ALLANGRAY

Fund manager: Thalia Petousis
Inception date: 1 July 2001

Allan Gray Money Market Fund

31 March 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 31 March 2026

Fund size	R27.4bn
Number of units	24 038 241 145
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.59
Fund weighted average coupon (days)	84.18
Fund weighted average maturity (days)	117.35
Class	A

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 31 March 2026. Source: Bloomberg.
2. This data reflects the latest available headline CPI inflation numbers as at 28 February 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.

Income distributions for the last 12 months

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

30 Apr 2025	31 May 2025	30 Jun 2025	31 Jul 2025
0.64	0.66	0.63	0.65
31 Aug 2025	30 Sep 2025	31 Oct 2025	30 Nov 2025
0.63	0.60	0.62	0.60
31 Dec 2025	31 Jan 2026	28 Feb 2026	31 Mar 2026
0.60	0.60	0.53	0.59

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI Inflation[2]
Cumulative:			
Since inception (1 July 2001)	528.2	495.6	255.6
Annualised:			
Since inception (1 July 2001)	7.7	7.5	5.3
Latest 10 years	7.2	6.7	4.6
Latest 5 years	7.2	6.7	4.9
Latest 3 years	8.4	7.8	3.9
Latest 2 years	8.2	7.6	3.1
Latest 1 year	7.6	7.0	3.0
Year-to-date (not annualised)	1.7	1.6	0.8
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 March 2026 (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 31 March 2026

	% of portfolio
Governments	**39.3**
Republic of South Africa	39.3
Banks[6]	**58.7**
Nedbank	20.5
Standard Bank	15.1
Investec	11.5
Absa	6.6
FirstRand	5.1
Corporates	**2.0**
Sanlam	1.6
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 31 March 2026

Asset class	Total
Bonds	5.8
Money market and cash	94.2
Total (%)	**100.0**

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. It is times like these when the adage "cash is king" reminds us why investors like money market funds.

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 surge by more than 60% since the start of the war, oil prices have increased by more than 100% in some Middle Eastern physical markets. In turn, the impact on refined fuel prices (petrol and diesel) is being further amplified by refining and transportation costs, 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.

As a large importer of oil and owing to its reliance on the Gulf for more than 60% of its refined petrol and diesel imports, South Africa is in an increasingly vulnerable position the longer the war drags on. Unsurprisingly, the onset of the war has led to sharp drawdowns in South African assets, with the FTSE/JSE All Share Index down 10.5%, the FTSE/JSE All Bond Index down 6.8%, and the rand weakening by 6.3% against the US dollar. While the last two years have seen double-digit returns from South African assets, this war is eroding those tailwinds on multiple fronts. While higher gold and platinum group metal prices underpinned much of the equity market's returns in 2025 and early 2026, these prices have since fallen significantly from their late-January peaks. As an industrial metal used in automotive parts, platinum prices tend to fall during recessions as industrial activity decreases.

Gold has historically provided an excellent hedge against war and inflation, but this time around, it is behaving very differently. In part, this reflects the fact that emerging market central banks, among the large buyers of gold that underpinned its rally, are seeing their reserves weaken materially due to higher oil import bills. In some instances, there are even early signs of gold-selling among these parties. The great irony of this behavioural change is that emerging market central banks initially began altering their reserve mix to hold more gold precisely because US Treasuries failed to provide an adequate hedge against oil and inflation at the start of the Russia-Ukraine war in 2022. On the contrary, US Treasuries suffered steep losses in market value throughout 2022, which heightened the oil-induced erosion of reserves.

This move in commodities not only detracts from South African mining shares but also erodes the government's ability to collect corporate income tax going forward, which, in turn, is negative for South Africa's bond pricing. Local bonds have also derated alongside a sharp spike in inflationary expectations. The market now prices for 100 basis points (bps) worth of rate hikes for the remainder of the year, sitting in stark contrast to the 50 to 75 bps worth of rate *cuts* that were being pencilled in before the US-Israeli war with Iran began, and as the South African Reserve Bank executed on its rates recalibration exercise under the revised 3% inflation target.

How and when this war ends, or whether the ceasefire holds, 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.

In the last quarter, the Fund's annual effective yield (gross of fees) declined marginally from 7.59% to 7.49% (or 7.25% on a nominal yield basis, if one is looking to compare the yield with that of the Allan Gray Interest Fund). Prior to the war, the Fund was reinvesting cash at 7%, but the pricing of rate hikes saw opportunities to begin reinvesting cash at yields as high as 7.8%. That being said, the degree of any inflationary shock may nonetheless reduce the Fund's returns *relative to inflation*, depending on the size of the shock.

Commentary contributed by Thalia Petousis

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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. 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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