

## 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.

This class of the Fund is only available in the Allan Gray Umbrella Retirement Fund.

**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

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

## Fund information on 31 August 2026

|                                       |               |
|---------------------------------------|---------------|
| Fund size                             | R27.8bn       |
| Number of units                       | 1 713 132 921 |
| Price (net asset value per unit)      | R1.00         |
| Monthly yield at month end            | 0.60          |
| Fund weighted average duration (days) | 85.50         |
| Fund weighted average maturity (days) | 109.97        |
| Class                                 | U             |

- The performance and risk measures prior to inception of the U Class of the Fund (1 July 2020) are calculated using the performance of the A Class of the Fund.
- 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 31 August 2026. Source: Bloomberg.
- This data reflects the latest available headline CPI inflation numbers as at 31 July 2026 (source: Iress).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
- These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 July 2003 and the benchmark's occurred during the 12 months ended 31 July 2003. The Fund's lowest annual return occurred during the 12 months ended 31 October 2021 and the benchmark's occurred during the 12 months ended 31 October 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

## Income distribution for the last 12 months

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

| 30 Sep 2025 | 31 Oct 2025 | 30 Nov 2025 | 31 Dec 2025 |
|-------------|-------------|-------------|-------------|
| <b>0.61</b> | <b>0.63</b> | <b>0.60</b> | <b>0.61</b> |
| 31 Jan 2026 | 28 Feb 2026 | 31 Mar 2026 | 30 Apr 2026 |
| <b>0.60</b> | <b>0.54</b> | <b>0.59</b> | <b>0.57</b> |
| 31 May 2026 | 30 Jun 2026 | 31 Jul 2026 | 31 Aug 2026 |
| <b>0.59</b> | <b>0.58</b> | <b>0.60</b> | <b>0.60</b> |

## Performance net of all fees and expenses

| % Returns                                  | Fund <sup>1</sup> | Benchmark <sup>2</sup> | CPI inflation <sup>3</sup> |
|--------------------------------------------|-------------------|------------------------|----------------------------|
| <b>Cumulative:</b>                         |                   |                        |                            |
| Since inception (1 July 2001)              | 549.1             | 512.1                  | 267.6                      |
| <b>Annualised:</b>                         |                   |                        |                            |
| Since inception (1 July 2001)              | 7.7               | 7.5                    | 5.3                        |
| Latest 10 years                            | 7.2               | 6.7                    | 4.6                        |
| Latest 5 years                             | 7.5               | 6.9                    | 5.0                        |
| Latest 3 years                             | 8.3               | 7.7                    | 4.1                        |
| Latest 2 years                             | 7.9               | 7.2                    | 3.9                        |
| Latest 1 year                              | 7.4               | 6.8                    | 4.3                        |
| Year-to-date (not annualised)              | 4.8               | 4.4                    | 4.2                        |
| <b>Risk measures (since inception)</b>     |                   |                        |                            |
| Percentage positive months <sup>4</sup>    | 100.0             | 100.0                  | n/a                        |
| Annualised monthly volatility <sup>5</sup> | 0.6               | 0.6                    | n/a                        |
| Highest annual return <sup>6</sup>         | 12.8              | 13.3                   | n/a                        |
| Lowest annual return <sup>6</sup>          | 4.3               | 3.8                    | n/a                        |

## Meeting the Fund objective

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

## Annual management fee

A fixed fee of 0.20% 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 30 June 2026 (updated quarterly)

| 1- and 3-year TER and transaction costs breakdown | 1yr %       | 3yr %       |
|---------------------------------------------------|-------------|-------------|
| <b>Total expense ratio</b>                        | <b>0.23</b> | <b>0.23</b> |
| Fee for benchmark performance                     | 0.20        | 0.20        |
| Other costs excluding transaction costs           | 0.00        | 0.00        |
| VAT                                               | 0.03        | 0.03        |
| <b>Transaction costs (including VAT)</b>          | <b>0.00</b> | <b>0.00</b> |
| <b>Total investment charge</b>                    | <b>0.23</b> | <b>0.23</b> |

## Credit exposures as at 31 August 2026

|                          | % of portfolio |
|--------------------------|----------------|
| <b>Governments</b>       | <b>44.8</b>    |
| Republic of South Africa | 44.8           |
| <b>Banks<sup>7</sup></b> | <b>53.0</b>    |
| Nedbank                  | 17.1           |
| Investec                 | 10.6           |
| Standard Bank            | 10.1           |
| FirstRand                | 10.0           |
| Absa                     | 5.3            |
| <b>Corporates</b>        | <b>2.2</b>     |
| Sanlam                   | 1.5            |
| Shoprite Holdings        | 0.7            |
| <b>Total (%)</b>         | <b>100.0</b>   |

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

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

## Asset allocation on 31 August 2026

| Asset class           | Total        |
|-----------------------|--------------|
| Bonds                 | 1.2          |
| Money market and cash | 98.8         |
| <b>Total (%)</b>      | <b>100.0</b> |

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

While 2026 began with the overnight rate at 6.75% and the 12-month bank funding rate at 7.1%, these yields have subsequently risen to 7.00% and 7.60%, respectively. The 50-basis-point move in the 12-month part of the curve suggests that, beyond the interest rate hike implemented by the South African Reserve Bank (SARB) at its Monetary Policy Committee meeting in May, the market expects at least one more rate hike this year, with forward rate agreements suggesting that two more hikes could be on the cards.

Much of the debate around how long a shadow the oil price shock will cast rests on how quickly global inventories will be refilled, with the US Strategic Petroleum Reserve now at its lowest inventory level since the early 1980s. Despite this, traded oil prices normalised to their pre-war levels after the latest US-Iran ceasefire agreement and the reopening of the Strait of Hormuz. With the United Arab Emirates formally exiting the Organization of the Petroleum Exporting Countries agreement in May and abandoning its oil production quota, there is a possibility that the oil market could move into surplus relatively quickly.

Risks to the inflation outlook have not fully abated, however. An anticipated weather-related shock may raise prices later in the year: Climatologists are currently predicting an elevated risk of a "super El Niño" cycle based on changing sea-surface temperature data, with the caveat that weather forecasting is not a so-called exact science. Historically, these cycles have raised agricultural prices, most notably for wheat, cocoa, palm oil and corn, due to Southern Hemisphere drought conditions and reduced rainfall across regions such as West Africa, India and South-East Asia.

Fortunately, South Africa is favourably positioned for such a risk event, having enjoyed back-to-back seasons of surplus grains and elevated crop yields, as well as the strongest water storage levels across national dams that we have experienced in many years. This, of course, does not fully insulate us from a shock to global food prices. We could become increasingly vulnerable to a sustained drought through 2027 that would deplete surplus crops. Additionally, the high percentage of water that is lost to leaks across several provinces already increases our susceptibility to water rationing. At its most recent meeting, the SARB modelled for headline inflation possibly climbing to 6% in an El Niño shock due to a double-digit rise in food prices. In turn, the SARB modelled for the potential to raise the overnight rate as high as 7.75% to 8% in response.

In the last quarter, the Fund increased its allocation to floating-rate paper. Such adverse scenarios, like the potential for an inflationary shock, are considered when managing the Fund, as reflected in a strong allocation to floating-rate paper whose yields are expected to rise with rate hikes.

**Commentary contributed by Thalia Petousis**

**Fund manager quarterly  
commentary as at  
30 June 2026**

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## Management Company

Allan Gray Unit Trust Management (RF) (Pty) Ltd (the "Management Company") is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority (FSCA). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however, it is not supervised or licensed in Botswana. Allan Gray (Pty) Ltd (the "Investment Manager"), an authorised financial services provider, is the appointed investment manager of the Management Company and is a member of the Association for Savings & Investment South Africa (ASISA).

The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)11 301 6335 or [www.rmb.co.za](http://www.rmb.co.za).

## Performance

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

## Fund mandate

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

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

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

Purchase and redemption requests must be received by the Management Company by 11:00 each business day to receive that day's price. Unit trust prices are available daily on [www.allangray.co.za](http://www.allangray.co.za).

## Fees

Permissible deductions may include management fees, brokerage, securities transfer tax, auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

## Total expense ratio (TER) and transaction costs

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

## Compliance with Regulation 28

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

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