Allan Gray Africa Bond Fund

C Class 30 April 2026

Fund description and summary of investment policy

The Fund invests in a focused portfolio of African securities that are selected for their expected risk and return profile. The Fund may invest a substantial portion of the assets in a single country or region rather than a diversified portfolio of assets.

Classification: Africa – Interest Bearing

Fund objective and benchmark

The Fund seeks to achieve the maximum US dollar total return while minimising the risk of loss within the context of an African bond fund. The benchmark is the FTSE 3 Month US T Bill + 4% Index.

African security markets

There are numerous risks involved in investing in African security 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 assess an asset's intrinsic value based on long-term fundamentals and invest where our assessment of intrinsic value exceeds the price by a margin of safety. This approach allows us to identify assets that may be out of favour with the market because of poor near-term prospects, but offer good value over the long term.

Suitable for those investors who

- Seek exposure to African interest-bearing assets
- Are comfortable with above-average 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 April 2026

Fund currency	US$
Fund size	US$463m
Number of units	1 802 445
Price (net asset value per share)	US$246.10
Number of issuers	17
Dealing day	Weekly (Thursday)
Class	C
Class inception date	14 May 2020

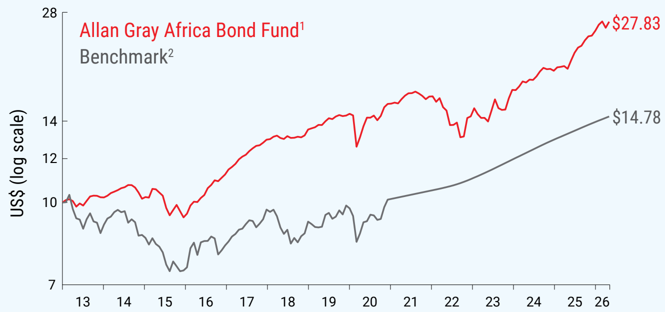
Minimum investment amounts

Minimum initial investment	US$100 000
Minimum subsequent investment	US$1 000

1. The performance and risk measures prior to inception of the C Class of the Fund are calculated using the performance of the A Class of the Fund. The net of fee return is calculated as the gross of fee return reduced by an investment management fee of 0.7% per annum, which is accrued monthly in arrears.
2. The current benchmark is the FTSE 3 Month US T Bill + 4% Index. From inception to 31 December 2020 the benchmark was the J.P. Morgan GBI-EM Global Diversified Index. Performance as calculated by Allan Gray as at 30 April 2026. Calculation based on the latest available data as supplied by third parties.
3. Maximum percentage decline over any period calculated from monthly returns. The maximum drawdown occurred from August 2021 to September 2022 and maximum benchmark drawdown occurred from April 2013 to December 2015. 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 30 April 2026 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 30 September 2022 and the benchmark's occurred during the 12 months ended 31 August 2015. 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[1]	Benchmark[2]
Cumulative:		
Since inception (27 March 2013)	178.3	47.8
Annualised:		
Since inception (27 March 2013)	8.1	3.0
Latest 10 years	10.7	5.9
Latest 5 years	9.2	7.6
Latest 3 years	19.9	8.9
Latest 2 years	18.8	8.6
Latest 1 year	30.5	8.2
Year-to-date (not annualised)	5.3	2.5
Risk measures (since inception)		
Maximum drawdown[3]	-22.8	-29.3
Percentage positive months[4]	67.1	74.1
Annualised monthly volatility[5]	10.2	9.0
Highest annual return[6]	30.5	22.3
Lowest annual return[6]	-22.0	-21.5

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Meeting the Fund objective

The Fund seeks to achieve the maximum US dollar return while minimising the risk of loss within the context of an African bond fund. The Fund experiences periods of underperformance in pursuit of this objective. Since inception, the Fund has outperformed its benchmark and delivered positive absolute returns in US dollars.

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 fixed fee of 0.70% p.a.

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.

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

1- and 3-year TER and transaction costs breakdown	1yr %	3yr %
Total expense ratio	**0.84**	**0.80**
Management fee	0.70	0.70
Custody fees	0.10	0.07
Other costs excluding transaction costs	0.04	0.03
Transaction costs	**0.00**	**0.00**
Total investment charge	**0.84**	**0.80**

Fund positioning on 30 April 2026

	Local currency	Foreign currency	% of portfolio
Governments[8]	**37.9**	**27.6**	**65.5**
Egypt	8.6	8.1	16.7
Zambia	10.3	0.9	11.2
Nigeria	10.0	0.9	11.0
Ivory Coast	0.0	8.7	8.7
Uganda	6.7	0.0	6.7
Angola	0.0	5.1	5.1
Ghana	0.0	3.2	3.2
Namibia	2.2	0.0	2.2
Benin	0.0	0.6	0.6
Corporates[8]	**0.8**	**33.1**	**33.9**
Nigeria	0.8	10.9	11.7
South Africa	0.0	11.0	11.0
Equatorial Guinea	0.0	5.0	5.0
United States	0.0	3.7	3.7
Ghana	0.0	2.5	2.5
Germany	0.0	0.0	0.0
Cash[7]	**0.5**	**0.1**	**0.6**
Total (%)[8]	**39.2**	**60.8**	**100.0**

Weighted average yield on 30 April 2026

	Weighted average yield (%)	% of portfolio
Local currency	18.6	38.7
Other[9]	7.0	5.6
US$	7.6	55.1
Cash	0.0	0.6
Total	**11.7**	**100.0**

Asset allocation on 30 April 2026

Asset class	Total
Bonds	79.8
Money market and cash[10]	20.2
Total (%)[8]	**100.0**

7. Cash is held in multiple currencies and includes USD treasury bills.
8. There may be slight discrepancies in the totals due to rounding.
9. Represents all non-cash holdings not denominated in local African currency or US$ (eg. EUR).
10. Includes the impact of any currency hedging.

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Fund manager quarterly commentary as at 31 March 2026

There are months where nothing happens in the markets; and there are weeks where decades happen. In the last month, it has felt decisively like the latter. Since the US-Israeli war with Iran broke out, we have seen the market move violently on a single headline as traders try to make sense of where energy prices and asset valuations are headed.

The war-related damage to the Gulf's oil and gas facilities is expected to disrupt global supply chains for several years. Dislocations are already emerging across supply chains. While the so-called paper market for oil, which involves the forward settlement of financial contracts, has seen Brent Crude futures surging by more than 60% since the start of the war, the price of oil has increased by more than 100% in some Middle Eastern physical markets. In turn, the impact on refined fuel prices (petrol and diesel) is being even further amplified by refining costs and transportation, both of which have soared as key Middle Eastern refining capacity goes offline. Fuel rationing is being implemented in parts of Asia that rely heavily on the Middle East for refined fuel imports.

Following the 2022 Russia-Ukraine war, many African sovereigns experienced severe drawdowns in foreign exchange reserves due to elevated oil import bills. This ultimately led to fuel shortages on the ground and a scarcity of hard currency for both imports and to allow foreign investors to repatriate. Parts of the continent are now significantly better prepared, having rebuilt their reserves – in some cases to record highs – and reduced their reliance on hard currency Eurobond markets for financing.

In terms of the Fund's exposures, there is a significant tilt towards both oil and energy-producing corporates, which represent 24% of the Fund through holdings in Seplat, Panoro, Kosmos and Sasol, and sovereigns, who are similarly net exporters of oil, representing 30% of the Fund through holdings in Nigeria, Ivory Coast, Angola and Ghana. That said, Ghana, which represents 4% of the Fund, is a net exporter of crude oil but a net importer of refined products given its mismatched refining capacity, which will limit the scope of its benefits as refined product prices rise beyond those of crude. Similarly, Uganda (at 6% of the Fund), will imminently begin exporting oil this year, although its domestic refinery build remains several years away from completion. In terms of the remaining exposures, Zambia, which accounts for 13% of the Fund, is a net importer of fuel, but it should likely generate a current account surplus (i.e. exporting more than it imports), as long as copper prices hold up to the degree that they have done to date.

This leaves Egypt, which represents 18% of the Fund across local and hard currency investments. Among the Fund's exposures, Egypt faces the most significant downside risks from a prolonged conflict and has already suffered the most damage in terms of negative performance since the US-Israeli war with Iran broke out. Egypt is a structural net energy importer of both refined fuel and gas from neighbouring countries. It has already experienced disrupted supply from Israel, while its gas import bill has tripled. As a result, extreme measures – such as earlier closing hours for restaurants, a "work from home" directive for government employees and a suspension on illuminated billboards as a form of electricity rationing – have been implemented.

Simultaneously, Egypt also faces reduced revenues from the Suez Canal due to shipping disruptions and declining tourism inflows. Egypt's one saving grace, at this juncture, is that its foreign exchange reserves are at a record high of US$52.7bn and its large state-owned banks have presumably accumulated reserves beyond that. These are sitting in the commercial banking system and have reportedly allowed foreign investors to repatriate without eroding central bank reserves.

How and when this war ends is unclear, but it remains a critical question for energy markets and the global economy in order to limit the inflationary and recessionary fallout that is already looming. If 2022 is anything to go by, the response from the electorate and consumers will be one of deep dissatisfaction, leading incumbent leaders in democratic countries to ultimately be ousted. The response from sovereigns regarding their future attitude towards the breadth of their emergency oil inventories will also certainly be a tendency to hoard more. This may cast a long shadow on oil prices beyond this conflict.

In the last quarter, the Fund switched its short Angolan Eurobonds into longer-dated Angolan sovereign debt and added to Nigerian Treasury bill positions at a 20% yield. The Fund now offers an attractive 12% yield against a low modified duration of 3.8.

Commentary contributed by Thalia Petousis

Information and content

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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. The yield is current, calculated as at month-end.

J.P. Morgan Index

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FTSE Russell 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, 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 by 17:00 South African time on the 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. There are no explicit brokerage charges in global bond markets. The broker rather takes an undisclosed spread between the purchase and sale price. The spread (charge) can vary from negligible to substantial depending on the asset and market circumstances. The disclosed transaction charge is therefore zero but in reality, there are transaction costs which reflect in the Fund's returns. We aim to minimise costs by keeping our trading activity to a minimum and always seeking out the most favourable price when buying and selling assets. 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 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 securities 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 currently has limited capacity. The Investment Manager may, at its discretion, refuse a subscription or phase a subscription into the Fund over a number of dealing days. 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 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.

FTSE/JSE All Share Index and FTSE/JSE All Bond Index

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

Important information for investors

Prospectus update

Non-material updates were made to the prospectus for this Fund in April 2026. The updated document is available on our website.

Need more information?

You can obtain additional information about the Fund, including copies of the prospectus, application forms and the annual report, free of charge, by contacting the Allan Gray service team, at **0860 000 654** or **+27 (0)21 415 2301** or by email at **allangraybermuda@allangray.com.**