Allan Gray Optimal Fund

30 April 2026

Fund description and summary of investment policy

The Fund invests mainly in selected shares and it uses exchange-traded derivative contracts on stock market indices to substantially reduce its net equity exposure to within a range of 0-20%. As a result, the Fund's return depends on the level of short-term interest rates (implicit in the pricing of the sold futures contracts) and the performance of the Fund's selected shares relative to the stock market index. The Fund's return is therefore unlikely to be correlated with equity market returns. In addition, a portion of the Fund is typically invested in cash and margin deposits.

ASISA unit trust category: South African – Multi Asset – Low Equity

Fund objective and benchmark

The Fund aims to provide investors with long-term positive returns higher than those available in the money market sector, irrespective of stock market returns. The Fund's benchmark is the daily interest rate as supplied by FirstRand Bank Limited.

How we aim to achieve the Fund's objective

The Fund invests in selected shares and seeks to substantially reduce stock market risk by selling exchange-traded equity index derivatives. The selected share portfolio is derived from our thorough research process, but the selection of equities in this Fund may differ from that in the other Allan Gray funds. The deviation of the Fund's selected share portfolio from the composition of the underlying benchmark indices (on which the derivative contracts are based) is restricted and closely monitored. This does not eliminate the risk of capital loss should the selected equities underperform.

Suitable for those investors who

- Seek absolute (i.e. positive) returns regardless of stock market trends
- Require a high degree of capital stability over a 3-year time horizon
- Wish to invest in a product that offers uncorrelated returns relative to shares or bonds as a 'building block' in a diversified multi-asset class portfolio

Meeting the Fund objective

Since inception and over the latest five-year period, the Fund has outperformed its benchmark. Over the latest 10-year period, the Fund has underperformed its benchmark. The Fund aims to deliver long-term positive returns, irrespective of stock market returns.

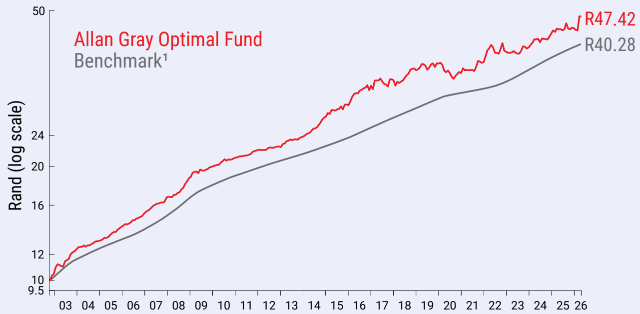
Fund information on 30 April 2026

Fund size	R0.9bn
Number of units	22 623 090
Price (net asset value per unit)	R25.33
Class	A

1. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank, performance as calculated by Allan Gray as at 30 April 2026.
2. This data reflects the latest available headline CPI inflation numbers as at 31 March 2026 (source: Iress).
3. Maximum percentage decline over any period. The maximum drawdown occurred from 6 February 2020 to 15 September 2020. Drawdown is calculated on the total return of the Fund (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. 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 30 September 2003 and the benchmark's occurred during the 12 months ended 30 September 2003. The Fund's lowest annual return occurred during the 12 months ended 31 August 2020 and the benchmark's occurred during the 12 months ended 30 November 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 2002)	374.2	302.8	221.5
Annualised:			
Since inception (1 October 2002)	6.8	6.1	5.1
Latest 10 years	4.6	5.5	4.6
Latest 5 years	6.5	5.8	4.8
Latest 3 years	7.0	6.9	3.7
Latest 2 years	7.0	6.7	2.9
Latest 1 year	7.9	6.2	3.1
Year-to-date (not annualised)	7.2	1.9	1.4
Risk measures (since inception)			
Maximum drawdown[3]	-10.2	n/a	n/a
Percentage positive months[4]	71.4	100.0	n/a
Annualised monthly volatility[5]	4.7	0.6	n/a
Highest annual return[6]	18.1	11.9	n/a
Lowest annual return[6]	-8.2	2.5	n/a

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Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2025	31 Dec 2025
Cents per unit	**42.9417**	**37.0558**

Annual management fee

The fee rate is calculated daily by comparing the Fund's total performance to that of the benchmark.

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

The Fund is first required to recover any underperformance before a fee higher than the fee for performance equal to the benchmark can be charged. This is known as a high watermark. If the Fund's performance is above its previous high watermark, we add 0.20% to the fee for each percentage of performance above the high watermark. The fee is uncapped.

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.

Top 10 share holdings on 31 March 2026 (updated quarterly)

Company	% of portfolio
Sasol	8.2
Naspers & Prosus	5.8
Premier Group	5.2
Shoprite	5.1
FirstRand	5.0
Aspen	4.6
AngloGold Ashanti	4.4
British American Tobacco	4.0
Mondi	3.8
AB InBev	3.4
Total (%)	**49.6**

Asset allocation on 30 April 2026

Asset class	Total
Net equities	6.4
Hedged equities	74.5
Money market and cash	19.0
Total (%)	**100.0**

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	**1.18**	**1.18**
Fee for benchmark performance	1.00	1.00
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.02	0.02
VAT	0.15	0.15
Transaction costs (including VAT)	**0.10**	**0.10**
Total investment charge	**1.27**	**1.28**

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	-3.6% (September 2016)[7]
Average	4.5%
Maximum	15.4% (November 2018)

7. The negative net equity exposure as at 30 September 2016 is due to the cash acquisition of SABMiller by Anheuser-Busch InBev. This was corrected and the Fund had a positive net equity exposure by 4 October 2016.

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

Fund manager quarterly commentary as at 31 March 2026

The muted -0.6% return that the FTSE/JSE All Share Index (ALSI) delivered for the first three months of the year belies the volatility that local equity investors experienced over the quarter. The ALSI set a series of new all-time highs, last hit in late February, at which point it took the year-to-date return to 11.0%. This was driven by the continued strong performance of gold and platinum miners, which were the main contributors to last year's stellar index returns.

The US-Israeli war with Iran, which began on 28 February, has had a profound impact on market returns. In March, the ALSI endured its worst monthly performance since the 2008 global financial crisis, with the price index falling 17.0% in US dollar terms. While the rout was broad-based across sectors, precious metal miners were the hardest hit. In previous commentaries, we have highlighted the erratic return profile of these counters and the risk this poses, given the concentrated nature of the local index. The surge in oil and broader energy prices has shifted near-term inflation expectations and the resulting interest rate outlook. Before the war broke out, the consensus, offshore and locally, favoured further monetary policy easing in the year ahead. However, prospects of a prolonged high-interest-rate and stronger US-dollar environment present headwinds for precious metals and outweigh their safe-haven characteristics.

The sell-off should be viewed in the context of, what remain, very strong annual equity market returns. This presents a conundrum for investors, as the duration of the war and its potential longer-term implications remain highly uncertain. The haphazard nature of decision-making and communication emanating from the White House complicates matters further. Using previous energy shocks as a blueprint, energy producers and consumer staples have typically outperformed cyclical stocks. In the event of a prolonged crisis and a deteriorating growth outlook, in our view, current valuations may offer insufficient support for absolute returns.

The Fund returned 7.1% for the quarter, with holdings in energy (Sasol and Exxaro), defensives (British American Tobacco and AB InBev) and a food producer (Premier) contributing positively to performance. The underweight exposure to gold and platinum miners as well as Naspers/Prosus also added to the return.

During the quarter, we increased the Fund's exposure to retailers by adding to our existing position in Shoprite and initiating a new position in Truworths. We also added to existing positions in Naspers/Prosus and continued trimming the weighting of gold miners.

Commentary contributed by Sean Munsie

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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.

Unit price

Unit trust 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 units in issue. Forward pricing is used and fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the Management Company by 14:00 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. For more information about our annual management fees, refer to the frequently asked questions, available via the Allan Gray website.

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).

FTSE/JSE indices

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MSCI Index

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