

**Fund description and summary of investment policy<sup>1</sup>**

The Fund is a feeder fund and invests only in the Orbis SICAV Global Balanced Fund ('Orbis Global Balanced'), managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. Orbis Global Balanced invests in a diversified global portfolio of equities, fixed income, and commodity-linked instruments. The typical net equity exposure of Orbis Global Balanced is between 40% and 75%. Orbis Global Balanced aims to balance investment returns and risk of loss. Returns are likely to be less volatile than those of a global equity-only fund. Although Orbis Global Balanced's investment universe is global, the units of the Fund are priced and traded daily in rands.

**ASISA unit trust category:** Global – Multi Asset – High Equity

**Fund objective and benchmark<sup>1</sup>**

The Fund aims to create long-term wealth for investors and to outperform its designated combined equity and bond performance benchmark, which comprises 60% the MSCI World Index with net dividends reinvested and 40% the J.P. Morgan Global Government Bond Index.

**How we aim to achieve the Fund's objective**

The Fund invests only in Orbis Global Balanced. Orbis Global Balanced is actively managed and invests in a diversified global portfolio of equities, fixed income, and commodity-linked instruments. Orbis Global Balanced targets an exposure of 40% to 90% of net asset value ('NAV') in equities, 10% to 50% in fixed income and 0% to 10% in commodity-linked instruments. The overall exposure to equities after hedging is intended to be limited to 75% of NAV. The weighting among the asset classes is driven by Orbis' bottom-up approach in selecting securities across asset classes and therefore may deviate substantially compared to the benchmark.

Like Allan Gray, Orbis uses in-house research to identify companies whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables them 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. A similar approach is applied in selecting fixed income instruments, which may consist of cash, cash equivalents, government bonds and investment-grade and high-yield corporate bonds and, at times, distressed corporate bonds. They are selected with the aim of increasing the overall risk-adjusted return.

When Orbis' research suggests that stock or bond markets are overvalued, Orbis may reduce exposure to those asset classes or hedge market risk using exchange-traded derivatives. Hedged equities may also be used as an alternative to holding fixed-income instruments and reduce overall portfolio risks. Commodity-linked instruments are included if Orbis' research identifies certain commodities as being more attractive on a risk-adjusted basis than overall equity or fixed-income opportunities. Currency exposure is actively managed to control exposure to currencies less likely to hold their long-term value in US dollars.

**Suitable for those investors who**

- Seek to balance investment returns and risk of loss, by investing in a diversified global multi-asset class portfolio
- Wish to invest in international assets without having to personally expatriate rands
- Are comfortable that the investment approach is likely to result in volatility and potential capital loss, but typically less volatility than that of a global equity-only fund
- Typically have an investment horizon of at least three to five years

Note: The availability of the Fund is subject to offshore capacity constraints. Please contact our Client Service Centre for further information about any constraints that may apply.

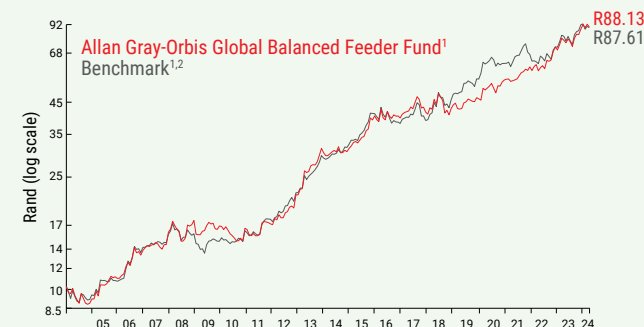
Minimum disclosure document and quarterly general investors' report **Issued:** 9 July 2024

**Fund information on 30 June 2024**

Fund size	R17.7bn
Number of units	236 866 818
Price (net asset value per unit)	R74.55
Class	A

**Performance net of all fees and expenses**

Value of R10 invested at inception with all distributions reinvested



1. The Fund was converted from a fund of funds structure to a feeder fund structure and its name and benchmark were amended on 1 June 2021. For more information, please read ['Ballot underway for Allan Gray-Orbis Global Fund of Funds'](#), available via the Latest insights section of our website.
2. 60% of the MSCI World Index with net dividends reinvested and 40% of the J.P. Morgan Global Government Bond Index (source: Bloomberg), performance as calculated by Allan Gray as at 30 June 2024. From inception to 31 May 2021, the benchmark was 60% of the FTSE World Index including income and 40% of the J.P. Morgan Global Government Bond Index.
3. This data reflects the latest available inflation numbers for South Africa and the United States of America, as published by IRESS as of 31 May 2024.
4. Maximum percentage decline over any period. The maximum rand drawdown occurred from 23 October 2008 to 14 October 2010 and maximum benchmark drawdown occurred from 23 October 2008 to 30 June 2009. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
5. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
6. 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.
7. 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 December 2013 and the benchmark's occurred during the 12 months ended 31 December 2013. The Fund's lowest annual return occurred during the 12 months ended 31 October 2010 and the benchmark's occurred during the 12 months ended 30 June 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

% Returns	Fund <sup>1</sup>		Benchmark <sup>1,2</sup>		CPI inflation <sup>3</sup>	
	ZAR	US\$	ZAR	US\$	ZAR	US\$
<b>Cumulative:</b>						
Since inception (3 February 2004)	781.3	240.1	776.1	238.1	195.6	68.1
<b>Annualised:</b>						
Since inception (3 February 2004)	11.3	6.2	11.2	6.2	5.5	2.6
Latest 10 years	11.0	5.2	11.2	5.3	5.0	2.8
Latest 5 years	14.7	9.1	11.5	5.9	5.0	4.2
Latest 3 years	16.2	7.0	10.0	1.3	6.0	5.3
Latest 2 years	20.1	14.1	16.2	10.4	5.7	3.7
Latest 1 year	11.7	15.5	7.4	11.1	5.2	3.3
Year-to-date (not annualised)	6.2	7.9	3.3	5.0	2.3	1.7
<b>Risk measures (since inception)</b>						
Maximum drawdown <sup>4</sup>	-24.0	-37.0	-25.1	-37.5	n/a	n/a
Percentage positive months <sup>5</sup>	58.4	60.4	58.0	63.3	n/a	n/a
Annualised monthly volatility <sup>6</sup>	13.4	11.7	12.8	10.4	n/a	n/a
Highest annual return <sup>7</sup>	55.6	43.8	38.8	37.6	n/a	n/a
Lowest annual return <sup>7</sup>	-13.7	-27.3	-17.0	-31.7	n/a	n/a

**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 has provided returns in excess of CPI inflation for all three periods. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than similar funds in the Global – Multi Asset – High Equity sector.

**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 annually.	<b>31 Dec 2023</b>
<b>Cents per unit</b>	<b>1.0560</b>

**Annual management fee**

Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis.

Orbis charges an annual management fee within the underlying Orbis SICAV Global Balanced Fund. The fee rate is calculated based on the Orbis fund’s performance relative to its benchmark. For more information please refer to the Orbis SICAV Global Balanced Fund factsheet and prospectus, which can be found at [www.orbis.com](http://www.orbis.com).

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

The annual management fee charged by Orbis 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.

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2024	1yr %	3yr %
<b>Total expense ratio</b>	<b>2.40</b>	<b>2.05</b>
Fee for benchmark performance	1.10	1.25
Performance fees	1.24	0.74
Other costs excluding transaction costs	0.06	0.06
VAT	0.00	0.00
<b>Transaction costs (including VAT)</b>	<b>0.07</b>	<b>0.08</b>
<b>Total investment charge</b>	<b>2.47</b>	<b>2.13</b>

**Top 10 holdings on 30 June 2024**

Company	% of portfolio
SPDR Gold Trust	6.1
Samsung Electronics	4.5
Kinder Morgan	3.4
Taiwan Semiconductor Mfg.	3.4
Mitsubishi Heavy Industries	2.7
US TIPS 5 - 7 Years	2.6
Nintendo	2.4
Shell	2.1
Burford Capital	2.1
US TIPS 3 - 5 Years	1.9
<b>Total (%)</b>	<b>31.2</b>

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

**Asset allocation on 30 June 2024<sup>9</sup>**

**This fund invests solely into the Orbis SICAV Global Balanced Fund**

	Total	United States	UK	Europe ex-UK <sup>8</sup>	Japan	Other <sup>8</sup>	Emerging markets
Net equities	58.3	8.2	11.6	8.4	8.2	5.9	16.0
Hedged equities	18.3	10.4	1.1	4.1	0.5	1.0	1.2
Property	0.4	0.0	0.0	0.0	0.4	0.0	0.0
Commodity-linked	6.1	6.1	0.0	0.0	0.0	0.0	0.0
Bonds	15.1	10.7	0.2	1.4	0.0	0.0	2.8
Money market and cash	1.7	1.0	0.1	0.4	0.0	0.1	0.1
<b>Total (%)</b>	<b>100.0</b>	<b>36.4</b>	<b>13.0</b>	<b>14.4</b>	<b>9.2</b>	<b>6.9</b>	<b>20.1</b>
Currency exposure	100.0	21.8	12.1	25.4	17.1	11.4	12.2
Benchmark	100.0	63.5	4.6	17.2	9.8	4.9	0.0

8. Refers to developed markets only.

9. Changes to asset allocation tables for the Allan Gray-Orbis funds

We have made minor changes to the asset allocation tables for the Allan Gray-Orbis funds to align our tables with those of our offshore partner, Orbis, and the geographic categories disclosed by the funds’ benchmarks. The changes, outlined below, aim to enhance clarity and transparency.

- Previously, the 'North America' category predominantly included US and Canadian securities. We renamed this category to 'United States', and reclassified Canadian securities under 'Other'.
- We separated Europe and the UK into distinct categories. We moved securities from emerging European countries from 'Europe' to 'Emerging markets'.
- We eliminated the 'Asia ex-Japan' category. We reclassified the securities that fell under this category as either 'Emerging markets' (e.g. companies in South Korea) or 'Other' (e.g. companies in Singapore).

There's no business like show business – and that business is now changing. The old cash cow studios of broadcast and cable television are running dry, supplanted by streaming video, which has proven to be far less lucrative. It is unclear how or when the industry will reach its new equilibrium, and this uncertainty has roiled the share prices of companies across the broader sector. In our view, any route to recovery for the studios will require an old partner – the cinema owners. Far more interesting to us than the studios are the exhibitors, and here, we are confident that our investment in Cinemark Holdings can recover and persist through this media upheaval.

That is not a universal view. Many continue to doubt the viability of theatrical exhibition, viewing it as another legacy business that will crumble before the rising tide of streaming platforms. But cinemas recently went through an uncommonly comprehensive test – the COVID-19 pandemic, which proved that movie theatres play an indispensable role in making money from movies. When the pandemic shut down theatres worldwide, studios used the opportunity to experiment with alternative ways of distributing films. Most cut down the theatrical exclusivity window – the period where films can only be seen in cinemas. Some eliminated theatrical exclusivity altogether.

These tests produced undesirable outcomes. Filmmakers and actors revolted, displeased by lower pay, as their compensation usually involves a cut of the box office. Christopher Nolan was so repulsed by Warner Brothers' approach that he left to do Oppenheimer with Universal instead. Movies, especially those published immediately on streaming platforms, were pirated at elevated rates. Most importantly, viewership analytics showed there is no conflict between theatrical exclusivity and popularity on streaming services. In fact, the most-watched streaming movies are almost uniformly theatrical exclusives first. The data shows that theatres make movies more popular and profitable. Forfeiting box office revenues does not produce worthwhile value in digital distribution, and it introduces a range of needless complications.

The major studios seemed to have learnt from the experiment. They are restoring their theatrical film output and committing to theatrical exclusivity to bolster earnings and retain talent. During COVID-19, Disney made the money-losing decision to divert Pixar films to early streaming debuts. This month, it released Inside Out 2 with a 100-day exclusive theatrical window and achieved a record animation box office debut. Even Apple and Amazon came to acknowledge the benefits of a theatrical release strategy. Both companies have promised to spend US\$1bn per year on theatrical exclusive movies, or roughly 10 films a year.

As the studios have returned to theatres, North American box office revenues have increased by double-digit percentages annually since 2020, but gaps in the schedule and the Hollywood strikes have limited the number of films reaching theatres. We expect the industry to reach pre-COVID-19 levels of theatrical output in the next year or so. Given the tight relationship between box office revenue and the number of films sent to theatres, that bodes well for exhibitors. If the historical relationship holds, 2025 should see the North American box office comfortably exceed US\$10bn on an ongoing basis.

We believe no company is better poised to benefit from the anticipated box office recovery than Cinemark, the third-largest theatre chain in the United States and a leading chain throughout Latin America. Unlike many of its peers that prioritised debt-fuelled expansion, Cinemark's management team carefully guarded its balance sheet. Its approach to expansion was cautious; the company built most of its network in suburban locations that have less burdensome property rents. It entered COVID-19 with the lowest debt ratios and average property rents of the three national American exhibitors. As theatrical exhibition leaves the pandemic behind, Cinemark has managed to avoid bankruptcy without resorting to dilutive share issuances. It is fully caught up on its deferred rents to theatre landlords. Moreover, Cinemark continued to invest in the upkeep and upgrade of its theatres, investing over US\$80m every year. Many of its peers are not in the same position, having gone bankrupt or cut reinvestment to the bone, and will still be contending with the pandemic's aftermath years after Hollywood has reverted to normalcy.

Cinemark's choices allowed it to achieve exceptional operating metrics, even with an impaired box office. Some quarters in the last two years did have full release schedules, and those periods provide a tantalising glimpse into Cinemark's potential. In 2023, Cinemark achieved its highest third quarter revenue ever, due to its steadily growing concessions business – popcorn and drinks are the greatest profit contributors in theatrical exhibition. Cinemark invested heavily in premium amenities and better food and drink offerings through COVID-19, which allowed it to effectively capitalise on pent-up demand from consumers. The success of this strategy is right there in the numbers. Cinemark generated US\$295m in free cash flow in 2023 – comparable to pre-COVID-19 levels.

The next few years should see the consummation of Cinemark's business model. If the box office meets our expectations, we believe Cinemark can achieve record profitability. Furthermore, Cinemark should soon restore its dividend, as the recovery brings debt ratios down to the company's targeted window. Lastly, much of that debt will soon be gone. If Cinemark returns to its pre-COVID-19 capital structure, we believe the shares are worth some 50% more than their current price.

Movie theatres have survived over a century of disruptions including radio, television, broadcast, VHS, home rentals, cable, DVD and internet piracy. We believe the pandemic and streaming will join this litany of challenges overcome by theatrical exhibitors, and we believe Cinemark will lead the charge in this recovery story.

We increased the Fund's exposure to US Treasury Inflation Protected Securities (TIPS) as we believe the exposure offers low-risk, real yield and inflation protection at an attractive price. In addition, we trimmed the Fund's position in Micron Technology into relative share price strength to reallocate the capital to opportunities where we believed the discount to intrinsic value was wider.

Adapted from a commentary contributed by Jeffrey Miyamoto, Orbis Investment Management Limited, Bermuda

## Fund manager quarterly commentary as at 30 June 2024

© 2024 Allan Gray Proprietary Limited. All rights reserved. The content and information may not be reproduced or distributed without the prior written consent of Allan Gray Proprietary Limited ("Allan Gray"). Allan Gray is an authorised financial services provider.

## Information and content

The information in and content of this publication are provided by Allan Gray as general information about the company and its products and services. Allan Gray does not guarantee the suitability or potential value of any information or particular investment source. The information provided is not intended to, nor does it constitute financial, tax, legal, investment or other advice. Before making any decision or taking any action regarding your finances, you should consult a qualified financial adviser. Nothing contained in this publication constitutes a solicitation, recommendation, endorsement or offer by Allan Gray; it is merely an invitation to do business. Allan Gray has taken and will continue to take care that all information provided, in so far as this is under its control, is true and correct. However, Allan Gray shall not be responsible for and therefore disclaims any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance on any information provided.

## 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).

## Feeder fund

A feeder fund is a unit trust that invests in another single unit trust, which charges its own fees. Allan Gray does not charge any additional fees in its feeder funds.

## FTSE Russell Index

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2024. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®", "Russell®", "FTSE Russell®", is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

## MSCI Index

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

## Bloomberg Index Services Limited

Bloomberg® and the indices referenced herein (the "Indices", and each such index, an "Index") are service marks of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg") and/or one or more third-party providers (each such provider, a "Third-Party Provider,") and have been licensed for use for certain purposes to Allan Gray Proprietary Limited (the "Licensee"). To the extent a Third-Party Provider contributes intellectual property in connection with the Index, such third-party products, company names and logos are trademarks or service marks, and remain the property, of such Third-Party Provider. Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, shall have any liability or responsibility for injury or damages arising in connection therewith.

## J.P. Morgan Index

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2024, J.P. Morgan Chase & Co. All rights reserved.

## Important information for investors

### Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website [www.allangray.co.za](http://www.allangray.co.za) or via our Client Service Centre on **0860 000 654**