ALLAN GRAY

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

C Class 31 August 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 overreact 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.

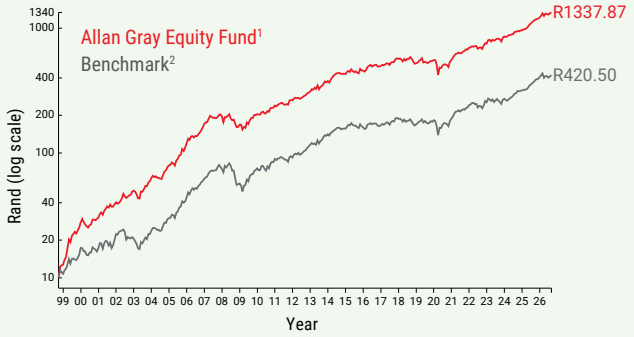
Fund information on 31 August 2026

Fund size	R62.1bn
Number of units	26 578 721
Price (net asset value per unit)	R817.92
Class	C

This class of the Fund is not available directly from Allan Gray.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund[1]	Benchmark[2]	CPI inflation[3]
Cumulative:			
Since inception (1 October 1998)	13278.7	4105.0	329.1
Annualised:			
Since inception (1 October 1998)	19.2	14.3	5.4
Latest 10 years	10.2	9.3	4.6
Latest 5 years	15.6	13.4	5.0
Latest 3 years	17.5	17.0	4.1
Latest 2 years	19.6	18.0	3.9
Latest 1 year	16.4	13.9	4.3
Year-to-date (not annualised)	10.0	3.6	4.2
Risk measures (since inception)			
Maximum drawdown[4]	-36.9	-45.4	n/a
Percentage positive months[5]	67.2	61.2	n/a
Annualised monthly volatility[6]	14.7	16.0	n/a
Highest annual return[7]	125.8	73.0	n/a
Lowest annual return[7]	-24.2	-37.6	n/a

1. The performance and risk measures prior to inception of the C Class of the Fund (1 July 2013) are calculated using the performance of the A Class of the Fund.
2. The market value-weighted average return of funds in the South African – Equity – General category, excluding Allan Gray funds. (Effective 1 October 2024, this category started excluding funds that can only invest in South African equities.) Source: Morningstar, performance as calculated by Allan Gray as at 31 August 2026. From inception to 28 February 2015 the benchmark was the FTSE/JSE All Share Index including income. Source: Iress.
3. This data reflects the latest available headline CPI inflation numbers as at 31 July 2026 (source: Iress).
4. 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).
5. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
6. 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.
7. 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.

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	31 Dec 2025	30 Jun 2026
Cents per unit	**871.1592**	**0.0000**

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: 0.85% 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.

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

Total expense ratio (TER) and transaction costs

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

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

Company	% of portfolio
AB InBev	5.5
Naspers & Prosus	3.9
Glencore	3.5
British American Tobacco	3.4
Standard Bank	3.2
AngloGold Ashanti	3.0
Remgro	2.2
Booking Holdings	2.1
Nedbank	2.1
Woolworths	1.9
Total (%)	**30.8**

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

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**2.00**	**1.69**
Fee for benchmark performance	0.93	0.92
Performance fees	0.89	0.62
Other costs excluding transaction costs	0.04	0.04
VAT	0.13	0.10
Transaction costs (including VAT)	**0.10**	**0.09**
Total investment charge	**2.10**	**1.78**

Sector allocation on 30 June 2026 (updated quarterly)[8]

Sector	% of equities[9]	% of ALSI[10]
Financials	20.1	30.6
Consumer staples	17.7	9.4
Consumer discretionary	14.8	5.8
Basic materials	14.0	28.4
Industrials	10.8	2.2
Technology	9.6	10.0
Healthcare	5.0	1.2
Energy	3.8	0.7
Telecommunications	2.4	6.5
Real estate	1.8	5.0
Utilities	0.1	0.0
Total (%)	**100.0**	**100.0**

Asset allocation on 31 August 2026[8]

Asset class	Total	South Africa	Foreign
Net equities	95.8	52.5	43.3
Hedged equities	0.0	0.0	0.0
Property	1.4	0.0	1.4
Bonds	0.2	0.0	0.2
Money market and cash[11]	2.6	1.9	0.7
Total (%)	**100.0**	**54.4**	**45.6**[12]

11. Includes the impact of any currency hedging.
12. 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 30 June 2026

The Fund returned 2.5% for the quarter, slightly ahead of the benchmark's 0.3%. Year to date, performance has been considerably stronger, with the Fund returning 5.7% compared to the benchmark's -1.1%. While the recent improvement in relative returns is pleasing, we continue to focus on long-term returns rather than near-term market movements.

Throughout the Fund's history, outperformance has tended to be stronger in falling markets than in rising markets. The recent performance has been in line with this pattern, particularly in the domestic portion of the Fund. 2025 was a more challenging period for the Fund: Absolute returns were good at 27% but lagged the benchmark's 28.2% return. The first half of 2026 has proven more challenging for markets overall. However, the Fund has meaningfully outperformed in this environment. The period also included significant volatility linked to the escalation of the US-Israeli conflict with Iran, reminding investors of the unpredictability of geopolitical events. This reinforces the importance of maintaining a diversified portfolio. We aim to position the Fund such that it can perform reasonably well across a range of macroeconomic environments rather than relying on a single outcome.

The strength of the local equity market through 2025 and early 2026 was narrow and driven largely by resource shares, particularly a small group of precious metal producers. A key feature of the Fund's positioning has been an underweight to this segment. While we maintained a meaningful absolute allocation to gold, it remained well below the index weight, which we viewed as excessively large. Although we recognise gold's role as a portfolio hedge, we have limited exposure given concerns about single-commodity dependence and the sector's long history of value destruction. These risks became more evident during the period, with the gold price correcting after a strong run and company-specific issues emerging, such as Gold Fields' licence dispute in Ghana. Speculative activity in platinum group metals (PGMs) was pronounced in late 2025 and early 2026, with prices rising sharply. We used this strength to reduce exposure, maintaining only a small position. Since then, many PGM shares have corrected significantly, with some falling by more than half from their first-quarter peaks.

A second key theme has been the Fund's continued rotation into SA Inc. shares. Many domestically focused companies have lagged the broader market and still trade at depressed valuations despite the FTSE/JSE All Share Index reaching record highs earlier this year. We took profits in areas of strength, such as precious metals and multinationals like British American Tobacco, and redeployed capital into select domestic businesses where valuations are more compelling. These include retailers such as Shoprite, Mr Price and Dis-Chem, which we view as high-quality businesses trading at meaningful discounts to their history. While the local macroeconomic backdrop remains extremely challenging, we continue to approach these opportunities with selectivity and caution.

Global equity markets have remained resilient, largely supported by ongoing enthusiasm around artificial intelligence (AI). Returns have been concentrated in a relatively small group of companies with elevated valuations. While some of these businesses are underpinned by structural growth, we believe that global markets, particularly in the United States, are pricing in optimistic assumptions, which warrants a cautious approach. The Fund's offshore holdings, which are predominantly managed by Orbis, have outperformed the strong market, despite limited exposure to well-known AI leaders. Instead, the Fund owns some second-order beneficiaries, such as semiconductor and memory manufacturers, including Taiwan Semiconductor Manufacturing Company and Samsung Electronics. The companies offer exposure to similar themes at more reasonable valuations. More broadly, the Fund's offshore holdings remain underweight the US market and tilted towards regions where prospective returns appear more attractive. We encourage investors to refer to Orbis' Q2 2026 factsheets for further insight.

During the quarter, the Fund added to select SA Inc. positions, including Bidvest and FirstRand, while reducing exposure to AngloGold Ashanti, Glencore and British American Tobacco.

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.

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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