ALLANGRAY

Inception date: 6 July 2001

Allan Gray Life Domestic Absolute Portfolio

31 January 2025

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

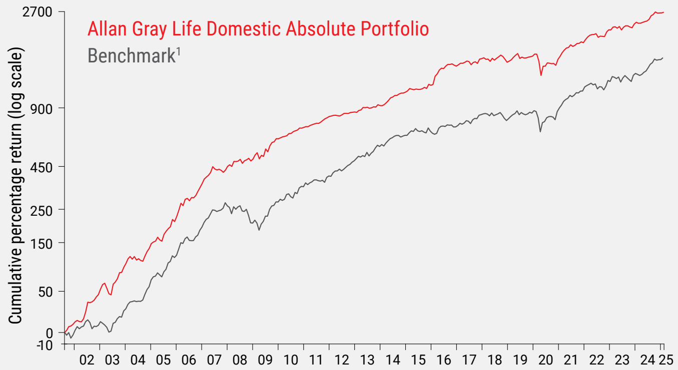
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will 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 January 2025

Assets under management	R360m

Performance gross of fees

Cumulative performance since inception



% Returns[2]	Portfolio	Benchmark[1]
Since inception	15.1	12.8
Latest 10 years	8.2	8.1
Latest 5 years	9.0	11.8
Latest 3 years	8.9	10.1
Latest 2 years	8.0	10.3
Latest 1 year	12.1	18.9
Latest 3 months	0.9	2.9

Asset allocation on 31 January 2025

Asset class	Total[3]
Net equities	49.0
Hedged equities	6.9
Property	0.3
Commodity-linked	4.0
Bonds	27.7
Money market and cash	12.0
Total (%)[3]	**100.0**

1. Mean of Alexander Forbes Domestic Large Manager Watch. The return for January 2025 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 January 2025.
3. There may be slight discrepancies in the totals due to rounding.

Top 10 share holdings on 31 December 2024 (updated quarterly)

Company	% of portfolio
AB InBev	5.8
British American Tobacco	5.1
Woolworths	4.7
Standard Bank	4.7
Prosus	4.5
Nedbank	2.7
Tiger Brands	2.5
Remgro	2.5
MultiChoice	2.4
Glencore	1.8
Total (%)[3]	**36.7**

Issued: 11 February 2025

Fund manager quarterly commentary as at 31 December 2024

The Portfolio had a decent 2024 in absolute terms, but a poor one relative to the benchmark. The Portfolio returned 10.2%, well ahead of inflation of 2.9%, but behind the benchmark[1] return of 15.0%.

Overall, South Africa was a good place to invest in 2024. The FTSE/JSE All Share Index (ALSI) generated a return of 13.4%, while the FTSE/JSE All Bond Index returned 17.2%.

Those figures look less impressive on a global basis, with the MSCI World Index generating a return of 18.7% in US dollars and 20.6% in rands. Once again, the strong performance of global markets was overwhelmingly driven by US stocks, with the S&P 500 up 24.5% in US dollars and 28.5% in rands[2].

This relative "underperformance" of the JSE masks how incredibly strong some individual names on the local bourse have been, in particular domestically focused stocks:

- The clothing retailers have seen substantial gains. Including dividends, Truworths returned 48%, Pepkor 51%, The Foschini Group 57%, and Mr Price an eye-popping 95%.
- The banks all saw double-digit returns, with the star performers being Nedbank (up 41%) and Capitec (up 58%).
- Other financial services also saw strong gains, with Momentum up 45%, Discovery up 38% and OUTsurance up 64%.
- Food producers AVI and Tiger Brands saw gains of 46% and 51%, respectively, while recently listed Premier was up over 100%.
- Even the beleaguered food retailers had a good year, with Spar up 24% and Pick n Pay up 55%. The latter was buoyed by the listing of subsidiary Boxer Retail in the final quarter.

It is the relative underperformance of many of the multinationals listed on the JSE, and the major mining companies, that has dragged down the market's overall performance.

With the benefit of hindsight, one might now say that it is clear that coming into 2024, with loadshedding still present and election uncertainty looming, sentiment on SA-focused stocks was overly negative, and any positive surprise would see a resurgence in sentiment and share prices.

With the formation of the government of national unity (GNU) and loadshedding now seemingly in the rearview mirror, that is what has transpired, but was it obvious at the start of 2024?

In our March 2024 commentary, we highlighted that 2024 had above-average political risk: In addition to the South African national elections, a record percentage of the world's population headed to the polls. We cautioned that given the heightened uncertainty, we had not bet the portfolio on one or two scenarios prevailing. Rather, we had deliberately constructed a diversified portfolio for a wide range of outcomes.

Indeed, we have seen many changes in governments across the world and many surprises. Not least in South Africa, where the market has reacted extremely positively towards the election outcome and the formation of the GNU.

In this environment, we have underperformed. We have owned, and continue to own, several domestically-focused companies as noted above, that added value to our portfolio. However, given our views going into 2024 we were cautious, and did not own enough of these companies, or arguably, sold some too soon. In addition, we have also been overweight a number of the underperforming multinationals.

It is not unusual for us to underperform a rising market. As valuation-driven investors, we anchor to our estimate of fair value, preferring to own undervalued and out-of-favour stocks, selling appreciating stocks as soon as they exceed our estimate of fair value. This often means we will sell a share well before it peaks.

Market sentiment is like a pendulum – it tends to swing from bouts of excessive pessimism to excessive optimism, with the long-term real value somewhere in the middle. At the start of 2024, for many domestic businesses, it did appear that the market was being overly pessimistic, and so we owned a number of these shares. However, as we end 2024 and begin 2025, it seems to us that sentiment is beginning to price excessive optimism into the forward-looking expectations for many domestic counters, and so we continue to reduce our exposure.

South Africa continues to be plagued by many structural challenges, not least of which is widespread municipal failure, chronic underinvestment in infrastructure and pervasive unemployment. The GNU has yet to be properly tested with the difficult decisions and inevitable trade-offs that lie ahead. Our public debt continues to grow, currently debt-to-GDP sits at approximately 75%, and we continue to run a deficit, with debt service costs alone forecast to exceed 20% of government revenue in 2025. In a country with a population north of 62 million, less than 1.9 million people contribute more than 75% of personal income tax.

We are not overly negative about the long-term prospects for South Africa, but we are highlighting that domestic investments are not without risks. For many local investments, we now question whether these risks are being adequately discounted in the prices one pays.

During the quarter, we sold MultiChoice and British American Tobacco and added to our position in AB InBev.

Commentary contributed by Rory Kutisker-Jacobson

1. Mean of Alexander Forbes Domestic Large Manager Watch. The return for December 2024 is an estimate.
2. Source: S&P Dow Jones Indices

Important information for investors

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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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Inception date: 1 September 2001

Allan Gray Life Domestic Balanced Portfolio

31 January 2025

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

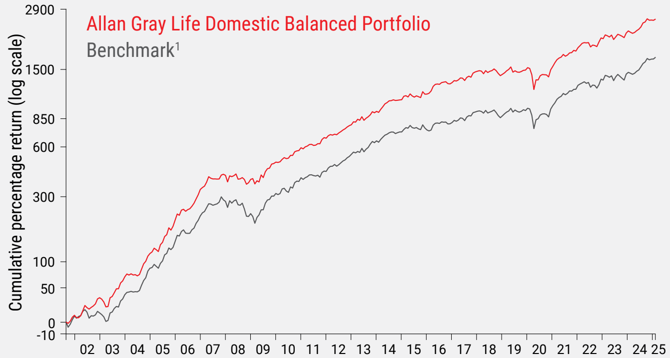
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will 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 January 2025

Assets under management	R9 680m

Performance gross of fees

Cumulative performance since inception



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

% Returns[2]	Portfolio	Benchmark[1]
Since inception	15.0	12.9
Latest 10 years	8.7	8.1
Latest 5 years	11.2	11.8
Latest 3 years	10.0	10.1
Latest 2 years	8.9	10.3
Latest 1 year	15.2	18.9
Latest 3 months	1.3	2.9

Asset allocation on 31 January 2025

Asset class	Total[3]
Net equities	64.6
Hedged equities	1.5
Property	0.6
Commodity-linked	3.0
Bonds	21.8
Money market and cash	8.4
Total (%)[3]	**100.0**

Top 10 share holdings on 31 December 2024
(updated quarterly)

Company	% of portfolio
Naspers & Prosus	6.1
British American Tobacco	5.7
AB InBev	5.1
Standard Bank	3.1
Woolworths	2.8
Nedbank	2.6
FirstRand	2.2
Mondi	2.2
Glencore	2.2
Remgro	1.9
Total (%)[3]	**34.0**

Fund manager quarterly commentary as at 31 December 2024

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Overall, South Africa was a good place to invest in 2024. The FTSE/JSE All Share Index (ALSI) generated a return of 13.4%, while the FTSE/JSE All Bond Index returned 17.2%.

Those figures look less impressive on a global basis, with the MSCI World Index generating a return of 18.7% in US dollars and 20.6% in rands. Once again, the strong performance of global markets was overwhelmingly driven by US stocks, with the S&P 500 up 24.5% in US dollars and 28.5% in rands[2].

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- The banks all saw double-digit returns, with the star performers being Nedbank (up 41%) and Capitec (up 58%).
- Other financial services also saw strong gains, with Momentum up 45%, Discovery up 38% and OUTsurance up 64%.
- Food producers AVI and Tiger Brands saw gains of 46% and 51%, respectively, while recently listed Premier was up over 100%.
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Commentary contributed by Rory Kutisker-Jacobson

1. Mean of Alexander Forbes Domestic Large Manager Watch. The return for December 2024 is an estimate.
2. Source: S&P Dow Jones Indices

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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

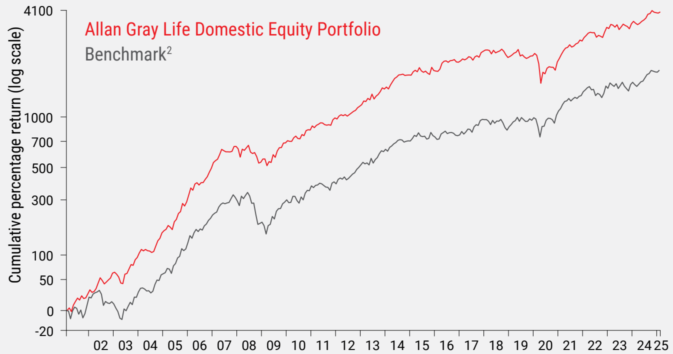
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Portfolio information on 31 January 2025

Assets under management	R4 186m

Performance gross of fees

Cumulative performance since inception[1]



% Returns[3]	Portfolio	Benchmark[2]
Since inception[1]	16.7	13.3
Latest 10 years	7.7	8.9
Latest 5 years	11.4	13.0
Latest 3 years	10.3	8.6
Latest 2 years	8.1	8.3
Latest 1 year	15.1	19.7
Latest 3 months	0.4	1.3

Sector allocation on 31 December 2024 (updated quarterly)

	% of equities[4]	% of benchmark[2]
Financials	26.2	31.9
Consumer staples	22.3	12.6
Basic materials	19.5	18.7
Consumer discretionary	9.9	8.7
Technology	9.7	12.2
Industrials	6.0	3.7
Energy	2.2	0.9
Telecommunications	1.8	4.3
Healthcare	1.5	1.8
Real estate	0.9	5.3
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 January 2025.
4. Includes listed property.
5. There may be slight discrepancies in the totals due to rounding.

Top 10 share holdings on 31 December 2024 (updated quarterly)

Company	% of portfolio
Naspers & Prosus	9.5
British American Tobacco	7.7
AB InBev	7.4
Standard Bank	4.9
Mondi	4.1
Woolworths	4.0
Nedbank	4.0
FirstRand	3.7
Glencore	3.5
Remgro	2.8
Total (%)[5]	**51.7**

Asset allocation on 31 January 2025

Asset class	Total[5]
Net equities	97.2
Hedged equities	-
Property	0.8
Commodity-linked	0.7
Bonds	-
Money market and cash	1.3
Total (%)[5]	**100.0**

Issued: 11 February 2025

Fund manager quarterly commentary as at 31 December 2024

World equity markets finished 2024 close to all-time highs. The MSCI World Index finished up 19%, driven by a strong US equity market that saw the S&P 500 and the Nasdaq up 25% and 26%, respectively. Locally, the FTSE/JSE All Share Index finished the year up 13% in rands and 10% in US dollars.

The Portfolio returned 10.8% for the 2024 calendar year, lagging the benchmark by 2.6%. This is mainly attributable to some of our large local shares, such as AB InBev, underperforming the SA Inc shares which rallied strongly post the national elections and the formation of the government of national unity (GNU). This is particularly true for economically sensitive shares such as clothing retailers, which performed exceptionally. Similarly, financial shares benefited from failing yields on South African government bonds and returned more than 20%[1] for the year.

The SA Inc share prices are discounting a better future, but the recent earnings results were generally still reflective of the poor economy, structural problems and a tough trading environment. It is also probably fair to say that the GNU's "unity" has yet to be truly tested. It has been a great period for holders of these domestic assets, and the rand marginally weakened against a strong dollar as well, but the fundamentals will still have to start coming through to justify some of the price moves. From what we can gather, it is interesting that much of the buying was by local fund managers rotating out of dual-listed multinationals into SA Inc shares. This means there could still be a further leg-up in the rally if foreign investors return to buy SA equities in size. Given the large price moves, we have been trimming some positions into price strength, where appropriate.

It was, however, somewhat pleasing to see the market recognise the value of some of the assets in two of our smaller holdings with the successful listing of Pick n Pay's subsidiary Boxer Retail and a bid by a private equity firm for Super Group's listed Australia fleet management business, SG Fleet. If successful, it will allow Super Group to pay out a significant portion of its market cap back to shareholders.

One of the trends we are monitoring closely for potential opportunities for the Portfolio is the continued disappointing economic data emanating out of China. Many Chinese-related shares (Richemont, BHP, etc.) have been relatively weak despite several announcements made by the Chinese government to boost confidence and the economy. Transitioning from investment-led growth to growth led by consumption is proving to be difficult.

We would not be surprised to see some kind of consolidation in markets after the large price moves in the indices, but there are many shares that have not participated in the up move, which we can hopefully take advantage of in the Portfolio.

During the quarter, the Portfolio purchased AB InBev and Aspen Pharmacare and sold British American Tobacco and OUTsurance.

Commentary contributed by Duncan Artus

1. FTSE/JSE Financials Index

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MSCI Index

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Allan Gray Life Stable Medical Scheme Portfolio

31 January 2025

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

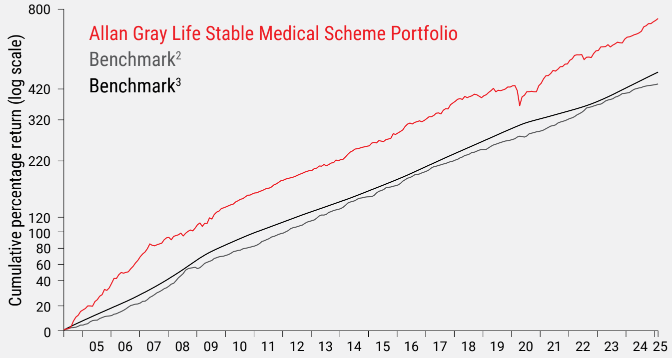
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to medical schemes.
- Minimum investment: R20m.
- Performance based fee/Fixed fee.

Portfolio information on 31 January 2025

Assets under management	R3 225m

Performance gross of fees

Cumulative performance since inception[1]



1. Since alignment date (1 May 2004).
2. CPI plus 3% p.a. The return for January 2025 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 January 2025.
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.

% Returns[4]	Portfolio	Benchmark[2]	Benchmark[3]
Since inception[1]	10.8	8.5	8.9
Latest 10 years	8.9	8.0	8.4
Latest 5 years	9.6	7.8	7.8
Latest 3 years	9.7	8.1	9.1
Latest 2 years	10.2	7.2	10.1
Latest 1 year	13.4	6.0	10.2
Latest 3 months	3.6	0.9	2.4

Top 10 share holdings on 31 December 2024 (updated quarterly)

Company	% of portfolio
British American Tobacco	2.8
AB InBev	2.6
AngloGold Ashanti	1.8
Standard Bank	1.7
Woolworths	1.5
Sappi	1.4
Nedbank	1.3
Sasol	1.1
Premier Group	1.1
Gold Fields	1.1
Total (%)[6]	**16.3**

Asset allocation on 31 January 2025

Asset class	Total[6]	South Africa	Foreign[5]
Net equities	20.9	20.9	-
Hedged equities	6.1	6.1	-
Property	0.3	0.3	-
Commodity-linked	1.8	1.8	-
Bonds	46.3	32.1	14.2
Money market and cash	24.6	23.3	1.3
Total (%)[6]	**100.0**	**84.5**	**15.5**

Fund manager quarterly commentary as at 31 December 2024

After two quarters of strong gains, the last quarter of 2024 saw more muted returns from the local equity and bond markets as they digested the outcome of the US presidential election in November and the latest actions from central banks, all while concerns regarding growth prospects in the world's largest economies persisted. Globally, equity markets fared similarly, with the exception of the United States where the benchmark indices have continued to hit fresh all-time highs. Interestingly, this is in stark contrast to the performance of US Treasuries whose yields have risen markedly since the US Federal Reserve began its rate-cutting cycle.

The standout performer among local asset classes in 2024 was government bonds with the FTSE/JSE All Bond Index returning 17.2% for the year as yield differentials, or risk premiums required by investors to hold the country's debt, narrowed versus both the US and emerging market peers. Given that local bonds are a significant component of the Portfolio's asset mix (32.6% of the Portfolio at 31 December), this has provided a welcome tailwind to performance.

Similarly, buoyed by the outcome of South Africa's national elections, shares with greater exposure to the domestic economy were among the best performers on the JSE this year. The FTSE/JSE Financials Index, comprising mostly banks and insurers, gained 22.4%, while retailers and other select local industrials performed even stronger. The overall FTSE/JSE All Share Index returned 13.4%, its strongest showing since its post-COVID bounce in 2021.

For the most part, the rally to date has been driven more by a sentiment-based multiple rerating, from a depressed base, as opposed to a widespread positive uptick in earnings growth. For investment gains to be held and advance into a multi-year recovery, it is crucial that progress is made in addressing structural inhibitors to growth in the country. The fleeting returns seen during "Ramaphoria" remain fresh in investors' minds, helping to explain why foreign investor flows into our equity market – important "new money" – has remained on the sidelines thus far. The prolonged suspension of loadshedding has been a crucial step, but as always, caution is needed – particularly where undue optimism has run ahead of fundamentals.

Resource shares proved the biggest drag on index returns in the last quarter with the FTSE/JSE Resources Index falling 9.0%, and 8.6% for the full year. Thus far, the raft of stimulus measures announced by the Chinese government in September have fallen short of the scale required to reinvigorate the residential property market, with prices continuing to fall into year end. As the largest store of household wealth, this has a significant impact on the consumptive side of the economy, which the government sees as the longer-term engine of economic growth. Despite the prevailing environment, prices for commodities with significant exposure to Chinese demand have not fallen as much as expected. For example, iron ore was down 27.2% but remains above US$100 per tonne and copper was up 2.7% for the year – potentially an indicator that further downside may be ahead before a bottom in the market can be called with any confidence.

The Portfolio's return for the quarter was 2.2%, with local cash and bonds contributing to performance. Over the last year, the Portfolio has returned 12.2% compared to the benchmark's 10.2%[1].

It is worth reiterating the Portfolio's dual objective of providing long-term returns ahead of cash together with offering a high degree of capital stability. While the interest rate-cutting cycle has begun, persistently high cash rates 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. The allocation to hedged equities and cash serves a dual purpose in this regard, providing protection as well as optionality.

During the quarter, the Portfolio added to its existing position in AB InBev and trimmed its exposure to AVI, Pepkor and the gold ETF.

Commentary contributed by Sean Munsie

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

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Past performance is not indicative of future performance.

FTSE/JSE All Share Index, FTSE/JSE Resources Index, FTSE/JSE All Bond Index and FTSE/JSE Financials Index

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Allan Gray Life Domestic Stable Portfolio

Inception date: 14 November 2001

31 January 2025

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

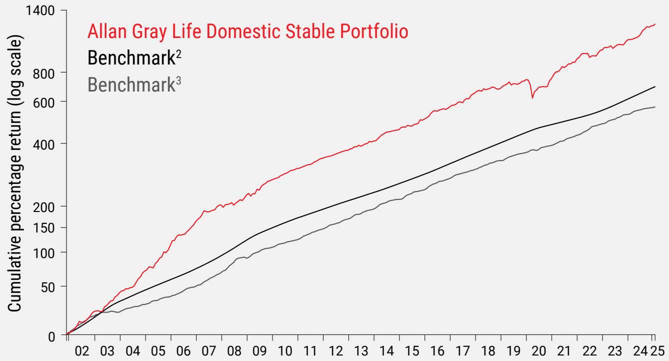
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will 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 January 2025

Assets under management	R1 591m

Performance gross of fees

Cumulative performance since inception[1]



% Returns[4]	Portfolio	Benchmark[2]	Benchmark[3]
Since inception[1]	11.9	9.4	8.6
Latest 10 years	9.1	8.4	8.0
Latest 5 years	9.9	7.8	7.8
Latest 3 years	9.8	9.1	8.1
Latest 2 years	10.3	10.1	7.2
Latest 1 year	14.0	10.2	6.0
Latest 3 months	2.8	2.4	0.9

Asset allocation on 31 January 2025

Asset class	Total[5]
Net equities	21.0
Hedged equities	6.2
Property	0.3
Commodity-linked	1.8
Bonds	53.7
Money market and cash	16.9
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 January 2025 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 January 2025.
5. There may be slight discrepancies in the totals due to rounding.

Top 10 share holdings on 31 December 2024 (updated quarterly)

Company	% of portfolio
British American Tobacco	2.8
AB InBev	2.6
AngloGold Ashanti	1.7
Standard Bank	1.7
Woolworths	1.5
Sappi	1.5
Nedbank	1.2
Sasol	1.1
Gold Fields	1.1
Premier Group	1.0
Total (%)[5]	**16.2**

Issued: 11 February 2025

Fund manager quarterly commentary as at 31 December 2024

After two quarters of strong gains, the last quarter of 2024 saw more muted returns from the local equity and bond markets as they digested the outcome of the US presidential election in November and the latest actions from central banks, all while concerns regarding growth prospects in the world's largest economies persisted. Globally, equity markets fared similarly, with the exception of the United States where the benchmark indices have continued to hit fresh all-time highs. Interestingly, this is in stark contrast to the performance of US Treasuries whose yields have risen markedly since the US Federal Reserve began its rate-cutting cycle.

The standout performer among local asset classes in 2024 was government bonds with the FTSE/JSE All Bond Index returning 17.2% for the year as yield differentials, or risk premiums required by investors to hold the country's debt, narrowed versus both the US and emerging market peers. Given that local bonds are a significant component of the Portfolio's asset mix (54.5% of the Portfolio at 31 December 2024), this has provided a welcome tailwind to performance.

Similarly, buoyed by the outcome of South Africa's national elections, shares with greater exposure to the domestic economy were among the best performers on the JSE this year. The FTSE/JSE Financials Index, comprising mostly banks and insurers, gained 22.4%, while retailers and other select local industrials performed even stronger. The overall FTSE/JSE All Share Index returned 13.4%, its strongest showing since its post-COVID bounce in 2021.

For the most part, the rally to date has been driven more by a sentiment-based multiple rerating, from a depressed base, as opposed to a widespread positive uptick in earnings growth. For investment gains to be held and advance into a multi-year recovery, it is crucial that progress is made in addressing structural inhibitors to growth in the country. The fleeting returns seen during "Ramaphoria" remain fresh in investors' minds, helping to explain why foreign investor flows into our equity market – important "new money" – has remained on the sidelines thus far. The prolonged suspension of loadshedding has been a crucial step, but as always, caution is needed – particularly where undue optimism has run ahead of fundamentals.

Resource shares proved the biggest drag on index returns in the last quarter with the FTSE/JSE Resources Index falling 9.0%, and 8.6% for the full year. Thus far, the raft of stimulus measures announced by the Chinese government in September 2024 have fallen short of the scale required to reinvigorate the residential property market, with prices continuing to fall into year end. As the largest store of household wealth, this has a significant impact on the consumptive side of the economy, which the government sees as the longer-term engine of economic growth. Despite the prevailing environment, prices for commodities with significant exposure to Chinese demand have not fallen as much as expected. For example, iron ore was down 27.2% but remains above US$100 per tonne and copper was up 2.7% for the year – potentially an indicator that further downside may be ahead before a bottom in the market can be called with any confidence.

The Portfolio's return for the quarter was 0.9%, with local cash and bonds contributing to performance. Over the last year, the Portfolio has returned 12.6% compared to the benchmark's 10.2%[1].

It is worth reiterating the Portfolio's dual objective of providing long-term returns ahead of cash together with offering a high degree of capital stability. While the interest rate-cutting cycle has begun, persistently high cash rates 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. The allocation to hedged equities and cash serves a dual purpose in this regard, providing protection as well as optionality.

During the quarter, the Portfolio added to its existing position in AB InBev and trimmed its exposure to AVI, Pepkor and the gold ETF.

Commentary contributed by Sean Munsie

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

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

Inception date: 1 August 2015

31 January 2025

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

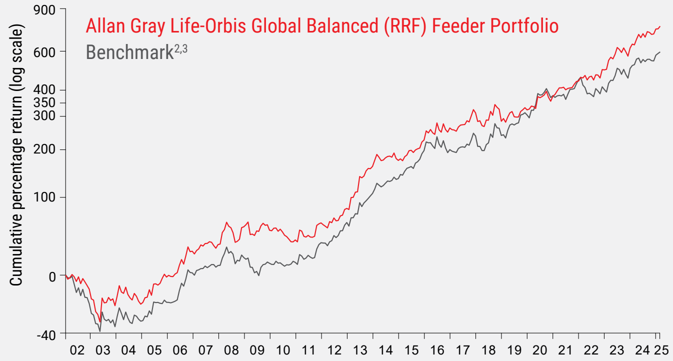
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Base Refundable Reserve Fee is levied in the underlying Orbis SICAV Global Balanced Fund.

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	9.9	7.6	8.8	6.6
Latest 10 years	12.4	7.2	11.3	6.2
Latest 5 years	14.9	9.9	10.7	5.9
Latest 3 years	16.2	9.3	10.1	3.5
Latest 2 years	16.0	12.1	14.6	10.8
Latest 1 year	17.6	17.7	11.7	11.8
Latest 3 months	7.0	1.4	8.2	2.5

Asset allocation on 31 January 2025

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	56.9	10.8	12.2	11.5	6.2	5.4	10.9
Hedged equities	18.8	10.4	1.1	4.2	0.7	0.9	1.5
Property	0.4	0.0	0.0	0.0	0.4	0.0	0.0
Commodity-linked	5.8	5.8	0.0	0.0	0.0	0.0	0.0
Bonds	16.5	11.3	0.5	1.2	0.0	0.0	3.4
Money market and cash	1.5	0.1	0.1	0.6	0.1	0.3	0.3
Total (%)[6]	**100.0**	**38.4**	**13.9**	**17.6**	**7.3**	**6.6**	**16.2**
Currency exposure	100.0	25.7	12.9	27.8	15.5	10.6	7.5
Benchmark	100.0	64.6	4.4	16.4	9.8	4.8	0.0

Portfolio information on 31 January 2025

Assets under management	R703m

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 January 2025.
5. Refers to developed markets only.
6. There may be slight discrepancies in the totals due to rounding.

Top 10 holdings on 31 December 2024 (updated quarterly)

Company	% of portfolio
SPDR Gold Trust	5.5
Kinder Morgan	4.4
Siemens Energy	3.3
Taiwan Semiconductor Mfg.	3.3
US TIPS 1 - 3 Years	3.2
Samsung Electronics	2.8
Nintendo	2.8
US TIPS 3 - 5 Years	2.4
Cinemark Holdings	2.3
Drax Group	2.2
Total (%)[6]	**32.2**

Issued: 11 February 2025

Fund manager quarterly commentary as at 31 December 2024

2024 was a solid year for the Portfolio, but every year, one way or another, we get a lesson in humility from markets. The team uncovered some big winners over the past year, in sectors as diverse as defence contractors and cinema operators. But we did not participate in the massive returns from the world's already-biggest-and-most-loved shares, which got more expensive, as did the US dollar – a currency which the Portfolio had a lower exposure to than its benchmark. 2024 has served as a great reminder that the spread of potential investment outcomes is always wide.

If the spread of investment outcomes is wide, so too is the sweep of the pendulum in investor sentiment. First, the pendulum starts to swing, gaining force as the stories get better, the promises grander, the assumptions rosier and the profits more assured. As beliefs get more stretched, so do market prices in the affected areas. In time, cracks start to form in the appealing stories, and the grand promises and rosy assumptions collapse on collision with reality. Spurned by the first swing of the pendulum, investors push it to the other extreme, rejecting the first happy story in favour of its apparent opposite. Eventually that story cracks too, and, pulled by gravity, the pendulum ends up in the only place it ever could – with clear-eyed, pragmatic trade-offs. Prices settle at something more recognisable as fundamental value.

Recently, there has been no better example of the pendulum than the swings in market sentiment around the energy system. (It is worth saying here that while we integrate responsible investing concerns into our investment process, the Portfolio does not invest according to sustainability factors.)

As early as 2018, our research convinced us that the world needed more energy generally, and a lot more electricity specifically. But way oversimplistic approaches to environmental, social and governance concerns ruled the roost. The core belief was simple – carpet the world with wind and solar farms, and all will be wonderful. Spurred by the appealing (if unrealistic) story, renewable energy stocks flew and "old school" energy stocks sold off.

The beliefs were never going to hold up against basic science and economics. As we wrote in March, the more wind and solar you have in your energy grid, the more back-up you need to get through lulls in supply and peaks in demand.

As investors and voters alike have grown disillusioned with the exaggerated promises of wind and solar power, the pendulum has swung away from renewables and towards a new fascination with nuclear. Vestas Wind Systems, a leading wind turbine manufacturer which the Portfolio once held, has seen its share price decline by two-thirds since early 2021, while nuclear generator Constellation, which we held until recently, has seen its share price quadruple. Even the previously mothballed Three Mile Island nuclear power station is getting a comeback.

This nuclear fascination shows the appeal of the pendulum's second swing. It feels more pragmatic than the first, but again ignores many of its obstacles. We believe nuclear will be an important part of the solution – but not nearly as quickly as the market has hoped.

Finally, reality is pulling the pendulum towards a more realistic set of beliefs. Investors are coming to realise that natural gas is the most pragmatic way to increase generation capacity and complement wind and solar power. Two holdings illustrate this shift.

We added Kinder Morgan (KMI) to the Portfolio in 2021, at a time of acute anti-fossil fuel sentiment. KMI owns the largest network of natural gas pipelines in North America, moving about 40% of gas consumed in the country. Investors bought into the idea of natural gas being a dead-end energy source. Our research suggested that natural gas-fired electricity should instead be complementary to intermittent wind and solar, and in the US, plentiful gas provides a strategic advantage. Importantly for value investors, we were being paid to wait for the pendulum to swing round to our thinking – at the time of our purchase, KMI offered a near 7% dividend yield and 12% free cash flow yield. This enabled us to build KMI into the Portfolio's largest equity holding.

Siemens Energy has gone from loathed to respected. Though the company's Gamesa unit makes wind turbines, and its grid equipment business is essential to replacing ageing and failing grid infrastructure, Siemens Energy was scorned for making turbines for gas, nuclear and coal plants. Its shares languished at roughly half their book value. From their trough, Siemens Energy shares are up five-fold, and still look reasonably priced to us today. The gas business is increasingly seen as a gem, and the critical importance of its grid equipment business is starting to be appreciated.

The energy system example illustrates how the pendulum in investor sentiment works, but it is far from the only one. We continue to track investable sentiment swings around defence and infrastructure. We may yet see changes in the fevered sentiment swing towards American exceptionalism, or in the still-strong faith that central banks and low inflation will support financial assets. But markets call for humility. In advance, we can know neither the full range of outcomes nor the path markets will take. What we do know is the price we pay. On a price-to-earnings basis, the shares in the Portfolio trade at a 40% discount to world stock markets. By seeking out low expectations, we can both improve potential returns and reduce the risk of the pendulums' swings.

We initiated a position in Arch Capital Group, a Bermuda-based insurance company, and exited the Portfolio's position in Brookfield, a Canada-based investment management company.

Adapted from a commentary contributed by Alec Cutler, Orbis Investment Management Limited, Bermuda

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MSCI Index

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Allan Gray Life Global Absolute Portfolio

31 January 2025

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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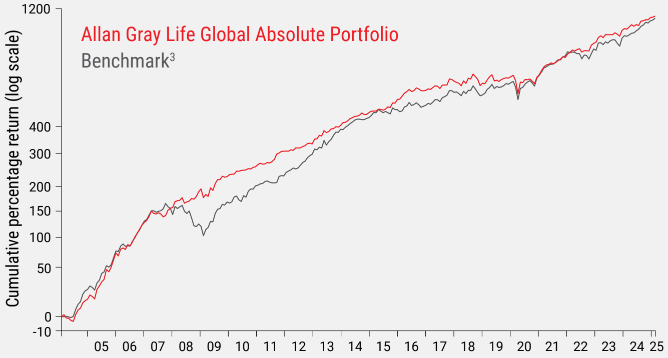
Portfolio information on 31 January 2025

Assets under management	R1 957m

Performance[1]

Cumulative performance since inception[2]



% Returns[4]	Portfolio[1]	Benchmark[3]
Since inception[2]	12.8	12.7
Latest 10 years	8.3	8.5
Latest 5 years	10.5	11.2
Latest 3 years	10.7	10.2
Latest 2 years	9.4	11.0
Latest 1 year	11.7	16.5
Latest 3 months	3.2	4.2

Asset allocation on 31 January 2025[5]

Asset class	Total[7]	South Africa	Foreign
Net equities	60.7	34.7	26.0
Hedged equities	14.9	6.6	8.3
Property	1.4	0.2	1.1
Commodity-linked	4.5	4.5	0.0
Bonds	12.7	7.8	4.8
Money market and cash[6]	5.9	3.4	2.5
Total (%)[7]	**100.0**	**57.3**	**42.7**

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 January 2025 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 January 2025.
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 31 December 2024 (SA and Foreign) (updated quarterly)[5]

Company	% of portfolio
AB InBev	4.8
Woolworths	3.6
British American Tobacco	3.5
Standard Bank	3.5
The Walt Disney Company	3.2
Naspers & Prosus	3.0
Booking Holdings	2.1
Nedbank	2.1
MultiChoice	1.7
Tiger Brands	1.7
Total (%)[7]	**29.2**

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 31 December 2024

The Portfolio had a decent 2024 in absolute terms, but a poor one relative to peers. The Portfolio returned 10.1% in rands, well ahead of inflation of 2.9%, but behind the peer group average of 13.8%[1].

Overall, South Africa was a good place to invest in 2024. The FTSE/JSE All Share Index (ALSI) generated a return of 13.4%, while the FTSE/JSE All Bond Index returned 17.2%.

Those figures look less impressive on a global basis, with the MSCI World Index generating a return of 18.7% in US dollars and 20.6% in rands. Once again, the strong performance of global markets was overwhelmingly driven by US stocks, with the S&P 500 up 24.5% in US dollars and 28.5% in rands[2].

This relative "underperformance" of the JSE masks how incredibly strong some individual names on the local bourse have been, in particular domestically focused stocks:

- The clothing retailers have seen substantial gains. Including dividends, Truworths returned 48%, Pepkor 51%, The Foschini Group 57%, and Mr Price an eye-popping 95%.
- The banks all saw double-digit returns, with the star performers being Nedbank (up 41%) and Capitec (up 58%).
- Other financial services also saw strong gains, with Momentum up 45%, Discovery up 38% and OUTsurance up 64%.
- Food producers AVI and Tiger Brands saw gains of 46% and 51%, respectively, while recently listed Premier was up over 100%.
- Even the beleaguered food retailers had a good year, with Spar up 24% and Pick n Pay up 55%. The latter was buoyed by the listing of subsidiary Boxer Retail in the final quarter.

It is the relative underperformance of many of the multinationals listed on the JSE, and the major mining companies, that has dragged down the market's overall performance.

With the benefit of hindsight, one might now say that it is clear that coming into 2024, with loadshedding still present and election uncertainty looming, sentiment on SA-focused stocks was overly negative, and any positive surprise would see a resurgence in sentiment and share prices.

With the formation of the government of national unity (GNU) and loadshedding now seemingly in the rearview mirror, that is what has transpired, but was it obvious at the start of 2024?

In our March 2024 commentary, we highlighted that 2024 had above-average political risk: In addition to the South African national elections, a record percentage of the world's population headed to the polls. We cautioned that given the heightened uncertainty, we had not bet the portfolio on one or two scenarios prevailing. Rather, we had deliberately constructed a diversified portfolio for a wide range of outcomes.

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It is not unusual for us to underperform a rising market. As valuation-driven investors, we anchor to our estimate of fair value, preferring to own undervalued and out-of-favour stocks, selling appreciating stocks as soon as they exceed our estimate of fair value. This often means we will sell a share well before it peaks.

Market sentiment is like a pendulum – it tends to swing from bouts of excessive pessimism to excessive optimism, with the long-term real value somewhere in the middle. At the start of 2024, for many domestic businesses, it did appear that the market was being overly pessimistic, and so we owned a number of these shares. However, as we end 2024 and begin 2025, it seems to us that sentiment is beginning to price excessive optimism into the forward-looking expectations for many domestic counters, and so we continue to reduce our exposure.

South Africa continues to be plagued by many structural challenges, not least of which is widespread municipal failure, chronic underinvestment in infrastructure and pervasive unemployment. The GNU has yet to be properly tested with the difficult decisions and inevitable trade-offs that lie ahead. Our public debt continues to grow, currently debt-to-GDP sits at approximately 75%, and we continue to run a deficit, with debt service costs alone forecast to exceed 20% of government revenue in 2025. In a country with a population north of 62 million, less than 1.9 million people contribute more than 75% of personal income tax.

We are not overly negative about the long-term prospects for South Africa, but we are highlighting that domestic investments are not without risks. For many local investments, we now question whether these risks are being adequately discounted in the prices one pays.

During the quarter, we sold British American Tobacco and Pick n Pay and added to our positions in AB InBev and the gold ETF. Offshore, our sister company, Orbis, continues to find greater value outside of the US than within it. We continue to have more than 40% of the Portfolio directly offshore and, on a look-through basis, more than 50% of the Portfolio's exposure remains outside South Africa.

Commentary contributed by Rory Kutisker-Jacobson

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MSCI Index

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Allan Gray Life Global Balanced Portfolio

31 January 2025

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

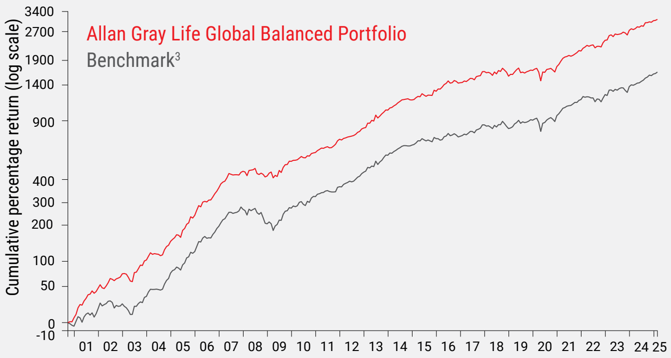
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will 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 January 2025

Assets under management	R687m

Performance[1]

Cumulative performance since inception[2]



% Returns[4]	Portfolio[1]	Benchmark[3]
Since inception[2]	15.4	12.6
Latest 10 years	9.5	8.5
Latest 5 years	12.0	11.2
Latest 3 years	11.2	10.2
Latest 2 years	9.8	11.0
Latest 1 year	12.5	16.5
Latest 3 months	3.4	4.2

Asset allocation on 31 January 2025[5]

Asset class	Total[7]	South Africa	Foreign
Net equities	61.8	35.6	26.2
Hedged equities	12.7	3.2	9.5
Property	1.5	0.2	1.3
Commodity-linked	2.5	2.5	0.0
Bonds	13.9	10.5	3.4
Money market and cash[6]	7.5	4.9	2.7
Total (%)[7]	**100.0**	**56.8**	**43.2**

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2. Since alignment date (1 September 2000).
3. Mean of Alexander Forbes Global Large Manager Watch. The return for January 2025 is an estimate.
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7. There may be slight discrepancies in the totals due to rounding.

Top 10 share holdings on 31 December 2024 (SA and Foreign) (updated quarterly)[5]

Company	% of portfolio
Naspers & Prosus	3.7
British American Tobacco	3.6
AB InBev	3.3
Nedbank	2.0
Woolworths	2.0
The Walt Disney Company	1.9
Standard Bank	1.8
Glencore	1.6
Remgro	1.5
Mondi	1.3
Total (%)[7]	**22.7**

Fund manager quarterly commentary as at 31 December 2024

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Commentary contributed by Rory Kutisker-Jacobson

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MSCI Index

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Allan Gray Life Global Balanced (RRF) Portfolio

31 January 2025

Portfolio objective and benchmark

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Investment specifics

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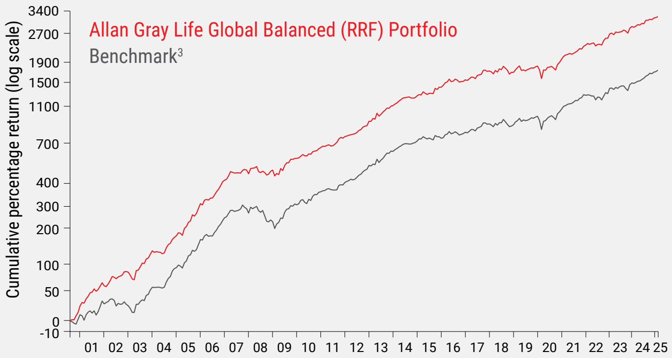
Portfolio information on 31 January 2025

Assets under management	R34 539m

Performance[1,2]

Cumulative performance since inception



% Returns[2,4]	Portfolio[1]	Benchmark[3]
Since inception	15.5	12.6
Latest 10 years	9.6	8.5
Latest 5 years	12.1	11.2
Latest 3 years	11.6	10.2
Latest 2 years	10.5	11.0
Latest 1 year	13.1	16.5
Latest 3 months	3.7	4.2

Asset allocation on 31 January 2025[5]

Asset class	Total[7]	South Africa	Foreign
Net equities	61.6	35.3	26.3
Hedged equities	12.8	3.2	9.6
Property	1.5	0.2	1.3
Commodity-linked	2.5	2.5	0.0
Bonds	13.6	10.4	3.3
Money market and cash[6]	8.0	5.2	2.8
Total (%)[7]	**100.0**	**56.7**	**43.3**

1. Performance is gross of Allan Gray fees. Underlying Orbis fund returns are net of fees.
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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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Inception date: 15 July 2004

Allan Gray Life Global Stable Portfolio

31 January 2025

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

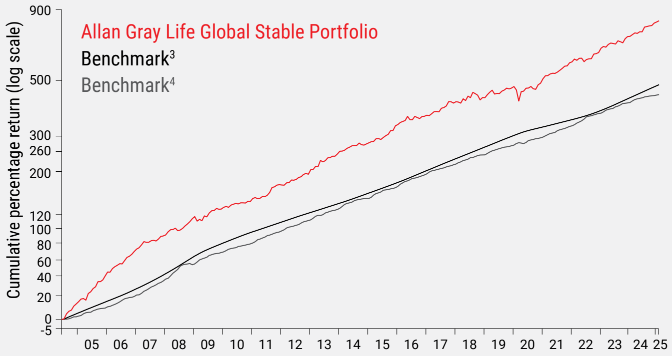
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act ("the Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will 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 January 2025

Assets under management	R5 118m

Performance[1]

Cumulative performance since inception[2]



% Returns[5]	Portfolio[1]	Benchmark[3]	Benchmark[4]
Since inception[2]	11.4	8.9	8.5
Latest 10 years	9.5	8.4	8.0
Latest 5 years	10.3	7.8	7.8
Latest 3 years	10.8	9.1	8.1
Latest 2 years	10.8	10.1	7.2
Latest 1 year	12.3	10.2	6.0
Latest 3 months	3.6	2.4	0.9

Asset allocation on 31 January 2025[6]

Asset class	Total[8]	South Africa	Foreign
Net equities	24.4	12.4	12.0
Hedged equities	22.5	10.7	11.9
Property	0.8	0.2	0.7
Commodity-linked	2.3	1.6	0.7
Bonds	33.2	26.3	6.9
Money market and cash[7]	16.8	13.8	3.0
Total (%)[8]	**100.0**	**64.9**	**35.1**

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 January 2025 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 January 2025.
6. Underlying holdings of foreign funds are included on a look-through basis.
7. Including currency hedges.
8. There may be slight discrepancies in the totals due to rounding.

Top 10 share holdings on 31 December 2024 (SA and Foreign) (updated quarterly)[6]

Company	% of portfolio
British American Tobacco	2.5
AB InBev	2.4
Woolworths	1.5
Nedbank	1.3
AngloGold Ashanti	1.2
Standard Bank	1.1
Remgro	1.1
Gold Fields	1.0
Marriott International Inc	1.0
Sappi	0.8
Total (%)[8]	**13.9**

Fund manager quarterly commentary as at 31 December 2024

After two quarters of strong gains, the last quarter of 2024 saw more muted returns from the local equity and bond markets as they digested the outcome of the US presidential election in November and the latest actions from central banks, all while concerns regarding growth prospects in the world's largest economies persisted. Globally, equity markets fared similarly, with the exception of the United States where the benchmark indices have continued to hit fresh all-time highs. Interestingly, this is in stark contrast to the performance of US Treasuries whose yields have risen markedly since the US Federal Reserve began its rate-cutting cycle.

The standout performer among local asset classes in 2024 was government bonds with the FTSE/JSE All Bond Index returning 17.2% for the year as yield differentials, or risk premiums required by investors to hold the country's debt, narrowed versus both the US and emerging market peers. Given that local bonds are a significant component of the Portfolio's asset mix (27.2% of the Portfolio at 31 December 2024), this has provided a welcome tailwind to performance.

Similarly, buoyed by the outcome of South Africa's national elections, shares with greater exposure to the domestic economy were among the best performers on the JSE this year. The FTSE/JSE Financials Index, comprising mostly banks and insurers, gained 22.4%, while retailers and other select local industrials performed even stronger. The overall FTSE/JSE All Share Index returned 13.4%, its strongest showing since its post-COVID bounce in 2021.

For the most part, the rally to date has been driven more by a sentiment-based multiple rerating, from a depressed base, as opposed to a widespread positive uptick in earnings growth. For investment gains to be held and advance into a multi-year recovery, it is crucial that progress is made in addressing structural inhibitors to growth in the country. The fleeting returns seen during "Ramaphoria" remain fresh in investors' minds, helping to explain why foreign investor flows into our equity market – important "new money" – has remained on the sidelines thus far. The prolonged suspension of loadshedding has been a crucial step, but as always, caution is needed – particularly where undue optimism has run ahead of fundamentals.

Resource shares proved the biggest drag on index returns in the last quarter with the FTSE/JSE Resources Index falling 9.0%, and 8.6% for the full year.

Thus far, the raft of stimulus measures announced by the Chinese government in September 2024 have fallen short of the scale required to reinvigorate the residential property market, with prices continuing to fall into year end. As the largest store of household wealth, this has a significant impact on the consumptive side of the economy, which the government sees as the longer-term engine of economic growth. Despite the prevailing environment, prices for commodities with significant exposure to Chinese demand have not fallen as much as expected. For example, iron ore was down 27.2% but remains above US$100 per tonne and copper was up 2.7% for the year – potentially an indicator that further downside may be ahead before a bottom in the market can be called with any confidence.

Foreign assets comprised 34.9% of the Portfolio's assets at 31 December. The rand, together with most currencies, has fared poorly against the US dollar since the US elections, weakening by 9.1% over the quarter. Market breadth in the US, which now accounts for approximately 70% of global equity market capitalisation, has rarely been narrower. We, and our partners at 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.

The Portfolio's return for the quarter was 3.0%, with offshore assets, local cash and bonds contributing to performance. Over the last year, the Portfolio has returned 11.5% compared to the benchmark's 10.2[1]%.

It is worth reiterating the Portfolio's dual objective of providing long-term returns ahead of cash together with offering a high degree of capital stability. While the interest rate-cutting cycle has begun, persistently high cash rates 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. The allocation to hedged equities and cash serves a dual purpose in this regard, providing protection as well as optionality.

During the quarter, the Portfolio added to its existing position in AB InBev and trimmed its exposure to AVI, Pepkor and the gold ETF.

Adapted from a commentary contributed by Sean Munsie

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

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FTSE Russell Index

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Inception date: 18 May 2004

Allan Gray Life-Orbis Global Equity Portfolio

31 January 2025

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

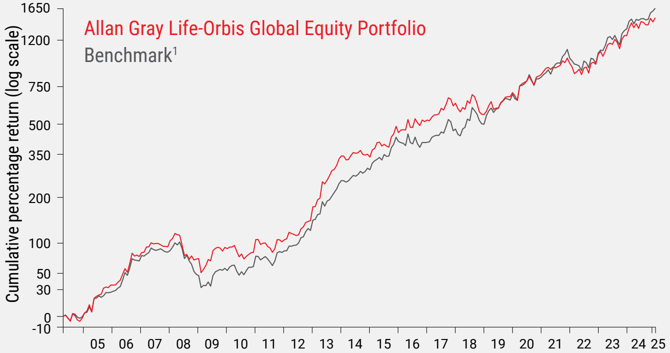
- This is a feeder portfolio, investing in the Orbis Global Equity Fund which is actively managed by Orbis.

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	8.8	14.8	9.3
Latest 10 years	13.8	8.5	16.1	10.7
Latest 5 years	14.8	9.9	17.3	12.2
Latest 3 years	15.1	8.2	16.6	9.6
Latest 2 years	18.4	14.4	23.1	19.0
Latest 1 year	17.9	18.0	21.1	21.1
Latest 3 months	6.8	1.2	10.9	5.2

Asset allocation on 31 January 2025

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	98.2	53.8	10.6	9.7	5.2	3.5	15.4
Property	0.4	0.0	0.0	0.0	0.4	0.0	0.0
Money market and cash	1.4	0.8	0.1	0.1	0.0	0.0	0.3
Total (%)[4]	**100.0**	**54.6**	**10.7**	**9.9**	**5.6**	**3.5**	**15.7**
Currency exposure	100.0	52.7	5.8	9.6	15.2	8.2	8.4
Benchmark	100.0	68.8	3.7	11.3	6.0	5.5	4.8

Portfolio information on 31 January 2025

Assets under management	R194m

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 January 2025.
3. Refers to developed markets only.
4. There may be slight discrepancies in the totals due to rounding.

Top 10 share holdings on 31 December 2024 (updated quarterly)

Company	% of portfolio
QXO	7.4
Corpay	5.7
Alphabet	4.5
Interactive Brokers Group	4.4
UnitedHealth Group	4.0
Nintendo	3.7
Elevance Health	3.4
Global Payments	2.9
RXO	2.9
RenaissanceRe Holdings	2.6
Total (%)[4]	**41.5**

Issued: 11 February 2025

Fund manager quarterly commentary as at 31 December 2024

The difference in long-term shareholder value creation between an average or even top quartile CEO and a top 1% CEO can defy the imagination. Few examples provide a more vivid illustration than Howmet Aerospace, which we owned in the Portfolio almost continuously from 2013 until this most recent quarter.

For the first five years of our investment, the company languished and badly underperformed the market, suffering from a lack of price and cost discipline, terrible capital allocation, poor investor communication, corporate governance challenges, and a revolving door of CEOs. Finally, in early 2019, Howmet installed John Plant as CEO.

Upon taking the helm at Howmet, John moved with breakneck speed, spinning off and selling non-core businesses, instilling commercial discipline across the organisation to ensure the company was fairly compensated for the value it delivered to customers, simplifying the organisational structure and eliminating layers of management, removing structural costs, driving operational focus, and reinvesting in those areas where the company was most competitively advantaged.

Now, nearly six years later, the results have been extraordinary. Howmet shares have outperformed their aerospace peers and the US market by a wide margin – and John's transformation of the company will rightly go down in the annals of corporate history as one of the greatest industrial turnarounds of the last several decades.

Most notably, John achieved these results during a period of unprecedented challenges in the commercial aerospace market and with the same assets as his predecessors – he simply was much more effective.

CEO talent is a necessary ingredient for such extraordinary achievement but is usually insufficient without the right motivation. Ideally, the largest dose of such motivation is intrinsic – but financial incentives matter a lot, and often more than we want to admit. Great CEOs, like great investors, are hungry to eat their own cooking and will seek opportunities that allow them to participate meaningfully in the value they create. Today, John's ownership stake in Howmet is worth approximately US$400 million. For shareholders, this should be a cause for celebration – but is exactly the sort of outcome that many corporate boards seek to avoid because of the ire it can draw from proxy advisers and passive investors who are often more focused on the absolute dollar value of management compensation than value-for-money.

Our preference, therefore, is to avoid the problem altogether by investing alongside principals like John. Our experience has been that a top 1% talent with a meaningful ownership interest in the business is an extraordinarily powerful force for long-term shareholder value creation. Of course, these opportunities are rare – and even less likely to be undiscovered by other investors – so we have to make the most of them when they come along. Fortunately, the vast US market provides a fertile hunting ground, and we are pleased that a substantial portion of the Portfolio's US holdings today fall into this bucket.

Last quarter, we wrote in detail about Brad Jacobs and our investment in QXO. In our view, Brad is the quintessential top 1% owner-entrepreneur, and our investments in his companies today (QXO, RXO, GXO and XPO) represent about 15% of the Portfolio. Other US companies that we believe fall into this category include Interactive Brokers (Thomas Peterffy and Milan Galik, 4% of the Portfolio), Motorola Solutions (Greg Brown, 1% of the Portfolio) and Corpay (Ron Clarke, 6% of the Portfolio). Collectively, these stocks represent more than a quarter of the Portfolio today and about half of the Portfolio's US exposure.

Of these positions, Corpay – now the Portfolio's second largest holding – is worth a closer look. Chairman and CEO Ron Clarke, who built the company over the last 20+ years, owns about 5% of the shares, and we have high conviction that he is very much a top 1% CEO.

Corpay helps other companies manage their expenses and pay their vendors. Under Ron's leadership, long-term results have been stunning, with 10%+ revenue growth, 30% returns on equity and 20% earnings per share growth. These metrics put Corpay in a rarified group – only a small handful of well-loved, celebrated businesses like Microsoft, Nvidia and Visa have achieved similar results over the last decade.

Despite these impressive attributes and track record of shareholder value creation, Corpay shares have lagged in recent years due to a confluence of short-term headwinds and investor fears about potential disruption in the company's fuel card business. Since 2021, shares have derated from about 22 times forward earnings to about 15 times, while the S&P 500's multiple has risen to 28 times forward earnings. Meanwhile, the likes of Microsoft, Nvidia, and Visa currently trade at 31 times, 31 times and 27 times forward earnings, respectively.

We believe this creates an unusually attractive opportunity. Indeed, not only do we expect recent headwinds to abate, but we see potential for revenue growth to accelerate above 10% over the next three to five years. Additionally, as with all great entrepreneurs, Ron is not simply drifting along with the tide but is instead continuously exploring new potential avenues of value creation.

It's not often that we can find a business with Corpay's superior fundamentals trading at a meaningful discount to the US market. It is even more unusual to find one that is also run by a top 1% owner-CEO like Ron Clarke.

Over the last quarter, we increased the Portfolio's position in Elevance Health and exited our positions in premium spirits manufacturer Diageo and Korea-based technology hardware company Samsung Electronics.

Adapted from a commentary contributed by Matt Adams, Orbis Investment Management (U.S.), L.P., San Francisco

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FTSE Russell Index

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MSCI Index

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

Inception date: 1 April 2015

31 January 2025

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

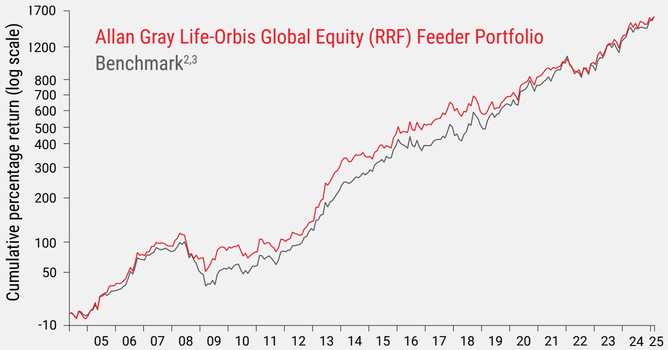
- This is a feeder portfolio, investing in the Orbis Institutional Global Equity Fund which is actively managed by Orbis.

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	14.6	9.2	14.6	9.2
Latest 10 years	14.5	9.2	15.9	10.5
Latest 5 years	15.5	10.5	17.1	12.1
Latest 3 years	16.1	9.2	16.5	9.5
Latest 2 years	19.8	15.8	23.3	19.2
Latest 1 year	19.2	19.3	21.4	21.4
Latest 3 months	7.4	1.8	11.3	5.5

Asset allocation on 31 January 2025

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	97.6	53.1	10.9	10.3	4.9	3.2	15.3
Property	0.4	0.0	0.0	0.0	0.4	0.0	0.0
Money market and cash	1.9	1.4	0.2	0.1	0.0	0.0	0.3
Total (%)[6]	**100.0**	**54.5**	**11.0**	**10.4**	**5.4**	**3.2**	**15.5**
Currency exposure	100.0	52.3	6.3	9.8	15.2	7.8	8.6
Benchmark	100.0	73.6	3.5	11.9	5.3	5.8	0.0

Portfolio information on 31 January 2025

Assets under management	R1 147m

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.
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Top 10 share holdings on 31 December 2024 (updated quarterly)

Company	% of portfolio
QXO	7.2
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Alphabet	4.6
Interactive Brokers Group	4.3
UnitedHealth Group	3.9
Nintendo	3.6
Elevance Health	3.6
Global Payments	2.8
RXO	2.8
RenaissanceRe Holdings	2.6
Total (%)[6]	**41.0**

Issued: 11 February 2025

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

Fund manager quarterly commentary as at 31 December 2024

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Of these positions, Corpay – now the Portfolio's second largest holding – is worth a closer look. Chairman and CEO Ron Clarke, who built the company over the last 20+ years, owns about 5% of the shares, and we have high conviction that he is very much a top 1% CEO.

Corpay helps other companies manage their expenses and pay their vendors. Under Ron's leadership, long-term results have been stunning, with 10%+ revenue growth, 30% returns on equity and 20% earnings per share growth. These metrics put Corpay in a rarified group – only a small handful of well-loved, celebrated businesses like Microsoft, Nvidia and Visa have achieved similar results over the last decade.

Despite these impressive attributes and track record of shareholder value creation, Corpay shares have lagged in recent years due to a confluence of short-term headwinds and investor fears about potential disruption in the company's fuel card business. Since 2021, shares have derated from about 22 times forward earnings to about 15 times, while the S&P 500's multiple has risen to 28 times forward earnings. Meanwhile, the likes of Microsoft, Nvidia, and Visa currently trade at 31 times, 31 times and 27 times forward earnings, respectively.

We believe this creates an unusually attractive opportunity. Indeed, not only do we expect recent headwinds to abate, but we see potential for revenue growth to accelerate above 10% over the next three to five years. Additionally, as with all great entrepreneurs, Ron is not simply drifting along with the tide but is instead continuously exploring new potential avenues of value creation.

It's not often that we can find a business with Corpay's superior fundamentals trading at a meaningful discount to the US market. It is even more unusual to find one that is also run by a top 1% owner-CEO like Ron Clarke.

Over the last quarter, we increased the Portfolio's position in Elevance Health and exited our positions in premium spirits manufacturer Diageo and Korea-based technology hardware company Samsung Electronics.

Adapted from a commentary contributed by Matt Adams, Orbis Investment Management (U.S.), L.P., San Francisco

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