2024

ANNUAL REPORT

Unit Trusts

Allan Gray

Contents

Edgar Loxton

At the start of 2024, there was a general air of anticipation as the world prepared for a year in which countries representing more than half the globe's population held national elections. In South Africa, the range of potential outcomes was wide, and risk was heightened. However, the formation of the government of national unity has generally been viewed as a victory for our democracy and ignited a collective sense of hope for our country's future.

Of course, challenges remain, and much more work must be done to address the issues we face. Concerns around electricity supply are still high, and multiple provinces are facing water scarcity, although we are all grateful for the reduced loadshedding we experienced during the year. There was also some interest rate relief as the South African Reserve Bank lowered the repo rate in September and again in November.

Against this backdrop, the South African market had a good year. Our flagship funds performed well in absolute terms, but some underperformed their benchmarks. While we always strive for excellence, periods of relative underperformance are expected given our approach – we tend to underperform during bull markets, but it is usually during down markets that our philosophy serves our clients best.

Our chief investment officer, Duncan Artus, discusses the performance of our funds in more detail in his report on page 3.

On the topic of our funds, I am excited to share more details about some new additions to our range.

Expanding our fixed income fund range

On 20 August 2024, we introduced two new funds – the Allan Gray Interest Fund and the Allan Gray Income Fund. The addition of these funds has broadened our range, providing you with a more comprehensive selection of lower-risk investment options.

At Allan Gray, we aim to keep our fund range focused. We only introduce new offerings after careful consideration, and when we believe the additions will better help you meet your goals and objectives. We believe our two new funds have an essential role to play in an investor's toolkit and are good options for risk-averse investors to consider.

The Interest Fund aims to generate higher returns than bank deposits and traditional money market funds while maintaining capital stability and low volatility.

The Income Fund aims to generate income and produce higher returns than traditional money market funds while preserving capital and minimising the risk of loss over any one- to two-year period.

For more detailed information about these funds, refer to the fund data pages later in this report or visit our website. The specific fund pages offer more depth, and our thought leadership articles, available via the Latest insights section, articulate how we apply our philosophy and thinking.

I also encourage you to listen to *The Allan Gray Podcast* available via our website or your favourite podcasting platform.

Below, I provide an overview of a significant regulatory change, a recap of some operational changes we implemented during 2024 and a summary of the unitholders in our funds.

Significant regulatory change

In the retirement fund sphere, the much-anticipated two-pot retirement system was implemented on 1 September 2024. While the regulations allow retirement fund members some access to their investments, it is important to carefully consider the implications before withdrawing. Savings component withdrawals are taxed at your marginal tax rate and can set you back significantly in terms of your retirement goals. Learn more on the Two-pot retirement system info hub, available via the News & insights menu on our website.

Operational changes

A new benchmark for the Allan Gray Money Market Fund

On 20 August 2024, we changed the benchmark of the Money Market Fund from the Alexander Forbes Short-term Fixed Interest (STeFI) Composite Index to the STeFI 3-month Index.

The STeFI 3-month Index is a more appropriate benchmark as it better reflects the range of instruments the Money Market Fund can invest in. It is also more aligned with the investment objectives of this fund and the duration limits placed on money market portfolios.

The change has no bearing on how the Money Market Fund is managed. In addition, since the Money Market Fund charges a fixed fee, the benchmark change does not impact its annual fund management fee.

Changes to the South African banking system

As of 9 September 2024, the South African domestic banking EFT system no longer accommodates the processing of transactions between Common Monetary Area (CMA) countries. This means that all debit orders and electronic collections must originate in the same country where the bank account is held, i.e. entities without a presence in the relevant country cannot make collections. As a result, Allan Gray is no longer able to process debit orders or electronic collections from Eswatini and Lesotho bank accounts. This change does not affect contributions made via EFT, but banks now process these payments as cross-border transactions.

In another banking-related change, effective 14 October 2024, we increased our daily electronic collection limit for South African bank accounts from R1m to R2m to align with the change made by the Payments Association of South Africa. The increased limit enables us to reduce the days required to perform large collections from investors' bank accounts.

Helping you safeguard your investments

Over time, postal communication has become an unreliable communication method associated with likely delays. It also carries a significant risk of personal information being intercepted and used for malicious purposes. As part of our ongoing efforts to ensure that our communications reach you quickly and to help keep your information safe, we are phasing out post as a communication method. If you are affected, we will communicate directly with you.

To help you stay informed about how to safeguard your investments, we have added a new content category to the Latest insights section of our website – filter by "Fraud prevention and cybersecurity" to discover relevant content.

Update on unitholders

Assets under management as at 31 December 2024 were R399.7bn. This is an increase from the R372.3bn that we reported at the end of 2023. Gross client outflows divided by the average value of assets in our unit trusts in 2024 were at 12%. This means that, on average, clients are staying with Allan Gray for eight years. Our individual fund churn rate*, which includes switches between unit trusts**, has come in at 14% for the year, reflecting a weighted average fund holding period for investors of seven years.

These results are encouraging, as they indicate that our clients are aligned to our philosophy and long-term approach. It is the combination of investment performance, delivered by our Investment team, and staying power from our clients that yields positive outcomes over the long term. We thank you for your continued trust and support.

*In a unit trust, the churn rate represents how often clients have bought and sold their holdings in the fund over a specific period. It is a measure of the turnover or attrition rate.

**This excludes switches between classes of the same unit trust and excludes switches from the Money Market Fund.

Duncan Artus

2024 will go down in history as the year when the most people voted, according to Deutsche Bank. This is extraordinary, considering that the Chinese don't vote. As bottom-up, long-term investors, we normally don't pay a huge amount of attention to politics when managing our portfolios, but 2024 felt different to us. If we think about the rally in local bonds and domestically focused shares following the South African election and the formation of the government of national unity (GNU) in June, and the performance of US equities post the Republican Party's clean sweep, markets were repricing assets based on political change.

The shift in global leadership is taking place amid ever-rising geopolitical tensions and in an increasingly divided world. We have written about this on several occasions and continue to think about potential risks and opportunities it may bring. We are bottom-up investors, but we do want to be on the right side of long-term trends.

Turning to markets

The South African equity market, as represented by the FTSE/JSE All Share Index, returned 13.4% in 2024 – outperforming both cash at 8.2% and inflation of 2.9%*. This translated into a US dollar return of 10.2%. The FTSE/JSE All Bond Index returned 17.2%, as investors bought South African bonds aggressively in the wake of the national election results. Yields on the South African 10-year bond fell from a high of 12.2% to a low of 9.9%, finishing the year at 10.2%. The spread between South African yields and US government bonds also contracted significantly by more than 200 basis points. South African bonds outperformed the J.P. Morgan GBI-EM Global Core Index by a massive 15.6%. The rand weakened by 2.9% against the US dollar.

Internationally, the MSCI World Index returned 18.7% and the FTSE World Government Bond Index returned -2.9% in US dollars, respectively. The world index is close to all-time highs. The US dollar has been strong against almost all other global currencies.

Equity returns were again dominated by the large US technology shares, which continued their strong performance from 2023. The S&P 500 returned more than 25% two years in a row for the second time in over 65 years. Investor interest in artificial intelligence (AI) continued to grow significantly. Forecasts suggest that practical applications of AI will benefit not only technology businesses but also industries such as healthcare and banking, where AI can be used to increase efficiencies and, consequently, earnings. While the long-term impact of AI is difficult to predict, we are monitoring developments closely.

The equity market has been willing to discount this future at least partially via higher valuations. The election of Donald Trump as US president, alongside the Republican Party retaining its majority in the House and taking control of the Senate, further encouraged investors' belief in US exceptionalism. I best heard it described as the "Trump turning point".

*This is based on the latest available numbers published by IRESS as at 30 November 2024.

Here are some examples of US dominance, courtesy of Morgan Stanley:

- 76 of the 100 largest listed companies globally are from the US
- US GDP estimates for 2024 have more than doubled
- After their worst relative underperformance since the euro crisis in 2012, European shares trade at a 40% price-to-earnings (PE) discount to US equities

While our portfolios do have exposure to US equities, we remain very underweight and are currently finding better value elsewhere in global markets. The US market has also become very concentrated with the top seven stocks accounting for more than 30% of the index. Our direct foreign exposure in the Balanced Fund is 36.7%.

Locally, as mentioned previously, the bull case played out for many local shares post the elections. A lower cost of capital, combined with higher forecasted growth, led to much higher valuations for local industrial and financial companies. Capitec now has a market cap that is R143bn greater than that of Gold Fields. As a citizen of South Africa, I hope these forecasts of a better future turn out to be correct, but we have been trimming some of the SA Inc winners and switching into multinationals that have underperformed them. The bulls will point out that there has been little foreign participation in the local equity rally and that foreigners' potential return to our market would bring considerable buying power. The bears will point out that the GNU has yet to be fully tested and that the ANC only really lost its majority because of the performance of the MK Party.

Performance

For the calendar year, relative performance lagged compared to the recent past across most of our funds, which were underweight many of the cyclical SA Inc shares that rallied significantly following the election. Our multi-asset funds were also underweight South African fixed income and, within fixed income, we had lower duration than many peers, which also hurt our relative performance.

The Balanced Fund returned 10.4%, underperforming its benchmark by 2.4%. The Stable Fund returned 10.4%, performing slightly ahead of its absolute benchmark. The Equity Fund returned 11.5%, underperforming its benchmark by 5.1%.

The Orbis Global Equity Fund returned 12.6% in dollars for the year, underperforming the world index by 6.1%. Orbis Global Balanced returned 12.3%, outperforming its 60/40 benchmark by 3.0%. Orbis' relative returns, which had been strong for most of the year, were impacted by a sell-off in Korean stocks, and being underweight mega-cap US tech shares and the US dollar.

Conclusions

The world appears to be in a period where risk remains heightened across the board. There are many things that could go wrong. The Investment team continues to apply the same philosophy and process we have adhered to for the last 51 years in managing our clients' hard-earned savings.

Over the decades, we have learnt the importance of sharing transparent, engaging information with our clients. This is particularly important during the cycles of underperformance that are inevitable when investing over the long term. As always, I encourage you to focus on your long-term financial plans and goals rather than worrying about the daily news cycle – as challenging as that is these days. Long-term investing proves most fruitful for those who manage to stay the course.

On behalf of the Investment team, I thank you for the ongoing trust you have placed in us.

Duncan Artus

Chief investment officer

BBusSc (Hons), PGDA, CFA, CMT

Duncan was appointed chief investment officer in 2020. He joined Allan Gray in 2001 and was appointed as a portfolio manager in 2005. He manages a portion of the equity, balanced and stable portfolios. He is also a director of Allan Gray Group Proprietary Limited and Allan Gray Proprietary Limited. Duncan holds an Honours degree in Business Science and a Postgraduate Diploma in Accounting from the University of Cape Town and is a CFA® and CMT® charterholder.

Jithen Pillay

Portfolio manager

BBusSc, PGDA, CA, CFA

Jithen joined Allan Gray in 2013 as a CA trainee before joining the Investment team as an analyst. He was appointed as a portfolio manager in December 2023 and currently manages portions of the equity and domestic balanced mandates. Jithen is a director of Allan Gray Proprietary Limited. He holds a Bachelor of Business Science degree in Finance and Accounting and a Postgraduate Diploma in Accounting, both from the University of Cape Town. Jithen is a qualified Chartered Accountant and a CFA® charterholder.

Rory Kutisker-Jacobson

Portfolio manager

BBusSc, CFA

Rory joined Allan Gray as an equity analyst in 2008. He was appointed as a portfolio manager in 2017 and manages a portion of the equity, balanced, frontier markets equity and African equity portfolios. He holds a Bachelor of Business Science degree in Economics and Finance from the University of Cape Town and is a CFA® charterholder.

Pieter Koornhof

Portfolio manager

MBA, CA, CFA

Pieter joined Allan Gray in 2013 and was appointed as a portfolio manager in December 2023. He currently manages portions of the institutional domestic equity mandates and the SA equity portfolio. Pieter holds a Master of Business Administration from the University of Oxford, and is a qualified Chartered Accountant and a CFA® charterholder.

Tim Acker

Portfolio manager

MAcc, CA, CFA

Tim joined Allan Gray as an equity analyst in 2013 after working in academia and completing his articles. He was appointed as a portfolio manager in 2020 and manages a portion of the equity, balanced and stable portfolios. Tim holds a Master of Accounting degree, specialising in Taxation, from Stellenbosch University. He is a qualified Chartered Accountant and a CFA® charterholder.

Thalia Petousis

Portfolio manager

MCom, CFA

Thalia joined Allan Gray as a fixed interest trader in 2015 and was appointed as a portfolio manager in 2019. She started her career in the South African fixed interest market in 2010. Thalia currently manages the money market portfolio, the bond portfolio, the Africa fixed interest portfolio, as well as portions of the balanced fixed interest portfolios. She holds a Master of Commerce degree in Mathematical Statistics from the University of Cape Town and is a CFA® charterholder.

Sean Munsie

Portfolio manager

BCom (Hons), CA, CFA

Sean joined Allan Gray as an equity analyst in 2013. He was appointed as a portfolio manager in 2020 and manages portions of the stable, income, interest and balanced fixed interest portfolios. He is also the manager of the optimal portfolios. Sean holds a Bachelor of Commerce (Honours) degree in Accounting from Stellenbosch University. He is a qualified Chartered Accountant and a CFA® charterholder.

Siphesihle Zwane

Portfolio manager

BCom (Hons)

Siphesihle joined Allan Gray in 2017 as an analyst in the Investment team. He was appointed as a portfolio manager in December 2023 and currently manages portions of the institutional domestic equity mandates and the SA equity portfolio. Siphesihle holds a Bachelor of Commerce degree in Economics and Finance and an Honours degree in Economics, both from the University of Cape Town.

Fund	Fund objective (specific benchmarks are shown on the fund data pages that follow)	Local/Offshore	Fund description	Suitable for investors who:	ASISA category
100% HIGH NET EQUITY EXPOSURE					
Allan Gray Equity Fund	The Fund aims to create long-term wealth for investors. It aims to outperform the average return of South African General Equity Funds over the long term, without taking on greater risk. To pursue its objective, the Fund's portfolio may differ materially from those of its peers. This will result in the Fund underperforming its benchmark materially at times. The Fund aims to compensate for these periods of underperformance by delivering outperformance over the long term.	Local	The Fund invests primarily in shares listed on the Johannesburg Stock Exchange (JSE). The Fund can invest a maximum of 45% offshore. The Fund invests the bulk of its foreign allowance in equity funds managed by Orbis Investment Management Limited, our offshore investment partner. The Fund is typically fully invested in shares. Returns are likely to be volatile, especially over short- and medium-term periods.	▪ Seek exposure to listed equities to provide long-term capital growth ▪ Are comfortable with stock market fluctuation, i.e. short- to medium-term volatility ▪ Are prepared to accept the risk of capital loss ▪ Typically have an investment horizon of more than five years ▪ Wish to use the Fund as an equity "building block" in a diversified multi-asset class portfolio	South African - Equity - General
Allan Gray SA Equity Fund	The Fund aims to create long-term wealth for investors. It aims to outperform the South African equity market over the long term, without taking on greater risk. To pursue its objective, the Fund's portfolio may differ materially from its benchmark. This will result in the Fund underperforming its benchmark materially at times. The Fund aims to compensate for these periods of underperformance by delivering outperformance over the long term.	Local	The Fund invests in shares listed on the Johannesburg Stock Exchange (JSE). The Fund is typically fully invested in shares. Returns are likely to be volatile, especially over short- and medium-term periods.	▪ Seek exposure to JSE-listed equities to provide long-term capital growth ▪ Are comfortable with stock market fluctuation, i.e. short- to medium-term volatility ▪ Are prepared to accept the risk of capital loss ▪ Typically have an investment horizon of more than five years ▪ Wish to use the Fund as an equity "building block" in a diversified multi-asset class portfolio	South African - Equity - SA General
Allan Gray-Orbis Global Equity Feeder Fund	The Fund aims to outperform global stock markets over the long term, without taking on greater risk.	Offshore	The Fund is a feeder fund and invests only in the Orbis Global Equity Fund, managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The Orbis Global Equity Fund is designed to be exposed to all of the risks and rewards of selected global shares. Returns are likely to be volatile, especially over short- and medium-term periods. Although the Fund's investment universe is global, the units in the Fund are priced and traded daily in rands.	▪ Seek exposure to diversified international equities to provide long-term capital growth ▪ Wish to invest in international assets without having to personally expatriate rands ▪ Are comfortable with global stock market and currency fluctuation and risk of capital loss ▪ Typically have an investment horizon of more than five years ▪ Wish to use the Fund as a global equity "building block" in a diversified multi-asset class portfolio	Global - Equity - General
40% – 75% MEDIUM NET EQUITY EXPOSURE					
Allan Gray Balanced Fund	The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk.	Local	The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund.	▪ Seek steady long-term capital growth ▪ Are comfortable with taking on some risk of market fluctuation and potential capital loss, but typically less than that of an equity fund ▪ Wish to invest in a unit trust that complies with retirement fund investment limits ▪ Typically have an investment horizon of more than three years	South African - Multi Asset - High Equity
Allan Gray Tax-Free Balanced Fund	The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk.	Local	The Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts and can only be accessed through these products. The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund.	▪ Seek steady long-term capital growth ▪ Are comfortable with taking on some risk of market fluctuation and potential capital loss, but typically less than that of an equity fund ▪ Wish to invest in a tax-free investment account ▪ Typically have an investment horizon of at least three years	South African - Multi Asset - High Equity

Fund	Fund objective (specific benchmarks are shown on the fund data pages that follow)	Local/Offshore	Fund description	Suitable for investors who:	ASISA category
40% – 75% MEDIUM NET EQUITY EXPOSURE					
Allan Gray-Orbis Global Balanced Feeder Fund	The Fund aims to create long-term wealth for investors and to outperform its designated combined equity and bond performance benchmark.	Offshore	The Fund is a feeder fund and invests only in the Orbis SICAV Global Balanced Fund ("Orbis Global Balanced"), managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. Orbis Global Balanced invests in a diversified global portfolio of equities, fixed income, and commodity-linked instruments. The typical net equity exposure of Orbis Global Balanced is between 40% and 75%. Orbis Global Balanced aims to balance investment returns and risk of loss. Returns are likely to be less volatile than those of a global equity-only fund. Although Orbis Global Balanced's investment universe is global, the units of the Fund are priced and traded daily in rands.	▪ Seek to balance investment returns and risk of loss by investing in a diversified global multi-asset class portfolio ▪ Wish to invest in international assets without having to personally expatriate rands ▪ Are comfortable that the investment approach is likely to result in volatility and potential capital loss, but typically less volatility than that of a global equity-only fund ▪ Typically have an investment horizon of at least three to five years	Global - Multi Asset - High Equity
0% – 40% LOW NET EQUITY EXPOSURE					
Allan Gray Stable Fund	The Fund aims to provide investors with a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits.	Local	The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 40%. The Fund's net equity exposure may be reduced from time to time using exchange-traded derivative contracts on stock market indices. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund or a balanced fund.	▪ Are risk-averse and require a high degree of capital stability ▪ Seek both above-inflation returns over the long term, and capital preservation over any two-year period ▪ Require some income but also some capital growth ▪ Wish to invest in a unit trust that complies with retirement fund investment limits	South African - Multi Asset - Low Equity
0% – 20% VERY LOW NET EQUITY EXPOSURE					
Allan Gray Optimal Fund	The Fund aims to provide investors with long-term positive returns higher than those available in the money market sector, irrespective of stock market returns.	Local	The Fund invests mainly in selected shares and it uses exchange-traded derivative contracts on stock market indices to substantially reduce its net equity exposure to within a range of 0-20%. As a result, the Fund's return depends on the level of short-term interest rates (implicit in the pricing of the sold futures contracts) and the performance of the Fund's selected shares relative to the stock market index. The Fund's return is therefore unlikely to be correlated with equity market returns. In addition, a portion of the Fund is typically invested in cash and margin deposits.	▪ Seek absolute (i.e. positive) returns regardless of stock market trends ▪ Require a high degree of capital stability over a three-year time horizon ▪ Wish to invest in a product that offers uncorrelated returns relative to shares or bonds as a "building block" in a diversified multi-asset class portfolio	South African - Multi Asset - Low Equity
Allan Gray-Orbis Global Optimal Fund of Funds	The Fund aims to provide investors with long-term positive returns (when measured in US dollars or euros) from a low-risk global investment portfolio. The Fund's returns are intended to be largely independent of the major asset classes such as cash, bonds or equities.	Offshore	The Fund may invest in a mix of absolute return funds managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited, and currently invests in the Orbis Optimal SA Fund (US dollar and euro classes). The Orbis Optimal SA Fund invests in a portfolio of global shares and uses exchange-traded derivative contracts on stock market indices to reduce net equity exposure, which typically varies between 0% and 20%. The Fund's returns, when measured in US dollars or euros, are driven mainly by Orbis' stock selection and not by the overall direction of equity markets. Returns are likely to be less volatile than those of a global equity or global balanced fund, but more volatile than those of a global fixed income fund. Although the Fund's investment universe is global, the units in the Fund are priced and traded daily in rands. Given the Fund's global investment universe, rand returns are likely to be more volatile than those of local funds with similar equity constraints.	▪ Seek positive long-term returns, when measured in foreign currency ▪ Wish to invest in international assets through a rand-denominated fund ▪ Have a long-term investment horizon and are comfortable with periods of underperformance which may result in capital loss ▪ Wish to use the Fund as a "building block" in a diversified multi-asset class portfolio ▪ Understand that the Fund's returns are largely independent of cash, bonds and equities	Global - Multi Asset - Low Equity

Fund	Fund objective (specific benchmarks are shown on the fund data pages that follow)	Local/Offshore	Fund description	Suitable for investors who:	ASISA category
0% - 10% NO TO VERY LOW NET EQUITY EXPOSURE					
Allan Gray Income Fund	The Fund aims to generate income and produce returns that are superior to traditional money market funds, while preserving capital and minimising the risk of loss over any one- to two-year period.	Local	The Fund invests primarily in a mix of South African interest-bearing securities, with limited exposure to offshore interest-bearing securities. Returns are likely to be less volatile than those of a bond-only fund. The Fund is managed to comply with the investment limits governing retirement funds.	▪ Are risk-averse and require capital preservation over any one- to two-year period ▪ Seek returns higher than traditional money market funds ▪ Seek a unit trust that provides an income ▪ Seek a prudently managed income "building block" ▪ Wish to invest in a unit trust that complies with retirement fund investment limits	South African – Multi Asset - Income
NO EQUITY EXPOSURE					
Allan Gray Bond Fund	The Fund's goal is to deliver returns that exceed inflation and cash over the long term, without taking on undue risk.	Local	The Fund invests in South African interest bearing securities. Securities include national government, parastatal, municipal, corporate bonds and money market instruments. The Fund price is sensitive to interest rate movements because of the long-term nature of the Fund's investments. The duration of the Fund may differ materially from the benchmark. The Fund is managed to comply with investment limits governing retirement funds.	▪ Seek a bond "building block" for a diversified multi-asset class portfolio ▪ Are looking for returns in excess of those provided by money market or cash investments ▪ Are prepared to accept more risk of capital depreciation than in a money market or cash investment	South African - Interest Bearing - Variable Term
Allan Gray Interest Fund	The Fund aims to generate returns higher than bank deposits and traditional money market funds, while maintaining capital stability and low volatility.	Local	The Fund invests in a mix of South African interest-bearing securities. These securities can be issued by government, parastatals, corporates and banks. The Fund's weighted average modified duration is limited to a maximum of two. Returns are likely to be less volatile than those of traditional income and bond funds, but more volatile than those of money market funds. The Fund is managed to comply with the investment limits governing retirement funds.	▪ Are risk-averse but seek returns higher than bank deposits and traditional money market funds ▪ Need a short-term investment account ▪ Seek a domestic-only interest-bearing "building block" ▪ Require monthly income distributions	South African – Interest Bearing – Short Term
Allan Gray Money Market Fund	The Fund aims to preserve capital, maintain liquidity and generate a sound level of income.	Local	The Fund invests in South African money market instruments with a term shorter than 13 months. These instruments can be issued by government, parastatals, corporates and banks. The Fund is managed to comply with regulations governing retirement funds. While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument held by the Fund defaults. In this event losses will be borne by the Fund and its investors.	▪ Require monthly income distributions ▪ Are highly risk-averse but seek returns higher than bank deposits ▪ Need a short-term investment account	South African - Interest Bearing - SA Money Market

PERFORMANCE SUMMARY

Annualised performance to 31 December 2024 over 10, 5 and 3 years.
Fund performance is shown net of all management fees and expenses.

Fund	10 Years	5 Years	3 Years
Allan Gray Equity Fund[1]	8.2%	11.4%	11.0%
Benchmark[2]	7.3%	11.6%	9.4%
Allan Gray SA Equity Fund[1]		10.2%	9.6%
Benchmark[3]		12.2%	8.7%
Allan Gray-Orbis Global Equity Feeder Fund	13.1%	14.9%	12.0%
Benchmark[4]	15.7%	18.0%	12.7%
Allan Gray Balanced Fund[1]	8.7%	10.9%	10.5%
Benchmark[5]	7.6%	10.2%	8.5%
Allan Gray Tax-Free Balanced Fund[1]		10.9%	10.7%
Benchmark[6]		10.2%	8.5%
Allan Gray-Orbis Global Balanced Feeder Fund	11.6%	14.9%	15.1%
Benchmark[7]	11.3%	11.9%	7.1%
Allan Gray Stable Fund[1]	8.5%	9.2%	9.3%
Benchmark[8]	7.5%	7.0%	8.4%
Allan Gray Optimal Fund[1]	5.0%	3.6%	5.8%
Benchmark[9]	5.3%	4.9%	6.2%
Allan Gray-Orbis Global Optimal Fund of Funds	6.6%	10.1%	13.0%
Benchmark[10]	5.5%	7.4%	7.7%
Allan Gray Bond Fund[1]	8.8%	8.7%	9.5%
Benchmark[11]	8.6%	9.6%	10.2%
Allan Gray Money Market Fund[1]	7.1%	6.6%	7.7%
Benchmark[12]	6.7%	6.2%	7.2%
CPI inflation[13]	4.9%	4.9%	5.3%

The Funds' returns shown above are all class A. All benchmark performance is calculated by Allan Gray as at 31 December 2024.

1. Different classes of units apply to the Equity, SA Equity, Balanced, Tax-Free Balanced, Stable, Optimal, Bond and Money Market funds only and are subject to different fees and charges.
2. The market value-weighted average return of funds in the South African – Equity – General category, excluding Allan Gray funds. (Effective 1 October 2024, this category started excluding funds that can only invest in South African equities.) Source: Morningstar, performance as calculated by Allan Gray as at 31 December 2024. From inception to 28 February 2015 the benchmark was the FTSE/JSE All Share Index including income. Source: IRESS.
3. FTSE/JSE All Share Index including income (source: IRESS), performance as calculated by Allan Gray as at 31 December 2024.
4. MSCI World Index, including income, after withholding taxes (source: Bloomberg), performance as calculated by Allan Gray as at 31 December 2024. From inception to 15 May 2023, the benchmark was the FTSE World Index, including income.
5. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 31 December 2024. From inception to 31 January 2013 the benchmark was the market value-weighted average return of the funds in both the Domestic Asset Allocation Medium Equity and Domestic Asset Allocation Variable Equity sectors of the previous ASISA Fund Classification Standard, excluding the Allan Gray Balanced Fund. Source: Morningstar.
6. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 31 December 2024.
7. 60% of the MSCI World Index with net dividends reinvested and 40% of the J.P. Morgan Global Government Bond Index (source: Bloomberg), performance as calculated by Allan Gray as at 31 December 2024. From inception to 31 May 2021, the benchmark was 60% of the FTSE World Index including income and 40% of the J.P. Morgan Global Government Bond Index.
8. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank, plus 2%, performance as calculated by Allan Gray as at 31 December 2024.
9. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank, performance as calculated by Allan Gray as at 31 December 2024.
10. The simple average of the benchmarks of the underlying funds, performance as calculated by Allan Gray as at 31 December 2024.
11. FTSE/JSE All Bond Index (source: IRESS), performance as calculated by Allan Gray as at 31 December 2024.
12. The current benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) 3-month Index. From inception to 31 March 2003, the benchmark was the Alexander Forbes 3-Month Deposit Index. From 1 April 2003 to 31 October 2011, the benchmark was the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund. From 1 November 2011 to 19 August 2024, the benchmark was the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 31 December 2024. Source: Bloomberg.
13. This is based on the latest available numbers published by IRESS as at 30 November 2024.

ALLAN GRAY EQUITY FUND

Inception date: 1 October 1998

Portfolio managers

Duncan Artus, Jithen Pillay, Rory Kutisker-Jacobson, Tim Acker. (Foreign assets invested in Orbis funds are managed by Orbis Investment Management Limited.)

Fund objective and benchmark

The Fund aims to create long-term wealth for investors. It aims to outperform the average return of South African General Equity Funds over the long term, without taking on greater risk of loss. To pursue its objective the Fund's portfolio may differ materially from those of its peers. This will result in the Fund underperforming its benchmark materially at times. The Fund aims to compensate for these periods of underperformance by delivering outperformance over the long term. The Fund's benchmark is the market value-weighted average return of funds in the South African – Equity – General category (excluding Allan Gray funds).

Commentary

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 Fund returned 11.5% for the 2024 calendar year, lagging the benchmark by 5.1%. 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 falling yields on South African government bonds and returned more than 20%* 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 both the local and offshore portions of the Fund is the continued disappointing economic data emanating out of China. Many Chinese-related shares 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.

The Fund has 43% invested directly offshore in a mix of Orbis funds and positions managed directly by the South African investment team. The offshore portion of the Fund looks very different from the world index and many of our competitors. We remain underweight the US market and mega-cap tech with our only current exposure being Alphabet. While much of the rally has been driven by excitement over the amazing progress in artificial intelligence (AI), we believe you can get exposure to businesses that can benefit from AI, such as Booking Holdings and Interactive Brokers, whose business models are very much tech based.

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 Fund.

Commentary contributed by Duncan Artus

*FTSE/JSE Financials Index.

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 1998)	9341.8	3066.3	288.0
Annualised:			
Since inception (1 October 1998)	18.9	14.1	5.3
Latest 10 years	8.2	7.3	4.9
Latest 5 years	11.4	11.6	4.9
Latest 3 years	11.0	9.4	5.3
Latest 2 years	12.7	11.5	4.2
Latest 1 year	11.5	16.6	2.9
Risk measures (since inception)			
Maximum drawdown[3]	-37.0	-45.4	n/a
Percentage positive months[4]	65.7	59.7	n/a
Annualised monthly volatility[5]	15.0	16.3	n/a
Highest annual return[6]	125.8	73.0	n/a
Lowest annual return[6]	-24.3	-37.6	n/a

Sector allocation on 31 December 2024[7]

Sector	% of equities[8]	% of ALSI[9]
Financials	23.3	30.9
Consumer staples	17.4	12.2
Consumer discretionary	15.2	8.4
Basic materials	12.5	18.1
Industrials	11.3	3.6
Technology	9.9	14.9
Healthcare	3.6	1.8
Energy	3.4	0.9
Telecommunications	1.6	4.2
Real estate	1.2	5.1
Utilities	0.5	0.0
Total (%)	**100.0**	**100.0**

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2024	31 Dec 2024
Cents per unit	**583.3035**	**635.7956**

1. The market value-weighted average return of funds in the South African – Equity – General category, excluding Allan Gray funds. (Effective 1 October 2024, this category started excluding funds that can only invest in South African equities.) Source: Morningstar, performance as calculated by Allan Gray as at 31 December 2024. From inception to 28 February 2015 the benchmark was the FTSE/JSE All Share Index including income. Source: IRESS.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 3 September 2018 to 23 March 2020 and maximum benchmark drawdown occurred from 22 May 2008 to 20 November 2008. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 30 September 1999 and the benchmark's occurred during the 12 months ended 30 April 2006. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 28 February 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
7. Underlying holdings of foreign funds are included on a look-through basis.
8. Includes listed property.
9. FTSE/JSE All Share Index.

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

Foreign exposure on 31 December 2024[7]

43.3% of the Fund is invested in foreign investments.

The Fund can invest a maximum of 45% offshore.

ALLAN GRAY SA EQUITY FUND

Inception date: 13 March 2015

Portfolio managers

Duncan Artus, Pieter Koornhof, Rory Kutisker-Jacobson, Siphesihle Zwane, Tim Acker.

Fund objective and benchmark

The Fund aims to create long-term wealth for investors. It aims to outperform the South African equity market over the long term, without taking on greater risk. To pursue its objective the Fund's portfolio may differ materially from its benchmark. This will result in the Fund underperforming its benchmark materially at times. The Fund aims to compensate for these periods of underperformance by delivering outperformance over the long term. The Fund's benchmark is the FTSE/JSE All Share Index including income.

Commentary

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 Fund returned 10.0% for the 2024 calendar year, lagging the benchmark by 3.5%. 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 falling yields on South African government bonds and returned more than 20%* 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 Fund 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 Fund.

Commentary contributed by Duncan Artus

*FTSE/JSE Financials Index.

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (13 March 2015)	94.6	125.4	61.1
Annualised:			
Since inception (13 March 2015)	7.0	8.6	5.0
Latest 5 years	10.2	12.2	4.9
Latest 3 years	9.6	8.7	5.3
Latest 2 years	9.5	11.3	4.2
Latest 1 year	10.0	13.4	2.9
Risk measures (since inception)			
Maximum drawdown[3]	-44.3	-35.2	n/a
Percentage positive months[4]	57.6	55.9	n/a
Annualised monthly volatility[5]	14.4	14.4	n/a
Highest annual return[6]	57.3	54.0	n/a
Lowest annual return[6]	-32.0	-18.4	n/a

Sector allocation on 31 December 2024

Sector	% of equities[7]	% of ALSI[8]
Financials	26.2	30.9
Consumer staples	22.2	12.2
Basic materials	19.7	18.1
Consumer discretionary	9.8	8.4
Technology	9.7	14.9
Industrials	6.1	3.6
Energy	2.2	0.9
Telecommunications	1.8	4.2
Healthcare	1.5	1.8
Real estate	0.9	5.1
Total (%)	**100.0**	**100.0**

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2024	31 Dec 2024
Cents per unit	**1187.0242**	**799.5876**

1. FTSE/JSE All Share Index including income (source: IRESS), performance as calculated by Allan Gray as at 31 December 2024.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. Maximum percentage decline over any period. The maximum drawdown for the Fund occurred from 25 January 2018 to 23 March 2020 and maximum benchmark drawdown occurred from 17 January 2020 to 19 March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception of the Fund. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 March 2021 and the benchmark's occurred during the 12 months ended 31 March 2021. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 31 March 2020. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
7. Includes listed property.
8. FTSE/JSE All Share Index.

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

ALLAN GRAY-ORBIS GLOBAL EQUITY FEEDER FUND

Inception date: 1 April 2005

Portfolio managers

This Fund invests solely into the Orbis Global Equity Fund, managed by Orbis Investment Management Limited.

Fund objective and benchmark

The Fund aims to outperform global stock markets over the long term, without taking on greater risk. Its benchmark is the MSCI World Index, including income, after withholding taxes.

Commentary

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 Fund 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$400m. 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 Fund's US holdings today fall into this bucket.

In Q3 of 2024, 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 Fund. Other US companies that we believe fall into this category include Interactive Brokers (Thomas Peterffy and Milan Galik, 4% of the Fund), Motorola Solutions (Greg Brown, 1% of the Fund) and Corpay (Ron Clarke, 6% of the Fund). Collectively, these stocks represent more than a quarter of the Fund today and about half of the Fund's US exposure.

Of these positions, Corpay – now the Fund'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 a 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.

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

Performance net of all fees and expenses

% Returns	Fund		Benchmark[1]		CPI inflation[2]	
Cumulative:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (1 April 2005)	1293.3	361.0	1452.0	413.5	185.7	63.9
Annualised:						
Since inception (1 April 2005)	14.3	8.0	14.9	8.6	5.5	2.5
Latest 10 years	13.1	7.7	15.7	10.2	4.9	2.9
Latest 5 years	14.9	8.4	18.0	11.3	4.9	4.2
Latest 3 years	12.0	6.0	12.7	6.6	5.3	4.3
Latest 2 years	21.9	15.8	27.6	21.2	4.2	2.9
Latest 1 year	13.5	11.7	20.6	18.7	2.9	2.7
Risk measures (since inception)						
Maximum drawdown[3]	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months[4]	62.9	58.6	61.2	63.7	n/a	n/a
Annualised monthly volatility[5]	15.1	17.0	14.2	15.8	n/a	n/a
Highest annual return[6]	78.2	64.1	54.2	58.4	n/a	n/a
Lowest annual return[6]	-29.7	-44.8	-32.7	-47.3	n/a	n/a

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually.	31 Dec 2024
Cents per unit	**3.0952**

1. MSCI World Index, including income, after withholding taxes (source: Bloomberg), performance as calculated by Allan Gray as at 31 December 2024. From inception to 15 May 2023, the benchmark was the FTSE World Index, including income.
2. This data reflects the latest available inflation numbers for South Africa and the United States of America, as published by IRESS as of 30 November 2024.
3. Maximum percentage decline over any period. The maximum rand drawdown occurred from 6 June 2008 to 10 March 2009 and maximum benchmark drawdown occurred from 5 June 2008 to 6 March 2009. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 December 2013 and the benchmark's occurred during the 12 months ended 31 December 2013. The Fund's lowest annual return occurred during the 12 months ended 31 March 2009 and the benchmark's occurred during the 12 months ended 31 March 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
7. Refers to developed markets only.

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

Asset allocation on 31 December 2024

This fund invests solely into the Orbis Global Equity Fund

	Total	United States	UK	Europe ex-UK[7]	Japan	Other[7]	Emerging markets
Net equities	99.0	54.9	10.9	10.1	4.5	3.6	15.0
Property	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Money market and cash	1.0	0.4	0.2	0.1	0.0	0.0	0.3
Total (%)	**100.0**	**55.3**	**11.1**	**10.2**	**4.5**	**3.6**	**15.4**
Currency exposure	100.0	54.2	5.7	9.5	14.6	8.6	7.5
Benchmark	100.0	73.9	3.4	11.5	5.4	5.8	0.0

ALLAN GRAY BALANCED FUND

Inception date: 1 October 1999

Portfolio managers

Duncan Artus, Rory Kutisker-Jacobson, Tim Acker. (Foreign assets invested in Orbis funds are managed by Orbis Investment Management Limited.)

Fund objective and benchmark

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund's benchmark is the market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds).

Commentary

The Fund had a decent 2024 in absolute terms, but a poor one relative to peers. The Fund returned 10.4% in rands, well ahead of inflation of 2.9%, but behind the peer group average of 12.8%*.

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**.

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 Group 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 of 2024.

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 seemingly in the rearview mirror in the second half of the year, that is what 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, a number of the companies noted above. However, in many instances, we have either not owned these shares, not owned them in enough quantity or, arguably, sold too soon. 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 leave 2024 behind 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.

Offshore, our sister company, Orbis, continues to find greater value outside of the US than within it. We continue to have more than 35% of the Fund 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

*The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds).

**Source: S&P Dow Jones Indices.

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 1999)	3159.2	1441.5	281.6
Annualised:			
Since inception (1 October 1999)	14.8	11.4	5.5
Latest 10 years	8.7	7.6	4.9
Latest 5 years	10.9	10.2	4.9
Latest 3 years	10.5	8.5	5.3
Latest 2 years	11.7	13.0	4.2
Latest 1 year	10.4	12.8	2.9
Risk measures (since inception)			
Maximum drawdown[3]	-25.4	-23.3	n/a
Percentage positive months[4]	70.0	68.0	n/a
Annualised monthly volatility[5]	9.3	9.2	n/a
Highest annual return[6]	46.1	41.9	n/a
Lowest annual return[6]	-14.2	-16.7	n/a

Asset allocation on 31 December 2024[7]

Asset class	Total	South Africa	Foreign
Net equities	63.5	37.4	26.2
Hedged equities	9.0	2.9	6.1
Property	0.8	0.2	0.6
Commodity-linked	3.1	2.4	0.6
Bonds	16.3	11.2	5.0
Money market and cash[8]	7.3	9.1	-1.8
Total (%)	**100.0**	**63.2**	**36.8[9]**

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2024	31 Dec 2024
Cents per unit	**219.4385**	**172.6912**

1. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 31 December 2024. From inception to 31 January 2013 the benchmark was the market value-weighted average return of the funds in both the Domestic Asset Allocation Medium Equity and Domestic Asset Allocation Variable Equity sectors of the previous ASISA Fund Classification Standard, excluding the Allan Gray Balanced Fund. Source: Morningstar.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 20 January 2020 to 23 March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 30 April 2006 and the benchmark's occurred during the 12 months ended 30 April 2006. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 28 February 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
7. Underlying holdings of foreign funds are included on a look-through basis.
8. Including currency hedges.
9. The Fund can invest a maximum of 45% offshore. Market movements may periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

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

ALLAN GRAY TAX-FREE BALANCED FUND

Inception date: 1 February 2016

Portfolio managers

Duncan Artus, Rory Kutisker-Jacobson, Tim Acker. (Foreign assets invested in Orbis funds are managed by Orbis Investment Management Limited.)

Fund objective and benchmark

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund's benchmark is the market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds).

Commentary

The Fund had a decent 2024 in absolute terms, but a poor one relative to peers. The Fund returned 10.3% in rands, well ahead of inflation of 2.9%, but behind the peer group average of 12.8%*.

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**.

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 Group 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 of 2024.

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 seemingly in the rearview mirror in the second half of the year, that is what 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, a number of the companies noted above. However, in many instances, we have either not owned these shares, not owned them in enough quantity or, arguably, sold too soon. 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 leave 2024 behind 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.

Offshore, our sister company, Orbis, continues to find greater value outside of the US than within it. We continue to have more than 35% of the Fund 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

*The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds).

**Source: S&P Dow Jones Indices.

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 February 2016)	108.1	97.5	52.6
Annualised:			
Since inception (1 February 2016)	8.6	7.9	4.9
Latest 5 years	10.9	10.2	4.9
Latest 3 years	10.7	8.5	5.3
Latest 2 years	11.8	13.0	4.2
Latest 1 year	10.3	12.8	2.9
Risk measures (since inception)			
Maximum drawdown[3]	-24.6	-23.3	n/a
Percentage positive months[4]	67.3	66.4	n/a
Annualised monthly volatility[5]	9.1	9.0	n/a
Highest annual return[6]	31.7	30.7	n/a
Lowest annual return[6]	-13.4	-10.3	n/a

Asset allocation on 31 December 2024[7]

Asset class	Total	South Africa	Foreign
Net equities	62.8	36.9	25.9
Hedged equities	8.8	2.8	6.0
Property	0.8	0.2	0.6
Commodity-linked	3.0	2.3	0.6
Bonds	16.4	11.5	4.9
Money market and cash[8]	8.3	10.0	-1.7
Total (%)	**100.0**	**63.6**	**36.4[9]**

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2024	31 Dec 2024
Cents per unit	**24.3788**	**17.6520**

1. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 31 December 2024.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 20 January 2020 to 23 March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 March 2021 and the benchmark's occurred during the 12 months ended 31 March 2021. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 31 March 2020. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
7. Underlying holdings of foreign funds are included on a look-through basis.
8. Including currency hedges.
9. The Fund can invest a maximum of 45% offshore. Market movements may periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

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

ALLAN GRAY-ORBIS GLOBAL BALANCED FEEDER FUND

Inception date: 3 February 2004

Portfolio manager

This Fund invests solely into the Orbis SICAV Global Balanced Fund, managed by Orbis Investment Management Limited.

Fund objective and benchmark[1]

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

Commentary

2024 was a solid year for the Fund, 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 Fund 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 of 2024, the more wind and solar you have in your energy grid, the more backup 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 Fund 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 Fund 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 Fund'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 Fund 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.

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

Performance net of all fees and expenses

% Returns	Fund		Benchmark[1,2]		CPI inflation[3]	
Cumulative:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (3 February 2004)	842.9	252.4	841.8	252.0	197.4	69.9
Annualised:						
Since inception (3 February 2004)	11.3	6.2	11.3	6.2	5.4	2.6
Latest 10 years	11.6	6.4	11.3	6.0	4.9	2.9
Latest 5 years	14.9	8.3	11.9	5.6	4.9	4.2
Latest 3 years	15.1	8.9	7.1	1.4	5.3	4.3
Latest 2 years	18.8	12.8	18.3	12.4	4.2	2.9
Latest 1 year	13.6	11.8	11.1	9.3	2.9	2.7
Risk measures (since inception)						
Maximum drawdown[4]	-24.0	-37.0	-25.1	-37.5	n/a	n/a
Percentage positive months[5]	58.6	60.6	57.8	63.3	n/a	n/a
Annualised monthly volatility[6]	13.3	11.7	12.7	10.4	n/a	n/a
Highest annual return[7]	55.6	43.8	38.8	37.6	n/a	n/a
Lowest annual return[7]	-13.7	-27.3	-17.0	-31.7	n/a	n/a

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually.	31 Dec 2024
Cents per unit	**1.5499**

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

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

Asset allocation on 31 December 2024

This fund invests solely into the Orbis SICAV Global Balanced Fund

	Total	United States	UK	Europe ex-UK[8]	Japan	Other[8]	Emerging markets
Net equities	57.4	11.3	12.1	10.8	5.9	5.5	11.7
Hedged equities	18.7	10.3	1.1	4.2	0.7	0.9	1.4
Property	0.3	0.0	0.0	0.0	0.3	0.0	0.0
Commodity-linked	5.6	5.6	0.0	0.0	0.0	0.0	0.0
Bonds	16.4	11.3	0.6	1.3	0.0	0.0	3.3
Money market and cash	1.6	0.6	0.0	0.4	0.1	0.1	0.5
Total (%)	**100.0**	**39.1**	**13.8**	**16.7**	**7.0**	**6.5**	**16.9**
Currency exposure	100.0	26.7	12.8	27.3	15.3	10.2	7.8
Benchmark	100.0	64.9	4.4	16.1	9.8	4.9	0.0

ALLAN GRAY STABLE FUND

Inception date: 1 July 2000

Portfolio managers

Duncan Artus, Sean Munsie, Tim Acker. (Foreign assets invested in Orbis funds are managed by Orbis Investment Management Limited.)

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited, plus 2%.

Commentary

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 Fund's asset mix (27.6% of the Fund 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 in 2024. 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 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" – have remained on the sidelines thus far. The prolonged suspension of loadshedding was 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 of 2024 with the FTSE/JSE Resources Index falling by 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.

Foreign assets comprised 28.7% of the Fund's assets at 31 December 2024. The rand, together with most currencies, has fared poorly against the US dollar since the US elections, weakening by 9.1% over the last quarter of 2024. 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.

Over the course of 2024, the Fund returned 10.4% compared to the benchmark's 9.6%.

It is worth reiterating the Fund'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.

Commentary contributed by Sean Munsie

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 July 2000)	1235.1	645.0	262.5
Annualised:			
Since inception (1 July 2000)	11.2	8.5	5.4
Latest 10 years	8.5	7.5	4.9
Latest 5 years	9.2	7.0	4.9
Latest 3 years	9.3	8.4	5.3
Latest 2 years	10.8	9.5	4.2
Latest 1 year	10.4	9.6	2.9
Risk measures (since inception)			
Maximum drawdown[3]	-16.7	n/a	n/a
Percentage positive months[4]	78.2	100.0	n/a
Annualised monthly volatility[5]	5.1	0.7	n/a
Highest annual return[6]	23.3	14.6	n/a
Lowest annual return[6]	-7.4	4.6	n/a

Asset allocation on 31 December 2024[7]

Asset class	Total	South Africa	Foreign
Net equities	26.0	13.2	12.8
Hedged equities	19.3	9.1	10.2
Property	0.7	0.2	0.5
Commodity-linked	2.1	1.6	0.6
Bonds	35.1	27.6	7.5
Money market and cash[8]	16.7	19.5	-2.7
Total (%)	**100.0**	**71.2**	**28.8[9]**

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus quarterly.

	31 Mar 2024	30 Jun 2024	30 Sep 2024	31 Dec 2024
Cents per unit	42.6919	51.1499	42.4069	37.6557

1. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank, plus 2%, performance as calculated by Allan Gray as at 31 December 2024.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 2020. Drawdown is calculated on the total return of the Fund (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 30 April 2006 and the benchmark's occurred during the 12 months ended 30 June 2003. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 31 August 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
7. Underlying holdings of foreign funds are included on a look-through basis.
8. Including currency hedges.
9. The Fund can invest a maximum of 45% offshore. Market movements may periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

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

ALLAN GRAY OPTIMAL FUND

Inception date: 1 October 2002

Portfolio manager

Sean Munsie.

Fund objective and benchmark

The Fund aims to provide investors with long-term positive returns higher than those available in the money market sector, irrespective of stock market returns. The Fund's benchmark is the daily interest rate as supplied by FirstRand Bank Limited.

Commentary

The last quarter of 2024 saw the local market marginally unwind some of the strong gains posted over the preceding two quarters as it 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. Despite the weaker end, for the full year the FTSE/JSE All Share Index returned 13.4%, its strongest showing since its post-COVID bounce in 2021.

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 in 2024. The FTSE/JSE Financials Index, comprising mostly banks and insurers, gained 22.4%, while retailers and other select local industrials performed even stronger. 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" – have remained on the sidelines thus far. The prolonged suspension of loadshedding was 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 of 2024, with the FTSE/JSE Resources Index falling by 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.

Among the non-resource "rand hedges", annual returns were more mixed, with Naspers/Prosus and British American Tobacco performing strongly, Richemont and Bidcorp treading water, and AB InBev lagging as consumer staple shares remain out of favour globally.

Against this backdrop, the Fund returned 3.2% in the last quarter of 2024 and 8.4% for the year, ahead of its benchmark. Overweight positions in Premier Group and British American Tobacco contributed, as has been the case for most of the year, together with holdings in a basket of local shares (MultiChoice, Brait, Italtile and Cashbuild). The Fund's meaningful exposure to gold miners (Pan African Resources, AngloGold Ashanti) also aided returns. Detractors from performance included overweight positions in Mondi, Sasol and AB InBev, as well as an underweight exposure to Capitec.

Commentary contributed by Sean Munsie

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 2002)	328.5	271.4	206.9
Annualised:			
Since inception (1 October 2002)	6.8	6.1	5.2
Latest 10 years	5.0	5.3	4.9
Latest 5 years	3.6	4.9	4.9
Latest 3 years	5.8	6.2	5.3
Latest 2 years	5.5	7.3	4.2
Latest 1 year	8.4	7.4	2.9
Risk measures (since inception)			
Maximum drawdown[3]	-10.2	n/a	n/a
Percentage positive months[4]	72.7	100.0	n/a
Annualised monthly volatility[5]	4.4	0.6	n/a
Highest annual return[6]	18.1	11.9	n/a
Lowest annual return[6]	-8.2	2.5	n/a

Asset allocation on 31 December 2024

Asset class	Total
Net equities	4.5
Hedged equities	78.1
Property	0.0
Commodity-linked	0.0
Bonds	0.0
Money market and cash	17.4
Total (%)	**100.0**

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2024	31 Dec 2024
Cents per unit	**59.0784**	**37.8455**

1. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank, performance as calculated by Allan Gray as at 31 December 2024.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 6 February 2020 to 15 September 2020. Drawdown is calculated on the total return of the Fund (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 30 September 2003 and the benchmark's occurred during the 12 months ended 30 September 2003. The Fund's lowest annual return occurred during the 12 months ended 31 August 2020 and the benchmark's occurred during the 12 months ended 30 November 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

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

ALLAN GRAY-ORBIS GLOBAL OPTIMAL FUND OF FUNDS

Inception date: 2 March 2010

Portfolio manager

Duncan Artus. (The underlying Orbis funds are managed by Orbis.)

Fund objective and benchmark

The Fund aims to provide investors with long-term positive returns (when measured in US dollars or euros) from a low-risk global investment portfolio. The Fund's returns are intended to be largely independent of the major asset classes such as cash, bonds or equities. The Fund's benchmark is the simple average of the benchmarks of the underlying Orbis Optimal SA Fund classes, namely US dollar and euro bank deposits.

Commentary

It has been three years since we wrote about an imaginary digital yacht that sold for US$650 000 in the metaverse. It was a fun little anecdote that captured the spirit of the "Everything Bubble", and one that we thought would be hard to beat. So much for that. Our new favourite is Fartcoin – a cryptocurrency that did not even exist in early October. Fartcoin's total market value recently traded above US$1bn!

Returns on more traditional asset classes haven't been quite as sensational, but they have been robust. The S&P 500 closed 2024 with a 25% return, a calendar year performance that has only been topped in 10 of the past 35 years. While not exactly a bubble, stock market returns have been running above normal for some time, valuations are lofty, and the Fartcoin craze is a reminder that animal spirits are alive and well.

At times like these, the Orbis Optimal SA Fund can play a valuable role. By design, the Fund's hedging policy eliminates broad stock market exposure. This can be painful to watch in years like 2024, but it also cushions the blow in years like 2022, when the average global equity fund* lost almost 20% of its value.

The Fund's greatest opportunity to distinguish itself may lie ahead. The period since the global financial crisis (GFC) has been an unusually rewarding time to be an equity investor, but the starting point explains a lot. Amid the wreckage of the GFC, investors' expectations were low, which set the stage for many years of pleasant surprises as growth continued to deliver year after year.

The picture looks quite different today. While fundamentals are still impressive, expectations and valuations are now higher, and capital has increasingly crowded into a few large correlated bets – wagering that a small number of existing winners will continue to perform. Historically, this setup hasn't boded well for future returns. It's entirely possible that this time might be different; but fair to say that from this starting point, it will be much tougher for broad stock markets to beat expectations over the next decade than the previous one.

At the same time, we also see reasons to be cautious about some underappreciated risks brewing in the US, where many of these large correlated bets reside. Investors may cheer the potential benefits of improving government efficiency but appear to be ignoring the pain that may be necessary to get there. They may also cheer the "America first" policies that reshore industrial jobs, perhaps ignoring the likely impact on productivity, which has mainly improved thanks to global trade over the past few decades. And investors may be forgetting that other countries may take steps of their own in response, which is especially worrying given US dependence on excess capital from overseas.

All that simply to say, we believe it's time to be careful. As we have noted in previous commentaries, markets are reflexive in both directions. The same forces that can conspire to push Fartcoin to a billion-dollar valuation out of thin air can also wipe out billions of stock market value in a self-reinforcing downward spiral.

In this environment, we believe the Fund is a valuable complement to other assets in a portfolio. By focusing on our highest-conviction bottom-up stock selections – and hedging broad stock market exposure – the Fund has the potential to deliver positive real returns over the long term without relying on the continued performance of highly valued and increasingly correlated assets. We couldn't ask for a better environment in which to let our stockpickers do what they do best.

While we won't get all of our stock selection decisions right, it's safe to say that their returns will be idiosyncratic. The Fund's holdings include an eclectic range of businesses from movie theatres to health insurance to discount retailers to corporate payment systems. The extent to which these investments add or detract value relative to their respective benchmarks should have little correlation with major asset classes – and very little with one another. Their commonality being our strong conviction that they are priced well below their intrinsic values.

Adapted from a commentary contributed by John Christy, Orbis Investments (Canada) Ltd., Vancouver

*Sourced from Morningstar Inc. and comprising global large-cap blend equity funds which invest principally in the equities of large-cap companies from around the globe (as defined by Morningstar).

Performance net of all fees and expenses

% Returns	Fund		Benchmark[1]		CPI inflation[2]	
Cumulative:	**ZAR**	**US$**	**ZAR**	**US$**	**ZAR**	**US$**
Since inception (2 March 2010)	199.1	22.2	149.0	1.7	106.4	45.6
Annualised:						
Since inception (2 March 2010)	7.7	1.4	6.3	0.1	5.0	2.6
Latest 10 years	6.6	1.6	5.5	0.5	4.9	2.9
Latest 5 years	10.1	3.8	7.4	1.2	4.9	4.2
Latest 3 years	13.0	6.9	7.7	1.9	5.3	4.3
Latest 2 years	9.9	4.4	9.3	3.9	4.2	2.9
Latest 1 year	4.1	2.5	3.1	1.5	2.9	2.7
Risk measures (since inception)						
Maximum drawdown[3]	-18.9	-31.3	-26.6	-16.1	n/a	n/a
Percentage positive months[4]	52.8	55.6	48.3	48.9	n/a	n/a
Annualised monthly volatility[5]	13.1	7.2	13.5	4.2	n/a	n/a
Highest annual return[6]	39.6	14.4	35.6	9.4	n/a	n/a
Lowest annual return[6]	-12.4	-15.3	-19.1	-11.6	n/a	n/a

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually.	31 Dec 2024
Cents per unit	**0.0000**

1. The simple average of the benchmarks of the underlying funds, performance as calculated by Allan Gray as at 31 December 2024.
2. This data reflects the latest available inflation numbers for South Africa and the United States of America, as published by IRESS as of 30 November 2024.
3. Maximum percentage decline over any period. The maximum rand drawdown occurred from 18 May 2016 to 24 March 2017 and maximum benchmark drawdown occurred from 18 January 2016 to 23 February 2018. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 December 2013 and the benchmark's occurred during the 12 months ended 31 January 2016. The Fund's lowest annual return occurred during the 12 months ended 31 May 2017 and the benchmark's occurred during the 12 months ended 28 February 2017. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
7. Refers to developed markets only.

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

Asset allocation on 31 December 2024

	Total	United States	UK	Europe ex-UK[7]	Japan	Other[7]	Emerging markets
Net equities	3.8	2.9	5.8	-4.8	1.6	-1.3	-0.4
Hedged equities	79.0	31.1	6.7	15.3	15.4	4.9	5.5
Property	3.8	0.0	0.0	0.0	1.7	2.1	0.0
Commodity-linked	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Money market and cash	13.3	9.8	0.2	0.6	1.8	0.2	0.7
Total (%)	**100.0**	**43.9**	**12.8**	**11.1**	**20.6**	**5.8**	**5.8**
Currency exposure	100.0	55.5	-0.1	37.4	6.1	1.3	-0.2

ALLAN GRAY BOND FUND

Inception date: 1 October 2004

Portfolio manager

Thalia Petousis.

Fund objective and benchmark

The Bond Fund's goal is to deliver returns that exceed inflation and cash over the long term, without taking on undue risk. The Fund's benchmark is the FTSE/JSE All Bond Index.

Commentary

To put it simply, South African government bonds had an extremely strong year in 2024. In 2024, the FTSE/JSE All Bond Index (ALBI) returned 17.2% in rand terms, outperforming the FTSE/JSE All Share Index, which returned 13.4%. The ALBI's outperformance is more extreme when comparing the SA bond market to its peer bond markets. In US dollar terms*, the ALBI returned 13.2% versus the J.P. Morgan GBI-EM Global Core Index at -2.4% for the year.

An extreme underperformer in the emerging market bond arena has been Brazil. Its 2033 local currency bonds lost 16.2% of their value in 2024, or an even more abysmal 37.6% when measured in US dollar returns. The Brazilian real hit a record low in 2024 as leftist President Luiz Inácio Lula da Silva (Lula) ramped up government spending on welfare while also caving to populist measures like tax breaks for low-income earners. Brazil's budget deficit has doubled since Lula took office and is now close to 10% of GDP in a single year, threatening the sustainability of government debt. By contrast, recent changes to the SA government were seen as overwhelmingly positive – pivoting the country away from populism and towards pro-growth policies, market-friendly private sector inclusion and structural reform.

The SA 10-year bond now trades at a yield of 10.3% versus the Brazilian 10-year bond at a 15.4% yield and the US 10-year bond at a 4.6% yield. The SA yield spread differential versus the US at 5.7% is the tightest spread on record in the last six years, which should ideally reflect an enhancement in our creditworthiness versus the US. This is somewhat difficult to square from a fundamental perspective when one considers that the SA sovereign has outpaced the US government in terms of debt accumulation as a percentage of GDP over that period – in part due to substantially weaker economic growth. Even if one accepts this phenomenon of a tighter spread, another conundrum is that we are witnessing one of the first times in US history when US long bond yields have in fact *risen* following the beginning of a rate-cutting cycle.

Some of this is undoubtedly due to the differing trajectories of tight monetary policy versus loose fiscal policy. In addition, what has rattled offshore bond markets are comments like those made most recently by US Federal Reserve (Fed) Chair Jerome Powell at the final Fed meeting of 2024, where he stated that their year-end inflation projection has "kind of fallen apart". At the December meeting, Powell acknowledged that inflation has not abated by as much as the Fed had expected and that "people are still feeling high prices", which limits the scope to cut rates further by a substantial amount.

When thinking about South Africa's future trajectory for debt accumulation, what became clear in the final months of 2024 is that the financial year 2025 borrowing requirement was initially underestimated by Treasury. As such, it was revised higher at the September Medium Term Budget Policy Statement to accommodate for further fiscal slippage. Rand SA government bonds, however, have become sacrosanct in the Budget, and Treasury has shown a strong commitment to not raising the issuance of rand bonds further, given that they do not want to put pressure on their borrowing costs. Instead, Treasury opted to raise US$3.5bn worth of US dollar-denominated Eurobonds in international markets in November 2024. They are also contemplating creative ways to raise more rand debt outside of the formal SA government bond market. The use of proceeds for this debt would be the infrastructure projects which have historically been repeatedly cut back from the Budget during rounds of fiscal consolidation. In short, these projects are often crowded out by a larger government wage bill and social grant expenditure. Such efforts to raise rand debt outside of the formal SA government bond market architecture could act to curtail a large rise in supply of paper and could provide a shield for bond investors in particular. One must keep in mind, however, that the ultimate funder being tapped for a larger rand debt requirement remains the SA savings pool, regardless of the format of the debt and, as such, it is questionable how large the untapped pools of local capital are.

As at 31 December 2024, the Fund offers a gross yield of 10.4% against a modified duration of 4.1, versus the ALBI at 10.1% and 5.7. While it was the wrong call to enter the election period with a low modified duration position, valuations now look somewhat stretched on a fundamental basis, warranting caution in positioning.

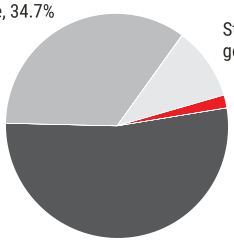
Commentary contributed by Thalia Petousis

*Source: Bloomberg.

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 2004)	479.2	460.8	191.5
Annualised:			
Since inception (1 October 2004)	9.1	8.9	5.4
Latest 10 years	8.8	8.6	4.9
Latest 5 years	8.7	9.6	4.9
Latest 3 years	9.5	10.2	5.3
Latest 2 years	12.6	13.4	4.2
Latest 1 year	15.8	17.2	2.9
Risk measures (since inception)			
Maximum drawdown[3]	-18.9	-19.3	n/a
Percentage positive months[4]	71.6	68.3	n/a
Annualised monthly volatility[5]	5.9	7.6	n/a
Highest annual return[6]	22.0	26.1	n/a
Lowest annual return[6]	-2.6	-5.6	n/a

Asset allocation on 31 December 2024



Income distributions for the last 12 months

Actual payout, the Fund distributes quarterly	31 Mar 2024	30 Jun 2024	30 Sep 2024	31 Dec 2024
Cents per unit	**25.8263**	**27.2485**	**26.5758**	**26.1592**

1. FTSE/JSE All Bond Index (source: IRESS), performance as calculated by Allan Gray as at 31 December 2024.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 27 February 2020 to 24 March 2020 and maximum benchmark drawdown occurred from 26 February 2020 to 23 March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 30 September 2024 and the benchmark's occurred during the 12 months ended 30 September 2024. The Fund's lowest annual return occurred during the 12 months ended 31 January 2016 and the benchmark's occurred during the 12 months ended 31 January 2016.All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

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

ALLAN GRAY INCOME FUND

Inception date: 1 May 2024

Portfolio managers

Sean Munsie, Thalia Petousis.

Fund objective and benchmark

The Fund aims to generate income and produce returns that are superior to traditional money market funds, while preserving capital and minimising the risk of loss over any one- to two-year period. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index.

Commentary

The US Federal Reserve's (Fed) December 2024 meeting delivered a 25 basis point cut to the benchmark rate that was expected, but it was Fed Chair Jerome Powell's comment at the post-meeting press conference that their year-end inflation projection has "kind of fallen apart" that spooked the market. This was the Fed's third consecutive rate cut in a cycle that began with the larger-than-anticipated 50 basis points in September. At that time, he spoke to concerns of building weakness in the labour market but subsequent data points, both in employment numbers and the strength of the US economy, have mostly allayed those fears. Rather, it is inflation, the other side of the Fed's dual mandate, that remains stubbornly above its 2% target. Their favoured inflation measure, the core personal consumption expenditures which strips out the more volatile food and energy prices, rose at 2.8% annually in November.

US policymakers have now raised their inflation projections and forecast only 50 basis points worth of interest rate cuts in 2025, below the market's expectation. In addressing the cooling on further rate cuts, Powell alluded to the potential inflationary impact of President Trump's economic policies. Market participants fear that his proposals to hike tariffs, deport immigrants and slash taxes could trigger a fresh bout of inflation.

An argument exists that lingering inflationary pressures in the global economy predate the election of Trump. We have written previously about the structural forces driving inflation and, therefore, interest rates higher. These forces are termed the five Ds: Demographics, Decarbonisation, Deglobalisation, Debt and Defence. Declining workforces and accompanying wage pressures, fragmentation of supply chains and partial reversal of globalisation gains, the push to transition to clean energy, and higher government debt burdens create an inflation bias that aligns with some of Trump's policies but are much longer-term in nature. As such, it limits the scope to cut rates further by a substantial amount. US long bond yields have acted as the canary in the coalmine – forewarning the market that inflation was still a risk long before the Fed adjusted their guidance. As such, for one of the first times in US history, US long bond yields in fact *rose* following the beginning of the rate-cutting cycle.

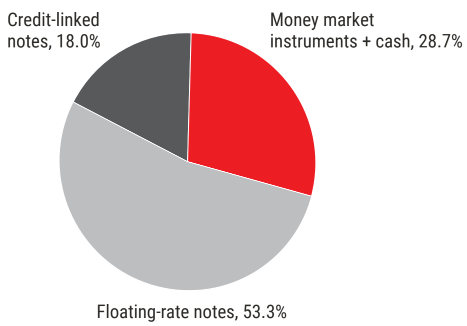
Closer to home, the South African Reserve Bank (SARB) enacted only two interest rate cuts in 2024 – taking the overnight repo rate from 8.25% to 7.75%. What is unusual about current SA inflation is how close it is to that seen in developed markets, running at only 0.15% higher than the US inflation rate. If one looks at inflation data over the 20 years to 2020, SA inflation ran at 3.47% higher than US inflation on average. Much of the current malaise in SA inflation can be attributed to weak local consumer health and low demand, in addition to a well-behaved rand exchange rate in 2024. Another interesting data component is that the price of vehicles is also coming down locally as cheaper Chinese cars begin to flood the market. That said, the SARB remains cautious as ever on inflation, citing higher local water and electricity tariffs anticipated for 2025. The market forecasts that SA overnight rates may be cut by just 0.25% to 0.50% over the course of 2025, with the final repo rate between 7.25% and 7.50%. This is still well above its pre-COVID level and, if it is an accurate prediction, provides a healthy return in excess of inflation.

Commentary contributed by Sean Munsie and Thalia Petousis

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 May 2024)	9.0	5.6	0.8
Risk measures (since inception)			
Percentage positive months[3]	100.0	100.0	n/a

Asset allocation on 31 December 2024[4]



Income distributions

Actual payout, the Fund distributes quarterly.	30 Jun 2024	30 Sep 2024	31 Dec 2024
Cents per unit	**13.7849**	**24.6096**	**23.6333**

1. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 31 December 2024. Source: Bloomberg.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
4. Foreign exposure on 31 December 2024: 0.0% is invested in foreign investments.

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

ALLAN GRAY INTEREST FUND

Inception date: 1 May 2024

Portfolio managers

Sean Munsie, Thalia Petousis.

Fund objective and benchmark

The Fund aims to generate returns higher than bank deposits and traditional money market funds, while maintaining capital stability and low volatility. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index.

Commentary

The US Federal Reserve's (Fed) December 2024 meeting delivered a 25 basis point cut to the benchmark rate that was expected, but it was Fed Chair Jerome Powell's comment at the post-meeting press conference that their year-end inflation projection has "kind of fallen apart" that spooked the market. This was the Fed's third consecutive rate cut in a cycle that began with the larger-than-anticipated 50 basis points in September. At that time, he spoke to concerns of building weakness in the labour market but subsequent data points, both in employment numbers and the strength of the US economy, have mostly allayed those fears. Rather, it is inflation, the other side of the Fed's dual mandate, that remains stubbornly above its 2% target. Their favoured inflation measure, the core personal consumption expenditures which strips out the more volatile food and energy prices, rose at 2.8% annually in November.

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An argument exists that lingering inflationary pressures in the global economy predate the election of Trump. We have written previously about the structural forces driving inflation and, therefore, interest rates higher. These forces are termed the five Ds: Demographics, Decarbonisation, Deglobalisation, Debt and Defence. Declining workforces and accompanying wage pressures, fragmentation of supply chains and the partial reversal of globalisation gains, the push to transition to clean energy, and higher government debt burdens create an inflation bias that aligns with some of Trump's policies but are much longer-term in nature. As such, it limits the scope to cut rates further by a substantial amount. US long bond yields have acted as the canary in the coalmine – forewarning the market that inflation was still a risk long before the Fed adjusted their guidance. As such, for one of the first times in US history, US long bond yields in fact *rose* following the beginning of the rate-cutting cycle.

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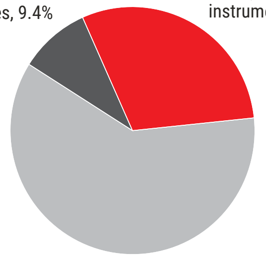
Commentary contributed by Sean Munsie and Thalia Petousis

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 May 2024)	7.3	5.6	0.8
Risk measures (since inception)			
Percentage positive months[3]	100.0	100.0	n/a

Asset allocation on 31 December 2024



Income distributions

Actual payout (cents per unit), the Fund distributes monthly

May 2024	Jun 2024	Jul 2024	Aug 2024
6.59	6.57	8.11	7.40
Sep 2024	**Oct 2024**	**Nov 2024**	**Dec 2024**
7.76	7.58	7.09	7.68

1. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 31 December 2024. Source: Bloomberg.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. The percentage of calendar months in which the Fund produced a positive monthly return since inception.

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

ALLAN GRAY MONEY MARKET FUND

Inception date: 1 July 2001

Portfolio manager

Thalia Petousis.

Fund objective and benchmark

The Fund aims to preserve capital, maintain liquidity and generate a sound level of income. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) 3-month Index.

Commentary

While 2024 began with US markets forecasting 1.75% of rate cuts for the year, in reality only 1.00% worth of rate cuts materialised – taking the US federal funds rate from an upper bound of 5.5% to 4.5% by year end. While this in itself reflects a missed prediction for 2024, what has rattled markets even more are the comments made by US Federal Reserve (Fed) Chair Jerome Powell at the final Fed meeting of 2024, where he stated that their year-end inflation projection has "kind of fallen apart". At the December meeting, Powell acknowledged that inflation has not abated by as much as the Fed had expected, and that "people are still feeling high prices". Indeed, after bumper years for inflation in 2022 and 2023, the US still recorded 3.3% core inflation in November (i.e. excluding food and fuel) off a high base in prices. Another grand market prediction that failed to materialise during the year was the forecast for a US recession. The outcome has been far from it. The US continues to outperform other economies with close to 3.0% real GDP growth and an unemployment rate of just 4.2%.

As we wrote early in 2024, the market must awaken to the reality of a strong US labour market, low US unemployment and sticky inflation in US services. Such stickiness in US prices makes it incredibly difficult to cut interest rates excessively without lighting the flame of another round of inflation. The drivers of US services inflation cover quite a range of items, like costlier prices for elder care and domestic work, hospital and veterinarian services, financial services, and even admission to sporting events. When an economy experiences an energy, food and fuel price shock, as seen in 2022, then it is natural to expect that a second-round shock via services-led inflation could follow.

When prices have been high, workers demand higher pay. This is particularly true for an economy like the US with a shortage of low-skilled labour. When in short supply, lower-cost labourers have a lot of bargaining power. US wage growth is unsurprisingly still running at an elevated 4.8% year-on-year with job openings of 7.7 million people versus only 7.1 million unemployed workers as at end November 2024. The narrative of a coming recession against such an economic backdrop was only ever that – a narrative – and certainly not one that was grounded in the actual economic data being observed.

South Africa, by contrast to the US, only experienced two interest rate cuts in 2024 – taking the overnight repo rate from 8.25% to 7.75%. What is unusual about current SA inflation is how close it is to that seen in developed markets, running at only 0.15% higher than the US inflation rate. If one looks at inflation data over the 20 years to 2020, SA inflation ran at 3.47% higher than US inflation on average. Much of the current malaise in SA inflation can be attributed to weak local consumer health and low demand, in addition to a well-behaved rand exchange rate in 2024. Another interesting data component is that the price of vehicles is also coming down locally as cheaper Chinese cars begin to flood the market. That said, the South African Reserve Bank remains cautious as ever on inflation, citing higher local water and electricity tariffs anticipated for 2025. The market forecasts that the US and SA overnight rates may be cut by just 0.50% each over the course of 2025, with the final rates at 4.00% and 7.25%. These are still well above their pre-COVID levels and, if they are accurate predictions, provide a healthy return in excess of inflation for money market savers.

On a gross-of-fees basis, the Fund's weighted average annual yield and weighted average effective yield ended the year at 8.4% and 8.7% respectively, versus an SA inflation rate for November 2024 of 2.9%.

Commentary contributed by Thalia Petousis

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 July 2001)	472.5	446.4	241.2
Annualised:			
Since inception (1 July 2001)	7.7	7.5	5.4
Latest 10 years	7.1	6.7	4.9
Latest 5 years	6.6	6.2	4.9
Latest 3 years	7.7	7.2	5.3
Latest 2 years	8.7	8.2	4.2
Latest 1 year	9.0	8.4	2.9
Risk measures (since inception)			
Highest annual return[3]	12.8	13.3	n/a
Lowest annual return[3]	4.3	3.8	n/a

Exposure by issuer on 31 December 2024

	% of portfolio
Governments	**32.7**
Republic of South Africa	32.7
Banks[4]	**61.3**
Standard Bank	20.3
Nedbank	18.2
FirstRand Bank	10.4
Investec Bank	6.6
Absa Bank	5.8
Corporates	**6.0**
Shoprite	2.6
Sanlam	2.5
Daimler Truck	0.9
Total (%)	**100.0**

Income distributions for the last 12 months

Actual payout (cents per unit), the Fund distributes monthly

Jan 2024	Feb 2024	Mar 2024	Apr 2024
0.75	**0.69**	**0.74**	**0.72**
May 2024	Jun 2024	Jul 2024	Aug 2024
0.74	**0.72**	**0.74**	**0.73**
Sep 2024	Oct 2024	Nov 2024	Dec 2024
0.71	**0.72**	**0.68**	**0.68**

1. The current benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) 3-month Index. From inception to 31 March 2003, the benchmark was the Alexander Forbes 3-Month Deposit Index. From 1 April 2003 to 31 October 2011, the benchmark was the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund. From 1 November 2011 to 19 August 2024, the benchmark was the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 31 December 2024. Source: Bloomberg.
2. This is based on the latest available numbers published by IRESS as at 30 November 2024.
3. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 July 2003 and the benchmark's occurred during the 12 months ended 31 July 2003. The Fund's lowest annual return occurred during the 12 months ended 31 October 2021 and the benchmark's occurred during the 12 months ended 31 October 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.
4. Banks include negotiable certificates of deposit (NCDs), floating-rate notes, fixed deposits and call deposits.

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

ALLAN GRAY UNIT TRUSTS ANNUAL FEES

Fund	Annual investment management fee (excl. VAT)
Allan Gray Equity Fund (JSE code: AGEF)	Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance for the day to that of the benchmark. Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT. For each annualised percentage point above or below the benchmark, we add or deduct 0.20%. The maximum fee is uncapped and if the fee would have been negative, 0% will be charged for the day and the negative fee will be carried forward to reduce the next day's fee (and all subsequent days until the underperformance is recovered). This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark. A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.
Allan Gray SA Equity Fund (JSE code: AGDA)	Allan Gray charges a fee based on the net asset value of the Fund. The fee rate is calculated daily by comparing the Fund's total performance for the day to that of the benchmark. Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT. For each annualised percentage point above or below the benchmark, we add or deduct 0.20%. The maximum fee is uncapped and if the fee would have been negative, 0% will be charged for the day and the negative fee will be carried forward to reduce the next day's fee (and all subsequent days until the underperformance is recovered). This means that Allan Gray shares in 20% of annualised performance relative to the benchmark.
Allan Gray-Orbis Global Equity Feeder Fund (JSE code: AGOE)	Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis. Orbis charges an annual management fee within the underlying Orbis Global Equity Fund. The fee rate is calculated based on the Orbis fund's performance relative to its benchmark. For more information, please refer to the Orbis Global Equity Fund factsheet and prospectus, which can be found at www.orbis.com.
Allan Gray Balanced Fund (JSE code: AGBF)	Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years to that of the benchmark. Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT. For each percentage of two-year performance above or below the benchmark, we add or deduct 0.10%, subject to the following limits: Maximum fee: 1.50% p.a. excl. VAT. Minimum fee: 0.50% p.a. excl. VAT. This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark. A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.
Allan Gray Tax-Free Balanced Fund (JSE code: AGTBA)	A fixed fee of 1.25% p.a. excl. VAT. Allan Gray charges this fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. Orbis charges fixed fees within the Orbis funds that the Fund invests in. Orbis pays a marketing and distribution fee to Allan Gray.
Allan Gray SA Balanced Fund (JSE code: AGZB)	Allan Gray charges a fee based on the net asset value of the Fund. The fee applicable for this class of the Fund is agreed between Allan Gray and each institutional client.
Allan Gray-Orbis Global Balanced Feeder Fund (JSE code: AGGF)	Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis. Orbis charges an annual management fee within the underlying Orbis SICAV Global Balanced Fund. The fee rate is calculated based on the Orbis fund's performance relative to its benchmark. For more information, please refer to the Orbis SICAV Global Balanced Fund factsheet and prospectus, which can be found at www.orbis.com.
Allan Gray Stable Fund (JSE code: AGSF)	Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years, to that of the benchmark. If the Fund's return over two years is equal to or less than 0%, Allan Gray will not charge a fee. Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT. For each percentage of two-year performance above or below the benchmark, we add or deduct 0.10%, subject to the following limits: Maximum fee: 1.50% p.a. excl. VAT. Minimum fee: 0.50% p.a. excl. VAT. This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark. A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.
Allan Gray Optimal Fund (JSE code: AGOF)	The fee rate is calculated daily by comparing the Fund's total performance to that of the benchmark. Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT. The Fund is first required to recover any underperformance before a fee higher than the fee for performance equal to the benchmark can be charged. This is known as a high watermark. If the Fund's performance is above its previous high watermark, we add 0.20% to the fee for each percentage of performance above the high watermark. The fee is uncapped.
Allan Gray-Orbis Global Optimal Fund of Funds (JSE code: AGOO)	Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis. Orbis charges annual management fees within the underlying Orbis funds. Each Orbis fund's fee rate is calculated based on the Orbis fund's performance relative to its own benchmark. For more information, please refer to the Orbis Optimal SA Fund factsheets and prospectus, which can be found at www.orbis.com.
Allan Gray Bond Fund (JSE code: AGBD)	A fixed fee of 0.50% p.a. excl. VAT.
Allan Gray Income Fund (JSE code: AGIN)	A fixed fee of 0.75% p.a. excl. VAT.
Allan Gray Interest Fund (JSE code: AGIF)	A fixed fee of 0.65% p.a. excl. VAT.
Allan Gray Money Market Fund (JSE code: AGMF)	A fixed fee of 0.25% p.a. excl. VAT.

ALLAN GRAY UNIT TRUSTS TOTAL EXPENSE RATIOS (TERs) AND TRANSACTION COSTS

For the 1-year period ending 31 December 2024

Fund	Fee for benchmark performance %	Performance fee %	Other costs excluding transaction costs %	VAT %	Total expense ratio (TER)[6,7] %	Transaction costs (incl. VAT)[6,7] %	Total investment charge (TIC) %
Allan Gray Equity Fund[1,2] (JSE code: AGEF)	1.02%	0.10%	0.04%	0.09%	**1.25%**	0.09%	**1.34%**
Allan Gray SA Equity Fund[2] (JSE code: AGDA)	1.00%	-0.51%	0.01%	0.07%	**0.57%**	0.09%	**0.66%**
Allan Gray-Orbis Global Equity Feeder Fund[3] (JSE code: AGOE)	1.10%	-0.10%	0.06%	0.00%	**1.06%**	0.11%	**1.17%**
Allan Gray Balanced Fund[1,2] (JSE code: AGBF)	1.02%	0.35%	0.04%	0.13%	**1.54%**	0.05%	**1.59%**
Allan Gray Tax-Free Balanced Fund[1,2,4] (JSE code: AGTBA)	1.32%	N/A	0.04%	0.14%	**1.50%**	0.06%	**1.56%**
Allan Gray-Orbis Global Balanced Feeder Fund[3] (JSE code: AGGF)	1.10%	0.83%	0.07%	0.00%	**2.00%**	0.06%	**2.06%**
Allan Gray Stable Fund[1,2] (JSE code: AGSF)	1.01%	0.32%	0.03%	0.15%	**1.51%**	0.04%	**1.55%**
Allan Gray Optimal Fund[2] (JSE code: AGOF)	1.00%	0.00%	0.02%	0.15%	**1.17%**	0.14%	**1.31%**
Allan Gray-Orbis Global Optimal Fund of Funds[3] (JSE code: AGOO)	1.00%	0.00%	0.09%	0.00%	**1.09%**	0.09%	**1.18%**
Allan Gray Bond Fund[2,4] (JSE code: AGBD)	0.50%	N/A	0.01%	0.08%	**0.59%**	0.00%	**0.59%**
Allan Gray Income Fund[1,2,4,5] (JSE code: AGIN)	0.75%	N/A	0.01%	0.11%	**0.87%**	0.00%	**0.87%**
Allan Gray Interest Fund[2,4,5] (JSE code: AGIF)	0.65%	N/A	0.01%	0.10%	**0.76%**	0.00%	**0.76%**
Allan Gray Money Market Fund[2,4] (JSE code: AGMF)	0.25%	N/A	0.00%	0.04%	**0.29%**	0.00%	**0.29%**

1. Assets invested in the Orbis funds incur a management fee. These, along with other expenses, are included in the total expense ratio.
2. The fees, TERs and transaction costs provided are for Class A funds only. The fees, TERs and transaction costs for other classes of the funds are available from our Client Service Centre.
3. Due to foreign exchange control regulations, the Fund may be closed from time to time. Unitholders can contact our Client Service Centre to confirm whether or not the Fund is open.
4. The Allan Gray Tax-Free Balanced Fund, Bond Fund, Income Fund, Interest Fund and Money Market Fund charge a fixed fee.
5. Since the Fund has not yet been in existence for one year, the TER and transaction costs are based on actual data, where available, and best estimates.
6. The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one- and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, securities transfer tax, Share Transactions Totally Electronic (STRATE) and FSCA Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are necessary costs in administering the Fund and impact Fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager, and the TER. Since Fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and transaction costs is shown as the total investment charge (TIC).
7. TERs and transaction costs are unaudited.

ALLAN GRAY UNIT TRUSTS

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	Equity Fund		SA Equity Fund		Global Equity Feeder Fund		Balanced Fund		Tax-Free Balanced Fund		Global Balanced Feeder Fund		Stable Fund	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000
INVESTMENT INCOME		1 245 249	1 153 664	185 456	170 367	8 378	4 265	6 898 848	5 915 869	112 742	86 572	4 444	3 387	2 631 018	2 575 081
Dividends - Local		1 175 958	1 095 772	178 649	159 120	-	-	3 855 554	3 494 103	60 592	49 329	-	-	492 863	533 802
Dividends - Foreign		-	2 331	-	-	-	-	-	7 253	-	90	-	-	964	1 723
Dividends - Real estate investment trust income		5 970	12 281	1 128	1 888	-	-	10 886	43 518	180	645	-	-	19 371	30 194
Interest - Local		62 136	41 992	5 554	9 359	8 378	4 265	2 950 311	2 244 395	51 092	35 112	4 444	3 387	2 051 542	1 868 967
Interest - Foreign		1 185	1 288	125	-	-	-	82 097	126 600	878	1 396	-	-	66 278	140 395
OPERATING EXPENSES		286 429	712 245	3 816	1 442	1 191	1 025	1 704 887	1 995 696	32 707	26 446	732	680	538 312	601 431
Audit fees		166	191	131	129	79	72	198	220	141	109	85	74	167	195
Bank charges		147	132	112	118	29	26	658	557	103	126	21	24	469	494
Trustee fees		1 562	1 455	132	136	1 083	927	6 660	6 054	108	88	626	582	1 825	1 752
Management fees		284 554	710 467	3 441	1 059	-	-	1 697 371	1 988 865	32 355	26 123	-	-	535 851	598 990
PROFIT/(LOSS) BEFORE UNDISTRIBUTABLE INCOME ITEMS	1	958 820	441 419	181 640	168 925	7 187	3 240	5 193 961	3 920 173	80 035	60 126	3 712	2 707	2 092 706	1 973 650

ALLAN GRAY UNIT TRUSTS

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Equity Fund		SA Equity Fund		Global Equity Feeder Fund		Balanced Fund		Tax-Free Balanced Fund		Global Balanced Feeder Fund		Stable Fund	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000
ASSETS														
Investments	46 395 625	43 889 618	3 891 475	3 998 671	31 551 138	28 887 761	199 846 316	184 405 194	3 394 808	2 754 705	18 417 305	17 201 188	53 461 038	51 783 781
Current assets[1]	68 718	80 962	15 186	22 020	137 436	58 883	211 600	274 289	10 121	8 895	16 986	30 044	74 061	78 687
TOTAL ASSETS	46 464 343	43 970 580	3 906 661	4 020 691	31 688 574	28 946 644	200 057 916	184 679 483	3 404 929	2 763 600	18 434 291	17 231 232	53 535 099	51 862 468
LIABILITIES														
Current liabilities[2]	497 820	374 282	73 832	97 555	7 237	3 292	2 442 031	2 339 821	39 806	37 167	3 711	2 701	491 947	551 390
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	45 966 523	43 596 298	3 832 829	3 923 136	31 681 337	28 943 352	197 615 885	182 339 662	3 365 123	2 726 433	18 430 580	17 228 531	53 043 152	51 311 078

1. Current assets comprises cash held at bank, trades receivable for unsettled sales, dividends receivable and interest receivable.
2. Current liabilities comprises distributions payable to unitholders, trades payable for unsettled purchases and other payables relating to allowable operating expenses in terms of CISCA and the Trust Deed.

ALLAN GRAY UNIT TRUSTS

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	Optimal Fund		Global Optimal Fund of Funds		Bond Fund		Income Fund		Interest Fund		Money Market Fund	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024[3] R'000	2023 R'000	2024[3] R'000	2023 R'000	2024 R'000	2023 R'000
INVESTMENT INCOME		41 658	44 189	113	391	875 193	733 360	42 236	-	48 107	-	2 580 809	2 241 749
Dividends - Local		31 520	31 579	-	-	-	-	-	-	-	-	-	-
Dividends - Foreign		-	-	-	-	-	-	-	-	-	-	-	-
Dividends - Real estate investment trust income		517	1 191	-	-	-	-	-	-	-	-	-	-
Interest - Local		9 621	11 419	85	349	875 193	733 360	41 393	-	48 107	-	2 580 809	2 241 749
Interest - Foreign		-	-	28	42	-	-	843	-	-	-	-	-
OPERATING EXPENSES		8 883	9 344	179	154	38 820	37 035	1 233	-	1 261	-	79 532	73 442
Audit fees		138	192	85	74	131	131	115	-	115	-	156	154
Bank charges		54	48	57	23	144	133	28	-	42	-	194	149
Trustee fees		27	28	37	57	285	239	15	-	18	-	1 001	923
Management fees		8 664	9 076	-	-	38 260	36 532	1 075	-	1 086	-	78 181	72 216
PROFIT/(LOSS) BEFORE UNDISTRIBUTABLE INCOME ITEMS	1	32 775	34 845	(66)	237	836 373	696 325	41 003	-	46 846	-	2 501 277	2 168 307

3. The Income Fund and the Interest Fund were launched on 1 May 2024. The amounts shown are for the period 1 May 2024 to 31 December 2024.

ALLAN GRAY UNIT TRUSTS

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Optimal Fund		Global Optimal Fund of Funds		Bond Fund		Income Fund		Interest Fund		Money Market Fund	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000
ASSETS												
Investments	781 364	754 503	949 763	1 179 970	8 700 159	7 688 351	981 808	-	1 109 427	-	28 517 679	28 314 035
Current assets[1]	4 090	31 821	4 726	10 227	10 404	11 194	137	-	588	-	20 610	19 570
TOTAL ASSETS	785 454	786 324	954 489	1 190 197	8 710 563	7 699 545	981 945	-	1 110 015	-	28 538 289	28 333 605
LIABILITIES												
Current liabilities[2]	13 423	17 415	78	216	214 765	201 087	23 931	-	9 183	-	201 199	215 105
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	772 031	768 909	954 411	1 189 981	8 495 798	7 498 458	958 014	-	1 100 832	-	28 337 090	28 118 500

1. Current assets comprises cash held at bank, trades receivable for unsettled sales, dividends receivable and interest receivable.
2. Current liabilities comprises distributions payable to unitholders, trades payable for unsettled purchases and other payables relating to allowable operating expenses in terms of CISCA and the Trust Deed.

1. Distribution schedules

	Note	2024		2023	
		C.P.U.	R'000	C.P.U.	R'000
ALLAN GRAY EQUITY FUND					
30 June					
Class A		583.3035	268 792	128.4571	60 325
Class C		599.4952	178 110	166.1461	53 215
Class X		959.4066	14 366	660.8623	11 306
31 December					
Class A		635.7956	294 709	366.6592	171 474
Class C		636.7108	182 646	405.1307	124 833
Class X		638.3848	9 799	767.7909	12 887
TOTAL DISTRIBUTION FOR THE YEAR			948 422		434 040
Expense/(income) on creation and cancellation of units			10 398		7 379
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			958 820		441 419
ALLAN GRAY SA EQUITY FUND					
30 June					
Class A		1 187.0242	10 317	874.8755	7 178
Class C		1 192.6973	6 754	876.0567	5 870
Class X		1 339.8302	87 003	876.3079	56 964
31 December					
Class A		799.5876	9 062	949.6780	7 949
Class C		854.6399	5 135	1034.4970	6 295
Class X		902.9167	57 389	1057.0202	76 761
TOTAL DISTRIBUTION FOR THE YEAR			175 660		161 017
Expense/(income) on creation and cancellation of units			5 980		7 908
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			181 640		168 925
ALLAN GRAY-ORBIS GLOBAL EQUITY FEEDER FUND					
31 December					
Class A		3.0952	7 075	1.3302	3 152
TOTAL DISTRIBUTION FOR THE YEAR			7 075		3 152
Expense/(income) on creation and cancellation of units			112		88
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			7 187		3 240

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

	Note	2024		2023	
		C.P.U.	R'000	C.P.U.	R'000
ALLAN GRAY BALANCED FUND					
30 June					
Class A		219.4385	1 264 456	129.9463	742 827
Class C		231.8120	1 433 204	141.7212	876 121
Class X		301.2138	170 705	218.6458	116 605
31 December					
Class A		172.6912	1 013 123	163.9386	935 367
Class C		186.1531	1 145 439	175.8916	1 095 228
Class X		245.1097	141 026	253.9572	144 727
TOTAL DISTRIBUTION FOR THE YEAR			5 167 953		3 910 875
Expense/(income) on creation and cancellation of units			26 008		9 298
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			5 193 961		3 920 173
ALLAN GRAY TAX-FREE BALANCED FUND					
30 June					
Class A		24.3788	39 897	15.7833	22 845
Class C		25.7100	6 345	17.0517	3 699
31 December					
Class A		17.6520	30 822	19.8006	29 943
Class C		19.0949	4 894	21.0884	4 866
TOTAL DISTRIBUTION FOR THE YEAR			81 958		61 353
(Income)/expense on creation and cancellation of units			(1 923)		(1 227)
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			80 035		60 126
ALLAN GRAY-ORBIS GLOBAL BALANCED FEEDER FUND					
31 December					
Class A		1.5499	3 583	1.0560	2 591
TOTAL DISTRIBUTION FOR THE YEAR			3 583		2 591
Expense/(income) on creation and cancellation of units			129		116
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			3 712		2 707

1. Distribution schedules continued

	Note	2024		2023	
		C.P.U.	R'000	C.P.U.	R'000
ALLAN GRAY STABLE FUND					
31 March					
Class A		42.6919	240 462	37.7005	215 863
Class C		44.6661	252 269	39.6364	228 619
Class X		53.9649	22 174	52.2518	18 269
30 June					
Class A		51.1499	286 862	36.6206	210 508
Class C		53.1687	295 276	38.5673	221 735
Class X		62.8339	25 092	51.2480	19 016
30 September					
Class A		42.4069	237 295	44.1534	251 533
Class C		44.5273	244 177	46.1243	265 328
Class X		57.7980	24 231	58.9332	22 520
31 December					
Class A		37.6557	211 001	42.0767	238 036
Class C		39.7622	215 745	44.0457	250 099
Class X		51.1217	19 719	54.0673	21 286
TOTAL DISTRIBUTION FOR THE YEAR			2 074 303		1 962 812
Expense/(income) on creation and cancellation of units			18 403		10 838
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			2 092 706		1 973 650
ALLAN GRAY OPTIMAL FUND					
30 June					
Class A		59.0784	12 984	44.7117	10 130
Class C		61.0948	7 078	46.6833	6 832
31 December					
Class A		37.8455	8 394	48.3060	10 536
Class C		39.9005	4 165	50.2562	6 025
TOTAL DISTRIBUTION FOR THE YEAR			32 621		33 523
Expense/(income) on creation and cancellation of units			154		1 322
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			32 775		34 845

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

	Note	2024		2023	
		C.P.U.	R'000	C.P.U.	R'000
ALLAN GRAY-ORBIS GLOBAL OPTIMAL FUND OF FUNDS					
31 December					
Class A		-	-	0.3632	151
TOTAL DISTRIBUTION FOR THE YEAR			-		151
(Income)/expense on creation and cancellation of units			(9)		86
Shortfall	2		(57)		-
OPERATING (LOSS)/PROFIT BEFORE INCOME ADJUSTMENTS			(66)		237
ALLAN GRAY BOND FUND					
31 March					
Class A		25.8263	161 648	24.7203	145 646
Class X		28.2076	33 452	27.1291	13 669
30 June					
Class A		27.2485	169 822	26.0679	158 310
Class X		29.6950	44 562	28.4859	7 137
30 September					
Class A		26.5758	165 963	25.7014	160 624
Class X		29.1159	45 024	28.0920	16 856
31 December					
Class A		26.1592	165 267	26.6398	164 622
Class X		28.6699	45 858	29.0633	33 384
TOTAL DISTRIBUTION FOR THE YEAR			831 596		700 248
Expense/(income) on creation and cancellation of units			4 777		(3 923)
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			836 373		696 325

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. Distribution schedules continued

	Note	2024		2023	
		C.P.U.	R'000	C.P.U.	R'000
ALLAN GRAY INCOME FUND					
30 June					
Class A		13.7849	1 377	-	-
Class C		14.2449	712	-	-
Class X		15.1657	5 484	-	-
30 September					
Class A		24.6096	3 670	-	-
Class C		25.3686	1 286	-	-
Class X		26.8916	9 871	-	-
31 December					
Class A		23.6333	5 087	-	-
Class C		24.3760	1 304	-	-
Class X		25.8761	17 194	-	-
TOTAL DISTRIBUTION FOR THE YEAR			45 985		-
(Income)/expense on creation and cancellation of units			(4 982)		-
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			41 003		-

Allan Gray Money Market Fund

The Allan Gray Money Market Fund distributes on a daily basis. This distribution is paid over to unitholders on a monthly basis. These daily distribution details have not been disclosed on this note due to the frequency of the distributions. This information can be found on the Allan Gray website.

	Note	2024					
		Class A		Class C		Class X	
		C.P.U.	R'000	C.P.U.	R'000	C.P.U.	R'000
ALLAN GRAY INTEREST FUND							
31 January		-	-	-	-	-	-
29 February		-	-	-	-	-	-
31 March		-	-	-	-	-	-
30 April		-	-	-	-	-	-
31 May		6.5900	659	6.8300	341	7.2100	2 522
30 June		6.5700	661	6.7900	342	7.1400	3 471
31 July		8.1100	822	8.3700	424	8.7900	4 480
31 August		7.4000	809	7.6400	390	8.0200	4 122
30 September		7.7600	1 716	8.1400	412	8.4000	4 352
31 October		7.5800	2 079	7.8300	406	8.2200	5 137
30 November		7.0900	2 299	7.3200	385	7.6900	5 143
31 December		7.6800	2 720	7.9300	421	8.3400	5 672
TOTAL DISTRIBUTION FOR THE YEAR			11 765		3 121		34 899
(Income)/expense on creation and cancellation of units			(885)		(3)		(2 051)
OPERATING PROFIT/(LOSS) BEFORE INCOME ADJUSTMENTS			10 880		3 118		32 848

2. Shortfalls of distributable profits

The following Fund incurred a shortfall in its annual distributable cycle. The net loss has been transferred from the net assets attributable to unitholders to fund the shortfall in terms of the Funds' Trust Deed.

	2024 R'000	2023 R'000
Allan Gray-Orbis Global Optimal Fund of Funds	57	-

TRUSTEES' REPORT ON THE ALLAN GRAY UNIT TRUST SCHEME

As Trustees to the Allan Gray Unit Trust Scheme ("the Scheme"), we are required in terms of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002) ("the Act") to report to participatory interest holders on the administration of the Scheme during each annual accounting period.

We advise for the period 1 January 2024 to 31 December 2024 we reasonably believe that the Manager has administered the Scheme in accordance with:

(i) the limitations imposed on the investment and borrowing powers of the manager by the Act; and
(ii) the provisions of the Act and the relevant deeds.

We confirm that according to the records available to us there were no material instances of compliance contraventions and therefore no consequent losses incurred by the Portfolios in the year.

Yours faithfully

Anton Rijntjes
Head Trustee Services
Rand Merchant Bank
A division of FirstRand Bank Limited

Ruan van Dyk
Collective Investment Scheme Oversight Manager
Rand Merchant Bank
A division of FirstRand Bank Limited

Johannesburg
14 February 2025

IMPORTANT NOTES FOR INVESTORS

Information and content

The information in and content of this publication are provided by Allan Gray as general information about the company and its products and services. Allan Gray does not guarantee the suitability or potential value of any information or particular investment source. The information provided is not intended to, nor does it constitute financial, tax, legal, investment or other advice. Before making any decision or taking any action regarding your finances, you should consult a qualified financial adviser. Nothing contained in this publication constitutes a solicitation, recommendation, endorsement or offer by Allan Gray; it is merely an invitation to do business.

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The Manager

Allan Gray Unit Trust Management (RF) (Pty) Ltd (the "Manager") is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority (FSCA). The Manager is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however, it is not supervised or licensed in Botswana. Allan Gray (Pty) Ltd (the "Investment Manager"), an authorised financial services provider, is the appointed investment manager of the Manager and is a member of the Association for Savings & Investment South Africa (ASISA).

The trustee/custodian of the Allan Gray Unit Trust Scheme is FirstRand Bank Limited, acting through its RMB Trustee Services division. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0) 11 301 6321 or www.rmb.co.za.

Performance

Collective investment schemes in securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Manager does not provide any guarantee regarding the capital or the performance of the Funds. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Actual investor performance may differ as a result of the investment date, the date of reinvestment and applicable taxes.

Fund mandate

The Funds may be closed to new investments at any time in order to be managed according to their mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Funds may borrow up to 10% of their market value to bridge insufficient liquidity.

IMPORTANT NOTES FOR INVESTORS

Unit price

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund including any income accruals and less any permissible deductions from the Fund, divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the Manager by 11:00 each business day for the Allan Gray Money Market Fund, and by 14:00 each business day for any other Allan Gray unit trust fund to receive that day's price. Unit trust prices are available daily on www.allangray.co.za.

Fees

Permissible deductions may include management fees, brokerage, securities transfer tax, auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray. For more information about our annual management fees, refer to the frequently asked questions, available via the Allan Gray website.

Total expense ratios and transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one- and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, securities transfer tax, Share Transactions Totally Electronic (STRATE) and FSCA Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are necessary costs in administering the Fund and impact Fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager, and the TER. Since Fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and transaction costs is shown as the total investment charge (TIC).

The Allan Gray Money Market Fund is not a bank deposit account

The Fund aims to maintain a constant price of 100 cents per unit. The total return an investor receives is made up of interest received and any gain or loss made on instruments held by the Fund. While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument defaults. In this event, investors may lose some of their capital. To maintain a constant price of 100 cents per unit, investors' unit holdings will be reduced to the extent of such losses. The yield is calculated according to applicable ASISA standards. Excessive withdrawals from the Fund may place it under liquidity pressure; if this happens, withdrawals may be ring-fenced and managed over a period of time.

Purchase and redemption requests must be received by the Manager by 11:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za.

IMPORTANT NOTES FOR INVESTORS

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The FTSE/JSE All Share Index, FTSE/JSE All Bond Index, FTSE/JSE Capped Shareholder Weighted All Share Index, FTSE/JSE Financials Index and FTSE/JSE Resources Index are calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE All Share Index, FTSE/JSE All Bond Index, FTSE/JSE Capped Shareholder Weighted All Share Index, FTSE/JSE Financials Index and FTSE/JSE Resources Index are the proprietary information of FTSE and the JSE. All copyright subsisting in the values and constituent lists of the FTSE/JSE All Share Index, FTSE/JSE All Bond Index, FTSE/JSE Capped Shareholder Weighted All Share Index, FTSE/JSE Financials Index and FTSE/JSE Resources Index vests in FTSE and the JSE jointly. All their rights are reserved.

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IMPORTANT NOTES FOR INVESTORS

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Feeder fund

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

Fund of funds

A fund of funds is a unit trust that invests in other unit trusts, which charge their own fees. Allan Gray does not charge any additional fees in its fund of funds.

Yield

The Allan Gray Income Fund and Interest Fund gross yield is the estimated weighted average yield-to-maturity of all underlying interest-bearing instruments as at the last day of the month. The one-year TER is deducted from the gross yield to derive a yield net of fund expenses. Actual returns may differ based on changes in market values, interest rates and market factors during the investment period.

The Allan Gray Bond Fund gross yield is the estimated weighted average yield-to-maturity of all underlying interest-bearing instruments as at the last day of the month. Actual returns may differ, based on changes in market values, interest rates and market factors during the investment period.

Compliance with Regulation 28

The Allan Gray Balanced, Tax-Free Balanced, Stable, Bond, Income, Interest and Money Market Fund are managed to comply with Regulation 28 of 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. The Manager does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

IMPORTANT NOTES FOR INVESTORS

Communication with investors

Statements are sent to all unitholders on a quarterly basis. In addition, confirmations are sent on a transaction basis (excluding debit orders).

Copies of the audited annual financial statements of the Manager and of the unit trusts it manages are available, free of charge, on request by any investor.

Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited
Reg. No. 1998/007756/07
1 Silo Square V&A Waterfront Cape Town 8001

Contact details

1 Silo Square V&A Waterfront Cape Town 8001
P O Box 51605 V&A Waterfront Cape Town 8002 South Africa

Client Service Centre

Tel 0860 000 654 / +27 (0)21 415 2301
Email info@allangray.co.za
www.allangray.co.za

Adviser Service Centre

Tel 0860 000 653 / +27 (0)21 415 2690
Email ifa@allangray.co.za
www.allangray.co.za

Directors

Executive directors

T G Lamb	BBusSc (Hons) CA (SA) CFA

Non-executive directors

E D Loxton	BCom (Hons) MBA (Chairman)
V A Christian	BCom CA (SA) (Independent)
B T Madikizela	BCom (Hons) MCom CA (SA) (Independent)
J W T Mort	BA LLB (Independent)
M Cooper	BBusSc FIA FASSA MBA

Company Secretary

C E Solomon	BBusSc (Hons) CA (SA)

Details of the individual who supervised the preparation of the annual financial statements

T J W Molloy	BCom (Hons) CA (SA)

Investment Manager

Allan Gray Proprietary Limited

Allan Gray Proprietary Limited is a member of the
Association for Savings & Investment South Africa (ASISA)

Trustee

FirstRand Bank Limited, acting through its RMB Trustee Services division
P O Box 786273 Sandton 2146 South Africa

Auditors

BDO South Africa Incorporated

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