Fund managers: Allan Gray, Coronation, Nedgroup Investments, Ninety One
Inception date: 18 January 2019

Allan Gray Multi-Manager Cautious Portfolio

31 July 2024

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 and is only available to members of the Allan Gray Umbrella Pension Fund and the Allan Gray Umbrella Provident Fund (collectively known as the Allan Gray Umbrella Retirement Fund).

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).

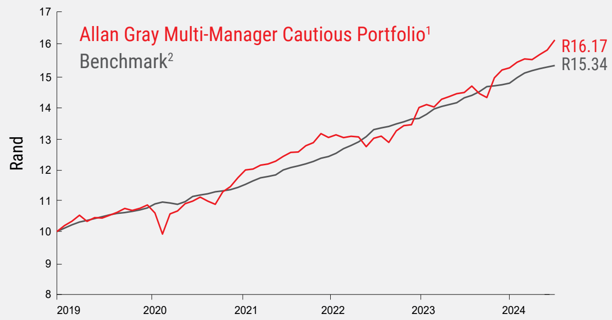
Underlying portfolio allocation on 31 July 2024

Portfolio	% of Portfolio
Allan Gray Stable Portfolio	29.3
Coronation Inflation Plus Portfolio	24.5
Ninety One Cautious Managed Portfolio	24.6
Nedgroup Investments Core Guarded Fund	19.5
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. The calculation methodology was amended in March 2024.
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)	61.7	53.4
Annualised:		
Since inception (18 January 2019)	9.1	8.0
Latest 5 years	9.1	7.9
Latest 3 years	9.2	8.6
Latest 2 years	11.5	7.5
Latest 1 year	11.7	7.2
Year-to-date (not annualised)	6.4	4.2
Risk measures (since inception)		
Maximum drawdown[3]	-15.1	-0.7
Percentage positive months[4]	75.8	97.0
Annualised monthly volatility[5]	6.1	1.3

Quarterly commentary as at 30 June 2024

The Portfolio has returned 8.8% net of fees since inception, outperforming its benchmark which returned 8.1%. It has outperformed its benchmark over short- and long-term periods, in line with its objective of seeking above-inflation returns over the long term and capital preservation over any two-year period.

Apart from position changes, the top 10 share holdings stayed the same over the quarter. Relative to the previous quarter, there were significant changes across the money market and bank deposits and bonds asset class categories, with the local component of the former decreasing by approximately 2% and the latter increasing by about 3%. This can be partly explained by the fact that some of the underlying investment managers believe that local bonds are still attractive. As an example, Ninety One increased their exposure to local bonds despite yields moving lower during the quarter, as they state that the yields remain attractive relative to their inflation targets. The following commentaries from two of the underlying investment managers provide detail on their current portfolio positioning and performance.

Commentary contributed by Tonderai Makeke

Top 10 share holdings on 30 June 2024 (updated quarterly)

Company	% of Portfolio
Naspers & Prosus	1.4
British American Tobacco	1.3
FirstRand	1.0
AB InBev	0.8
Standard Bank	0.8
Nedbank	0.6
AngloGold Ashanti	0.6
Richemont	0.5
Woolworths	0.5
Gold Fields	0.5
Total (%)	**7.9**

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

Asset allocation on 31 July 2024

Asset Class	Total	South Africa	Foreign
Net equities	33.2	16.1	17.1
Hedged equities	6.7	3.1	3.6
Property	1.6	1.1	0.6
Commodity-linked	1.7	1.5	0.2
Bonds	36.8	29.9	6.9
Money market, bank deposits and currency hedge	20.0	20.1	-0.2
Total (%)	**100.0**	**71.8**	**28.2**

Total expense ratio (TER) and transaction costs

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024[8]	1yr %	3yr %
Total expense ratio[6]	**0.87**	**0.80**
Fee for benchmark performance	0.64	0.63
Performance fees	0.16	0.10
Other costs excluding transaction costs	0.07	0.07
Transaction costs[7]	**0.04**	**0.04**
Total investment charge	**0.91**	**0.84**

6. 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.
7. 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.
8. This estimate is based on information provided by the underlying managers.

Coronation Inflation Plus Portfolio

Performance for the quarter was again very good with both asset allocation and instrument selection contributing to the total return. Importantly, the longer-term performance is still comfortably ahead of its inflation target.

SA assets look cheap, but we remain selective. Our focus will continue to be on the longer-term outlook for these assets rather than positioning ourselves for short-term opportunities. A positive election outcome does not automatically and immediately result in a significant improvement in our country's growth profile. We have a reasonable allocation to SA government and inflation-linked bonds, mostly in the belly of the curve, where we think the real risk-adjusted returns are the most attractive.

Exposure to SA government bonds is supplemented by allocations to SA corporate credit, where the yields to maturity are healthy. The income-generating portion of our Portfolio's domestic allocation is complemented by SA growth assets (mainly equities). Our domestic equity allocation comprises global businesses that are listed on the JSE, very specific commodity shares and robust domestic businesses that have reasonable growth prospects and that can supplement their growth with good dividend yields. The recent trading updates by the banks are instructive. While the banks all trade at multiples which are at a discount to their long-term history, FirstRand and Nedbank (both held in the Portfolio) delivered better-than-expected earnings, while Absa (not held) came in with sub-par results. This confirms that, ultimately, the underlying fundamentals continue to matter more than broad-brush investing in 'cheap' domestic assets.

In summary, the Portfolio continues to hold almost 40% in equities and approximately 45% in bonds. Cash exposure remains low at approximately 10%. Finally, the Strategy has very small allocations to listed property and physical commodities.

In conclusion, the economic outlook for South Africa has improved and the new government has an opportunity to raise business and consumer confidence levels off an extremely low base if they follow sound long-term policies and appoint competent individuals in areas where it is needed. While we are hopeful for this scenario, we remain cautious in assuming quick success. Outside of South Africa, we think macro risks are easing, but major political and geopolitical risks remain and could create disorder. Our focus continues to be on building our portfolios from the bottom up to deliver robust inflation-beating returns in a diverse range of scenarios.

Nedgroup Investments Core Guarded Fund

During the second quarter, a notable shift was observed in the US economy, as indicated by the decline in the US Citigroup Economic Surprise Index from 40 to -30. At the onset of 2024, market sentiment had anticipated more than six rate cuts by the US Federal Reserve. Concurrently, the US dollar was trading at its weakest level since July 2023, and equity markets were experiencing a significant upswing. This optimistic outlook seemed inconsistent with the ongoing strength of the US economy and the substantial likelihood of a challenging disinflationary process.

The Fund's performance analysis for June reveals a strong monthly return of 1.98% and a quarterly return of 3.1%. The Fund's performance was notably enhanced by South African equities and bonds, which experienced substantial growth, with the FTSE/JSE Capped Shareholder Weighted All Share Index rising by 9% and the FTSE/JSE All Bond Index by 8% over the quarter. Despite a notable 5% increase in SA property, the overall contribution to the Fund's performance from property was moderate due to smaller allocations to this asset class. On a global scale, asset classes reported positive, yet modest, returns in US dollar terms. However, these modest international gains were largely offset by the appreciation of the rand, making global assets the most significant negative factor affecting the Fund's performance this quarter.

Commentary from underlying fund managers as at 30 June 2024

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