Allan Gray Multi-Manager Cautious Portfolio

31 January 2026

Portfolio description and summary of investment policy

The Portfolio invests in the cautious mandates of a minimum of three managers, all of which are managed to comply with the investment limits governing retirement funds. The Allan Gray Stable Portfolio has a target allocation of 30% (excluding cash) in the Multi-Manager Portfolio. This allocation can change as a result of performance within pre-defined parameters. The Portfolio is a pooled portfolio offered by Allan Gray Life Limited and is only available via the Allan Gray retirement funds and the Allan Gray Living Annuity.

Portfolio objective and benchmark

The Portfolio aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits. The Portfolio's benchmark is the Consumer Price Index, plus 3%.

How we aim to achieve the Portfolio's objective

We have selected managers with a strong track record who have consistently executed on their investment approach over time. These managers have complementary investment styles which, when combined appropriately, should improve the Portfolio's potential to deliver returns through different market cycles.

Suitable for those investors who

- Are risk-averse and require a high degree of capital stability
- Seek both above-inflation returns over the long term, and capital preservation over any two-year period
- Require some income but also some capital growth
- Wish to invest in a portfolio that complies with retirement fund investment limits
- Wish to diversify risk across multiple managers

Annual management fee

Each underlying manager charges a fee within their portfolio. Where performance fees are charged, this is based on the performance of the portfolio compared to its benchmark. The benchmarks of the underlying portfolios may differ from the benchmark of the Portfolio.

Allan Gray charges a multi-management fee based on the net asset value of the Portfolio, excluding the portion invested in Allan Gray portfolios. This fee is 0.20% p.a. (which equates to approximately 0.14% p.a. on the entire Portfolio).

Portfolio information on 31 January 2026

Portfolio size	R425.6m

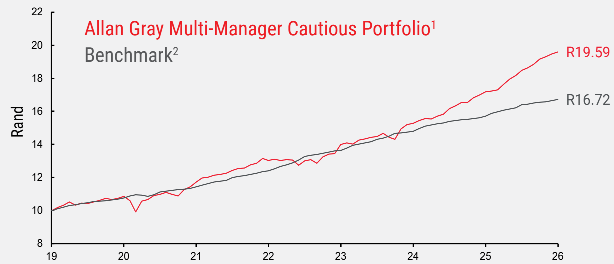
Underlying portfolio allocation on 31 January 2026

Portfolio	% of Portfolio
Allan Gray Stable Portfolio	28.9
Coronation Inflation Plus Portfolio	24.6
Nedgroup Investments Core Guarded Fund	20.0
Ninety One Cautious Managed Portfolio	24.5
Cash	2.0
Total	**100.0**

1. Performance is net of all fees and expenses.
2. Consumer Price Index, plus 3%, and was prorated from 18 January 2019 to 31 January 2019. This is based on the latest numbers published by Iress as at 31 December 2025.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 February 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 31 March 2020 to 31 May 2020. Drawdown is calculated on the total return of the Portfolio/benchmark (i.e. including income).
4. The percentage of calendar months in which the Portfolio produced a positive monthly return since inception.
5. The standard deviation of the Portfolio's monthly return. This is a measure of how much an investment's return varies from its average over time.

Performance net of all fees and expenses

Value of R10 invested at inception



% Returns	Portfolio[1]	Benchmark[2]
Cumulative:		
Since inception (18 January 2019)	95.9	67.2
Annualised:		
Since inception (18 January 2019)	10.0	7.6
Latest 5 years	10.8	7.9
Latest 3 years	11.9	7.0
Latest 2 years	13.3	6.3
Latest 1 year	14.1	6.5
Year-to-date (not annualised)	0.6	0.4
Risk measures (since inception):		
Maximum drawdown[3]	-15.1	-0.7
Percentage positive months[4]	81.0	97.6
Annualised monthly volatility[5]	5.5	1.3

Quarterly commentary as at 31 December 2025

Globally, 2025 exhibited surprising economic resilience despite the uncertainty resulting from ongoing tariff wars, conflicts and significant geopolitical shifts. Nevertheless, the potential escalation of these factors continues to pose downside risks to the global economy.

Against the backdrop of this uncertainty, the FTSE/JSE All Share Index (ALSI) returned 42% for the year ending 31 December 2025. The resources sector was a major contributor, returning 126%, while the financials and industrials sectors returned 27% and 18% respectively over the same period. On the global front, the MSCI All Country World Index returned 22% in US dollars, underperforming the ALSI in rand terms due to the significant rand appreciation against the dollar over the past year.

Annual inflation eased to 3.5% in November from 3.6% in October, according to Statistics South Africa. This was attributed to inflation cooling down in five of the 13 product categories. The South African Reserve Bank's Monetary Policy Committee cut the repo rate to 6.75% at its meeting in November, citing a more favourable and downward-revised inflation outlook.

The Portfolio has generated meaningful absolute returns well ahead of its benchmark across all the respective reporting periods. Q4 saw Bidcorp being replaced by Discovery in the top 10 local equities. There was an aggregate shift of about 1.6% to local asset classes at the expense of foreign asset classes over the quarter relative to the end of Q3.

Please refer to the commentaries below for more in-depth views from two of the underlying investment managers.

Commentary contributed by Tonderai Makeke

Top 10 share holdings on 31 December 2025 (SA) (updated quarterly)

Investment name	% of Portfolio
Naspers and Prosus	1.5
Standard Bank	1.2
FirstRand	1.1
AngloGold Ashanti	1.0
AB InBev	1.0
British American Tobacco	0.9
Richemont	0.7
Gold Fields	0.7
Shoprite	0.6
Discovery	0.5
Total (%)	**9.2**

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

Asset allocation on 31 January 2026

Asset class	Total	South Africa	Foreign
Net equities	34.3	17.9	16.4
Hedged equities	6.1	3.1	3.1
Property	2.0	1.5	0.5
Commodity-linked	1.6	1.5	0.1
Bonds	37.8	32.2	5.6
Money market and cash[6]	17.6	16.1	1.5
Other[7]	0.5	0.5	0.0
Total (%)	**100.0**	**72.8**	**27.2**

6. Includes the impact of any currency hedging.
7. Hedge fund.

Total expense ratio (TER) and transaction costs for periods ending 30 September 2025 (updated quarterly)

1- and 3-year TER and transaction costs breakdown[8]	1yr %	3yr %
Total expense ratio[9]	**1.01**	**0.91**
Fee for benchmark performance	0.62	0.63
Performance fees	0.32	0.21
Other costs excluding transaction costs[10]	0.07	0.07
Transaction costs[11]	**0.04**	**0.04**
Total investment charge	**1.05**	**0.95**

8. This estimate is based on information provided by the underlying managers.
9. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs.
10. Includes expenses such as audit fees, bank charges, custody fees, trustee fees and, for some underlying portfolios, the associated offshore TERs.
11. Transaction costs are a necessary cost in administering the Portfolio and impacts Portfolio returns. It 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.

Commentary from underlying fund managers as at 31 December 2025

Coronation Inflation Plus Portfolio

The year 2025 was characterised by a heavy focus on US politics and policies, particularly around global trade. Markets struggled to digest tariff announcements, tariff pauses, tariff U-turns and trade deals. In addition, the market's growing unease about sovereign debt levels in several developed nations was further compounded by the passing of the One Big Beautiful Bill Act in the US. Geopolitical events remained prominent, continuing to centre around developments in the Middle East and the Russia-Ukraine war.

Against this uncertain background, risk assets delivered robust returns. For the quarter, the Portfolio delivered a 2.5% return and a 15.7% return (in rands) for the year, meaningfully outperforming its consumer price index (CPI) benchmark. Longer term, the Portfolio has pleasingly also delivered ahead of target returns across all periods. It was a return-rich environment over the last 12 months with a blistering performance from SA bonds (+24%), SA property (+31%) and SA equities (+42% in rands), driven primarily by the rally in precious metals. Global returns were healthy for the year (+22% in US dollars), but the 14% strengthening of the rand versus the US dollar took the shine off some of this performance in rand terms. Emerging markets outperformed developed markets over the same period.

In contrast to global equity exposure, we have no exposure to long-dated global sovereign bonds. We remain concerned about high government debt levels in many countries. A broad set of countries is pushing the traditional boundaries of debt sustainability. Among the developed markets, Japan, Italy, the US, France, Canada, the UK and Spain all have public debt levels at, or exceeding, 100% of gross domestic product (GDP). Similarly, debt levels in China, Brazil, India and SA are slightly lower but still exceptionally high by conventional emerging market metrics. Elevated debt levels – and the associated deficits – can result in higher government financing costs, higher rollover risk, financial repression or monetisation. To date, major countries have generally escaped the most severe manifestations of these challenges, but their high (and rising) debt levels leave them vulnerable. We don't think current yields on offer compensate for these risks.

SA fixed income instruments have been the key positive contributor to the Portfolio's returns. The FTSE/JSE All Bond Index delivered 24% over the last year, benefiting from yield compression, a lowered inflation outlook and increased foreign participation in our local bond markets. While we have been cautious on the outlook for government's rising debt burden and longer-term fiscal risks, we have maintained a high allocation to SA fixed income and managed the risks through containing the duration of our exposure. This was a conscious decision to trade off return to manage portfolio risk. We believe such actions are necessary to fulfil our dual mandate of delivering inflation-beating returns while being mindful of protecting capital.

Our SA equity allocation also delivered a healthy contribution to returns. Outside of gold and platinum equities, exposure to Naspers/Prosus, MTN and Richemont also contributed. MTN had a sharp recovery off a very low share price base as the company delivered excellent operational results in its ex-SA operations. This, coupled with a recovery in the Nigerian and Ghanaian currencies, drove strong earnings improvement, which led to a rerating of the share price. We have taken some profits here, but the outlook for earnings growth remains resilient and we expect good cash flows to materialise as the business degears.

The closing quarter of 2025 reinforced a familiar theme for investors: Asset markets can remain resilient even as underlying economic and political risks accumulate. Globally, the balance between moderating inflation, easing monetary policy and elevated valuations requires disciplined asset allocation and active risk management. Domestically, SA's outlook is characterised by incremental improvement rather than a step-change in growth, with reform execution remaining the key determinant of longer-term outcomes. The run-up to local municipal elections may cause some volatility as political risks come to the fore.

While we would not expect a repeat of the phenomenal returns that we saw this year from SA asset classes, we still believe we can deliver overall portfolio returns ahead of its benchmark and target for the following reasons. Starting valuation points (e.g. price-to-earnings multiples, bond yields, etc.) for SA assets are more normal, but real fixed income yields and our fair values for equities and property indicate good returns can still be achieved. On the global front, we have highlighted the necessity of exposure to global equities as a driver of capital growth and diversification for the Portfolio. We have also highlighted the key reasons why we continue to avoid long-dated global sovereign debt exposure. We remain focused on judicious risk management using tools such as currency locks and equity put protection where appropriate.

The Portfolio remains managed in line with its conservative mandate and focus on protecting client capital through the cycle. To this end, we continue to focus on portfolio diversification, active asset allocation and bottom-up security selection to deliver the real returns required by our clients.

Nedgroup Investments Core Guarded Fund

Despite ongoing uncertainty around President Donald Trump's economic policies and elevated geopolitical risks, global equities delivered strong gains in the final quarter of 2025. For the calendar year, the MSCI World Index rose 21.1% and the MSCI Emerging Markets Index gained 33.6% (both in US dollars). In the US, delayed Q3 GDP data showed year-on-year growth of 4.3% – the strongest in two years – underpinned by resilient consumer spending, firmer exports and higher government outlays. Monetary policy diverged across major economies: The US Federal Reserve cut rates by 25 basis points (bps) to 3.50–3.75% in a split decision; the European Central Bank held at 2.15% for a fourth consecutive meeting; the Bank of England cut 25 bps to 3.75%; the Bank of Japan hiked 25 bps to 0.75% – a three-decade high – amid accelerating inflation; and China kept rates unchanged for a seventh straight month as it navigated weak growth and property-sector strain. Commodities reflected these cross-currents: Brent crude fell 9.2% to US$60.9/bbl on demand concerns and oversupply, while gold and silver reached record highs amid geopolitical tensions, a US blockade on Venezuelan oil and speculation about further US rate cuts.

Locally, the equity market posted another strong quarter, returning 8.1%. Financials led with an 18.9% gain as banks rallied 21.4%, supported by improved sentiment following South Africa's removal from the Financial Action Task Force "grey list," lower bond yields and a stronger rand. Resources advanced a further 10.3% after the third quarter's 46.8%, taking the full-year return to 126.1%. The sovereign issued its first infrastructure and development finance bond in December – R11.8bn, oversubscribed 2.2 times – signalling robust investor demand and a strategic broadening of the funding base. The 10-year government bond yield rallied 96 bps over the quarter (212 bps over the year) to 8.19%, a level last seen more than a decade ago. As a result, the FTSE/JSE All Bond Index delivered stellar returns of 9% in Q4 and 24.2% for the year.

Therefore, the Nedgroup Investments Core Guarded Fund significantly outperformed both the return objective and the peer group over the quarter. For the year, the Fund returned 17.0%, again comfortably ahead of both.

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