.55**	**1.64**
Fee for benchmark performance	1.02	1.02
Performance fees	0.37	0.44
Other costs excluding transaction costs	0.04	0.04
VAT	0.12	0.14
Transaction costs (including VAT)	**0.07**	**0.06**
Total investment charge	**1.62**	**1.70**

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

Minimum	49.3% (February 2000)
Average	63.4%
Maximum	72.9% (May 2021)

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

Fund manager quarterly commentary as at 31 December 2025

The Fund delivered 24% in 2025, outperforming its benchmark by 5%. Over the last three years, the Fund has achieved an annualised return of 16% compared to an inflation rate of 4%. Some investors may prefer to think in hard currency. With the rand relatively strong, US dollar returns have been very healthy at 41% over one year and 17% per annum over three years. These results were supported by robust returns from both local and global markets. Pleasingly, the Fund kept pace, outperforming its peers, with its offshore exposure making a particularly helpful contribution over the year. It is important to remember that such outcomes are well ahead of long-term averages, so a degree of caution and moderation of expectations is warranted.

A key feature of the local market's strength in 2025 was its narrowness. Index performance was driven by a handful of shares rather than broad-based gains. Gold and platinum mining companies were notable winners, benefiting from exceptionally strong precious metal prices. This strength is at least partly the result of speculative buying, which could reverse. A striking development is that these mining shares now account for roughly a quarter of the FTSE/JSE All Share Index, so further gains or a reversal in these shares would have an outsized impact. However, the market's narrow performance is a source of some concern. Our approach has been to take profits in some areas that have done exceptionally well. At the end of the year, the weight of South African gold and platinum mining shares was 14% of South African equities, or 6% of the Fund as a whole. In our view, this remains a sizeable exposure to further upside while limiting downside risk. Another aspect of this narrow performance is that, despite the index being near record highs, many local shares have performed poorly. With valuations in several areas of the market now well below their historical averages, this is where we are finding more opportunities.

Alongside the bull market in precious metals, the other important story in South African financial markets in 2025 was the exceptional strength of the local bond market. Compared to two years ago, the contrast is stark: At that time, both local and foreign investors were decidedly sceptical about South African bonds as the country faced the uncertainty of looming national elections, weak economic growth and severe loadshedding. Since the May 2024 elections, South Africa has been among the top-performing bond markets globally, with the FTSE/JSE All Bond Index returning 44% over this period. South African bonds have rerated significantly versus our emerging market peers, such as Brazil. We think that the balance of risk in the bond market is now to the downside, and therefore, we prefer an allocation to local shares over local bonds.

Global markets also ended 2025 on a strong note, and the Fund's offshore holdings contributed positively to relative performance. While global equity markets as a whole appear expensive, this masks a wide dispersion: A number of businesses we own still trade at levels we regard as attractive. As a result, the Fund's global equity portfolio bears little resemblance to the broad market – a deliberate choice that may allow us to deliver better long-term outcomes than the index but with a different pattern of risk along the way. Elevated starting valuations in major markets, however, limit the scope for high returns in the future. In our view, global bonds do not yet offer compelling compensation for the risks, particularly given the possibility that inflation may prove to be more persistent than markets currently expect.

During the quarter, we added to the Fund's positions in AB InBev and Naspers and reduced its exposure to Prosus and the platinum-linked ETF.

Commentary contributed by Tim Acker

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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.

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.

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

Compliance with Regulation 28
The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (the "Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

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

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

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MSCI Index
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ALLANGRAY

Fund managers: Duncan Artus, Rory Kutisker-Jacobson, Tim Acker
(Most foreign assets are invested in Orbis funds) **Inception date:** 1 February 2016
Only available through tax-free investment accounts.

Allan Gray Tax-Free Balanced Fund

28 February 2026

Fund description and summary of investment policy

The Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts and can only be accessed through these products. The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund.

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

Fund objective and benchmark

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

How we aim to achieve the Fund's objective

We seek to buy shares at a discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares we may increase the Fund's weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Fund's stock market exposure. By varying the Fund's exposure to these different asset classes over time, we seek to enhance the Fund's long-term returns and to manage its risk. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

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

Maximum investment amounts

Maximum lump sum per investor account	R46 000
Lifetime maximum	R500 000
Maximum debit order*	R3 000

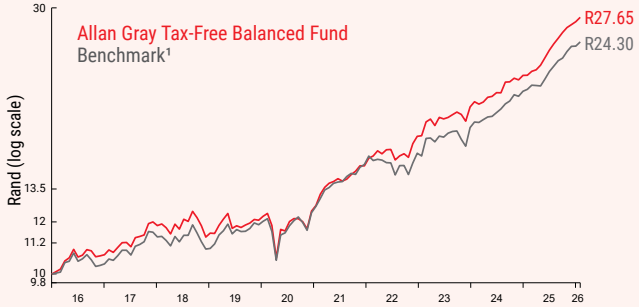
*Only available to investors with a South African bank account.

Fund information on 28 February 2026

Fund size	R5.3bn
Number of units	212 624 580
Price (net asset value per unit)	R21.86
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



1. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 28 February 2026.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (source: Iress).
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 20 January 2020 to 23 March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 March 2021 and the benchmark's occurred during the 12 months ended 31 March 2021. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 31 March 2020. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 February 2016)	176.5	143.0	58.5
Annualised:			
Since inception (1 February 2016)	10.6	9.2	4.7
Latest 10 years	10.5	9.2	4.7
Latest 5 years	15.0	12.3	4.9
Latest 3 years	16.0	13.8	4.0
Latest 2 years	21.1	17.3	3.3
Latest 1 year	30.3	21.3	3.5
Year-to-date (not annualised)	7.4	3.3	0.4
Risk measures (since inception)			
Maximum drawdown[3]	-24.6	-23.3	n/a
Percentage positive months[4]	71.1	68.6	n/a
Annualised monthly volatility[5]	8.8	8.6	n/a
Highest annual return[6]	31.7	30.7	n/a
Lowest annual return[6]	-13.4	-10.3	n/a

Fund history

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

Meeting the Fund objective

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

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2025	31 Dec 2025
Cents per unit	**21.6692**	**20.9421**

Annual management fee

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

Allan Gray charges this fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. Orbis charges fixed fees within the Orbis funds that the Fund invests in. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and transaction costs

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

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

Company	% of portfolio
AB InBev	4.0
Naspers & Prosus	3.6
AngloGold Ashanti	3.1
Glencore	2.8
British American Tobacco	2.6
Standard Bank	2.3
Nedbank	2.0
The Walt Disney Company	1.7
Woolworths	1.6
Remgro	1.5
Total (%)	**25.0**

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

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**1.49**	**1.48**
Fee for benchmark performance	1.32	1.31
Other costs excluding transaction costs	0.03	0.04
VAT	0.14	0.14
Transaction costs (including VAT)	**0.08**	**0.06**
Total investment charge	**1.56**	**1.55**

Asset allocation on 28 February 2026[7]

Asset class	Total	South Africa	Foreign
Net equities	66.6	39.6	27.0
Hedged equities	7.8	2.1	5.7
Property	1.2	0.1	1.1
Commodity-linked	2.9	2.5	0.4
Bonds	15.1	10.4	4.7
Money market and cash[8]	6.4	4.5	1.9
Total (%)	**100.0**	**59.2**	**40.8**[9]

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)

Fund manager quarterly commentary as at 31 December 2025

The Fund delivered 24% in 2025, outperforming its benchmark by 5%. Over the last three years, the Fund has achieved an annualised return of 16% compared to an inflation rate of 4%. Some investors may prefer to think in hard currency. With the rand relatively strong, US dollar returns have been very healthy at 41% over one year and 17% per annum over three years. These results were supported by robust returns from both local and global markets. Pleasingly, the Fund kept pace, outperforming its peers, with its offshore exposure making a particularly helpful contribution over the year. It is important to remember that such outcomes are well ahead of long-term averages, so a degree of caution and moderation of expectations is warranted.

A key feature of the local market's strength in 2025 was its narrowness. Index performance was driven by a handful of shares rather than broad-based gains. Gold and platinum mining companies were notable winners, benefiting from exceptionally strong precious metal prices. This strength is at least partly the result of speculative buying, which could reverse. A striking development is that these mining shares now account for roughly a quarter of the FTSE/JSE All Share Index, so further gains or a reversal in these shares would have an outsized impact. However, the market's narrow performance is a source of some concern. Our approach has been to take profits in some areas that have done exceptionally well. At the end of the year, the weight of South African gold and platinum mining shares was 14% of South African equities, or 6% of the Fund as a whole. In our view, this remains a sizeable exposure to further upside while limiting downside risk. Another aspect of this narrow performance is that, despite the index being near record highs, many local shares have performed poorly. With valuations in several areas of the market now well below their historical averages, this is where we are finding more opportunities.

Alongside the bull market in precious metals, the other important story in South African financial markets in 2025 was the exceptional strength of the local bond market. Compared to two years ago, the contrast is stark: At that time, both local and foreign investors were decidedly sceptical about South African bonds as the country faced the uncertainty of looming national elections, weak economic growth and severe loadshedding. Since the May 2024 elections, South Africa has been among the top-performing bond markets globally, with the FTSE/JSE All Bond Index returning 44% over this period. South African bonds have rerated significantly versus our emerging market peers, such as Brazil. We think that the balance of risk in the bond market is now to the downside, and therefore, we prefer an allocation to local shares over local bonds.

Global markets also ended 2025 on a strong note, and the Fund's offshore holdings contributed positively to relative performance. While global equity markets as a whole appear expensive, this masks a wide dispersion: A number of businesses we own still trade at levels we regard as attractive. As a result, the Fund's global equity portfolio bears little resemblance to the broad market – a deliberate choice that may allow us to deliver better long-term outcomes than the index but with a different pattern of risk along the way. Elevated starting valuations in major markets, however, limit the scope for high returns in the future. In our view, global bonds do not yet offer compelling compensation for the risks, particularly given the possibility that inflation may prove to be more persistent than markets currently expect.

During the quarter, we added to the Fund's positions in AB InBev and Naspers and reduced its exposure to Prosus and the platinum-linked ETF.

Commentary contributed by Tim Acker

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

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

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

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

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

Compliance with Regulation 28
The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (the "Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

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

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

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

FTSE/JSE indices
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Important information for investors

Need more information?
You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website **www.allangray.co.za** or via our Client Service Centre on **0860 000 654**

ALLANGRAY

Fund managers: Duncan Artus, Sean Munsie, Tim Acker
(Most foreign assets are invested in Orbis funds)
Inception date: 1 July 2000

Allan Gray Stable Fund

28 February 2026

Fund description and summary of investment policy

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

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

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited, plus 2%.

How we aim to achieve the Fund's objective

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

Suitable for those investors who

- Are risk-averse and require a high degree of capital stability
- Seek both above-inflation returns over the long term, and capital preservation over any two-year period
- Require some income but also some capital growth
- Wish to invest in a unit trust that complies with retirement fund investment limits

Meeting the Fund objective

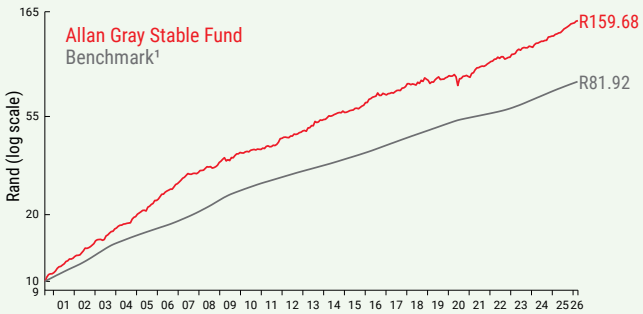
Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund aims to minimise the risk of loss over any two-year period.

Fund information on 28 February 2026

Fund size	R62.8bn
Number of units	581 352 243
Price (net asset value per unit)	R53.69
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



1. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank, plus 2%, performance as calculated by Allan Gray as at 28 February 2026.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (source: Iress).
3. 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).
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 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.

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 July 2000)	1496.8	719.2	276.1
Annualised:			
Since inception (1 July 2000)	11.4	8.5	5.3
Latest 10 years	8.8	7.6	4.7
Latest 5 years	11.3	7.8	4.9
Latest 3 years	12.0	9.1	4.0
Latest 2 years	14.2	9.0	3.3
Latest 1 year	18.0	8.4	3.5
Year-to-date (not annualised)	4.2	1.3	0.4
Risk measures (since inception)			
Maximum drawdown[3]	-16.7	n/a	n/a
Percentage positive months[4]	79.2	100.0	n/a
Annualised monthly volatility[5]	5.0	0.6	n/a
Highest annual return[6]	23.3	14.6	n/a
Lowest annual return[6]	-7.4	4.6	n/a

Income distributions for the last 12 months

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

Annual management fee

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

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

For each percentage of two-year performance above or below the benchmark we add or deduct 0.10%, subject to the following limits:

Maximum fee: 1.50% p.a. excl. VAT
Minimum fee: 0.50% p.a. excl. VAT

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

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

Total expense ratio (TER) and transaction costs

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

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

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

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

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

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

Top debt issuers on 31 December 2025 (SA and Foreign) (updated quarterly)[7,8]

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

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

Asset allocation on 28 February 2026[7]

Asset class	Total	South Africa	Foreign
Net equities	29.2	14.4	14.8
Hedged equities	20.5	10.5	10.0
Property	0.9	0.0	0.9
Commodity-linked	2.1	1.7	0.4
Bonds	34.9	28.3	6.6
Money market and cash[9]	12.4	10.1	2.3
Total (%)	**100.0**	**65.1**	**34.9**[10]

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.

Fund manager quarterly commentary as at 31 December 2025

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

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

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

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

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

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

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

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

Commentary contributed by Sean Munsie

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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. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

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

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (the "Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Foreign securities

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

FTSE/JSE indices

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FTSE Russell Index

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ALLANGRAY

Fund manager: Sean Munsie
Inception date: 1 October 2002

Allan Gray Optimal Fund

28 February 2026

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

Meeting the Fund objective

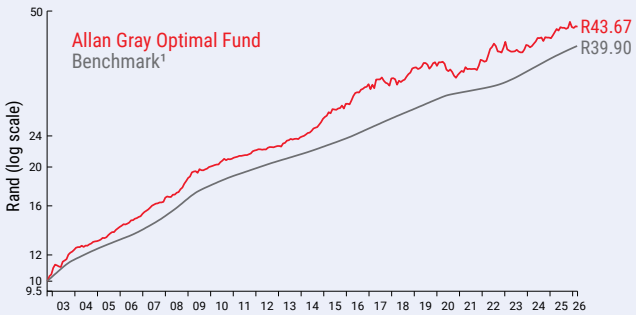
Since inception the Fund has outperformed its benchmark. Over the latest 10- and five-year periods, the Fund has underperformed its benchmark. The Fund aims to deliver long-term positive returns, irrespective of stock market returns.

Fund information on 28 February 2026

Fund size	R0.8bn
Number of units	22 724 751
Price (net asset value per unit)	R23.33
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



1. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank, performance as calculated by Allan Gray as at 28 February 2026.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (source: Iress).
3. 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).
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 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.

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 2002)	336.7	299.0	218.4
Annualised:			
Since inception (1 October 2002)	6.5	6.1	5.1
Latest 10 years	4.0	5.5	4.7
Latest 5 years	4.8	5.6	4.9
Latest 3 years	4.5	7.0	4.0
Latest 2 years	3.7	6.8	3.3
Latest 1 year	1.0	6.3	3.5
Year-to-date (not annualised)	-1.3	0.9	0.4
Risk measures (since inception)			
Maximum drawdown[3]	-10.2	n/a	n/a
Percentage positive months[4]	71.2	100.0	n/a
Annualised monthly volatility[5]	4.4	0.6	n/a
Highest annual return[6]	18.1	11.9	n/a
Lowest annual return[6]	-8.2	2.5	n/a

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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.	30 Jun 2025	31 Dec 2025
Cents per unit	**42.9417**	**37.0558**

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 0.20% 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 31 December 2025 (updated quarterly)

Company	% of portfolio
AB InBev	6.2
AngloGold Ashanti	6.1
Naspers & Prosus	5.8
FirstRand	5.7
Gold Fields	5.6
British American Tobacco	4.6
Premier Group Ltd	4.3
Sasol	3.9
Mondi	3.7
Aspen	3.7
Total (%)	**49.7**

Asset allocation on 28 February 2026

Asset class	Total
Net equities	2.4
Hedged equities	85.8
Money market and cash	11.8
Total (%)	**100.0**

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**1.17**	**1.18**
Fee for benchmark performance	1.00	1.00
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.02	0.02
VAT	0.15	0.15
Transaction costs (including VAT)	**0.08**	**0.10**
Total investment charge	**1.25**	**1.28**

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

Minimum	-3.6% (September 2016)[7]
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 InBev. 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.

Fund manager quarterly commentary as at 31 December 2025

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

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

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

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

While the rally has been a welcome boost for local equity investors after years of more muted returns, it does not necessarily imply greater returns for the Fund. Rather, it is the performance of the Fund's underlying shares relative to the stock market index, together with the level of short-term interest rates, that determines the performance. That said, stock selection detracted from the Fund's return last year. Despite benefiting from overweight holdings in gold companies for the bulk of the year, the Fund's underweight exposure to platinum miners weighed on performance, particularly in the final quarter of the year.

During the quarter, we increased the Fund's exposure to Shoprite and Investec, initiated new positions in Famous Brands and Rhodes Food Group, and trimmed the weighting of gold miners.

Commentary contributed by Sean Munsie

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MSCI Index

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ALLANGRAY

Fund manager: Thalia Petousis
Inception date: 1 October 2004

Allan Gray Bond Fund

28 February 2026

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

Meeting the Fund objective

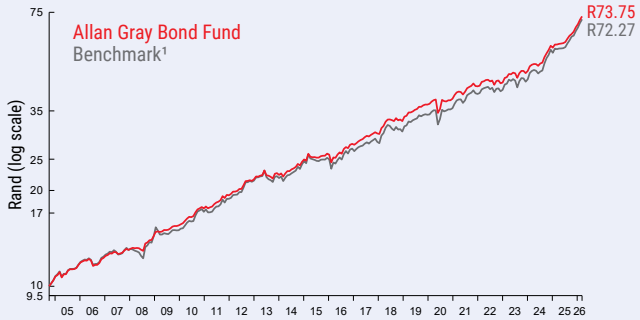
Since inception the Fund has outperformed its benchmark. Over the latest 10- and five-year periods, the Fund has underperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund aims to take no greater risk than its benchmark. The maximum drawdown 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.

Fund information on 28 February 2026

Fund size	R10.7bn
Number of units	608 436 580
Price (net asset value per unit)	R12.37
Modified duration	5.9
Gross yield (i.e. before fees)	8.3
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



1. FTSE/JSE All Bond Index (source: Iress), performance as calculated by Allan Gray as at 28 February 2026.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (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 28 February 2026 and the benchmark's occurred during the 12 months ended 28 February 2026. 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.

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 2004)	637.5	622.7	202.6
Annualised:			
Since inception (1 October 2004)	9.8	9.7	5.3
Latest 10 years	11.2	11.5	4.7
Latest 5 years	12.5	13.2	4.9
Latest 3 years	16.5	17.5	4.0
Latest 2 years	21.2	22.8	3.3
Latest 1 year	26.4	28.2	3.5
Year-to-date (not annualised)	3.7	3.7	0.4
Risk measures (since inception)			
Maximum drawdown[3]	-18.9	-19.3	n/a
Percentage positive months[4]	73.2	70.0	n/a
Annualised monthly volatility[5]	5.9	7.5	n/a
Highest annual return[6]	26.4	28.2	n/a
Lowest annual return[6]	-2.6	-5.6	n/a

Income distributions for the last 12 months

Actual payout, the Fund distributes quarterly	31 Mar 2025	30 Jun 2025	30 Sep 2025	31 Dec 2025
Cents per unit	**25.4437**	**26.1703**	**26.1388**	**25.9725**

Annual management fee

A fixed fee of 0.50% p.a. excluding VAT

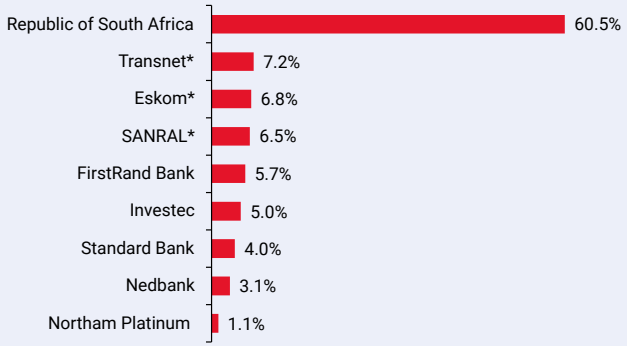
Total expense ratio (TER) and transaction costs

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.

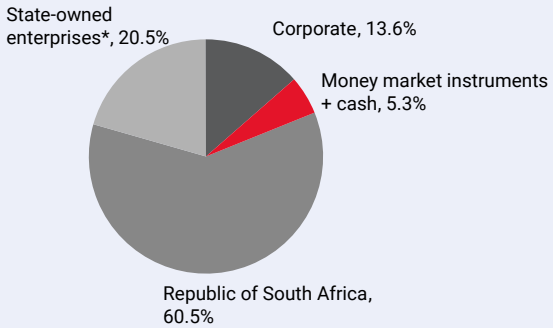
Total expense ratio (TER) and transaction costs for periods ending 31 December 2025 (updated quarterly)

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**0.58**	**0.58**
Fee for benchmark performance	0.50	0.50
Other costs excluding transaction costs	0.01	0.01
VAT	0.08	0.08
Transaction costs (including VAT)	**0.00**	**0.00**
Total investment charge	**0.58**	**0.58**

Top credit exposures on 28 February 2026

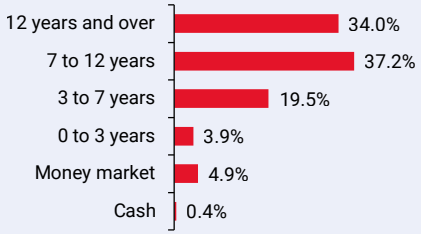


Asset allocation on 28 February 2026



*RSA government guaranteed

Maturity profile on 28 February 2026



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

Fund manager quarterly commentary as at 31 December 2025

2025 overtook 2024 as the strongest single year for South African bonds in 20 years, with all of the relative outperformance coming through in the final quarter of the year. Twenty-year yields fell from a peak of 13.2% in 2024 to 9.2% at the time of writing, translating into a capital gain of almost 40%.

What can appear startling is charting the economic growth over this period, which has stumbled along at a lacklustre pace. This could point to the fact that the starting valuations were just so extreme that they justify such a move in the absence of economic growth, or that investors have bought in with the anticipation of economic growth to come. We think the answer to this conundrum is multifold.

Although South Africa's gross financing requirement for the 2025/2026 financial year reached a post-COVID-19 pandemic high, significant relief came through the monetisation of the Gold and Foreign Exchange Contingency Reserve Account (GFECRA), for which R206bn has been carved out into government revenues and a further R100bn earmarked to recapitalise the South African Reserve Bank to cover the interest cost on newly created reserves. This has lowered the trajectory of the government's borrowing requirement relative to what it would have been sans GFECRA, and particularly, relative to the map that was drawn in the 2023 budget documents.

Beyond this boost to revenues, one can also see that National Treasury has held the line on spending where it can, although some items in the budget – such as pay progression in the government wage bill – remain unsustainable. In 2025, a greater portion of the borrowing requirement was attributable to redemptions (as opposed to the main budget balance) than what was experienced during the COVID-19 pandemic. This is "easier" to fund as one is simply convincing existing debtholders to switch into longer-dated debt as opposed to finding new funders in the local and offshore savings pool.

Another reason being cited for the rally is that South Africa's inflation has collapsed in both absolute terms and relative to US inflation. As discussed in prior commentaries, if one believes that we will now run inflation at a lower gap to the US on a continued structural basis, then one can argue for a materially lower relative SA fair value bond yield versus recent history. One can also make the case that the last six months of South African government bond performance have simply been a foreigner flow show. In the same time period that the South African 10-year bond has rerated from 11% to 8.3%, Ghanaian 10-year bond yields have rerated from 24% to 16%, and Zambian 10-year bond yields have rerated from 22% to 17%. All jurisdictions have a positive story to be uncovered, with some overlap in the form of a bullish price environment for gold, copper and platinum group metals. That said, it took foreigner investors pivoting on their bearish attitudes to these markets to cause the market to run – in some cases, in anticipation of positive growth changes still to come.

On this note, National Treasury data shows that foreign investors put more than R50bn into South African government bonds in September 2025, which is the largest single month of investment on record and many multiples in excess of the fixed-rate bonds that were issued in that month. This caused auctions to reach the level of five to six times of oversubscription. As foreigner investors potentially looked to de-dollarise and search for yield in alternative and comparatively shallower markets like South Africa, yields moved significantly as they lifted available inventory out of primary auctions and from South African primary dealers. This dynamic also sheds light on the lagging performance of SA Inc shares, which continued to see foreigner outflows for the majority of the year.

From a fundamental perspective, one could also make a reasonable argument that a materially lower South African inflation trajectory compared to historical inflation is positive for bond fair values. The lower trajectory, to some degree, speaks to Chinese disinflation, which we are importing through core goods such as automotive, steel, textiles and clothing. This dynamic creates intense competition for South African retail and manufacturing, which is ultimately negative for SA Inc as a whole. For such a rally in bonds to sustain itself, one must believe that SA Inc will recover and that the economy will achieve sustained real growth to support lower real yields compared to both our own history and our own history relative to emerging market and developed market bond peers.

In the last quarter, the Fund again added to Transnet (fully government-guaranteed) debt at attractive yields and maintained a higher yield relative to the FTSE/JSE All Bond Index at a lower modified duration.

Commentary contributed by Thalia Petousis

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

Performance

Collective investment schemes in securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. 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.

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

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 indices

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You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website **www.allangray.co.za** or via our Client Service Centre on **0860 000 654**

ALLANGRAY

Fund managers: Sean Munsie, Thalia Petousis
Inception date: 1 May 2024

Allan Gray Income Fund

28 February 2026

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 Alexforbes 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

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.

Income distributions for the last 12 months

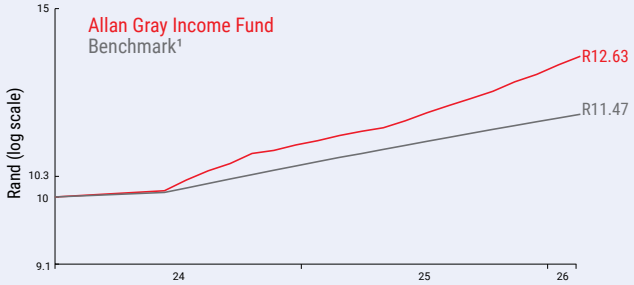
Actual payout, the Fund distributes quarterly	31 Mar 2025	30 Jun 2025	30 Sep 2025	31 Dec 2025
Cents per unit	**22.3434**	**22.1425**	**22.1094**	**21.9092**

Fund information on 28 February 2026

Fund size	R3.2bn
Number of units	177 360 429
Price (net asset value per unit)	R10.94
Modified duration	1.3
Gross yield (i.e. before fees)	8.2
Net yield (i.e. after fees)	7.2
Fund weighted average maturity (years)	4.4
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



1. The Fund's benchmark is the Alexforbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 28 February 2026. Source: Bloomberg.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (source: Iress).
3. 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).
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 28 February 2026 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 September 2025 and the benchmark's occurred during the 12 months ended 28 February 2026. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 May 2024)	26.3	14.7	4.7
Annualised:			
Since inception (1 May 2024)	13.6	7.8	2.7
Latest 1 year	14.2	7.4	3.5
Year-to-date (not annualised)	1.8	1.1	0.4
Risk measures (since inception)			
Maximum drawdown[3]	-0.9	n/a	n/a
Percentage positive months[4]	100.0	100.0	n/a
Annualised monthly volatility[5]	1.2	0.2	n/a
Highest annual return[6]	14.2	8.2	n/a
Lowest annual return[6]	11.6	7.4	n/a

Annual management fee

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

Total expense ratio (TER) and transaction costs

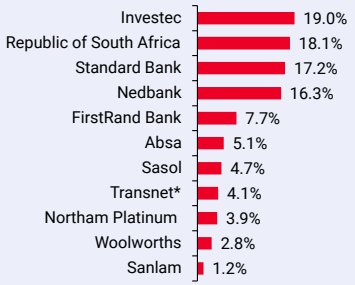
The annual management fee is included in the TER. The TER is the percentage of the value of the Fund that was incurred as expenses relating to the administration of the Fund, annualised over the relevant periods. Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted 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.

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %[7]
Total expense ratio	**0.88**	**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	**0.88**	**0.87**

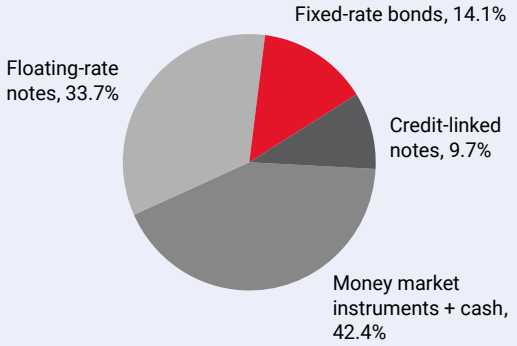
7. Based on since-inception data, as the Fund does not yet have a 3-year history.

Top credit exposures on 28 February 2026



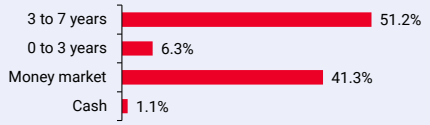
*RSA government guaranteed

Asset allocation on 28 February 2026[8]



8. Foreign exposure on 28 February 2026: 4.7% is invested in foreign investments.

Maturity profile on 28 February 2026



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

Fund manager quarterly commentary as at 31 December 2025

The South African Reserve Bank (SARB) resumed its interest rate-cutting cycle at its November 2025 policy meeting, after briefly pausing it in September. A unanimous decision for a further 25-basis-point reduction brought the total cuts for 2025 to 100 basis points. The SARB views the local inflation outlook as balanced. While food and fuel pushed prices higher in the second half of the year, these pressures are seen as temporary, with relief expected from a stronger rand and lower oil prices. Inflation pressures stemming from heightened demand remain largely absent as local capital investment levels continue to disappoint. Household spending has been a brighter spot, remaining relatively strong and supported by wealth effects, further withdrawals from two-pot retirement savings, and lower inflation and interest rates.

Risks to the benign inflation forecast include a rebound in the US dollar and higher-than-expected administered prices, linked to the correction of the R54bn electricity pricing error disclosed early in 2025. While both scenarios result in a tighter monetary policy stance, by the SARB's estimation, there remains room for further rate cuts but at a more gradual pace than the baseline forecast. As we have mentioned in previous commentaries, this reflects an evolution in thinking from the central bank in 2025, compared to the more hawkish, restrictive posture that prevailed over much of the prior two years.

At the current 6.75% policy rate, relative to the latest 3.5% inflation print, local real rates remain above 3% – levels last seen in the mid-2000s when inflation was structurally higher. Global experience suggests that the higher inflation has been historically, the higher the forward-looking real rate tends to be. Over the past 10 years, South African inflation has averaged 4.8%, close to the SARB's target of 4.5%. If local inflation can be successfully anchored around the new 3% target, this implies that further cuts are in the offing, albeit in a measured manner, and potentially converging on a terminal rate in the range of 5.5% to 6.0%.

Determining the near-term path of US interest rates is more complicated. At its December meeting, the US Federal Reserve (the Fed) delivered its third consecutive 25-basis-point cut as concerns over a slightly softer labour market overshadowed persistent price pressures. US inflation has been above the 2% target since 2021 and is expected to remain the case going forward, according to the Fed's forecasts. The deep discord among the voters on the Fed's policy-setting board highlights the struggle in balancing inflation concerns with employment goals at a time when economic growth is strong, primarily owing to surging spending on artificial intelligence (AI) data centres and infrastructure to support this. Unrelenting pressure from the White House for lower rates, combined with the impending appointment of a new Fed chair, exacerbates this struggle.

Fiscal and inflation worries in the US and other developed markets, such as Germany and Japan, are exerting pressure on government bond yields, reflecting the growing disconnect between dovish short-term policy and long-term interest rates.

The local bond market continued its impressive rally with the FTSE/JSE All Bond Index adding 9.0% in the last quarter of 2025, taking the annual return to 24.2%. This performance builds on an already strong 2024, taking the two-year annualised return to an impressive 20.6%. While South African government bonds have closely tracked emerging market credit spreads, which are near all-time lows, there are also local factors at play. November's Medium-Term Budget Policy Statement ticked the right boxes for investors, including confirming a reduction in the inflation target, utilising additional Gold and Foreign Exchange Contingency Reserve Account proceeds to bolster the fiscus, and cutting weekly bond auction levels. Additionally, interest rate cuts have provided further support. The yield on the benchmark 10-year bond is in line with where it traded in the early 2010s, a period when the nation's finances were in a far healthier state, which exhibits the market's bullish outlook.

The Fund increased its fixed-rate exposure steadily over the course of the year on the expectation of a potentially deeper rate-cutting cycle locally. At the end of the year, the Fund's annualised gross yield was 8.3%.

Commentary contributed by Sean Munsie

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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.

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Foreign securities

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

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ALLANGRAY

Fund managers: Sean Munsie, Thalia Petousis
Inception date: 1 May 2024

Allan Gray Interest Fund

28 February 2026

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 Alexforbes 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

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.

Fund information on 28 February 2026

Fund size	R2.7bn
Number of units	154 334 570
Price (net asset value per unit)	R10.52
Modified duration	0.9
Gross yield (i.e. before fees)	7.7
Net yield (i.e. after fees)	6.9
Fund weighted average maturity (years)	4.6
Class	A

1. The Fund's benchmark is the Alexforbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 28 February 2026. Source: Bloomberg.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (source: Iress).
3. 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).
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 28 February 2026 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 28 February 2026. 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

31 Mar 2025	30 Apr 2025	31 May 2025	30 Jun 2025
7.12	6.90	6.93	7.07
31 Jul 2025	**31 Aug 2025**	**30 Sep 2025**	**31 Oct 2025**
7.00	6.49	7.12	6.83
30 Nov 2025	**31 Dec 2025**	**31 Jan 2026**	**28 Feb 2026**
6.15	7.18	6.47	5.90

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 May 2024)	21.6	14.7	4.7
Annualised:			
Since inception (1 May 2024)	11.3	7.8	2.7
Latest 1 year	11.7	7.4	3.5
Year-to-date (not annualised)	1.5	1.1	0.4
Risk measures (since inception)			
Maximum drawdown[3]	-1.2	n/a	n/a
Percentage positive months[4]	100.0	100.0	n/a
Annualised monthly volatility[5]	0.7	0.2	n/a
Highest annual return[6]	11.7	8.2	n/a
Lowest annual return[6]	10.5	7.4	n/a

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Annual management fee

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

Total expense ratio (TER) and transaction costs

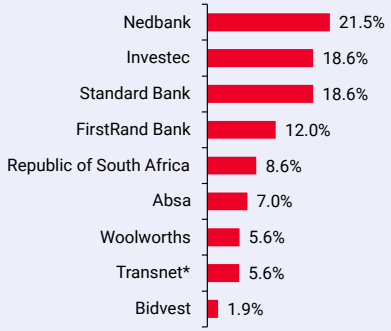
The annual management fee is included in the TER. The TER is the percentage of the value of the Fund that was incurred as expenses relating to the administration of the Fund, annualised over the relevant periods. Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted 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.

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %[7]
Total expense ratio	**0.76**	**0.75**
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**	**0.75**

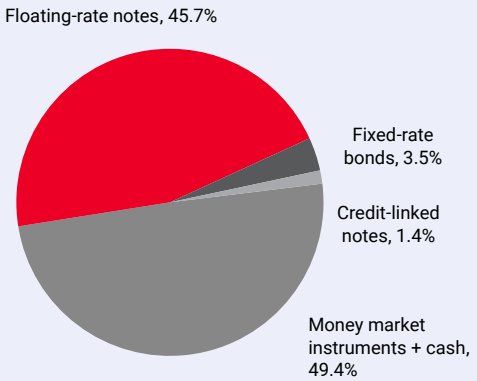
7. Based on since-inception data, as the Fund does not yet have a 3-year history.

Top credit exposures on 28 February 2026

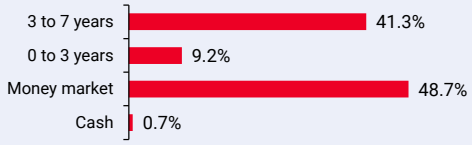


*RSA government guaranteed

Asset allocation on 28 February 2026



Maturity profile on 28 February 2026



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

Fund manager quarterly commentary as at 31 December 2025

The South African Reserve Bank (SARB) resumed its interest rate-cutting cycle at its November policy meeting, after briefly pausing it in September. A unanimous decision for a further 25-basis-point reduction brought the total cuts for 2025 to 100 basis points. The SARB views the local inflation outlook as balanced. While food and fuel pushed prices higher in the second half of the year, these pressures are seen as temporary, with relief expected from a stronger rand and lower oil prices. Inflation pressures stemming from heightened demand remain largely absent as local capital investment levels continue to disappoint. Household spending has been a brighter spot, remaining relatively strong and supported by wealth effects, further withdrawals from two-pot retirement savings, and lower inflation and interest rates.

Risks to the benign inflation forecast include a rebound in the US dollar and higher-than-expected administered prices, linked to the correction of the R54bn electricity pricing error disclosed early in 2025. While both scenarios result in a tighter monetary policy stance, by the SARB's estimation, there remains room for further rate cuts but at a more gradual pace than the baseline forecast. As we have mentioned in previous commentaries, this reflects an evolution in thinking from the central bank in 2025, compared to the more hawkish, restrictive posture that prevailed over much of the prior two years.

At the current 6.75% policy rate, relative to the latest 3.5% inflation print, local real rates remain above 3% – levels last seen in the mid-2000s when inflation was structurally higher. Global experience suggests that the higher inflation has been historically, the higher the forward-looking real rate tends to be. Over the past 10 years, South African inflation has averaged 4.8%, close to the SARB's target of 4.5%. If local inflation can be successfully anchored around the new 3% target, this implies that further cuts are in the offing, albeit in a measured manner, and potentially converging on a terminal rate in the range of 5.5% to 6.0%.

Determining the near-term path of US interest rates is more complicated. At its December meeting, the US Federal Reserve (Fed) delivered its third consecutive 25-basis-point cut as concerns over a slightly softer labour market overshadowed persistent price pressures. US inflation has been above the 2% target since 2021 and is expected to remain the case going forward, according to the Fed's forecasts. The deep discord among the voters on the Fed's policy-setting board highlights the struggle in balancing inflation concerns with employment goals at a time when economic growth is strong, primarily owing to surging spending on artificial intelligence (AI) data centres and infrastructure to support this. Unrelenting pressure from the White House for lower rates, combined with the impending appointment of a new Fed chair, exacerbates this struggle.

Fiscal and inflation worries in the US and other developed markets, such as Germany and Japan, are exerting pressure on government bond yields, reflecting the growing disconnect between dovish short-term policy and long-term interest rates.

The local bond market continued its impressive rally with the FTSE/JSE All Bond Index adding 9.0% in the last quarter of 2025, taking the annual return to 24.2%. This performance builds on an already strong 2024, taking the two-year annualised return to an impressive 20.6%. While South African government bonds have closely tracked emerging market credit spreads, which are near all-time lows, there are also local factors at play. November's Medium-Term Budget Policy Statement ticked the right boxes for investors, including confirming a reduction in the inflation target, utilising additional Gold and Foreign Exchange Contingency Reserve Account proceeds to bolster the fiscus, and cutting weekly bond auction levels. Additionally, interest rate cuts have provided further support. The yield on the benchmark 10-year bond is in line with where it traded in the early 2010s, a period when the nation's finances were in a far healthier state, which exhibits the market's bullish outlook.

Further fixed-rate exposure was added to the Fund during the quarter on the expectation of a potentially deeper rate-cutting cycle locally. At the end of the year, the Fund's annualised gross yield was 7.8%.

Commentary contributed by Sean Munsie

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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 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.

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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ALLANGRAY

Fund manager: Thalia Petousis
Inception date: 1 July 2001

Allan Gray Money Market Fund

28 February 2026

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 Alexforbes 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

Meeting the Fund objective

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

Fund information on 28 February 2026

Fund size	R27.0bn
Number of units	23 617 772 941
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.53
Fund weighted average coupon (days)	75.41
Fund weighted average maturity (days)	103.84
Class	A

Income distributions for the last 12 months

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

31 Mar 2025	30 Apr 2025	31 May 2025	30 Jun 2025
0.67	0.64	0.66	0.63
31 Jul 2025	**31 Aug 2025**	**30 Sep 2025**	**31 Oct 2025**
0.65	0.63	0.60	0.62
30 Nov 2025	**31 Dec 2025**	**31 Jan 2026**	**28 Feb 2026**
0.60	0.60	0.60	0.53

1. The current benchmark is the Alexforbes Short Term Fixed Interest (STeFI) 3-month Index. From inception to 31 March 2003, the benchmark was the Alexforbes 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 Alexforbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 28 February 2026. Source: Bloomberg.
2. This data reflects the latest available headline CPI inflation numbers as at 31 January 2026 (source: Iress).
3. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
4. 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.
5. 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.

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI Inflation[2]
Cumulative:			
Since inception (1 July 2001)	524.5	492.4	254.3
Annualised:			
Since inception (1 July 2001)	7.7	7.5	5.3
Latest 10 years	7.2	6.7	4.7
Latest 5 years	7.1	6.6	4.9
Latest 3 years	8.4	7.9	4.0
Latest 2 years	8.3	7.7	3.3
Latest 1 year	7.7	7.1	3.5
Year-to-date (not annualised)	1.1	1.1	0.4
Risk measures (since inception)			
Percentage positive months[3]	100.0	100.0	n/a
Annualised monthly volatility[4]	0.6	0.6	n/a
Highest annual return[5]	12.8	13.3	n/a
Lowest annual return[5]	4.3	3.8	n/a

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Annual management fee

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

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.

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**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**

Credit exposures as at 28 February 2026

	% of portfolio
Governments	**42.4**
Republic of South Africa	42.4
Banks[6]	**55.8**
Nedbank	20.8
Investec	11.6
Standard Bank	11.3
Absa	6.7
FirstRand	5.4
Corporates	**1.8**
Sanlam	1.5
Daimler Truck	0.4
Total (%)	**100.0**

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

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

Asset allocation on 28 February 2026

Asset class	Total
Bonds	5.9
Money market and cash	94.1
Total (%)	**100.0**

Fund manager quarterly commentary as at 31 December 2025

In 2025, the South African Reserve Bank (SARB) cut the overnight interest rate by 1%, bringing it down to 6.75%. Interestingly, South Africa's inflation rate, in fact, rose marginally through the year from 3.0% to 3.5%. This means that the inflation-adjusted overnight rate, or the rate of interest in excess of inflation, reduced from 4.75% to 3.25%. The SARB would argue that an overnight inflation-adjusted interest rate of 3.25% is still too high for its liking. The preferred target is closer to 2.5%. In turn, this implies that a further 0.75% in interest rate cuts would be needed to achieve an overnight rate of 6%.

The sharp decline in South Africa's inflation trajectory has been a subject for lively debate among consumers. Many argue that their "lived experience" of price change in the last year has felt higher than a meagre 3.5% increase. Much of this has to do with which basket items of the consumer price index one is anchoring to and which components take up the largest share of household spending. While the weights attached to each item in the inflation basket might be appropriate when measured across the aggregate level of the economy's spending, there is divergence in both spending patterns from person to person and variation in prices across basket items. Meat prices, for example, have risen 12.2% year-on-year, given the impact of foot-and-mouth disease. In contrast, the price of eggs is deflating. At the other extreme, electricity tariffs are rising at close to 13%. It is worth noting that this accounts for just 4% of direct weighting in the overall inflation basket as constructed by Statistics South Africa. Other basket items, such as telecommunications, data services and the cost of used vehicles, are deflating. Similarly, the price of new vehicles is in disinflation (i.e. currently rising at 1%, down from highs of 8% just two years ago), as new and cheaper Chinese and Indian entrants make their way into the local market.

Offshore, the consumer's lived experience of inflation has been more pronounced than what many political incumbents can appreciate. Several socialist appointees, such as Mayor Zohran Mamdani of New York City, have won major mayoral races by campaigning on ideas like capping apartment rentals and creating government price-controlled supermarkets. As was seen in 2024's bonfire of incumbent politicians, constituents vote with their feet when inflation bites too hard. In many ways, the inflation that households experienced in 2022 and 2023 typically occurs over a multi-year period. So when consumers were told soon after that inflation was "under control" – in large part due to base effects – it ignored the fact that they continued to grapple with the long shadow of that first price shock. This is especially true for those at the lower end of the income scale who have not experienced the resulting asset price inflation, which would have seen the value of their stock market savings increase alongside, or in excess of, supermarket price escalations.

In the last quarter, the Fund reinvested maturities at lower rates than in the third quarter, given the impact of ongoing interest rate cuts. For the year, the Fund's yield fell from an annual effective rate of 8.67% at the start of the year to 7.59% at the close of the year (gross of fees).

Commentary contributed by Thalia Petousis

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

Performance

Collective investment schemes in securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. 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.

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.

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** or via our Client Service Centre on **0860 000 654**