ALLAN GRAY

Fund managers: Kamal Govan, Rory Kutisker-Jacobson
Fund inception date: 1 July 1998 **Registration number:** 23261

Allan Gray Africa Equity Fund

30 September 2025

Fund description and summary of investment policy

The Fund invests in a focused portfolio of companies with significant business interests in Africa, regardless of the location of the stock exchange listing. The Fund price is reported in US dollars but the underlying holdings are denominated in various currencies. Returns are likely to be volatile.

Classification: Africa – Equity

Fund objective and benchmark

The Fund aims to outperform African equity markets over the long term without taking on greater risk of loss. The Fund's benchmark is the MSCI Emerging and Frontier Markets (EFM) Africa Index (total returns).

African equity markets

There are numerous risks involved in investing in African equity markets. These risks may be significantly higher than in more developed markets and may include (but are not limited to) the following:

- Individual countries may impose capital controls preventing the repatriation of foreign currency
- Returns are expected to be more volatile, and the average drawdown may be higher, than in more developed markets
- Low liquidity whereby subscriptions into the Fund may have to be phased in, and redemptions from the Fund may be limited per dealing day
- Market prices may not accurately reflect the fair value of a Fund asset and fair value pricing may be used

There is no assurance that the investment approach of the Fund will be successful or that the Fund will achieve its investment objective.

See the "Important information for investors" section for more information.

How we aim to achieve the Fund's objective

We invest in shares that we believe offer superior fundamental value while taking into account risk and return. We research companies and assess their intrinsic value based on long-term fundamentals; we then invest in businesses where our assessment of intrinsic value exceeds the share price by a margin of safety. This approach allows us to identify shares that may be out of favour with the market because of poor near-term prospects, but offer good value over the long term. The Fund's holdings will deviate meaningfully from those in the index both in terms of individual holdings and sector exposure.

Suitable for those investors who

- Seek exposure to African equities
- Are comfortable with above-average stock market and currency fluctuations
- Are prepared to take on the risk of capital loss
- Have a minimum investment horizon of five years

Fund information on 30 September 2025

Fund currency	US$[1]
Fund size	US$337m
Number of shares	1 143 754
Price (net asset value per share)	US$289.91
Number of share holdings	37
Dealing day	Weekly (Thursday)
Class	A

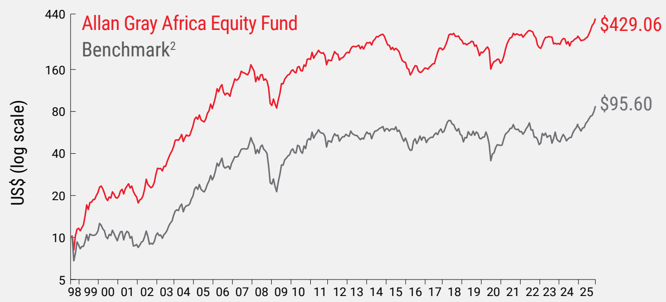
Minimum investment amounts

Minimum initial investment	US$50 000
Minimum subsequent investment	US$1 000

1. The Fund is currently priced in US dollars. From inception to 30 April 2012 the Fund was priced in South African rands.
2. The current benchmark is the MSCI EFM Africa Index (total returns). From inception to 30 April 2012 the benchmark was the FTSE/JSE All Share Index including income. Performance as calculated by Allan Gray as at 30 September 2025 (source: Bloomberg). Calculation based on the latest available data as supplied by third parties.
3. Maximum percentage decline over any period. The maximum drawdown occurred from October 2007 to February 2009 and maximum benchmark drawdown occurred from October 2007 to February 2009. 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. This is the highest or lowest rolling 12-month return the Fund has experienced since inception. The Fund's highest annual return occurred during the 12 months ended 31 August 1999 and the benchmark's occurred during the 12 months ended 28 February 2010. The Fund's lowest annual return occurred during the 12 months ended 31 October 2008 and the benchmark's occurred during the 12 months ended 31 October 2008. All rolling 12-month figures for the Fund and the benchmark are available from the Allan Gray Service Team on request.

Performance in US$ net of all fees and expenses

Value of US$10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[2]
Cumulative:		
Since inception (1 July 1998)	4190.6	855.9
Annualised:		
Since inception (1 July 1998)	14.8	8.6
Latest 10 years	7.7	6.2
Latest 5 years	16.6	14.5
Latest 3 years	17.9	24.6
Latest 2 years	23.7	34.8
Latest 1 year	37.5	36.7
Year-to-date (not annualised)	46.2	53.7
Risk measures (since inception. based on month-end prices)		
Maximum drawdown[3]	-52.5	-60.5
Percentage positive months[4]	59.9	58.1
Annualised monthly volatility[5]	23.6	25.5
Highest annual return[6]	136.4	94.1
Lowest annual return[6]	-48.6	-54.1

Relative to benchmark return required to reach high watermark: 26.2%.

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Meeting the Fund objective

The Fund aims to outperform African equity markets over the long term without taking on greater risk of loss. The Fund experiences periods of underperformance in pursuit of this objective. Since inception, the Fund has outperformed its benchmark by a significant margin. The maximum drawdown and lowest annual return numbers in the "Performance in US$ net of all fees and expenses" table show that the Fund has not experienced more downside than its benchmark in periods of negative market returns. We believe our philosophy of buying undervalued equities should generate positive absolute returns over time.

Subscription and redemption charge

Investors will be charged 0.5% when subscribing for Fund shares and 0.5% when redeeming Fund shares. These charges are paid into the Fund to offset the costs associated with the transactions that are borne by the Fund. Allan Gray Bermuda Limited (the "Investment Manager") may waive these charges at its discretion, for example in the case of significant offsetting between subscriptions and redemptions.

Annual management fee

The management fee consists of a base fee of 1% and a performance component. The fee rate is calculated weekly by comparing the Fund's total performance for the week, after the base fee is deducted, to that of the benchmark.

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

For each percentage point above or below the benchmark we add or deduct 0.2%. This means that Allan Gray shares in approximately 20% of the performance relative to the benchmark.

The fee is capped at 5% over any 12-month rolling period and can decrease to a minimum of 0%. If the fee would have been negative, the negative fee will be carried forward to reduce the next week's fee (and all subsequent weeks until the underperformance is recovered).

Total expense ratio (TER) and transaction costs

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

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
Total expense ratio	**0.22**	**1.46**
Fee for benchmark performance	1.00	1.00
Performance fees	-1.00	0.07
Custody fees	0.10	0.11
Other costs excluding transaction costs	0.12	0.28
Transaction costs	**0.20**	**0.14**
Total investment charge	**0.42**	**1.60**

Country of listing on 30 September 2025[7]

Country	% of equities	Benchmark[2,8]
South Africa	20.5	77.0
United Kingdom	19.8	9.2
Nigeria	17.3	0.0
Egypt	11.9	1.8
Zimbabwe	6.1	0.0
Kenya	5.3	1.5
Australia	5.0	0.0
Jersey	4.7	0.0
Uganda	3.1	0.0
United States	2.6	0.0
BRVM	1.5	0.8
Canada	1.1	0.0
Luxembourg	0.6	1.0
Norway	0.5	0.0
Morocco	0.0	6.1
Netherlands	0.0	1.3
Mauritius	0.0	0.7
Tunisia	0.0	0.5
Total (%)[9]	**100.0**	**100.0**

7. The listing may not represent the geographical location of the company's operations. The fund invests based on the primary place of operation, not listing.

8. Expressed as a percentage of equities, excluding money market exposure.

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

10. Includes the impact of any currency hedging.

Sector allocation on 30 September 2025

Sector	% of equities	Benchmark[2,8]
Financials	26.3	32.4
Basic materials	24.7	33.2
Consumer staples	17.9	6.3
Energy	13.5	0.2
Technology	8.1	14.7
Telecommunications	4.7	6.7
Utilities	3.1	0.1
Industrials	1.8	2.9
Healthcare	0.0	0.3
Consumer discretionary	0.0	1.3
Real estate	0.0	1.8
Total (%)[9]	**100.0**	**100.0**

Asset allocation on 30 September 2025

Asset class	Total
Net equities	91.5
Hedged equities	0.0
Property	0.0
Commodity-linked	0.0
Bonds	0.0
Money market and cash[10]	8.5
Total (%)[9]	**100.0**

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Fund manager quarterly commentary as at 30 September 2025

The Fund is up 46.2% year to date, outpacing the S&P 500, MSCI World and MSCI Emerging Markets indices, which are up 14.8%, 17.8%, and 28.2% respectively, but underperforming the benchmark which is up 53.7%. In addition, the Fund has gained 45% since the trough following Trump's "Liberation Day" announcements at the beginning of April.

Two key factors have driven this performance: On the global front, supportive conditions, including a weaker US dollar, expectations of lower interest rates in the United States and a general risk-on sentiment towards emerging markets, have contributed to the broad outperformance of emerging market assets. More specifically within African markets, improved macroeconomic policies in several key countries have led to lower inflation and more market-aligned exchange rates. It is also worth noting that these markets are rebounding from historically depressed valuations and remain significantly undervalued relative to global peers.

Although both the Fund and the benchmark have delivered very strong performance, the contributors have been very different. Our overweight positions in Nigeria and French West Africa have added to relative performance, while our underweight position in Morocco has detracted.

The Nigerian banks we own, namely Guaranty Trust Holding Company, Zenith and Stanbic IBTC, have delivered a fund-weighted average return of 86% in US dollar terms year to date. All three completed successful capital raises under a mandatory programme despite already being well capitalised. This requirement had previously been an overhang, which we have now moved past. More importantly, the outperformance has been driven by investor recognition of the significant revaluation of the banks' naira-denominated earnings following the currency devaluation, effectively preserving the real value of earnings. These banks were also trading at extremely depressed valuations, and the recent positive sentiment towards Nigeria, underpinned by promising reforms such as foreign exchange liberalisation, a return to orthodox monetary policy, and tax reforms, has further supported a rerating.

Our position in Sonatel, a telecommunications company listed on the regional BRVM stock exchange, has also been a significant contributor to performance. The company has delivered consistent results, benefiting from operating in economies that are structurally better managed than many other African countries and supported by a functioning currency peg regime. There is growing evidence that exchange rate stability is key to driving strong long-term US dollar returns. Importantly, investors on the BRVM are able to access high-quality businesses at undemanding valuations – an opportunity that is notably absent in Morocco, where valuations have remained structurally elevated.

Furthermore, our large positions in Egypt's Eastern Tobacco and Nigerian energy supplier Seplat have delivered solid returns. Eastern Tobacco is benefiting from a recovery in volumes following the foreign exchange shortages that constrained raw material sourcing during 2023 and 2024, as well as from a more proactive approach to pricing. Meanwhile, Seplat continues to benefit from positive investor sentiment following the successful acquisition of ExxonMobil's assets, coupled with optimism around the management team's ability to revitalise the acquired assets and significantly increase oil and gas production from current levels.

On the flipside, our position in Delta Corporation, Zimbabwe's largest brewer, detracted from absolute performance, with its share price down 3% in US dollar terms year to date. This has occurred despite improving macroeconomic conditions and enhanced foreign currency availability, as evidenced by the relative stability of the Zimbabwe Gold (ZiG) currency.

Historically, sharp rallies on the Zimbabwe Stock Exchange (ZSE) have often signalled waning confidence in the local currency; however, the current environment may be indicating the opposite. We believe that continued macroeconomic progress, foreign exchange stability and sustained foreign currency access will ultimately support a rerating of Zimbabwean equities from very depressed levels. For example, Delta Corporation trades at just 6 times earnings, despite delivering a return on equity (ROE) of 45%, consistent volume growth and strong free cash flow generation. It is worth noting that Zimbabwe remains the only market in our universe where sourcing foreign currency is still a challenge for investors. Encouragingly, we have recently been able to access foreign currency, albeit in modest amounts. The Fund's exposure to the ZSE currently stands at around 6%, the majority of which is held in Delta Corporation, a company that has historically preserved, and we believe will continue to preserve, real value over time.

Despite the significant appreciation in the Fund's performance, we remain constructive on the return potential going forward. The top 10 holdings are trading at a weighted average forward price-to-earnings (PE) ratio of 14 and a dividend yield of 4.4%, while generating a weighted average ROE of 30%. This compares to forward PE multiples of 23, 20 and 14 for the S&P 500, MSCI World and MSCI Emerging Markets indices respectively. The upside remains substantial. Realising this potential will largely depend on continued improvements in macroeconomic management across key markets, sustained foreign exchange stability and a supportive global backdrop.

Commentary contributed by Rami Hajjar

Closure of the Fund and Special General Meeting

We regret to inform you that the Fund will be closing.

Since its launch in July 1998, the Fund has aimed to deliver long-term returns by investing in a focused portfolio of businesses with meaningful exposure to the African continent. Our long-term investment approach – grounded in deep fundamental research, patience and a willingness to invest in often-overlooked areas – has proven well aligned with both the opportunities and challenges present in African markets. As illustrated in the performance chart on page 1, this has translated into meaningful long-term value for our investors.

Why are we closing the Fund?

Due to the size of the Fund and the ongoing costs of maintaining it, we have decided to consolidate our fund offering across the African landscape. While we believe the decision to close the Fund is in the best interest of all clients, we do recognise the impact this will have on those investors who have supported it over the years. It is important to note that this decision is operational in nature and does not reflect a change in our investment outlook for African and other frontier markets.

Other investment options available for investors

We offer two similar products in the Allan Gray Africa ex-SA Equity Fund and the Allan Gray Frontier Markets Equity Fund, and we continue to believe that African and other frontier markets offer compelling opportunities for patient investors. We will continue to manage significant assets in these funds. Clients interested in switching into these funds may contact the Allan Gray Service team on +27 (0)21 415 9380 or email allangraybermuda@allangray.com.

Details of the Special General Meeting

The Fund's shareholders are invited to attend a virtual Special General Meeting on 29 October 2025, at which they will be asked to vote on proposed amendments to the Fund's bye-laws to enable an orderly wind-down and ensure an equitable closure. Please download the formal notice of the Special General Meeting and proxy form. For further details, please contact the Allan Gray Service team on +27 (0)21 415 9380 or email allangraybermuda@allangray.com.

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Performance
Collective investment schemes (unit trusts or mutual funds) are generally medium- to long-term investments. Where annualised performance is mentioned, this refers to the average return per year over the period. The value of shares or the investment may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may cause the value of underlying international investments to go up or down. Neither the Investment Manager, the Fund nor the Representative provides 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. The performance graph is for illustrative purposes only. Actual investor performance may differ as a result of the investment date, the date of reinvestment and applicable taxes.

MSCI Index
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Share price
Share 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 shares in issue. Forward pricing is used. The weekly price of the Fund is normally calculated each Friday. Purchase requests must be received by the Registrar of the Fund by 17:00 South African time on that dealing day to receive that week's price. Redemption requests must be received by the Registrar of the Fund by 17:00 South African time on the particular dealing day on which shares are to be redeemed to receive that week's price. Share prices are available on www.allangray.co.za.

Fees and charges
Permissible deductions from the Fund may include management fees, brokerage, securities transfer tax, auditor's fees, bank charges and custody fees. A schedule of fees, charges and maximum commissions is available on request from the Representative.

Total expense ratio (TER) and transaction costs
The TER is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one- and three- year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged) and other expenses like audit fees. Transaction costs (including brokerage, securities transfer tax and investor protection levies where applicable) 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 fund, 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 collective investment scheme 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).

African markets
There are significant risks involved in investing in shares listed in the Fund's universe of emerging and developing countries, including liquidity risks, sometimes aggravated by rapid and large outflows of "hot money" and capital flight, concentration risk, currency risks, political and social instability, the possibility of expropriation, confiscatory taxation or nationalisation of assets and the establishment of foreign exchange controls which may include the suspension of the ability to transfer currency from a given country. African countries have varying laws and regulations and, in some, foreign investment is controlled or restricted in varying degrees.

Capacity
The Fund will be closing and therefore is no longer accepting subscriptions. Total investor redemptions may be limited to US$5m or 2.5% of the Fund (whichever is less) per dealing day. The Investment Manager retains the right to distribute all or part of any redemption proceeds in specie (in kind).

Fair value pricing
The board of directors of the Fund (the "Board") may fair value the Fund's assets in accordance with the Board's fair value pricing policies if: 1) the closing market quotations or official closing prices are not readily available or do not accurately reflect the fair value of a Fund asset; or 2) the value of a Fund asset has been materially affected by events occurring before the Fund's pricing time but after the close of the exchange or market on which the asset is principally traded. The Board delegates the responsibility for fair value pricing decisions to a valuation committee of the Investment Manager.

Contractual risk
The Fund can use derivatives to manage its exposure to stock markets, currencies and/ or interest rates and this exposes the Fund to contractual risk. Contractual risk includes the risk that a counterparty will not settle a transaction according to its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, causing the Fund to suffer a loss. Such contract counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

Derivatives
Borrowing, leveraging and trading securities on margin will result in interest charges and, depending on the amount of trading activity, such charges could be substantial. The low margin deposits normally required in futures and forward trading, which the Fund may utilise, permit a high degree of leverage. As a result, a relatively small price movement in a futures or forward contract may result in immediate and substantial losses to the investor. Price movements of forward contracts and other derivative contracts in which the assets of the Fund may be invested are highly volatile and are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. Forward contracts are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Trading in forward contracts is substantially unregulated and there is no limitation on daily price movements.

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Important information for investors

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