Allan Gray Life Domestic Absolute Portfolio

31 August 2024

Portfolio objective and benchmark

This Portfolio is designed for institutional investors seeking superior absolute returns (in excess of inflation) over the long term with a higher risk tolerance in the short term than the Balanced Portfolio. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all local asset classes.
- Fully reflects the manager's strong investment convictions and could deviate considerably in both asset allocation and stock selection from the average retirement portfolio.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Compliance with Prudential Investment Guidelines

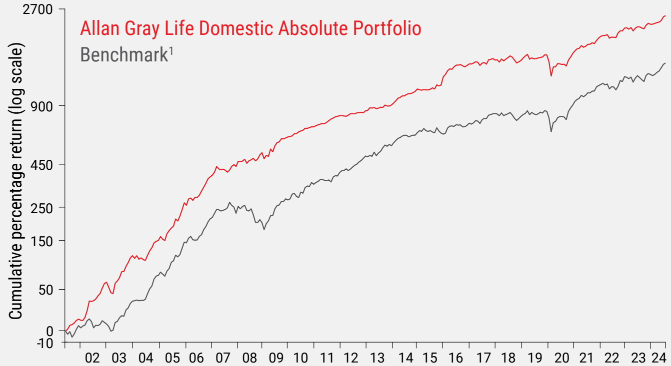
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 31 August 2024

Assets under management	R351m

Performance gross of fees

Cumulative performance since inception



% Returns[2]	Portfolio	Benchmark[1]
Since inception	15.2	12.8
Latest 10 years	8.6	7.8
Latest 5 years	9.4	11.4
Latest 3 years	10.5	10.9
Latest 2 years	12.0	13.3
Latest 1 year	12.4	16.5
Latest 3 months	7.0	8.8

Asset allocation on 31 August 2024

Asset class	Total[3]
Net equities	52.6
Hedged equities	7.8
Property	0.3
Commodity-linked	3.6
Bonds	22.5
Money market and cash	13.2
Total (%)[3]	**100.0**

1. Mean of Alexander Forbes Domestic Large Manager Watch. The return for August 2024 is an estimate.
2. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
3. There may be slight discrepancies in the totals due to rounding.

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

Company	% of portfolio
British American Tobacco	6.4
AB InBev	5.9
Standard Bank	4.9
Woolworths	4.6
Prosus	4.1
MultiChoice	3.7
Glencore	3.5
Nedbank	2.7
Remgro	2.5
Tiger Brands	2.2
Total (%)[3]	**40.5**

Fund manager quarterly commentary as at 30 June 2024

The MSCI World Index continues to trade near all-time highs, mainly driven by large-cap US shares. The S&P 500 was up 4.3% for the quarter. The FTSE/JSE All Share Index was up 8.2% in rands and 12.4% in US dollars.

In our Q1 2024 factsheet commentary, we highlighted that 2024 would be a year of above-average political risk due to the significant number of elections taking place globally. We said, "In the normal course of thinking about investments, we don't pay special attention to politics, but we don't believe this is a normal election cycle. The outcome of some of the elections could drastically change many policies that affect some of our underlying holdings."

We are now halfway through 2024, and although the US election is still to come, we have already witnessed several important elections take place in Taiwan, the European Union, India and South Africa. As we expected, they have moved asset prices and triggered potentially significant sociopolitical change:

- Taiwan elected a pro-independence leader despite pressure from China.
- The incumbent parties in Europe were decimated, especially in Germany and France. The French government called for a snap election, which led to a sell-off of French assets and broader European markets in sympathy.
- In India, Modi's Bharatiya Janata Party lost its majority in parliament, which initially led to a sell-off in the Indian market. However, the market recovered as Modi remained prime minister – albeit with less power.
- In South Africa, the African National Congress lost its majority, which has led to the formation of a government of national unity.

While it is still very early days in South Africa, we seem to have avoided, or at least reduced the probability of, the left-tail risk scenario (a sharp move to radical policies) and consequently increased the probability of the right-tail, very positive economic scenario.

In response, South African assets have rallied, with strong price movements in what investors collectively term SA Inc stocks, such as retailers, banks and property REITs. As discussed in previous commentaries, many of these shares had been trading at very depressed levels when measured in US dollars. This was due to South Africa's poor economic fundamentals and exacerbated by investors waiting on the sidelines until the outcome of the election was known. When speaking to various sell-side institutions, we have heard that there was little foreign investor buying during the initial rally. Foreign investors are underweight South African markets in aggregate, so their potential buying could provide another leg up to the rally. Investors have also started taking a less constructive view on Mexico and Brazil, given some of their proposed political and economic changes. Any proceeds from reducing their positions in these markets may be switched into South African assets.

Of course, South Africa still faces significant social and economic headwinds, and it will be a herculean task to overcome them successfully, no matter who is running the country. The underlying fundamentals will have to improve to support the increase in asset prices if we are to avoid a repeat of the years post the Ramaphoria rally of 2018, which saw South African equities perform poorly.

These global and local geopolitical trends provide both risks and opportunities. We remind our clients that we have deliberately constructed a diversified portfolio for a wide range of outcomes. The Portfolio has exposure to locally listed shares that are international businesses, attractively valued local businesses, high-yielding cash and bonds as well as precious metals. We believe running a successful asset allocation portfolio requires a holistic view that allows us to balance the opportunities and risks derived from our positioning.

During the quarter, the Portfolio increased its exposure to Standard Bank and Sasol and reduced its positions in Sibanye-Stillwater and MultiChoice.

Commentary contributed by Duncan Artus

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Past performance is not indicative of future performance.

FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index

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MSCI Index

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Allan Gray Life Domestic Balanced Portfolio

31 August 2024

Portfolio objective and benchmark

This Portfolio is for institutional investors with an average risk tolerance. It aims to offer long-term returns superior to the benchmark, but at lower risk of capital loss. In terms of Allan Gray's risk-profiled range, this Portfolio has a higher risk of capital loss than the Stable Portfolio, but less than the Absolute Portfolio. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all local asset classes.
- Represents Allan Gray's 'houseview' for a domestic balanced mandate.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Compliance with Prudential Investment Guidelines

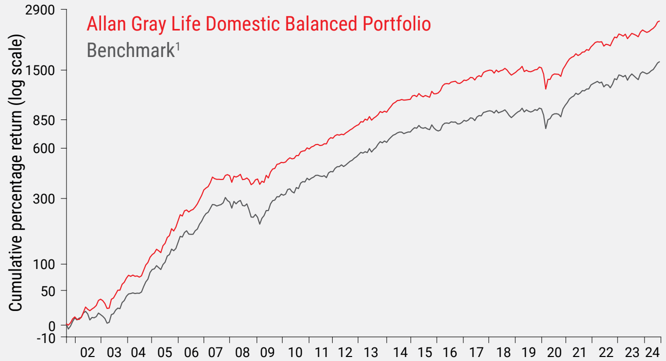
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 31 August 2024

Assets under management	R10 300m

Performance gross of fees

Cumulative performance since inception



% Returns[2]	Portfolio	Benchmark[1]
Since inception	15.1	12.9
Latest 10 years	8.7	7.8
Latest 5 years	11.4	11.4
Latest 3 years	11.7	10.9
Latest 2 years	13.5	13.3
Latest 1 year	15.3	16.5
Latest 3 months	8.1	8.8

Asset allocation on 31 August 2024

Asset class	Total[3]
Net equities	64.8
Hedged equities	1.0
Property	0.7
Commodity-linked	2.5
Bonds	22.6
Money market and cash	8.3
Total (%)[3]	**100.0**

1. Mean of Alexander Forbes Domestic Large Manager Watch. The return for August 2024 is an estimate.
2. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
3. There may be slight discrepancies in the totals due to rounding.

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

Company	% of portfolio
British American Tobacco	5.5
Naspers & Prosus	5.2
AB InBev	4.7
Standard Bank	3.5
Glencore	3.2
Woolworths	2.9
Mondi	2.8
Nedbank	2.8
FirstRand	2.3
Sasol	1.9
Total (%)[3]	**34.7**

Fund manager quarterly commentary as at 30 June 2024

The MSCI World Index continues to trade near all-time highs, mainly driven by large-cap US shares. The S&P 500 was up 4.3% for the quarter. The FTSE/JSE All Share Index was up 8.2% in rands and 12.4% in US dollars.

In our Q1 2024 factsheet commentary, we highlighted that 2024 would be a year of above-average political risk due to the significant number of elections taking place globally. We said, "In the normal course of thinking about investments, we don't pay special attention to politics, but we don't believe this is a normal election cycle. The outcome of some of the elections could drastically change many policies that affect some of our underlying holdings."

We are now halfway through 2024, and although the US election is still to come, we have already witnessed several important elections take place in Taiwan, the European Union, India and South Africa. As we expected, they have moved asset prices and triggered potentially significant sociopolitical change:

- Taiwan elected a pro-independence leader despite pressure from China.
- The incumbent parties in Europe were decimated, especially in Germany and France. The French government called for a snap election, which led to a sell-off of French assets and broader European markets in sympathy.
- In India, Modi's Bharatiya Janata Party lost its majority in parliament, which initially led to a sell-off in the Indian market. However, the market recovered as Modi remained prime minister – albeit with less power.
- In South Africa, the African National Congress lost its majority, which has led to the formation of a government of national unity.

While it is still very early days in South Africa, we seem to have avoided, or at least reduced the probability of, the left-tail risk scenario (a sharp move to radical policies) and consequently increased the probability of the right-tail, very positive economic scenario.

In response, South African assets have rallied, with strong price movements in what investors collectively term SA Inc stocks, such as retailers, banks and property REITs. As discussed in previous commentaries, many of these shares had been trading at very depressed levels when measured in US dollars. This was due to South Africa's poor economic fundamentals and exacerbated by investors waiting on the sidelines until the outcome of the election was known. When speaking to various sell-side institutions, we have heard that there was little foreign investor buying during the initial rally. Foreign investors are underweight South African markets in aggregate, so their potential buying could provide another leg up to the rally. Investors have also started taking a less constructive view on Mexico and Brazil, given some of their proposed political and economic changes. Any proceeds from reducing their positions in these markets may be switched into South African assets.

Of course, South Africa still faces significant social and economic headwinds, and it will be a herculean task to overcome them successfully, no matter who is running the country. The underlying fundamentals will have to improve to support the increase in asset prices if we are to avoid a repeat of the years post the Ramaphoria rally of 2018, which saw South African equities perform poorly.

These global and local geopolitical trends provide both risks and opportunities. We remind our clients that we have deliberately constructed a diversified portfolio for a wide range of outcomes. The Portfolio has exposure to locally listed shares that are international businesses, attractively valued local businesses, high-yielding cash and bonds as well as precious metals. We believe running a successful asset allocation portfolio requires a holistic view that allows us to balance the opportunities and risks derived from our positioning.

During the quarter, the Portfolio increased its exposure to Standard Bank and Sasol and reduced its positions in Sibanye-Stillwater and MultiChoice.

Commentary contributed by Duncan Artus

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MSCI Index

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Portfolio objective and benchmark

This Portfolio is for institutional investors requiring management of a specific equity portfolio. It aims to offer superior returns to that of the FTSE/JSE Capped Shareholder Weighted All Share Index including dividends, but with a lower risk of capital loss. The benchmark is the FTSE/JSE Capped Shareholder Weighted All Share Index including dividends.

Product profile

- Actively managed pooled portfolio.
- Represents Allan Gray's 'houseview' for a specialist equity-only mandate.
- Portfolio risk is controlled by limiting the exposure to individual counters.

Investment specifics

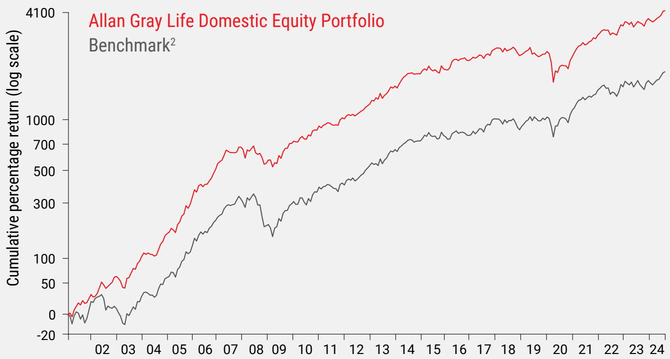
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Portfolio information on 31 August 2024

Assets under management	R3 908m

Performance gross of fees

Cumulative performance since inception[1]



% Returns[3]	Portfolio	Benchmark[2]
Since inception[1]	17.0	13.4
Latest 10 years	7.8	8.6
Latest 5 years	11.8	12.7
Latest 3 years	13.4	10.4
Latest 2 years	15.1	13.9
Latest 1 year	16.0	17.0
Latest 3 months	8.3	9.8

Sector allocation on 30 June 2024 (updated quarterly)

	% of equities[4]	% of benchmark[2]
Financials	27.8	30.4
Basic materials	21.9	22.1
Consumer staples	20.4	12.0
Consumer discretionary	9.9	7.9
Technology	8.1	11.4
Industrials	7.1	4.0
Telecommunications	2.1	4.3
Healthcare	1.1	4.6
Real estate	0.9	2.2
Energy	0.6	1.0
Total (%)[5]	**100.0**	**100.0**

1. Since alignment date (1 February 2001).
2. FTSE/JSE Capped Shareholder Weighted All Share Index. The benchmark prior to 1 October 2020 was the FTSE/JSE All Share Index.
3. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
4. Includes listed property.
5. There may be slight discrepancies in the totals due to rounding.

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

Company	% of portfolio
Naspers & Prosus	7.9
British American Tobacco	7.5
AB InBev	6.9
Standard Bank	5.4
Glencore	4.8
Mondi	4.8
Nedbank	4.1
Woolworths	4.1
FirstRand	3.6
Remgro	2.7
Total (%)[5]	**51.6**

Asset allocation on 31 August 2024

Asset class	Total[5]
Net equities	97.4
Hedged equities	-
Property	1.0
Commodity-linked	0.7
Bonds	-
Money market and cash	0.9
Total (%)[5]	**100.0**

Issued: 10 September 2024

Fund manager quarterly commentary as at 30 June 2024

Global markets continued to defy macroeconomic warning signs in 2024, with the S&P 500 up 15% year to date, following a 26% run in 2023, and finishing the quarter close to an all-time high. Returns were driven by a few large stocks: just under one-third of the S&P 500's 2024 performance was contributed by Nvidia alone and two-thirds contributed by the magnificent seven stocks. Artificial intelligence mania and a renewed belief in sustainably lower US inflation and interest rates (without necessitating a recession) drove the optimism.

We remain cautious of the consensus view: In the US, financial conditions are easier today than when the Federal Reserve first started raising interest rates in March 2022. Unemployment remains very low, contributing to still-strong growth in wages. There are also spending drivers that we believe could contribute to structurally higher developed market inflation going forward: the fragmentation of supply chains as countries prioritise security of supply over the cost of production, increased defence spending – given heightened geopolitical tensions – and the mandate to transition away from old-world energy to renewables. There are already smoke signals that a return to 2% US inflation may not be as smooth as hoped, given that US services inflation continues to run greater than 5%. As such, we subscribe to the view of higher developed market inflation for longer. Provided central banks stick to their nerve, this will necessitate higher interest rates for longer. Despite the heightened risk this poses to company earnings, the S&P 500 equity risk premium (the additional return the stock market provides above the risk-free rate) is at a 20-year low. Put differently, investors are not being sufficiently compensated to assume the risks discussed above.

Closer to home, South Africa concluded national government elections in late May, with a historic fall in support for the ruling African National Congress. While local assets initially reacted negatively to the uncertainty this posed, the market subsequently cheered at the announcement of a government of national unity (GNU) anchored by the centrist parties. The broader FTSE/JSE All Share Index returned 8% for the quarter, led by outperformance from stocks facing the local economy: banks rallied 20%, insurers 18%, retailers 13% and healthcare stocks 12%. By the end of the quarter, the rand also strengthened 4% versus the US dollar from its post-election trough in early June.

As a nation, we should be proud that the incumbent government has thus far transitioned power peacefully, in line with the will of the people. The GNU outcome also removes some of the extreme left-tail negative risk that hovered over South African assets prior to the election and increases the chance of a right-tail positive scenario for the country. However, we are wary of local stock prices running ahead of their fundamentals on hope alone. There are many ideological differences that the GNU needs to work through, and coalition experience at local government level shows outcomes are rarely smooth. South Africa faces significant economic headwinds that need to reverse course for local companies to grow their earnings in real terms (which they have struggled to do over the last decade). Some of these headwinds are out of our control, even with the best-intentioned political dispensation (e.g. our dependence on the Chinese economy).

2024 is a year of heightened risk, where stock returns under different scenarios could be bifurcated. As such, we have positioned the Portfolio to limit downside risk rather than swinging for the fences by taking strong positions at extremes. The Portfolio is tilted towards favouring companies that have real pricing power, relatively defensive demand and a healthy proportion of fixed-rate debt (British American Tobacco and AB InBev are good examples here). In addition, we prefer companies with self-help levers to improve their economics rather than being fully reliant on a stronger local economy. Woolworths and Remgro are relevant examples in this category.

During the quarter, the Portfolio added to its positions in AB InBev and Standard Bank and reduced its holdings in MultiChoice and Sibanye-Stillwater.

Commentary contributed by Jithen Pillay

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Allan Gray Life Stable Medical Scheme Portfolio

Inception date: 19 April 2004

31 August 2024

Portfolio objective and benchmark

This Portfolio is specifically for Medical Schemes. It aims to offer superior returns to money market investments with limited capital volatility whilst striving for capital preservation over any two-year period. In terms of Allan Gray's risk-profiled range, this portfolio has less risk of capital loss than the Balanced Portfolio. The Portfolio is managed to comply with the limits of Annexure B to Regulation 30 of the Medical Schemes Act, 1998. The benchmark is the Alexander Forbes 3-month Deposit Index plus 2% or CPI plus 3%.

Product profile

- Conservatively managed pooled portfolio.
- Investments selected from all asset classes as permitted by Regulation 30.
- We attempt to limit the risk of capital loss by holding shares with limited downside or attractive dividend yields and/or hedging stock market exposure.
- Modified duration of the fixed interest component will be conservative.

Investment specifics

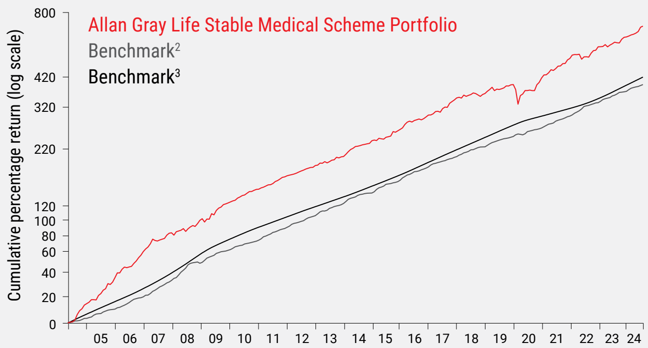
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to medical schemes.
- Minimum investment: R20m.
- Performance based fee/Fixed fee.

Portfolio information on 31 August 2024

Assets under management	R3 273m

Performance gross of fees

Cumulative performance since inception[1]



% Returns[4]	Portfolio	Benchmark[2]	Benchmark[3]
Since inception[1]	10.8	8.6	8.9
Latest 10 years	8.8	8.0	8.3
Latest 5 years	9.2	8.0	7.7
Latest 3 years	9.8	8.7	8.4
Latest 2 years	11.4	7.8	9.7
Latest 1 year	12.0	7.8	10.3
Latest 3 months	5.1	1.7	2.5

Asset allocation on 31 August 2024

Asset class	Total[6]	South Africa	Foreign[5]
Net equities	21.0	21.0	-
Hedged equities	6.1	6.1	-
Property	0.8	0.8	-
Commodity-linked	1.7	1.7	-
Bonds	47.5	35.6	11.9
Money market and cash	22.9	21.2	1.7
Total (%)[6]	**100.0**	**86.4**	**13.6**

1. Since alignment date (1 May 2004).
2. CPI plus 3% p.a. The return for August 2024 is an estimate.
3. Alexander Forbes 3-month Deposit Index plus 2% p.a.
4. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
5. The Africa ex-SA and foreign ex-Africa exposures have been consolidated.
6. There may be slight discrepancies in the totals due to rounding.

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

Company	% of portfolio
British American Tobacco	2.9
AB InBev	2.4
AngloGold Ashanti	1.9
Standard Bank	1.7
Woolworths	1.5
Sappi	1.4
Sasol	1.4
Nedbank	1.3
Gold Fields	1.1
MultiChoice	1.0
Total (%)[6]	**16.6**

Tel 0860 000 654 or +27 (0)21 415 2301 **Email** institutional@allangray.co.za **www.allangray.co.za**

Fund manager quarterly commentary as at 30 June 2024

In a welcome change from the recent past, returns from local risk assets took centre stage during the quarter. This came as the uncertainty around the outcome of the national elections began to clear and a more centrist coalition government than some had initially feared emerged. The FTSE/JSE All Bond Index returned 7.5% for the quarter as yield differentials to both the US and emerging market peers (i.e. risk premiums) narrowed. The beleaguered rand strengthened more than 3% to the US dollar, and the FTSE/JSE Financials Index, which is made up mostly of banks and insurers predominantly exposed to the domestic economy, added 17.8% compared to a still-healthy 8.2% for the FTSE/JSE Capped Shareholder Weighted All Share Index as a whole.

While the political developments were well-received by markets, there remains cause to temper some of the enthusiasm shown to date. If the formation of a government proved difficult, setting of policy priorities and ongoing decision-making may prove harder still. Opposing ideologies between (and, in some cases, within) the various political parties add complexity – not to mention the destabilising impact parties who are not part of the coalition could have, should they exert their influence. Indeed, this has been the undoing of numerous coalition agreements at a municipal level in the past.

Politics aside, the structural factors that contribute to our low-growth environment, including failing state-owned enterprises, weak law enforcement, skills shortages and expanding fiscal deficits, remain. It was these factors which ultimately undid the initial bout of Ramaphoria in 2018. Fast-forward to 2024, and these aspects are now partly baked into the valuations at which local assets trade. Therefore, any improvements in this regard, off a lower base, may contribute to improved investment outcomes.

The Portfolio's return for the quarter was 2.4%. Although the Portfolio benefited from its holdings in South African government and other local bonds and domestically focused businesses, its offshore bonds (when measured in rands) together with certain "rand hedge" shares detracted. Over the last year, the Portfolio has returned 10.0%.

It is worth reiterating the Portfolio's dual objective of providing long-term returns ahead of cash and offering a high degree of capital stability. Current high cash rates do present a steep performance hurdle to overcome. It is important that the appropriate balance is struck between the risk and return required in meeting and surpassing this hurdle, especially in an environment of uncertainty both locally and offshore.

This quarter, we added to the Portfolio's existing positions in Sasol, AB InBev and Woolworths, and we trimmed our exposure to MultiChoice and Sibanye-Stillwater.

Commentary contributed by Sean Munsie

1. Alexander Forbes 3-month Deposit Index plus 2% p.a.

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Allan Gray Life Domestic Stable Portfolio

31 August 2024

Inception date: 14 November 2001

Portfolio objective and benchmark

This Portfolio is for risk-averse institutional investors. It aims to offer superior returns to money market investments with limited capital volatility whilst striving for capital preservation over any two-year period. In terms of Allan Gray's risk-profiled range, this portfolio has less risk of capital loss than the Balanced Portfolio. The benchmark is the Alexander Forbes 3-month Deposit Index plus 2% or CPI plus 3%.

Product profile

- Conservatively managed pooled portfolio.
- Investments selected from all local asset classes.
- We attempt to limit the risk of capital loss by holding shares with limited downside or attractive dividend yields and/or hedging stock market exposure.
- Modified duration of the fixed interest component will be conservative.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee or fixed fee.

Compliance with Prudential Investment Guidelines

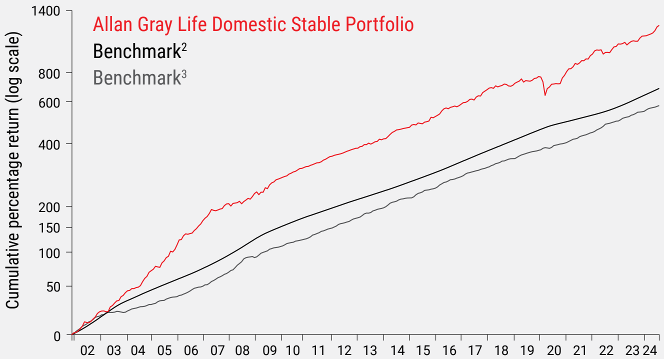
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 31 August 2024

Assets under management	R1 547m

Performance gross of fees

Cumulative performance since inception[1]



% Returns[4]	Portfolio	Benchmark[2]	Benchmark[3]
Since inception[1]	11.9	9.4	8.7
Latest 10 years	9.0	8.3	8.0
Latest 5 years	9.7	7.7	8.0
Latest 3 years	10.2	8.4	8.7
Latest 2 years	11.8	9.7	7.8
Latest 1 year	13.6	10.3	7.8
Latest 3 months	6.5	2.5	1.7

Asset allocation on 31 August 2024

Asset class	Total[5]
Net equities	21.3
Hedged equities	6.2
Property	0.8
Commodity-linked	1.7
Bonds	52.0
Money market and cash	18.0
Total (%)[5]	**100.0**

1. Since alignment date (1 December 2001).
2. Alexander Forbes 3-month Deposit Index plus 2% p.a.
3. CPI plus 3% p.a. The return for August 2024 is an estimate.
4. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
5. There may be slight discrepancies in the totals due to rounding.

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

Company	% of portfolio
British American Tobacco	2.9
AB InBev	2.4
AngloGold Ashanti	2.0
Standard Bank	1.7
Woolworths	1.5
Sappi	1.5
Sasol	1.4
Nedbank	1.3
MultiChoice	1.0
Gold Fields	1.0
Total (%)[5]	**16.6**

Issued: 10 September 2024

Fund manager quarterly commentary as at 30 June 2024

In a welcome change from the recent past, returns from local risk assets took centre stage during the quarter. This came as the uncertainty around the outcome of the national elections began to clear and a more centrist coalition government than some had initially feared emerged. The FTSE/JSE All Bond Index returned 7.5% for the quarter as yield differentials to both the US and emerging market peers (i.e. risk premiums) narrowed. The beleaguered rand strengthened more than 3% to the US dollar, and the FTSE/JSE Financials Index, which is made up mostly of banks and insurers predominantly exposed to the domestic economy, added 17.8% compared to a still-healthy 8.2% for the FTSE/JSE Capped Shareholder Weighted All Share Index as a whole.

While the political developments were well-received by markets, there remains cause to temper some of the enthusiasm shown to date. If the formation of a government proved difficult, setting of policy priorities and ongoing decision-making may prove harder still. Opposing ideologies between (and, in some cases, within) the various political parties add complexity – not to mention the destabilising impact parties who are not part of the coalition could have, should they exert their influence. Indeed, this has been the undoing of numerous coalition agreements at a municipal level in the past.

Politics aside, the structural factors that contribute to our low-growth environment, including failing state-owned enterprises, weak law enforcement, skills shortages and expanding fiscal deficits, remain. It was these factors which ultimately undid the initial bout of Ramaphoria in 2018. Fast-forward to 2024, and these aspects are now partly baked into the valuations at which our local assets trade. Therefore, any improvements in this regard, off a lower base, may contribute to improved investment outcomes.

The Portfolio's return for the quarter was 3.5%. Although the Portfolio benefited from its holdings in South African government and other local bonds and domestically focused businesses, its exposure to certain "rand hedge" shares detracted from performance. Over the last year, the Portfolio has returned 10.7%.

It is worth reiterating the Portfolio's dual objective of providing long-term returns ahead of cash and offering a high degree of capital stability. Current high cash rates do present a steep performance hurdle to overcome. It is important that the appropriate balance is struck between the risk and return required in meeting and surpassing this hurdle, especially in an environment of uncertainty both locally and offshore.

This quarter, we added to the Portfolio's existing positions in Sasol, AB InBev and Woolworths, and we trimmed our exposure to MultiChoice and Sibanye-Stillwater.

Commentary contributed by Sean Munsie

1. Alexander Forbes 3-month Deposit Index plus 2% p.a.

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ALLANGRAY

Allan Gray Life-Orbis Global Balanced (RRF) Feeder Portfolio

Inception date: 1 August 2015

31 August 2024

Portfolio objective and benchmark

The Portfolio aims to balance capital appreciation, income generation and risk of loss in a diversified global multi asset class portfolio. The benchmark is a composite consisting of 60% of the MSCI World Index (net dividends reinvested) and 40% of the J.P. Morgan Global Government Bond Index.

Product profile

- This is a feeder portfolio, investing in the Orbis SICAV Global Balanced Fund which is actively managed by Orbis.

Investment specifics

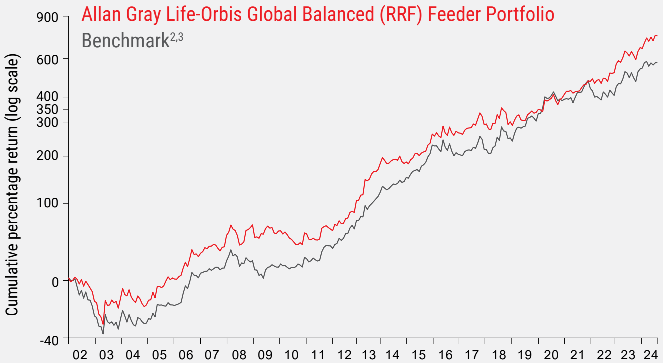
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Base Refundable Reserve Fee is levied in the underlying Orbis SICAV Global Balanced Fund.

MSCI data

*The blended returns are calculated by Orbis Investment Management Ltd using end-of-day index level values licensed from MSCI ("MSCI Data"). For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "AS IS" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilising any MSCI Data, models, analytics or other materials or information.

Performance net of fees[1]

Cumulative performance since inception



% Returns[1,4]	Portfolio		Benchmark[2,3]	
	ZAR	US$	ZAR	US$
Since inception	9.8	7.8	8.7	6.7
Latest 10 years	11.5	5.9	11.1	5.6
Latest 5 years	14.8	11.2	10.2	6.8
Latest 3 years	17.4	9.6	9.1	1.9
Latest 2 years	20.4	18.0	14.8	12.5
Latest 1 year	14.5	22.1	9.2	16.5
Latest 3 months	1.1	7.1	0.2	6.2

Asset allocation on 31 August 2024

This portfolio invests solely into the Orbis SICAV Global Balanced Fund

	Total[6]	United States	UK	Europe ex-UK[5]	Japan	Other[5]	Emerging markets
Net equities	57.8	11.1	12.2	8.9	6.2	5.9	13.6
Hedged equities	18.9	10.6	1.2	4.1	0.7	0.9	1.3
Property	0.3	0.0	0.0	0.0	0.3	0.0	0.0
Commodity-linked	6.0	6.0	0.0	0.0	0.0	0.0	0.0
Bonds	15.2	10.8	0.5	1.4	0.0	0.0	2.5
Money market and cash	1.8	0.9	0.1	0.4	0.1	0.2	0.1
Total (%)[6]	**100.0**	**39.3**	**14.0**	**14.9**	**7.3**	**7.1**	**17.5**
Currency exposure	100.0	23.6	13.0	26.1	16.4	11.5	9.4
Benchmark	100.0	62.8	4.7	17.2	10.3	5.0	0.0

Portfolio information on 31 August 2024

Assets under management	R662m

1. The returns prior to 1 August 2015 are those of the Allan Gray Life Foreign Portfolio since its inception on 23 January 2002. This Portfolio invested in a mix of Orbis funds. The Investor Class Fee was levied in the underlying Orbis funds.
2. 60% of the MSCI World Index (net dividends reinvested) and 40% of the J.P. Morgan Global Government Bond Index*.
3. The benchmark prior to 1 August 2015 was that of the Allan Gray Life Foreign Portfolio which is 60% of the MSCI All Country World Index and 40% of the J.P. Morgan Global Government Bond Index.
4. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
5. Refers to developed markets only.
6. There may be slight discrepancies in the totals due to rounding.

Top 10 holdings on 30 June 2024 (updated quarterly)

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
Total (%)[6]	**31.2**

Fund manager quarterly commentary as at 30 June 2024

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.

During the quarter, we increased the Portfolio'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 Portfolio'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

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J.P. Morgan Index

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MSCI Index

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FTSE Russell Index

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Allan Gray Life Global Absolute Portfolio

Inception date: 18 February 2004

31 August 2024

Portfolio objective and benchmark

This Portfolio is designed for institutional investors seeking superior absolute returns (in excess of inflation) over the long term with a higher risk tolerance in the short term than the Balanced Portfolio. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all asset classes.
- Investments may include foreign funds including, but not limited to, those managed by Orbis. Orbis is our global investment management partner which shares the same founder and investment philosophy as Allan Gray.
- Fully reflects the manager's strong investment convictions and could deviate considerably in both asset allocation and stock selection from the average retirement portfolio.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- Performance based fee.
- The Base Refundable Fee Reserve is levied in the underlying Orbis funds.

Compliance with Prudential Investment Guidelines

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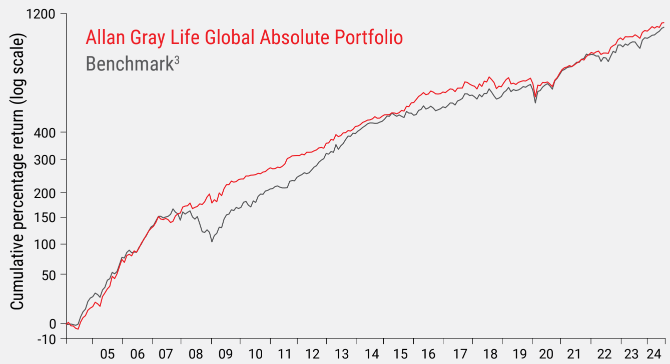
Portfolio information on 31 August 2024

Assets under management	R1 976m

Performance[1]

Cumulative performance since inception[2]



% Returns[4]	Portfolio[1]	Benchmark[3]
Since inception[2]	12.9	12.7
Latest 10 years	8.2	8.2
Latest 5 years	10.4	10.9
Latest 3 years	11.7	10.1
Latest 2 years	13.4	13.5
Latest 1 year	10.6	13.0
Latest 3 months	3.2	4.8

Asset allocation on 31 August 2024[5]

Asset class	Total[7]	South Africa	Foreign
Net equities	60.1	35.9	24.2
Hedged equities	16.1	7.3	8.8
Property	0.8	0.2	0.5
Commodity-linked	4.0	4.0	0.0
Bonds	11.9	7.7	4.3
Money market and cash[6]	7.2	4.0	3.1
Total (%)[7]	**100.0**	**59.0**	**41.0**

1. Performance is gross of Allan Gray fees. Underlying Orbis fund returns are net of fees.
2. Since alignment date (1 March 2004).
3. Mean of Alexander Forbes Global Large Manager Watch. The return for August 2024 is an estimate.
4. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
5. Underlying holdings of foreign funds are included on a look-through basis.
6. Including currency hedges.
7. There may be slight discrepancies in the totals due to rounding.

Top 10 share holdings on 30 June 2024 (SA and Foreign) (updated quarterly)[5]

Company	% of portfolio
AB InBev	4.8
British American Tobacco	4.7
Standard Bank	3.6
Woolworths	3.5
Naspers & Prosus	3.0
MultiChoice	2.7
The Walt Disney Company	2.4
Booking Holdings	2.1
Nedbank	2.1
Glencore	2.1
Total (%)[7]	**31.0**

Issued: 10 September 2024

Tel 0860 000 654 or +27 (0)21 415 2301 **Email** institutional@allangray.co.za **www.allangray.co.za**

Fund manager quarterly commentary as at 30 June 2024

The MSCI World Index continues to trade near all-time highs, mainly driven by large-cap US shares. The S&P 500 was up 4.3% for the quarter. The FTSE/JSE All Share Index was up 8.2% in rands and 12.4% in US dollars.

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- Taiwan elected a pro-independence leader despite pressure from China.
- The incumbent parties in Europe were decimated, especially in Germany and France. The French government called for a snap election, which led to a sell-off of French assets and broader European markets in sympathy.
- In India, Modi's Bharatiya Janata Party lost its majority in parliament, which initially led to a sell-off in the Indian market. However, the market recovered as Modi remained prime minister – albeit with less power.
- In South Africa, the African National Congress lost its majority, which has led to the formation of a government of national unity.

While it is still very early days in South Africa, we seem to have avoided, or at least reduced the probability of, the left-tail risk scenario (a sharp move to radical policies) and consequently increased the probability of the right-tail, very positive economic scenario.

In response, South African assets have rallied, with strong price movements in what investors collectively term SA Inc stocks, such as retailers, banks and property REITs. As discussed in previous commentaries, many of these shares had been trading at very depressed levels when measured in US dollars. This was due to South Africa's poor economic fundamentals and exacerbated by investors waiting on the sidelines until the outcome of the election was known. When speaking to various sell-side institutions, we have heard that there was little foreign investor buying during the initial rally. Foreign investors are underweight South African markets in aggregate, so their potential buying could provide another leg up to the rally. Investors have also started taking a less constructive view on Mexico and Brazil, given some of their proposed political and economic changes. Any proceeds from reducing their positions in these markets may be switched into South African assets.

Of course, South Africa still faces significant social and economic headwinds, and it will be a herculean task to overcome them successfully, no matter who is running the country. The underlying fundamentals will have to improve to support the increase in asset prices if we are to avoid a repeat of the years post the Ramaphoria rally of 2018, which saw South African equities perform poorly.

These global and local geopolitical trends provide both risks and opportunities. We remind our clients that we have deliberately constructed a diversified portfolio for a wide range of outcomes. The Portfolio has exposure to offshore assets, locally listed shares that are international businesses, attractively valued domestic businesses, high-yielding bonds as well as precious metals. We believe running a successful asset allocation portfolio requires a holistic view that allows us to balance the opportunities and risks derived from our positioning.

During the quarter, the Portfolio increased its exposure to Standard Bank and Sasol and reduced its positions in Sibanye-Stillwater and MultiChoice.

Commentary contributed by Duncan Artus

Important information for investors

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Past performance is not indicative of future performance.

FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index

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MSCI Index

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Allan Gray Life Global Balanced Portfolio

31 August 2024

Inception date: 31 August 2000

Portfolio objective and benchmark

This Portfolio is for institutional investors with an average risk tolerance. It aims to offer long-term returns superior to the benchmark, but at lower risk of capital loss. In terms of Allan Gray's risk-profiled range, this Portfolio has a higher risk of capital loss than the Stable Portfolio, but less than the Absolute Portfolio. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all asset classes.
- Investments may include foreign funds including, but not limited to, those managed by Orbis. Orbis is our global investment management partner which shares the same founder and investment philosophy as Allan Gray.
- Represents Allan Gray's 'houseview' for a global balanced mandate.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- Performance based fee.
- The Investor Class Fee is levied on the Orbis funds.

Compliance with Prudential Investment Guidelines

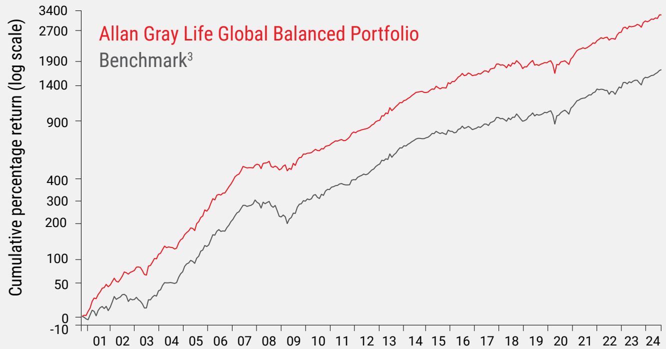
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 31 August 2024

Assets under management	R1 312m

Performance[1]

Cumulative performance since inception[2]



% Returns[4]	Portfolio[1]	Benchmark[3]
Since inception[2]	15.5	12.5
Latest 10 years	9.2	8.2
Latest 5 years	12.0	10.9
Latest 3 years	12.8	10.1
Latest 2 years	14.6	13.5
Latest 1 year	11.6	13.0
Latest 3 months	3.7	4.8

Asset allocation on 31 August 2024[5]

Asset class	Total[7]	South Africa	Foreign
Net equities	64.2	39.2	25.0
Hedged equities	12.4	2.1	10.4
Property	0.9	0.2	0.6
Commodity-linked	2.3	2.3	0.0
Bonds	12.7	9.6	3.0
Money market and cash[6]	7.5	4.6	3.0
Total (%)[7]	**100.0**	**57.9**	**42.1**

1. Performance is gross of Allan Gray fees. Underlying Orbis fund returns are net of fees.
2. Since alignment date (1 September 2000).
3. Mean of Alexander Forbes Global Large Manager Watch. The return for August 2024 is an estimate.
4. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
5. Underlying holdings of foreign funds are included on a look-through basis.
6. Including currency hedges.
7. There may be slight discrepancies in the totals due to rounding.

Top 10 share holdings on 30 June 2024 (SA and Foreign) (updated quarterly)[5]

Company	% of portfolio
British American Tobacco	4.4
AB InBev	3.4
Naspers & Prosus	3.3
Glencore	2.3
Nedbank	2.0
Standard Bank	2.0
Woolworths	1.9
Mondi	1.9
Remgro	1.4
FirstRand	1.4
Total (%)[7]	**24.0**

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MSCI Index

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Allan Gray Life Global Balanced (RRF) Portfolio

31 August 2024

Portfolio objective and benchmark

This Portfolio is for institutional investors with an average risk tolerance. It aims to offer long-term returns superior to the benchmark, but at lower risk of capital loss. In terms of Allan Gray's risk-profiled range, this Portfolio has a higher risk of capital loss than the Stable Portfolio, but less than the Absolute Portfolio. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all asset classes.
- Investments may include foreign funds including, but not limited to, those managed by Orbis. Orbis is our global investment management partner which shares the same founder and investment philosophy as Allan Gray.
- Represents Allan Gray's 'houseview' for a global balanced mandate.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- Performance based fee.
- The Base Refundable Reserve Fee is levied on the Orbis funds.

Compliance with Prudential Investment Guidelines

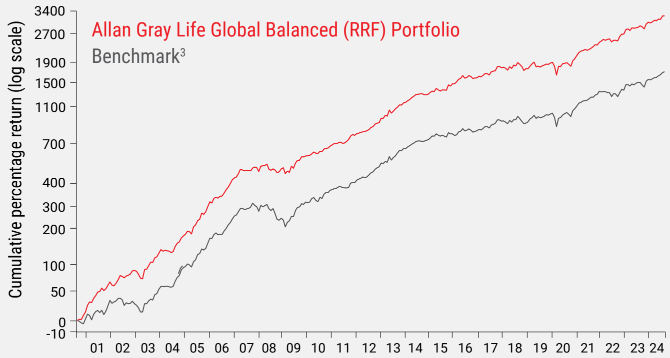
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 31 August 2024

Assets under management	R31 784m

Performance[1,2]

Cumulative performance since inception



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Asset allocation on 31 August 2024[5]

Asset class	Total[7]	South Africa	Foreign
Net equities	64.0	39.0	25.0
Hedged equities	12.3	2.0	10.3
Property	0.9	0.3	0.6
Commodity-linked	2.2	2.2	0.0
Bonds	12.3	9.3	3.0
Money market and cash[6]	8.3	5.2	3.0
Total (%)[7]	**100.0**	**58.0**	**42.0**

1. Performance is gross of Allan Gray fees. Underlying Orbis fund returns are net of fees.
2. The returns prior to 1 August 2015 are those of the Allan Gray Life Global Balanced Portfolio since its inception on 31 August 2000. The Investor Class Fee was levied in the underlying Orbis funds.
3. Mean of Alexander Forbes Global Large Manager Watch. The return for August 2024 is an estimate.
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MSCI Index

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Portfolio objective and benchmark

This Portfolio is for risk-averse institutional investors. It aims to offer superior returns to money market investments with limited capital volatility whilst striving for capital preservation over any two-year period. In terms of Allan Gray's risk-profiled range, this Portfolio has less risk of capital loss than the Balanced Portfolio. The benchmark is the Alexander Forbes 3-month Deposit Index plus 2% or CPI plus 3%.

Product profile

- Conservatively managed pooled portfolio.
- Investments selected from all asset classes.
- Investments may include foreign funds including, but not limited to, those managed by Orbis. Orbis is our global investment management partner which shares the same founder and investment philosophy as Allan Gray.
- We attempt to limit the risk of capital loss by holding shares with limited downside or attractive dividend yields and/or hedging stock market exposure.
- Modified duration of the fixed interest portfolio will be conservative.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- Performance based fee or fixed fee.

Compliance with Prudential Investment Guidelines

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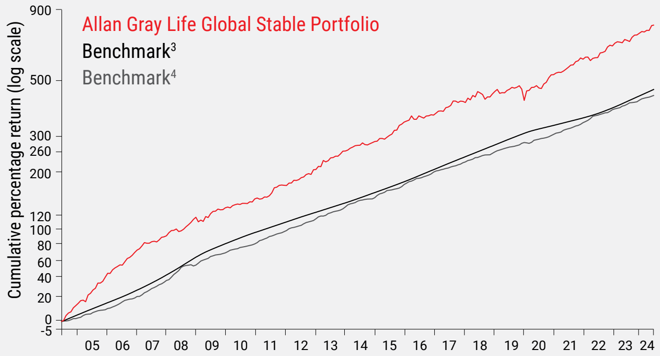
Portfolio information on 31 August 2024

Assets under management	R4 897m

Performance[1]

Cumulative performance since inception[2]



% Returns[5]	Portfolio[1]	Benchmark[3]	Benchmark[4]
Since inception[2]	11.5	8.9	8.6
Latest 10 years	9.3	8.3	8.0
Latest 5 years	10.1	7.7	8.0
Latest 3 years	11.5	8.4	8.7
Latest 2 years	12.8	9.7	7.8
Latest 1 year	11.3	10.3	7.8
Latest 3 months	4.0	2.5	1.7

1. Performance is gross of Allan Gray fees. Underlying Orbis fund returns are net of fees.
2. Since alignment date (1 August 2004).
3. Alexander Forbes 3-month Deposit Index plus 2%.
4. CPI plus 3%. The return for August 2024 is an estimate.
5. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
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7. Including currency hedges.
8. There may be slight discrepancies in the totals due to rounding.

Asset allocation on 31 August 2024[6]

Asset class	Total[8]	South Africa	Foreign
Net equities	25.7	14.2	11.5
Hedged equities	21.9	8.8	13.1
Property	0.9	0.5	0.4
Commodity-linked	2.3	1.6	0.7
Bonds	33.0	26.7	6.3
Money market and cash[7]	16.1	13.4	2.7
Total (%)[8]	**100.0**	**65.3**	**34.7**

Top 10 share holdings on 30 June 2024 (SA and Foreign) (updated quarterly)[6]

Company	% of portfolio
British American Tobacco	2.7
AB InBev	2.2
Woolworths	1.6
Nedbank	1.4
AngloGold Ashanti	1.2
Standard Bank	1.2
Gold Fields	1.2
Remgro	1.0
Glencore	1.0
Sappi	1.0
Total (%)[8]	**14.4**

Fund manager quarterly commentary as at 30 June 2024

In a welcome change from the recent past, returns from local risk assets took centre stage during the last quarter. This came as the uncertainty around the outcome of the national elections began to clear and a more centrist coalition government than some had initially feared emerged. The FTSE/JSE All Bond Index returned 7.5% for the quarter as yield differentials to both the US and emerging market peers (i.e. risk premiums) narrowed. The beleaguered rand strengthened more than 3% to the US dollar, and the FTSE/JSE Financials Index, which is made up mostly of banks and insurers predominantly exposed to the domestic economy, added 17.8% compared to a still-healthy 8.2% for the FTSE/JSE Capped Shareholder Weighted All Share Index as a whole.

While the political developments were well-received by markets, there remains cause to temper some of the enthusiasm shown to date. If the formation of a government proved difficult, setting of policy priorities and ongoing decision-making may prove harder still. Opposing ideologies between (and, in some cases, within) the various political parties add complexity – not to mention the destabilising impact parties who are not part of the coalition could have, should they exert their influence. Indeed, this has been the undoing of numerous coalition agreements at a municipal level in the past.

Politics aside, the structural factors that contribute to our low-growth environment, including failing state-owned enterprises, weak law enforcement, skills shortages and expanding fiscal deficits, remain. It was these factors which ultimately undid the initial bout of Ramaphoria in 2018. Fast-forward to 2024, and these aspects are now partly baked into the valuations at which local assets trade. Therefore, any improvements in this regard, off a lower base, may contribute to improved investment outcomes.

Globally, this is a bumper year for elections. Some of these election outcomes have already influenced investment markets. Examples beyond South Africa include India, Mexico, France, the European Parliament and the UK. US voters are set to head to the polls in November. The US equity market has continued to post new all-time highs during the quarter driven by the mega-cap technology shares, even as the number of counters powering the rally has thinned out further. Market breadth in the US, which now accounts for approximately 62% of global equity market capitalisation, has rarely been narrower. We, and our colleagues at our offshore partner, Orbis, remain concerned over valuation levels in certain parts of the global market and what this may mean for near-term absolute returns if large valuation discrepancies begin to unwind. An allocation to offshore hedged equities seeks to exploit such an occurrence.

The Portfolio's performance over the quarter was underwhelming. While the Portfolio benefited from its holdings in South African government and other local bonds and domestically focused businesses, its offshore assets (when measured in rands) together with certain "rand hedge" shares detracted. Over the last year, the Portfolio has returned 9.0%.

It is worth reiterating the Portfolio's dual objective of providing long-term returns ahead of cash and offering a high degree of capital stability. Current high cash rates do present a steep performance hurdle to overcome. It is important that the appropriate balance is struck between the risk and return required in meeting and surpassing this hurdle, especially in an environment of uncertainty both locally and offshore.

This quarter, we added to the Portfolio's existing positions in Sasol, AB InBev and Woolworths, and we trimmed our exposure to MultiChoice and Sibanye-Stillwater.

Adapted from a commentary contributed by Sean Munsie

1. Alexander Forbes 3-month Deposit Index plus 2% p.a.

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

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ALLAN GRAY

Inception date: 18 May 2004

Allan Gray Life-Orbis Global Equity Portfolio

31 August 2024

Portfolio objective and benchmark

The objective of the Portfolio is to outperform the FTSE World Index at no greater-than-average risk of loss. The benchmark is the FTSE World Index, including income.

Product profile

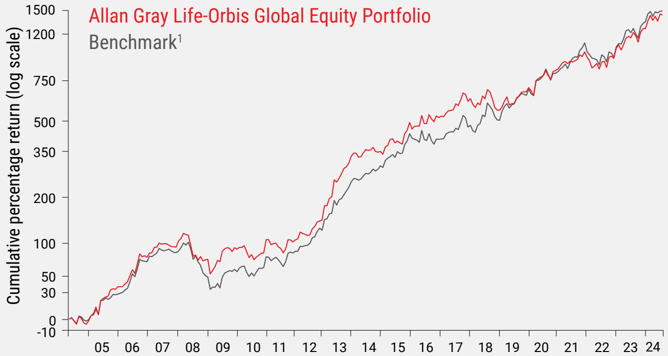
- This is a feeder portfolio, investing in the Orbis Global Equity Fund which is actively managed by Orbis.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Investor Class Fee is levied in the underlying Orbis Global Equity Fund.

Performance net of fees

Cumulative performance since inception



% Returns[2]	Portfolio		Benchmark[1]	
	ZAR	US$	ZAR	US$
Since inception	14.3	9.0	14.5	9.2
Latest 10 years	12.8	7.2	15.5	9.8
Latest 5 years	16.0	12.5	17.0	13.4
Latest 3 years	14.7	7.1	14.7	7.1
Latest 2 years	23.0	20.5	22.7	20.2
Latest 1 year	17.0	24.8	16.9	24.7
Latest 3 months	1.3	7.3	0.8	6.8

Asset allocation on 31 August 2024

This portfolio invests solely into the Orbis Global Equity Fund

	Total[4]	United States	UK	Europe ex-UK[3]	Japan	Other[3]	Emerging markets
Net equities	96.5	51.9	14.7	8.5	3.3	2.6	15.4
Property	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Money market and cash	3.5	2.9	0.0	-0.2	0.0	0.0	0.7
Total (%)[4]	**100.0**	**54.8**	**14.7**	**8.3**	**3.3**	**2.6**	**16.2**
Currency exposure	100.0	48.7	10.3	12.7	13.0	7.6	7.7
Benchmark	100.0	66.7	3.9	12.2	6.4	5.6	5.1

Portfolio information on 31 August 2024

Assets under management	R186m

1. FTSE World Index, including income.
2. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
3. Refers to developed markets only.
4. There may be slight discrepancies in the totals due to rounding.

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

Company	% of portfolio
UnitedHealth Group	5.0
Corpay (was FLEETCOR)	4.8
Interactive Brokers Group	3.9
Alphabet	3.5
Shell	3.1
GXO Logistics	3.1
British American Tobacco	3.1
Global Payments	2.8
BAE Systems	2.6
KB Financial Group	2.6
Total (%)[4]	**34.6**

Fund manager quarterly commentary as at 30 June 2024

Recent market returns have been narrow, propelled by the magnificent seven technology shares in the US – Microsoft, Apple, Alphabet, Nvidia, Amazon, Meta and Tesla. For the most part, we haven't owned them. But in the middle of the Portfolio's top 10 holdings, one of the seven does stick out: Alphabet.

The Portfolio first owned Alphabet (then called Google) in late 2008 and has held it cumulatively for over a decade on and off since. We have also held Microsoft, Apple, Amazon and Meta before. But while several of the seven are now regarded as unassailably successful, sentiment has been less rosy for Alphabet. For us, that is part of the appeal.

The key fear on Alphabet is that Microsoft and its partner Open AI have eaten Google's lunch on artificial intelligence (AI), which will become the key capability for all technology businesses including internet search.

In November 2022, Open AI launched ChatGPT, and in February 2023, Microsoft announced it would incorporate ChatGPT into its Bing search engine. The next day, Google previewed its own AI bot, called Bard, which flopped spectacularly.

That paints a scary picture, but it is easy to overstate Google's challenges.

Most importantly, chat apps do not produce better results for all searches. We see this in the numbers, where both ChatGPT and Bing have lower weekly retention rates than Google Search. While ChatGPT's app and website have raced ahead of other AI competitors, they have added just 20 million daily users over the past year, bringing the total to 50 million. That sounds big, but Google has 800 million daily users on its mobile app and 1.6 billion on its Chrome web browser. Comparing search against search, you have to squint to see Bing's inroads. On mobile, Bing has less than one daily user for every thousand Google users, and on desktop, Bing's share of daily searches is just 4% – up a grand total of 0.4 percentage points from the pre-ChatGPT days.

In its latest earnings report, Google laid some of these demons to rest, materially increasing our conviction in its fundamentals. After embedding AI into its own "search generative experience", Google's search engagement is up (because users are getting better answers), its search profit margins are up (because advertisers are following users), and its cost to serve AI queries is down (by 80% since their initial introduction). We took this as encouraging evidence that Google is not just surviving in an AI world but thriving. The market agreed, sending the shares up roughly 15% since that earnings report.

That does not mean Google can coast. In a few areas, it clearly needs to improve, including in its AI products. The company has already fixed the most glaring problems with Gemini (the new Bard), explaining that the model was improperly calibrated. That may be true, but it is hard to dismiss the idea that Gemini's output has been skewed by the political priorities of Google's outspoken staff.

Still, we believe Google will continue to improve. Proficiency in AI boils down to engineering talent, access to cutting-edge computer chips and large data sets on which to train the AI models. Google has all three.

From a valuation perspective, we look at the math the following way. Alphabet earned US$74bn last year, but that is weighed down by severance expenses and losses in the "other bets" segment focused on nascent opportunities. Excluding those losses, we see the company trading at 22 times trailing core earnings, to say nothing of the US$79bn of net cash on its balance sheet. That valuation is only a hair above the multiple of the broader S&P 500, and in relative terms, it is unusually low for Alphabet. In our view, Alphabet deserves more of the premium it usually has. This is a business with returns on equity and net profit margins of over 20%, both well above the market average, with above-average growth prospects to boot. If the valuation stays where it is and the company can grow at even 10% per annum, growth and free cash flow alone should drive a near-15% per annum, long-term return.

That growth potential is supported by Alphabet's commanding positions in several big businesses. Its core search business is unique, and its YouTube unit is unique in the West. Alongside OpenAI, Alphabet is one of two leaders in AI services; alongside Nvidia, it is one of two in AI accelerator chips; alongside Apple, Android is one of two mobile operating systems; and behind Amazon and Microsoft, Google is one of three hyperscale cloud services operators. Each of these businesses is valuable and has extraordinary potential – but that is often lost as investors focus excessively on threats to the search business.

The company does have its risks, however. AI could prove more disruptive than we expect. Advertising spending is cyclical, so if the US economy slows or crashes, Alphabet won't be immune. But weighing up the risks against the price and the quality of the business, Alphabet looks reasonable to us, and it also brings diversification to the Portfolio, as its share price behaves differently to many of our other holdings.

Alphabet's more magnificently valued brethren would also bring that diversification, but while we appreciate the fundamental quality of the others, we see less to like in their share prices. Microsoft, for example, has similar growth potential and returns on equity to US payments and fuel card business Corpay (formerly Fleetcor), yet trades at double the valuation. To sustain the 15% per annum growth rate markets expect on its US$86bn profit base, Microsoft must add roughly another Coca-Cola worth of profits every year. On its US$100bn profit base, Apple must add the equivalent of a Wells Fargo in profits this year to sustain its growth, and the climb gets harder from there.

Perhaps Microsoft and Apple can achieve those feats. They are great companies. But we would prefer to invest where expectations are lower: in shares like Corpay, US managed care organisations, quality industrial companies, banks in Korea and Europe – or even Alphabet.

Over the quarter, we increased the Portfolio's position in UnitedHealth Group, a US-based diversified healthcare company, into relative share price weakness. We also reinitiated a position in Rolls-Royce Holdings, a UK-based manufacturer of aircraft engines and power systems, as we believed it is likely to benefit from several structural tailwinds. In addition, we exited the Portfolio's position in Intel on reduced conviction.

Adapted from a commentary contributed by Ben Preston, Orbis Portfolio Management (Europe) LLP, London

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MSCI Index

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Allan Gray Life-Orbis Global Equity (RRF) Feeder Portfolio

31 August 2024

Portfolio objective and benchmark

The objective of the Portfolio is to outperform the MSCI World Index at no greater-than-average risk of loss. The benchmark is the MSCI World Index, with net dividends reinvested.

Product profile

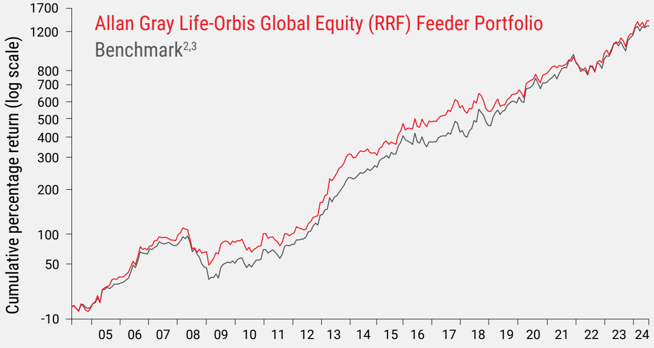
- This is a feeder portfolio, investing in the Orbis Institutional Global Equity Fund which is actively managed by Orbis.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Base Refundable Reserve Fee is levied in the underlying Orbis Institutional Global Equity Fund.

Performance net of fees[1]

Cumulative performance since inception



% Returns[1,4]	Portfolio		Benchmark[2,3]	
	ZAR	US$	ZAR	US$
Since inception	14.7	9.4	14.4	9.1
Latest 10 years	13.5	7.8	15.2	9.5
Latest 5 years	16.6	13.0	16.7	13.1
Latest 3 years	15.4	7.8	14.4	6.9
Latest 2 years	24.4	21.9	22.4	19.9
Latest 1 year	18.1	25.9	16.7	24.4
Latest 3 months	1.3	7.3	0.6	6.6

Asset allocation on 31 August 2024

This portfolio invests solely into the Orbis Institutional Global Equity Fund

	Total[6]	United States	UK	Europe ex-UK[5]	Japan	Other[5]	Emerging markets
Net equities	97.8	52.3	15.0	9.0	3.7	2.5	15.3
Property	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Money market and cash	2.2	2.2	0.0	-0.2	0.0	0.0	0.2
Total (%)[6]	**100.0**	**54.6**	**15.0**	**8.8**	**3.7**	**2.5**	**15.4**
Currency exposure	100.0	48.4	10.5	13.0	13.3	7.7	7.0
Benchmark	100.0	71.6	3.8	12.8	5.8	6.0	0.0

Portfolio information on 31 August 2024

Assets under management	R1 057m

1. The returns prior to 1 April 2015 are those of the Allan Gray Life-Orbis Global Equity Portfolio since its inception on 18 May 2004. The Investor Class Fee was levied in the underlying Orbis Global Equity Fund.
2. The benchmark prior to 1 April 2015 was that of the Allan Gray Life-Orbis Global Equity Portfolio which was the FTSE World Index, including income.
3. MSCI World Index, with net dividends reinvested.
4. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 August 2024.
5. Refers to developed markets only.
6. There may be slight discrepancies in the totals due to rounding.

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

Company	% of portfolio
UnitedHealth Group	4.9
Corpay (was FLEETCOR)	4.8
Interactive Brokers Group	3.9
Alphabet	3.4
Shell	3.1
GXO Logistics	3.0
British American Tobacco	3.0
Global Payments	2.8
BAE Systems	2.7
KB Financial Group	2.6
Total (%)[6]	**34.0**

Fund manager quarterly commentary as at 30 June 2024

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The Portfolio first owned Alphabet (then called Google) in late 2008 and has held it cumulatively for over a decade on and off since. We have also held Microsoft, Apple, Amazon and Meta before. But while several of the seven are now regarded as unassailably successful, sentiment has been less rosy for Alphabet. For us, that is part of the appeal.

The key fear on Alphabet is that Microsoft and its partner Open AI have eaten Google's lunch on artificial intelligence (AI), which will become the key capability for all technology businesses including internet search.

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MSCI Index

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