Heathcote
Meet the Managers

ALLAN GRAY
CONTRARIAN INVESTING

20
YEARS STRONG

September 2026

For Advisers Only – not for further distribution.

About this presentation

Objective of presentation
To provide you with some key high-level information about Allan Gray Australia Pty Limited (Allan Gray), its investment philosophy and the following Funds: the Allan Gray Australia Equity Fund, the Allan Gray Australia Balanced Fund and the Allan Gray Australia Stable Fund (each, a Fund). Please don't take this presentation as an offer to sell or a recommendation that you should invest in any Fund. Neither Allan Gray, Equity Trustees Limited as responsible entity nor any of their related parties, employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Before making an investment decision, please read the relevant Fund's Product Disclosure Statement and Information Booklet (together PDS). The PDS is available from www.allangray.com.au free of charge and contains a schedule of the relevant Fund's fees and charges. Target Market Determinations (**TMDs**) for the Allan Gray products can be found at www.allangray.com.au/PDS-TMD-documents. Each TMD sets out who an investment in the relevant Fund might be appropriate for and the circumstances that trigger a review of the TMD.

Issuer of units
Equity Trustees Limited (ABN 46 004 031 298), AFSL No. 240975.

Investment Manager
Allan Gray Australia Pty Ltd (ABN 48 112 316 168), AFSL No. 298487.

Fund registration
The Funds are managed investment schemes registered with the Australian Securities and Investments Commission. They may be offered to New Zealand investors under Subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 (FMCA).

New Zealand
This document is not a product disclosure statement for the purposes of the FMCA and does not contain all the information typically included in such offering documentation. The contents of this document are provided to you on the basis that you are, and you represent and warrant that if you are in New Zealand, you are a "wholesale investor" (as defined in the FMCA). Please note that we are no longer a member of the Financial Dispute Resolution Service from 15 March 2023. Please do not copy or distribution any part of this document without our prior consent.

No personal advice
This presentation only provides general information or advice. It does not take into account any investor's personal financial circumstances, objectives or needs. Please read Allan Gray's Financial Services Guide (FSG) if you are interested in the benefits we are entitled to receive as an AFS licensee. The FSG is available from www.allangray.com.au

Risks
There are risks with any investment, including one in the Funds. Managed investment schemes are generally medium to long-term investments. They are traded at prevailing prices and the value of units may go down as well as up. There is no guarantee of repayment of capital or return on your investment. Managed investment schemes may borrow and engage in securities lending if permitted by their PDS. Please read the risk section of the relevant PDS for more details.

Performance information
Past performance is not a reliable indicator of future performance and the value of any investment in the Funds is not guaranteed. All performance returns shown are net of fees and assume reinvestment of distributions. Returns are annualised for periods of one year and over. Annualised returns show the average amount earned on an investment each year over the given period. Actual investor performance may differ as a result of the investment date, the date of reinvestment of income distributions, and withholding tax applied to income distributions. A history of the relevant Fund's performance since inception is available from www.allangray.com.au/b/performance/

Economic, market, index or stock commentary
Such information is provided to indicate reasons for our investment decisions or represents our views at the date of this presentation on certain matters and based on certain assumptions and proprietary analysis. It is not intended to be personal financial advice. You should not rely on our commentary to make any investment decision. This is because our views can and do change over time or may turn out to be incorrect.

Other
While we have tried to ensure the information in this presentation is accurate in all material respects, to the maximum extent permitted by applicable law, we do not provide any warranty or guarantee as to the accuracy of the information in this presentation.

Agenda

Brief refresher on Allan Gray Australia

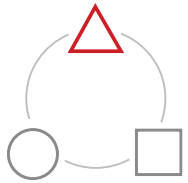
Positioning

Performance

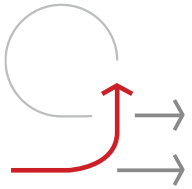
Stocks in Focus: Fletcher Building & Orora

Our philosophy is intentionally different

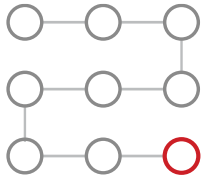
At Allan Gray, our philosophy is simple – we take a contrarian approach, apply it consistently and invest for the long term.



Contrarian



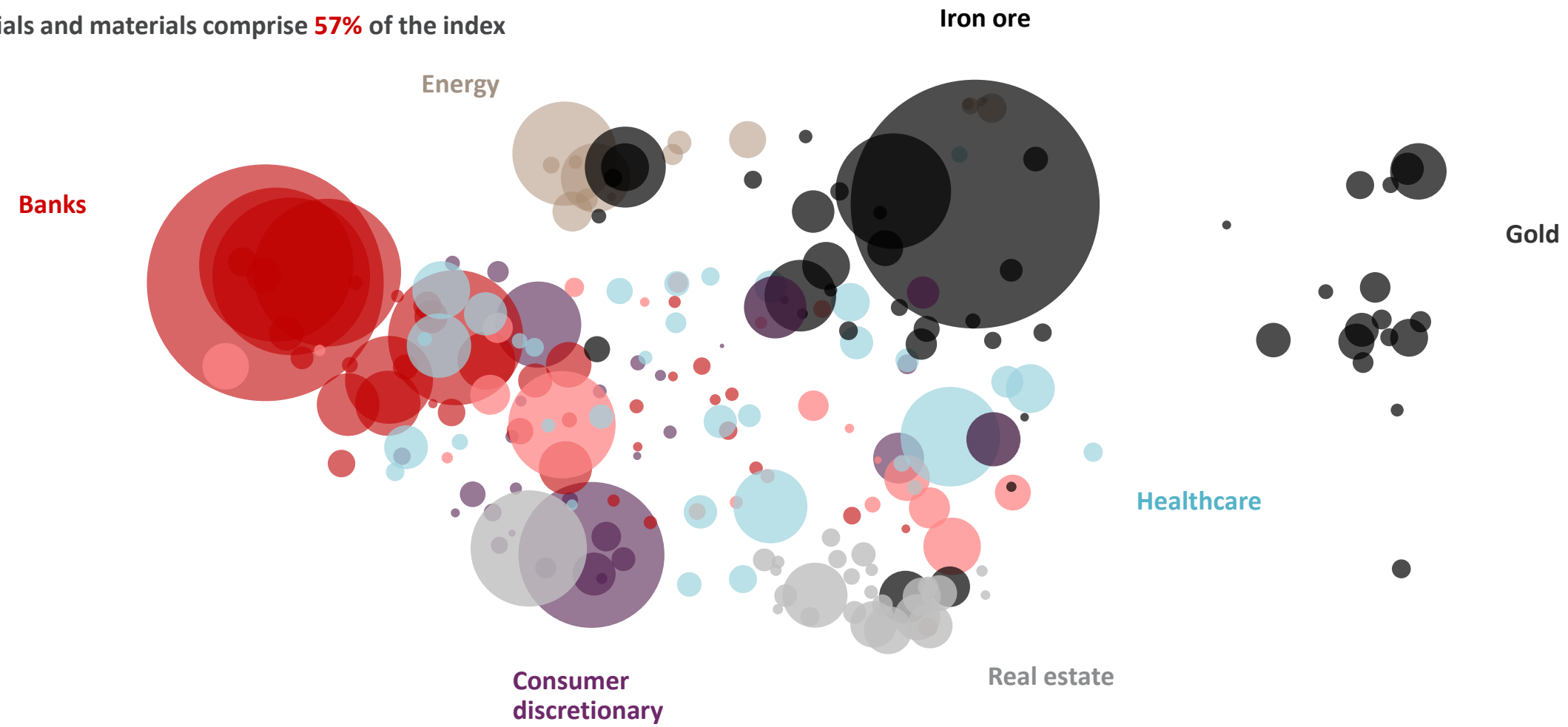
Long-Term



Fundamental

A concentrated benchmark is fertile ground for a contrarian approach

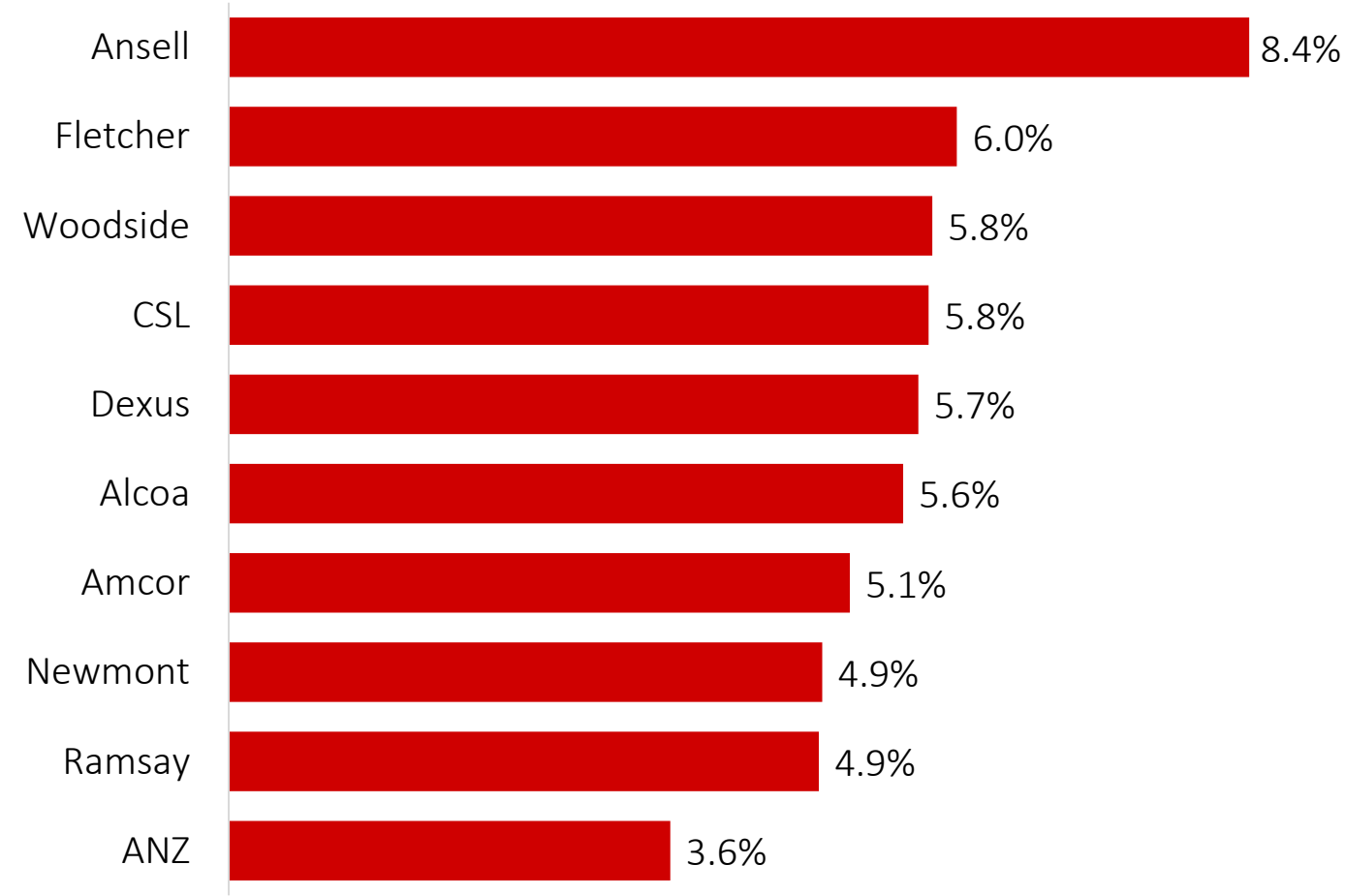
Financials and materials comprise 57% of the index



Source: LSEG Worldscope Fundamentals, FTSE, MSCI, Orbis, 30 June 2026. Statistics are compiled from an internal research database and are subject to subsequent revision due to changes in methodology or data cleaning. Equity market depiction based on Uniform Manifold Approximation and Projection (UMAP) of 3-year weekly local equity returns. The area of the circles represents the relative weight of each stock in the S&P/ASX 300 Index. The axis is not included as it is meaningless. The distance between dots captures the degree of co-movement between individual stocks. Stocks exhibiting a high degree of co-movement are clustered together.

Our Equity Fund looks different to the benchmark

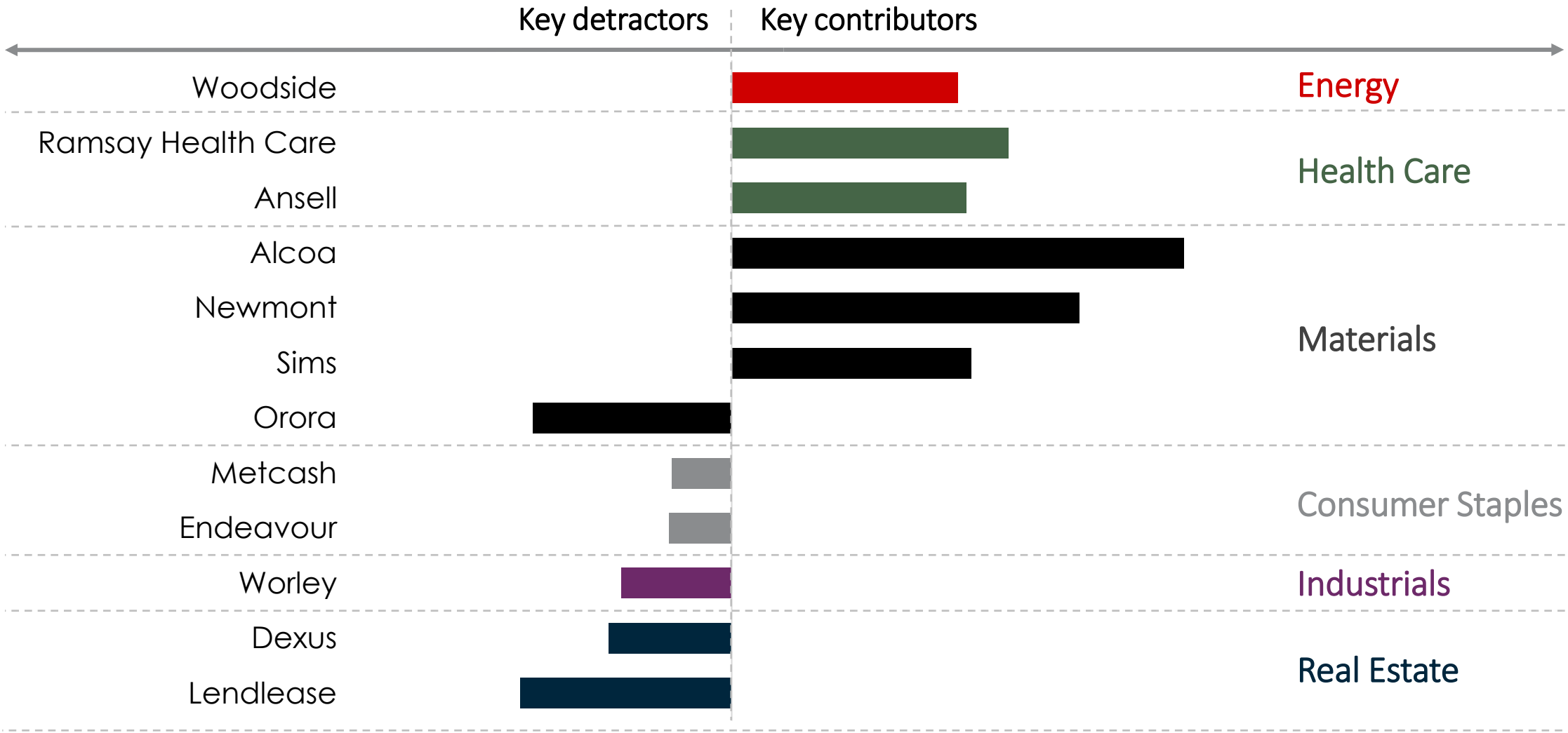
Equity Fund – top ten holdings



Source: Allan Gray Australia, 31 August 2026.

Performance attribution in our Equity Fund has been broad-based

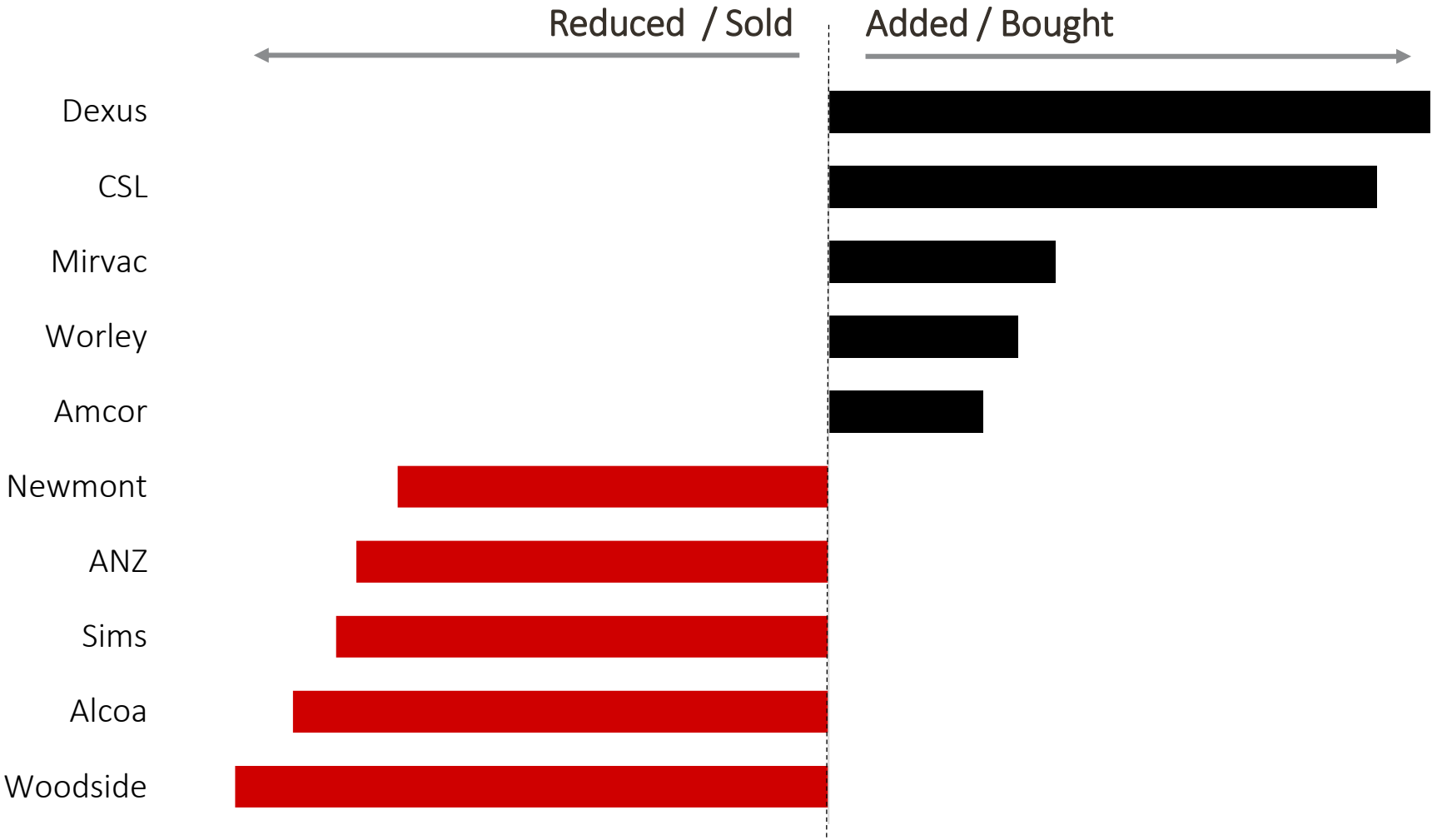
Equity Fund relative performance attribution – 12 months



Source: Allan Gray Australia, 31 August 2026. Past performance is not a reliable indicator of future performance. Most significant contributors and detractors are shown that are greater than 1% of portfolio NAV.

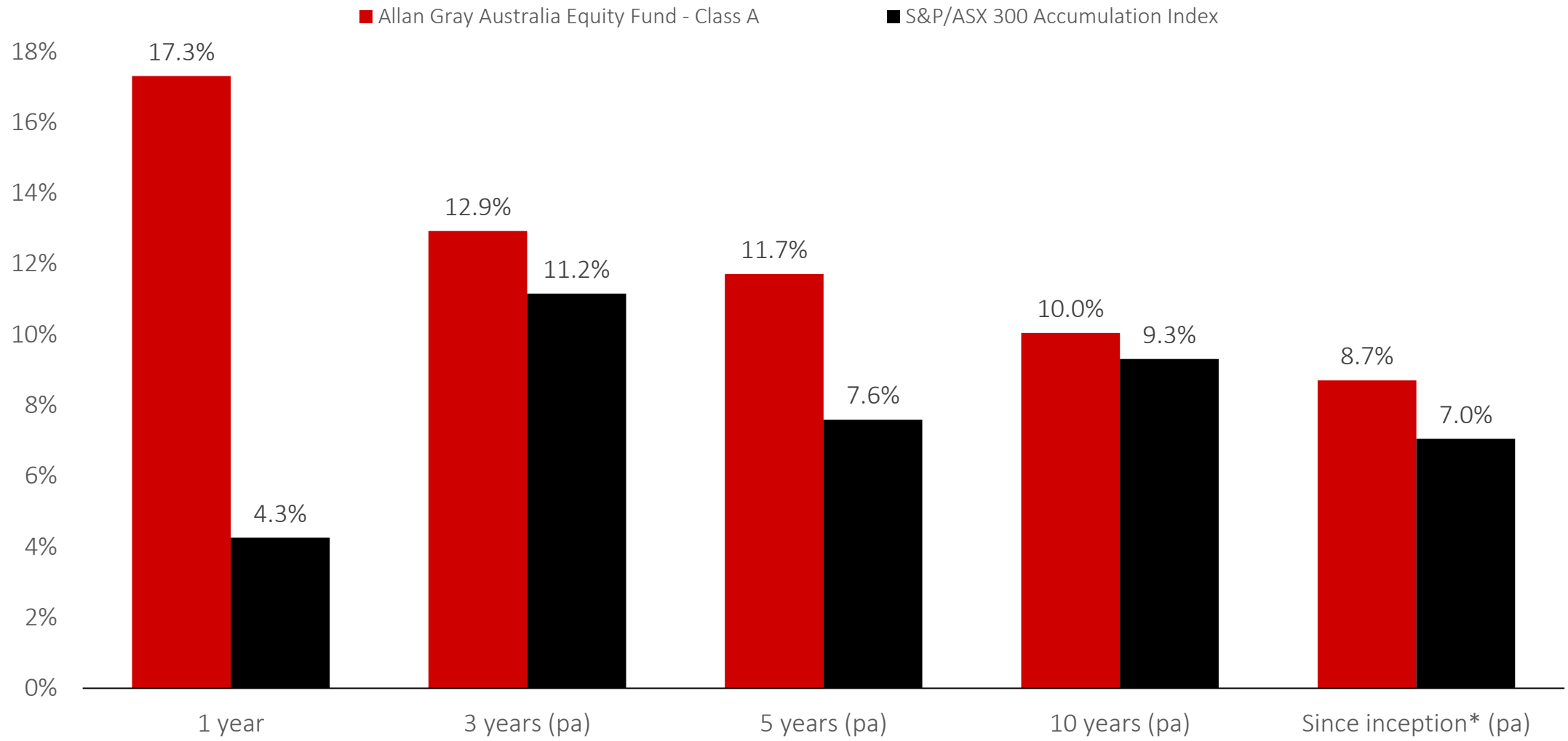
We typically add to underperformers and reduce outperformers

Equity Fund buys and sells – 12 months



Source: Allan Gray Australia, 31 August 2026.

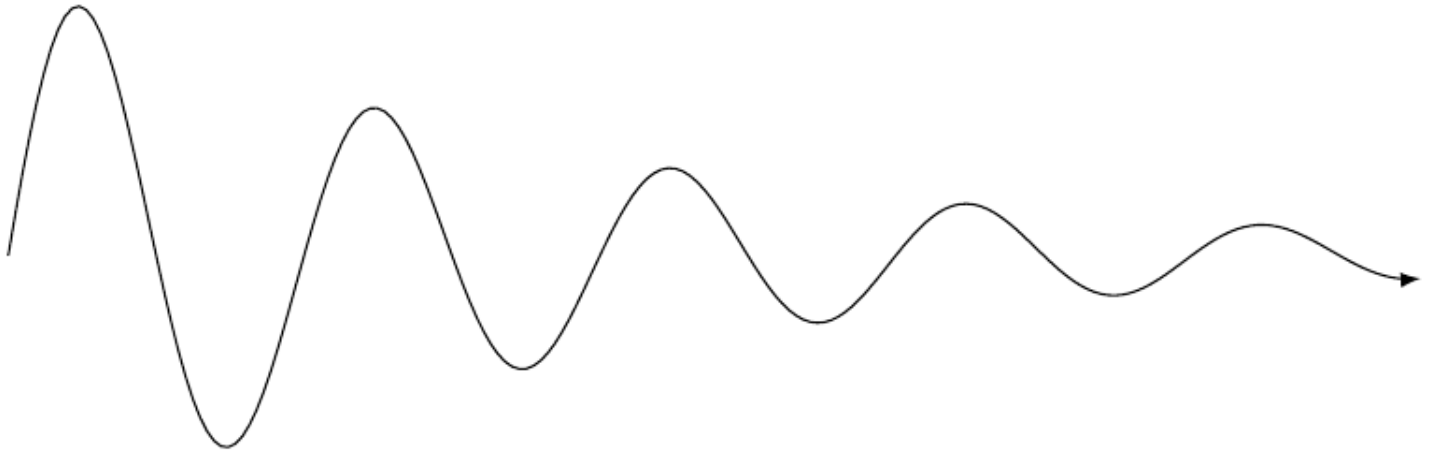
Allan Gray Australia Equity Fund – net performance



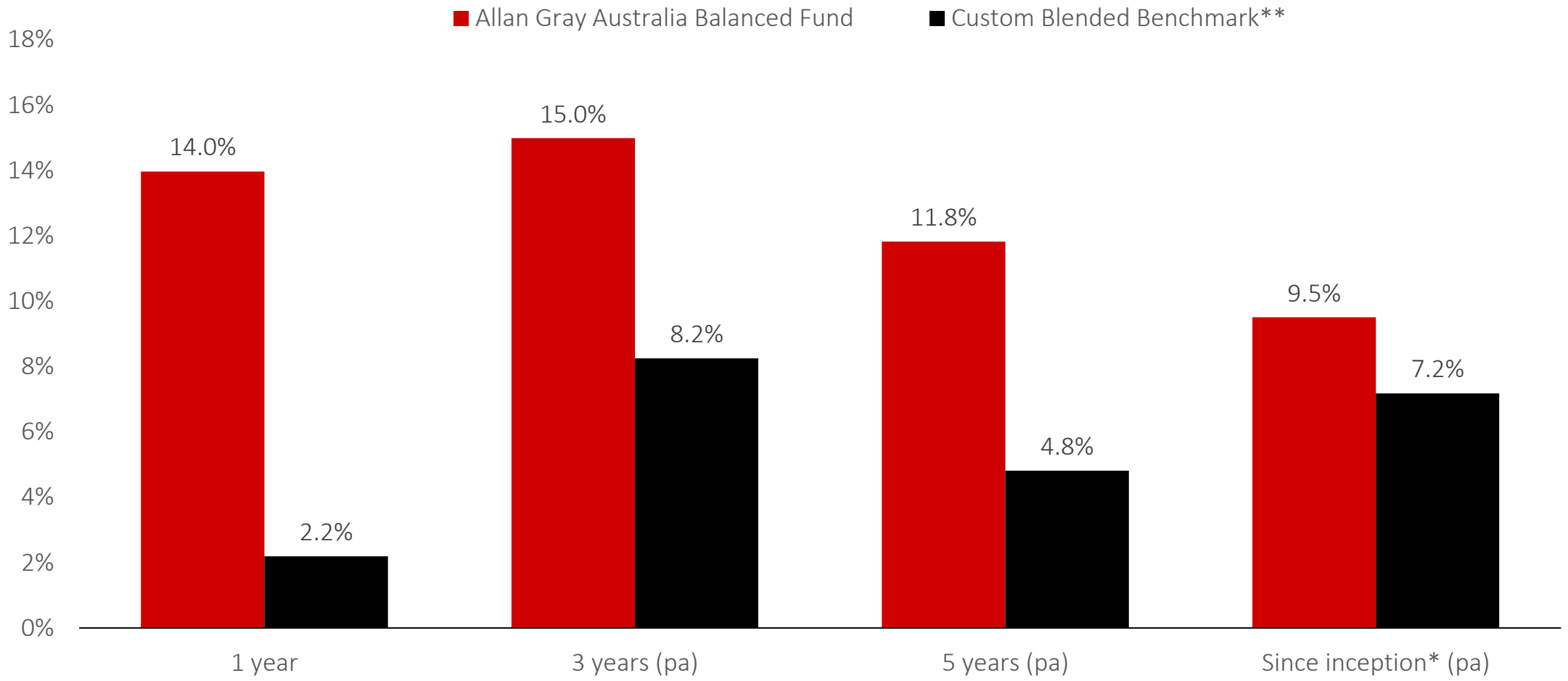
Source: Allan Gray Australia Equity Fund Class A, 31 August 2026. Past performance is not a reliable indicator of future performance. Returns greater than 1 year are annualised. *Inception of Fund - 4 May 2006. The Funds returns are net of fees, include income, assume reinvestment of distributions and exclude any spreads that might be payable on transactions.

But it's not all about the Equity Fund

Allan Gray Australia Equity Fund	Allan Gray Australia Balanced Fund	Allan Gray Australia Stable Fund

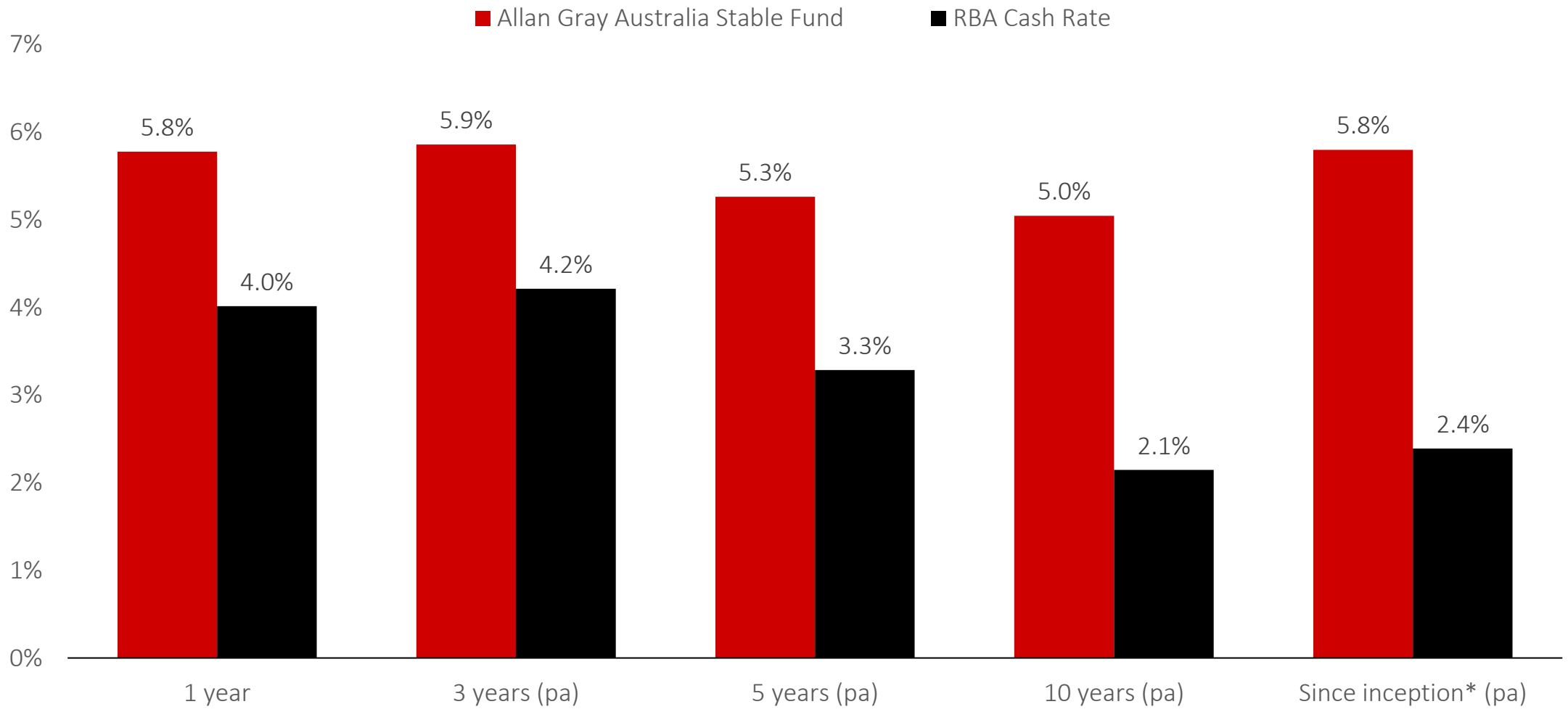


Allan Gray Australia Balanced Fund – net performance



Source: Allan Gray Australia Balanced Fund, 31 August 2026. Past performance is not a reliable indicator of future performance. Returns greater than 1 year are annualised *Inception of Fund – 1 March 2017.
**The benchmark is a blend of the S&P/ASX 300 Accumulation Index (36%), S&P/ASX iBoxx Australian Government Index (24%), MSCI World Index with net dividends reinvested, expressed in AUD (24%) and JP Morgan Global Government Bond Index, expressed in AUD (16%). Prior to 1 June 2025, the Australian Government Index component of the custom benchmark was the S&P/ASX Australian Government Bond Index, and the benchmark data reflects this. The Funds returns are net of fees, include income, assume reinvestment of distributions and exclude any spreads that might be payable on transactions.

Allan Gray Australia Stable Fund – net performance



Source: Allan Gray Australia Stable Fund, 31 August 2026. Past performance is not a reliable indicator of future performance. Returns greater than 1 year are annualised *Inception of Fund – 1 July 2011. The Funds returns are net of fees, include income, assume reinvestment of distributions and exclude any spreads that might be payable on transactions.

Performance is a product of bottom-up stock picking… so let's look at a couple of stocks

Two very different companies – similar shape to the opportunity

Dominant market positions

Identifiable missteps – not a business in decline

Balance sheet that has been repaired

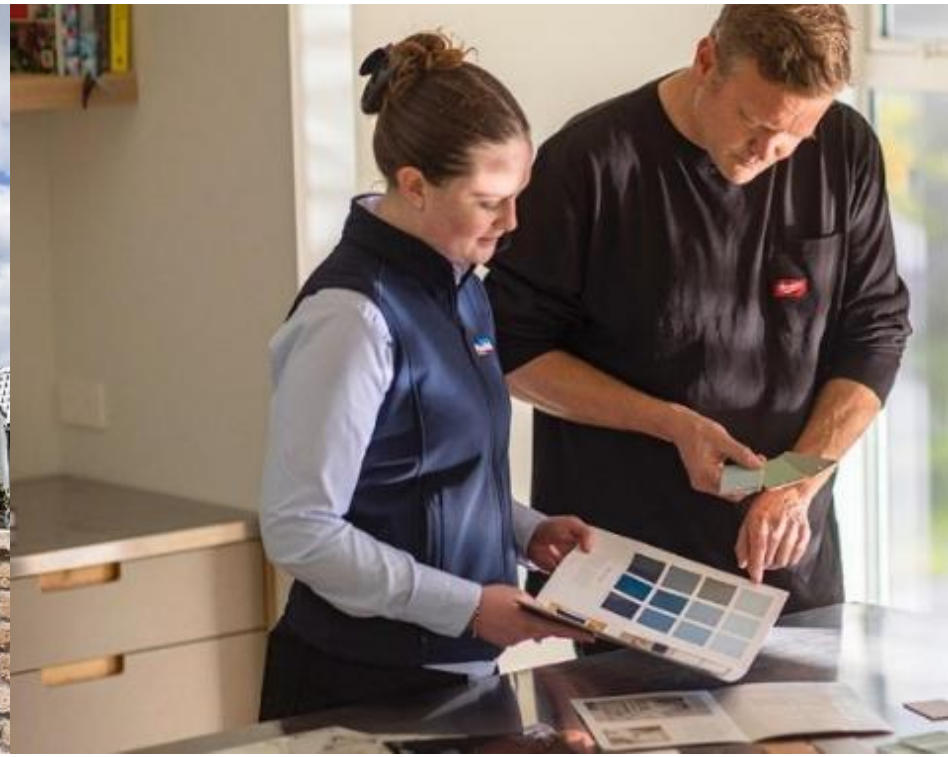
Priced pessimistically

Many risks known and priced – margin of safety for unknown risks

Stock in focus

Fletcher Building

Fletcher Building



GIB · Laminex · Waipapa Pine · iplex · iplex Pipelines · Oliveri · Comfortech · Fletcher Insulation · Firth · Golden Bay · PlaceMakers · Mico · Fletcher Living · vivid living

Source: Fletcher Building & FY26 Results Presentation.

Overview of Fletcher Building – a company with strong market positions

Fletcher Building in FY26

Revenue

$6.0b

EBIT

$414m

Segment	Market Share
Light Building Products	30%
Heavy Building Materials	40%
Distribution	20%
Residential & Development	#2 largest homebuilder 536 homes sold

Source: Fletcher Building company reports and presentations, Allan Gray Australia.

Big missteps compounded by some bad luck

Missteps

Bid for NZICC construction project on a fixed price contract – liable for all cost overruns

Implemented centralised management structure – lost sight of on-the-ground business fundamentals

Weakened the balance sheet via poor capital allocation (overpriced share buyback and ill-conceived growth capex)

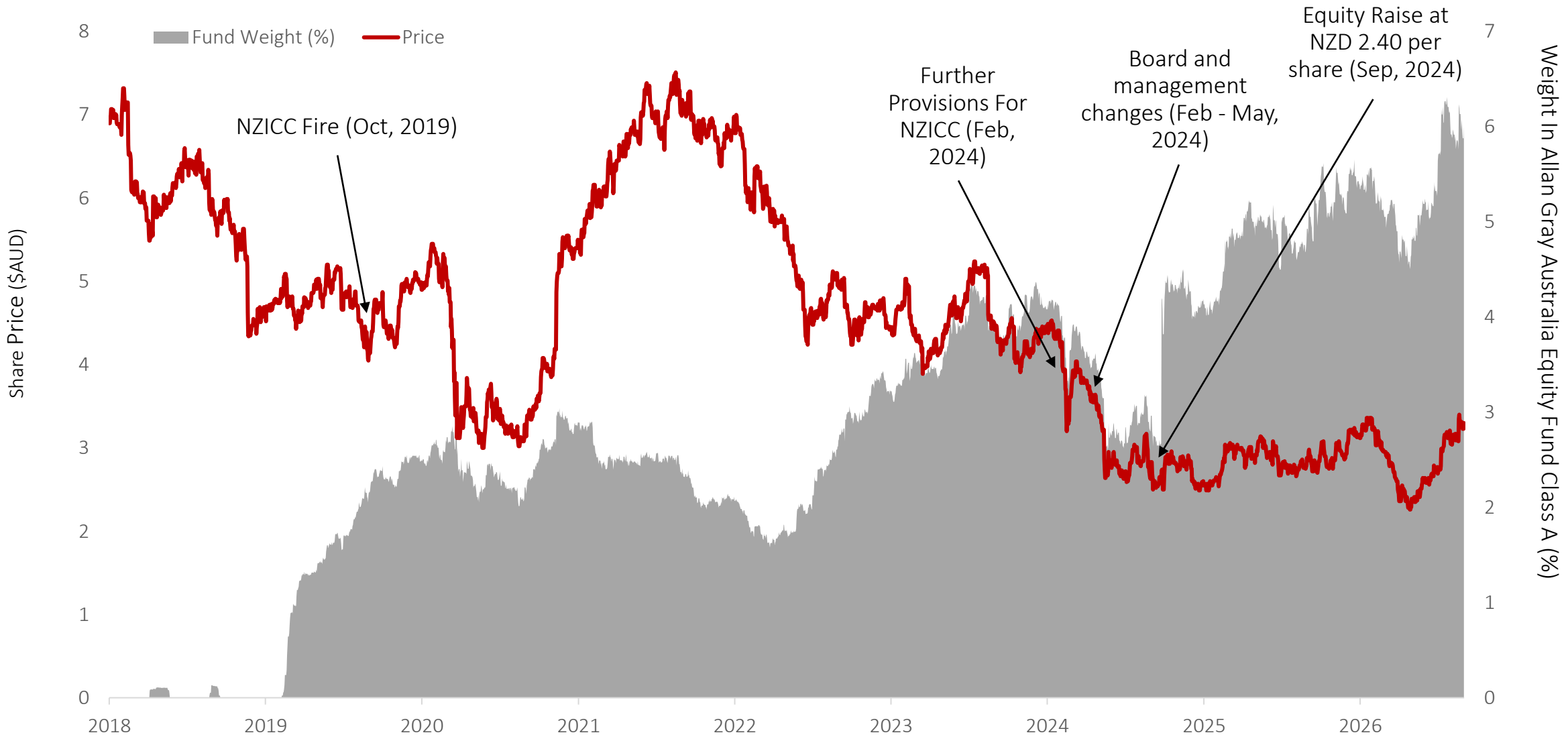
Bad luck

Fire at NZICC when the project was very close to being complete

Issue with leaky pipes in WA

Current cycle much worse than in the past – first time that residential, commercial and infrastructure are all weak simultaneously

Fletcher Building – price vs weight in portfolio



Source: Bloomberg. Data from 1 January 2018 to 31 August 2026.

Fletcher Building – why we own it

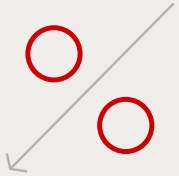
Fundamentals

EV/EBIT of 7.7x based on our estimate of mid-cycle earnings

Strong balance sheet post equity raise and sale of non-core assets

Dominant market positions in most NZ businesses

Decentralised structure has enabled cost-outs and greater focus on the customer



Risks

Uncertain future liabilities from pipe leaks in WA

Legacy construction projects – tail risk from warranties

Sub-optimal cash conversion (recurring restructuring charges)

Commerce Commission intervention

Source: Allan Gray Australia. Data as at 31 August 2026.

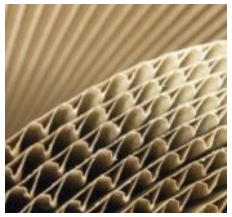
Stock in focus

Orora

ORORA

Source: Orora https://www.ororagroup.com/

Orora – where it began and what it is now



2013
Demerger from Amcor

Disparate portfolio:
Fibre
Cans
Gawler Glass
OPS North America

−

2019
Disposal of Fibre

$1.7b

Unsolicited offer at very attractive multiple
18.9x EV/EBIT

+

2023
Acquisition of Saverglass

$2.2b

Establishes global position in high-end glass manufacturing with exposure to the growing premium segment

−

2024
Disposal of OPS

$1.8b

Sale of non-core business; strengthens balance sheet

=

Orora Today

Cans
Saverglass
Gawler Glass
Focused value-add beverage packaging business

Source: Orora company reports and presentations, https://www.ororagroup.com/, Allan Gray Australia.

Overview of Orora today – a tale of two segments

Orora in FY26

Revenue

$2.2b

EBIT

$248m

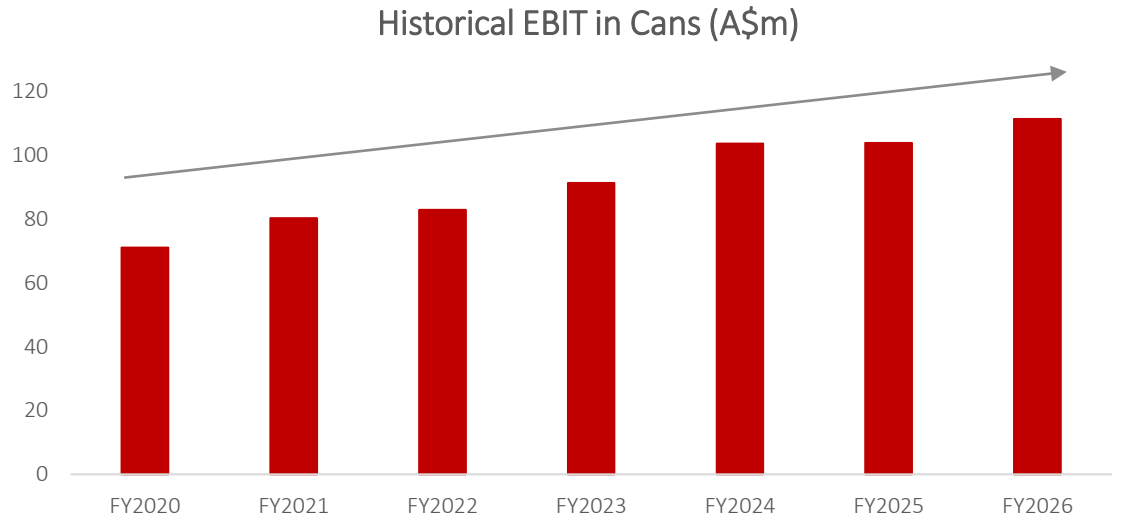
Orora Valuation Benchmarks

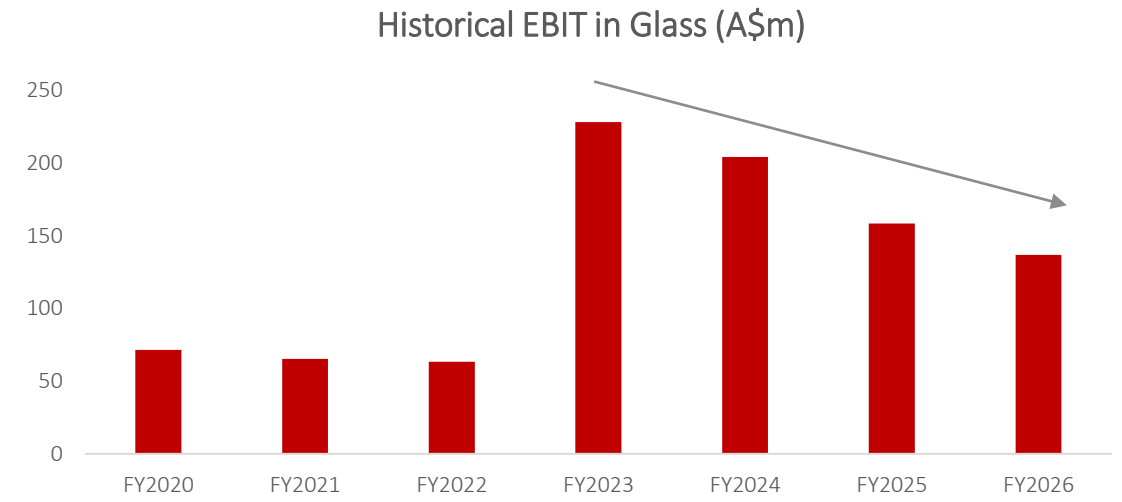
Enterprise Value

$2.3b

Replacement Cost

$3b+





Source: Orora company reports and presentations, Allan Gray Australia.

One huge misstep overshadowing some good decisions

Misstep – acquisition of Saverglass

Highest bidder in competitive process with five other bidders

Bought from a private equity firm – notorious for window dressing

Bought at the top of the earnings cycle

Large exposure to France and Belgium – challenging from a labour law perspective

Good decisions

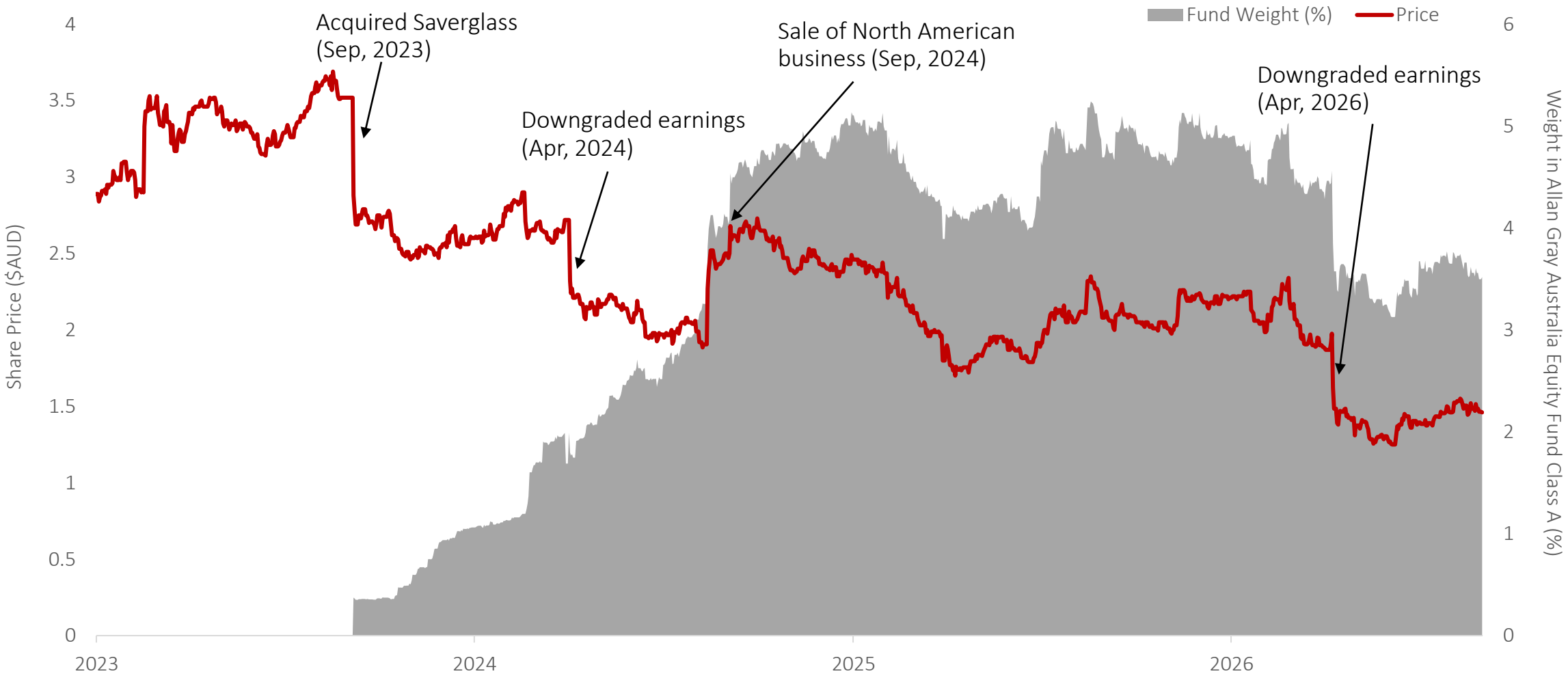
Divested the Fibre business for EV/EBIT of 18.9x

Divested North American business at a 25%-35% premium to our estimate of fair value

Investing in high-return growth projects

Reduced debt significantly and have been buying back shares

Orora – price vs weight in portfolio



Source: Allan Gray Australia. Data from 1 January 2023 to 31 August 2026.

Orora – why we own it

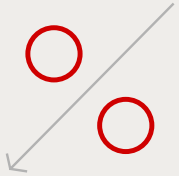
Fundamentals

EV/EBIT of 9.5x our estimate of FY27 earnings, which we think are depressed

Strong balance sheet post divestment of North American business

Dominant market positions

Very strong cash conversion



Risks

Declining alcohol consumption

Surplus glassmaking capacity in Europe

High emissions profile in glassmaking could require costly investments for abatement

Summary – Contrarian Investing

01

You can't do the same as everyone else and expect a better-than-average result.

02

Enduring human bias creates opportunities for contrarian investors.

03

Requires restraint, patience and commitment in your convictions.

04

It's not easy to be different, but the rewards can be great.

ALLANGRAY

Q&A