

Fund description and summary of investment policy

The Fund invests in shares listed on the Johannesburg Stock Exchange (JSE). The Fund is typically fully invested in shares. Returns are likely to be volatile, especially over short- and medium-term periods.

ASISA unit trust category: South African – Equity – SA General

Fund objective and benchmark

The Fund aims to create long-term wealth for investors. It aims to outperform the South African equity market over the long term, without taking on greater risk. To pursue its objective the Fund's portfolio may differ materially from its benchmark. This will result in the Fund underperforming its benchmark materially at times. The Fund aims to compensate for these periods of underperformance by delivering outperformance over the long term. The Fund's benchmark is the FTSE/JSE All Share Index including income.

How we aim to achieve the Fund's objective

We seek to buy shares offering the best relative value while maintaining a diversified portfolio. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. We invest in a selection of shares across all sectors of the JSE, and across the range of large, mid and smaller cap shares.

Suitable for those investors who

- Seek exposure to JSE-listed equities to provide long-term capital growth
- Are comfortable with stock market fluctuation, i.e. short- to medium-term volatility
- Are prepared to accept the risk of capital loss
- Typically have an investment horizon of more than five years
- Wish to use the Fund as an equity 'building block' in a diversified multi asset class portfolio

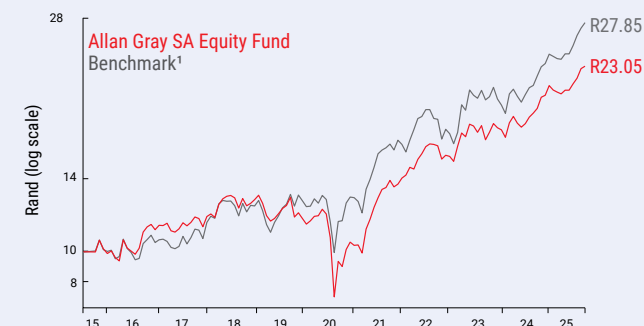
Fund information on 31 August 2025

Fund size	R5.2bn
Number of units	1 019 118
Price (net asset value per unit)	R548.93
Class	A

1. FTSE/JSE All Share Index including income (source: IRESS), performance as calculated by Allan Gray as at 31 August 2025.
2. CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 31 July 2025 (source: IRESS).
3. Maximum percentage decline over any period. The maximum drawdown for the Fund occurred from 25 January 2018 to 23 March 2020 and maximum benchmark drawdown occurred from 17 January 2020 to 19 March 2020. 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 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 of the Fund. 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 March 2021 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 31 March 2020 and the benchmark's occurred during the 12 months ended 31 March 2020. 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 (13 March 2015)	130.5	178.5	66.6
Annualised:			
Since inception (13 March 2015)	8.3	10.3	5.0
Latest 10 years	9.0	11.1	4.8
Latest 5 years	17.5	17.2	5.1
Latest 3 years	15.5	19.1	4.3
Latest 2 years	16.9	20.8	4.1
Latest 1 year	19.1	25.8	3.5
Year-to-date (not annualised)	18.4	23.6	3.4
Risk measures (since inception)			
Maximum drawdown ³	-44.3	-35.2	n/a
Percentage positive months ⁴	60.3	57.9	n/a
Annualised monthly volatility ⁵	14.0	14.1	n/a
Highest annual return ⁶	57.3	54.0	n/a
Lowest annual return ⁶	-32.0	-18.4	n/a

Fund history

The Allan Gray Equity Fund was managed in exactly the same way as this Fund from the inception of the Allan Gray Equity Fund on 1 October 1998, until March 2015, when the Allan Gray Equity Fund changed its mandate to include the ability to invest offshore. A combined history of the two funds since inception of the Allan Gray Equity Fund can be viewed [here](#).

Meeting the Fund objective

The Fund aims to outperform the South African equity market over the long term, without taking on greater risk. The Fund experiences periods of underperformance in pursuit of this objective. Since inception and over the latest 10-year period, the Fund has underperformed its benchmark. Over the latest five-year period, the Fund has outperformed its benchmark.

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.	31 Dec 2024	30 Jun 2025
Cents per unit	799.5876	1112.2886

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund. The fee rate is calculated daily by comparing the Fund’s total performance for the day to that of the benchmark.

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

For each annualised percentage point above or below the benchmark we add or deduct 0.2%. The maximum fee is uncapped and if the fee would have been negative, 0% will be charged for the day and the negative fee will be carried forward to reduce the next day’s fee (and all subsequent days until the underperformance is recovered).

This means that Allan Gray shares in 20% of annualised performance relative to the benchmark.

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 30 June 2025 (updated quarterly)

Company	% of portfolio
Naspers & Prosus	9.7
AB InBev	8.2
British American Tobacco	6.9
Standard Bank	4.9
Nedbank	4.4
Mondi	4.1
Glencore	3.8
AngloGold Ashanti	3.8
FirstRand	3.8
Woolworths	3.2
Total (%)	52.8

Sector allocation on 30 June 2025 (updated quarterly)

Sector	% of equities ⁷	% of ALSI ⁸
Financials	27.8	28.2
Consumer staples	22.1	11.4
Basic materials	20.3	22.5
Technology	10.0	16.4
Consumer discretionary	7.5	6.7
Industrials	5.3	2.9
Energy	2.3	0.7
Healthcare	2.2	1.2
Telecommunications	1.6	5.3
Real estate	0.7	4.8
Total (%)	100.0	100.0

7. Includes listed property.
8. FTSE/JSE All Share Index.

Total expense ratio (TER) and transaction costs (updated quarterly)

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2025	1yr %	3yr %
Total expense ratio	0.41	0.69
Fee for benchmark performance	1.00	1.00
Performance fees	-0.65	-0.41
Other costs excluding transaction costs	0.01	0.01
VAT	0.05	0.09
Transaction costs (including VAT)	0.12	0.11
Total investment charge	0.53	0.80

Asset allocation on 31 August 2025

Asset class	Total
Net equities	95.9
Hedged equities	0.0
Property	0.8
Commodity-linked	0.1
Bonds	0.0
Money market and cash	3.1
Total (%)	100.0

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

Market participants would be forgiven for having developed a mild case of post-traumatic stress disorder over the last three months. The now infamous "Liberation Day", the near collapse of South Africa's government of national unity (GNU) and the drastic escalation of tensions in the Middle East were the defining events of the quarter. Yet, if an investor fell into a coma at the end of March and only re-emerged at the end of June, a glance at closing stock market levels would suggest nothing but good news. Both the MSCI World Index and the S&P 500 were up 11% in US dollars at the end of the quarter. However, there was a wild ride in between. Over the four days after Donald Trump announced sweeping tariffs in early April, the S&P 500 fell 12%. A subsequent pause in implementation saw the index recover all its losses by 2 May, only to power ahead 25% from the Liberation Day bottom on the back of a trade deal with China and a negotiated ceasefire in the Middle East. Both the MSCI World Index and S&P 500 ended the second quarter at all-time highs.

We have yet to see where the final US tariff proposals will land. Current estimates put the effective forward rate at the highest level since the 1930s. At the peril of trying to read Trump's mind, the problem he is trying to fix is a real one. The United States' share of global consumption is almost double its share of global production – an outlier compared to most regional blocs. The US also has a growing fiscal deficit that must be funded. There are, however, reasons to be concerned. Firstly, policy uncertainty is usually not supportive for private sector capital investment. One faces a sharp headwind to maintain strong growth in such an environment (South Africa is an unfortunate case in point here). Secondly, US companies will bear the burden of the tariffs and have a choice: They can either pass on those higher costs to consumers via higher prices, or they can absorb them into their margins. The former is not conducive to low and stable inflation (something we thought was at risk even before the tariff announcements). The latter is not good for company earnings.

Locally, things were even more extreme. The FTSE/JSE All Share Index (ALSI) fell 9% two days after 2 April, fully recovering over the next eight days and marching to an all-time high in mid-June (a 20% gain from the Liberation Day bottom). A sharper recovery was aided by the precious metal shares (up 14% over the quarter; making up 17% of the ALSI). If we are to ease our social and economic challenges, South Africa needs to grow real gross domestic product (GDP) meaningfully.

The key internal enablers of this remain missing: The GNU is tenuous, capital investment is stagnant and infrastructure performance is still subpar. Unfortunately, even if we solve all our problems, the weakening global growth environment makes a turnaround much harder. For technical reasons, the ALSI today is far more exposed to the SA economy versus a decade ago. SA banks and insurers make up almost a quarter of the index, with retailers and healthcare making up a further 10%. Given our concerns about the SA economy, our positioning is tilted towards the defensive rand hedges. AB InBev is a great example of such a share. Beer is winning share of throat, the company has pricing power from strong brands and consumers trading up, there is material scope for earnings to grow and, most importantly, we can buy it for a reasonable price.

To paraphrase Vladimir Lenin: There are decades where nothing happens, and there are weeks where decades happen. Given the heightened risk environment, we are primarily solving for absolute returns. If the stock market continues to run, our defensive tilt means we will likely lag on a relative basis but hopefully with healthy absolute returns. However, if there is a longer-lasting wobble, our positioning should hold up more robustly in protecting client capital. Our through-the-cycle track record has been built on the latter.

During the quarter, the Fund added to its positions in Glencore and Aspen Pharmacare and reduced its holdings in Gold Fields and Prosus.

Commentary contributed by Jithen Pillay

**Fund manager quarterly
commentary as at
30 June 2025**

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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. Movements in exchange rates may also cause the value of underlying international investments to go up or down. 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 dividend withholding tax.

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 All Share Index, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index

The FTSE/JSE All Share Index, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap 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, FTSE/JSE Financials Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap 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, FTSE/JSE Financials Index, FTSE/ JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index vests in FTSE and the JSE jointly. All their rights are reserved.

FTSE Russell Index

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MSCI Index

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