Fund managers: Duncan Artus, Jithen Pillay, Rory Kutisker-Jacobson, Tim Acker
(Most foreign assets are invested in Orbis funds) **Inception date:** 1 October 1998

Allan Gray Equity Fund

31 March 2024

Fund description and summary of investment policy

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.

ASISA unit trust category: South African – Equity – General

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).

How we aim to achieve the Fund's objective

We seek to buy shares offering the best relative value while maintaining a diversified portfolio. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares from sellers who over-react to short-term difficulties or undervalue long-term potential. We invest in a selection of shares across all sectors of the stock market, and across the range of large, mid and smaller cap shares.

Suitable for those investors who

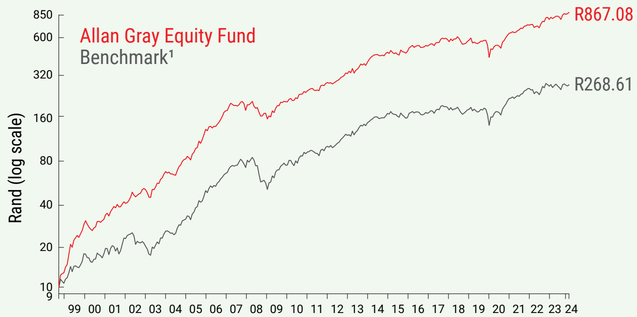
- Seek exposure to listed equities to provide long-term capital growth
- Are comfortable with stock market fluctuation, i.e. short- to medium-term volatility
- Are prepared to accept the risk of capital loss
- Typically have an investment horizon of more than five years
- Wish to use the Fund as an equity 'building block' in a diversified multi-asset class portfolio

Fund information on 31 March 2024

Fund size	R44.2bn
Number of units	46 488 423
Price (net asset value per unit)	R562.43
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 1998)	8570.8	2586.1	280.9
Annualised:			
Since inception (1 October 1998)	19.1	13.8	5.4
Latest 10 years	8.0	6.2	5.1
Latest 5 years	9.5	8.3	5.1
Latest 3 years	12.1	7.8	6.1
Latest 2 years	11.0	3.2	6.3
Latest 1 year	12.4	2.8	5.6
Year-to-date (not annualised)	2.3	-1.1	1.1
Risk measures (since inception)			
Maximum drawdown[3]	-37.0	-45.4	n/a
Percentage positive months[4]	65.7	58.8	n/a
Annualised monthly volatility[5]	15.2	16.5	n/a
Highest annual return[6]	125.8	73.0	n/a
Lowest annual return[6]	-24.3	-37.6	n/a

1. The market value-weighted average return of funds in the South African – Equity – General category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 31 March 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 29 February 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.

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Meeting the Fund objective

The Fund has created wealth for its long-term investors. Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the average equity fund. The maximum drawdown and lowest annual return numbers, in the 'Performance net of all fees and expenses' table, show that the Fund has successfully reduced downside risk in periods of negative market returns.

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 2023	31 Dec 2023
Cents per unit	**128.4571**	**366.6592**

Annual management fee

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 0.2%. 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.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Top 10 share holdings on 31 March 2024 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	4.7
AB InBev	4.2
Naspers & Prosus	4.0
Glencore	3.1
Standard Bank	2.8
Nedbank	2.5
Mondi	2.4
Woolworths	2.3
The Walt Disney Company	1.8
Remgro	1.6
Total (%)	**29.4**

7. Underlying holdings of foreign funds are included on a look-through basis.

8. Includes listed property.

9. FTSE/JSE All Share Index.

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

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**2.97**	**1.86**
Fee for benchmark performance	1.04	1.08
Performance fees	1.61	0.56
Other costs excluding transaction costs	0.04	0.04
VAT	0.28	0.18
Transaction costs (including VAT)	**0.07**	**0.08**
Total investment charge	**3.04**	**1.94**

Sector allocation on 31 March 2024 (updated quarterly)[7]

Sector	% of equities[8]	% of ALSI[9]
Financials	26.5	27.2
Consumer staples	17.9	12.2
Basic materials	14.4	22.2
Consumer discretionary	13.3	7.6
Industrials	10.4	3.8
Technology	6.3	14.4
Energy	4.6	1.0
Healthcare	2.3	2.3
Telecommunications	2.2	4.7
Utilities	1.1	0.0
Real estate	1.0	4.7
Total (%)	**100.0**	**100.0**

Asset allocation on 31 March 2024[7]

Asset class	Total	South Africa	Foreign
Net equities	94.2	51.9	42.2
Hedged equities	0.0	0.0	0.0
Property	0.9	0.6	0.3
Commodity-linked	0.6	0.6	0.0
Bonds	0.4	0.0	0.4
Money market and bank deposits[10]	3.9	2.9	1.0
Total (%)	**100.0**	**56.0**	**44.0[11]**

10. Including currency hedges.

11. 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.

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Fund manager quarterly commentary as at 31 March 2024

In 2023, the FTSE/JSE All Share Index (ALSI) returned 9.3% in rands, while the FTSE/JSE Capped SWIX All Share Index (Capped SWIX) returned 7.9%. Although positive, one could have achieved a similar return from cash while taking on considerably less risk (in 2023, the Allan Gray Money Market Fund generated a return of 8.4%). To make matters worse, in the first three months of the year, markets have given roughly a quarter of this back, with the ALSI down 2.2% and the Capped SWIX down 2.3%. In this environment, the Fund returned 2.3% for the quarter.

There have been few places to hide, with 26 out of the top 40 stocks down in nominal terms over the quarter, including dividends.

It has not just been a lost quarter or year; the JSE has been a poor place to invest for more than a decade. For a global investor, for every R100 you had to invest in the ALSI at the end of December 2010, you would have approximately R360 today, including all dividends reinvested. In US dollars, a US$100 investment would only be worth about US$126 at the end of March 2024, given that the rand has weakened from R6.62/US$ to R18.88/US$ over this time. Excluding dividends, in nominal terms, the value of that investment would be down in US dollars. In contrast, a US$100 investment in the USA's major index, the S&P 500, in December 2010 would be worth roughly US$539 at the end of March 2024 – more than four times the return experienced on the ALSI.

Looking in the rearview mirror and taking South Africa's current political and economic landscape into consideration, it is easy to be despondent about the JSE's return prospects. This crude analysis, however, is not the full picture and masks some important facts:

- The JSE has not been the only bad stock market to invest in over the past decade. Most emerging markets have fared poorly, and the JSE has performed largely in line with its peers. US$100 invested in the MSCI Emerging Markets Index would be worth approximately US$131 at the end of March 2024. Indeed, the past 13-plus years have been more a story of exceptional relative returns from US companies than anything else. The S&P 500's returns have been roughly threefold greater than those of the UK's FTSE All Share Index over this same period.
- Starting prices matter. At the end of December 2010, the ALSI was trading on 17.2 times earnings, while the S&P 500 traded on 14.7 times earnings. At the end of March 2024, the ALSI had derated to 13.1 times earnings, while the S&P 500 had rerated to 21.6 times earnings. Underlying earnings growth has been superior in the USA, but this change in sentiment has had a big impact on returns over time. The ALSI has gone from trading at a premium to trading at a material discount to the S&P 500.
- There is an increasingly large number of multinational companies that happen to be listed on the JSE but derive more than 80% of their revenue and income from markets outside South Africa. They may be listed in South Africa, but their fortunes are not tied to the domestic economy. This is the case for British American Tobacco, Naspers and Prosus, AB InBev, Glencore and Mondi, all of which are top 10 Fund positions.

While we cannot predict what returns one can expect over the next 13-plus years, we can focus on the factors within our control: buying out-of-favour companies at below fair value. In our opinion, the shares listed on the JSE are much cheaper today than they were a decade ago, and we can find a number of attractive opportunities. The opposite is true of many American listed companies.

By way of example, our Fund has two material positions in the global paper and packaging industry: Mondi and Sappi. In 2023, Mondi's earnings fell by roughly 45% as prices and volumes in corrugated packaging and uncoated fine paper came under considerable cyclical pressure. In our opinion, earnings are depressed and current industry pricing is unsustainable. In addition, Mondi has a number of organic projects under development that should see growth in volumes and an improvement in costs. Using what we believe to be conservative normal pricing assumptions, Mondi trades on less than nine times our estimate of normal earnings.

Sappi is a lower quality company than Mondi but also considerably cheaper. At the end of September 2018, the share price was R88.75. At the end of the quarter, some five and a half years later, it was 43% lower at R50.29 per share. Over this period, Sappi's earnings have been cyclical, but it has grown free cash flow and reduced net debt by roughly a third. Similar to Mondi, we think earnings are depressed at current levels and are likely to rise in the future. However, even if earnings do not recover, Sappi is cheap. It trades at less than seven times consensus earnings for 2024.

During the quarter, the Fund added to its positions in Prosus and Woolies and reduced its holdings in AB InBev and AVI.

Commentary contributed by Rory Kutisker-Jacobson

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Management Company

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

The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)11 301 6335 or www.rmb.co.za.

Performance

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

MSCI Index

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

Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

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

FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index

The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap 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 Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap 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 Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index vests in FTSE and the JSE jointly. All their rights are reserved.

FTSE Russell Index

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

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Important information for investors

Need more information?
You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website **www.allangray.co.za** or via our Client Service Centre on **0860 000 654**

Allan Gray Balanced Fund

31 March 2024

Fund description and summary of investment policy

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund typically 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.

ASISA unit trust category: South African – Multi Asset – High Equity

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).

How we aim to achieve the Fund's objective

We seek to buy shares at a discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares we may increase the Fund's weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Fund's stock market exposure. By varying the Fund's exposure to these different asset classes over time, we seek to enhance the Fund's long-term returns and to manage its risk. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- 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

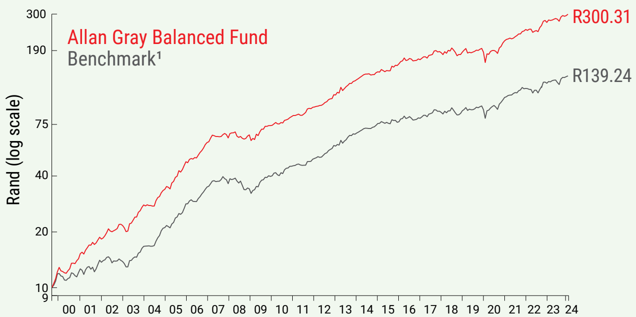
Fund information on 31 March 2024

Fund size	R186.6bn
Number of units	577 156 485
Price (net asset value per unit)	148.30
Class	A

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 March 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 29 February 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.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 1999)	2903.1	1292.4	274.7
Annualised:			
Since inception (1 October 1999)	14.9	11.3	5.6
Latest 10 years	8.3	7.3	5.1
Latest 5 years	9.4	8.7	5.1
Latest 3 years	11.1	9.1	6.1
Latest 2 years	10.6	8.3	6.3
Latest 1 year	10.8	9.6	5.6
Year-to-date (not annualised)	1.7	1.9	1.1
Risk measures (since inception)			
Maximum drawdown[3]	-25.4	-23.3	n/a
Percentage positive months[4]	69.7	67.3	n/a
Annualised monthly volatility[5]	9.4	9.3	n/a
Highest annual return[6]	46.1	41.9	n/a
Lowest annual return[6]	-14.2	-16.7	n/a

Meeting the Fund objective

The Fund has created wealth for its long-term investors. Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the average balanced fund.

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 2023	31 Dec 2023
Cents per unit	**129.9463**	**163.9386**

Annual management fee

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 0.1%, 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.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Top 10 share holdings on 31 March 2024 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	4.0
AB InBev	3.8
Naspers & Prosus	3.2
Glencore	2.5
Nedbank	2.0
Mondi	1.9
Woolworths	1.8
Standard Bank	1.8
The Walt Disney Company	1.4
Remgro	1.3
Total (%)	**23.7**

Asset allocation on 31 March 2024[7]

Asset class	Total	South Africa	Foreign
Net equities	65.9	40.2	25.7
Hedged equities	8.3	1.8	6.5
Property	0.9	0.5	0.4
Commodity-linked	3.1	2.5	0.7
Bonds	13.6	8.5	5.1
Money market and bank deposits[8]	8.1	10.6	-2.4
Total (%)	**100.0**	**64.0**	**36.0**[9]

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.

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

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**1.82**	**1.54**
Fee for benchmark performance	1.02	1.02
Performance fees	0.60	0.34
Other costs excluding transaction costs	0.04	0.03
VAT	0.16	0.15
Transaction costs (including VAT)	**0.05**	**0.06**
Total investment charge	**1.87**	**1.60**

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	(February 2000) 49.3%
Average	63.2%
Maximum	(May 2021) 72.9%

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

Fund manager quarterly commentary as at 31 March 2024

The FTSE/JSE All Share Index trended lower over the quarter, with several shares falling on the release of their financial results. The operating environment for local businesses is very tough. In contrast, global equities have been strong, with the MSCI World Index surpassing its previous 2022 all-time high. Much of this strength was driven by US mega-caps, but the Japanese and certain European stock markets also reached new highs. Against this backdrop, the Fund returned 1.7% for the quarter.

2024 could be described as the global year of elections. Based on research conducted by Deutsche Bank, 2024 will see the highest percentage of the world's population voting since 1800. Some of the regions heading to the polls include Taiwan, Europe, the United States of America, India, the United Kingdom and, of course, South Africa. In the normal course of thinking about investments, we do not pay special attention to politics – but this is not a normal election cycle; the outcomes could drastically change many policies that affect some of our underlying holdings. In our view, 2024 has above-average political risk.

The various elections are taking place against the backdrop of a world increasingly divided along both geopolitical and social lines. This is a trend we have been speaking to our clients about for a few years, and one that is making the operating environment increasingly complex for many multinational companies. Think of the partial ban of iPhones for certain public sector workers in China or the shipping attacks in the Red Sea affecting global shipping routes. While we have no unique insights, we do think about these risks when constructing the portfolio. For example, we have written many times about the significant exposure that the South African equity market has to China. We put limits on this exposure.

Closer to home, we may see quite a different political and economic landscape after the South African national elections in May. No one knows the outcome with certainty, given several potential scenarios. Clearly, not all of them are positive. We had not even heard of the uMkhonto weSizwe Party (MK Party) a few months ago. Rather than hedging our bets on one or two scenarios prevailing, we try to understand what is discounted in current asset prices.

This is of particular importance to the valuations of many depressed locally focused shares. The political and economic uncertainty in South Africa has pushed up the cost of capital via higher long-bond yields. When this is combined with low or non-existent real growth, the result is a low valuation placed on local profits. Of course, any positive change in yields or growth could result in an upward rerating from depressed levels. We believe that this scenario would require a return of foreign investors, first to our bond and then our equity markets. For that to happen, we need to become an attractive investment destination again. Large pools of foreign capital have many choices globally, and South Africa is small enough to ignore if the risk-reward ratio is not favourable.

With these risks and opportunities in mind, we have deliberately constructed a diversified portfolio for a wide range of outcomes. The portfolio has exposure to offshore assets, locally listed shares that are international businesses, attractively valued domestic businesses, high-yielding cash and bonds, as well as precious metals. We believe running a successful asset allocation fund requires a holistic view of the portfolio that allows us to balance the opportunities and risks derived from our positioning.

During the quarter, the Fund purchased Prosus and South32 and reduced positions in AB InBev and AVI.

Commentary contributed by Duncan Artus

Information and content

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Management Company

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

The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)11 301 6335 or www.rmb.co.za.

Performance

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

Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

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

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (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 Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

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

The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond 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 Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond 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 Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index vests in FTSE and the JSE jointly. All their rights are reserved.

MSCI Index

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J.P. Morgan Index

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Allan Gray Stable Fund

31 March 2024

Fund description and summary of investment policy

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund typically 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.

ASISA unit trust category: South African – Multi Asset – Low Equity

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%.

How we aim to achieve the Fund's objective

A major portion of the Fund is typically invested in money market instruments. We seek to deploy the Fund's cash by investing in shares when they can be bought at a significant discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares, we may allocate a low weight to shares or partially hedge the Fund's stock market exposure in consideration of the Fund's capital preservation objectives. The Fund may also invest in bonds, property and commodities. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

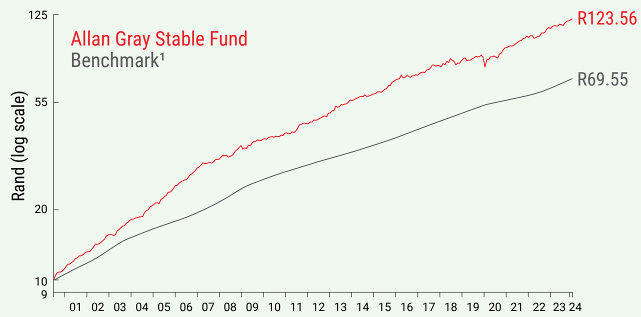
- Are risk-averse and require a high degree of capital stability
- Seek both above-inflation returns over the long term, and capital preservation over any two-year period
- Require some income but also some capital growth
- Wish to invest in a unit trust that complies with retirement fund investment limits

Fund information on 31 March 2024

Fund size	R52.3bn
Number of units	563 499 691
Price (net asset value per unit)	R44.69
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 July 2000)	1135.6	595.5	255.9
Annualised:			
Since inception (1 July 2000)	11.2	8.5	5.5
Latest 10 years	8.1	7.3	5.1
Latest 5 years	8.0	6.8	5.1
Latest 3 years	9.6	7.1	6.1
Latest 2 years	9.4	8.4	6.3
Latest 1 year	9.8	9.6	5.6
Year-to-date (not annualised)	2.1	2.3	1.1
Risk measures (since inception)			
Maximum drawdown[3]	-16.7	n/a	n/a
Percentage positive months[4]	77.9	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

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 March 2024.
2. This is based on the latest available numbers published by IRESS as at 29 February 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.

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

Meeting the Fund objective

Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund aims to minimise the risk of loss over any two-year period.

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.	30 Jun 2023	30 Sep 2023	31 Dec 2023	31 Mar 2024
Cents per unit	36.6206	44.1534	42.0767	42.6919

Annual management fee

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 0.1%, 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.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Top 10 share holdings on 31 March 2024 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	2.4
AB InBev	2.1
Woolworths	1.3
Nedbank	1.3
MultiChoice Group	1.3
Gold Fields	1.2
AngloGold Ashanti	1.2
Standard Bank	1.1
Glencore	1.1
Marriott International	1.0
Total (%)	**14.0**

7. Underlying holdings of foreign funds are included on a look-through basis.
8. All credit exposure 1% or more of portfolio.
9. Excludes fees accrued.

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

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**1.60**	**1.61**
Fee for benchmark performance	1.01	1.01
Performance fees	0.40	0.40
Other costs excluding transaction costs	0.03	0.03
VAT	0.16	0.17
Transaction costs (including VAT)	**0.04**	**0.04**
Total investment charge	**1.64**	**1.65**

Top credit exposures on 31 March 2024 (SA and Foreign) (updated quarterly)[7,8,9]

Issuer	% of portfolio
Republic of South Africa	11.5
Standard Bank	7.8
FirstRand Bank	7.7
Absa	6.0
Investec Bank	5.1
Citibank	2.1
Nedbank	1.5
Northam Platinum	1.5
United States Treasury	1.2
South African Futures Exchange	1.1
Total (%)	**45.6**

Asset allocation on 31 March 2024[7]

Asset class	Total	South Africa	Foreign
Net equities	25.3	13.2	12.1
Hedged equities	20.0	9.0	11.0
Property	1.0	0.6	0.4
Commodity-linked	2.3	1.7	0.6
Bonds	31.6	24.7	6.9
Money market and bank deposits[10]	19.8	21.9	-2.1
Total (%)	**100.0**	**71.1**	**28.9**[11]

10. Including currency hedges.

11. 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.

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	(January 2010) 12.4%
Average	26.4%
Maximum	(December 2018) 39.6%

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

Fund manager quarterly commentary as at 31 March 2024

The optimism that greeted our local market in the latter part of 2023 has not extended into the current year. The FTSE/JSE Capped SWIX declined by 2.3% in the first quarter. The weak performance of our market, particularly when measured in US dollars, is in stark contrast to other global equity indices which have continued to post fresh all-time highs on the back of expected looser monetary policy stance in sight and a continuing rally in AI-related stocks. A lacklustre commodity price environment, low economic growth and market participants keeping an eye on the upcoming national elections are all contributing to generally poor sentiment towards South African equities.

In comparison, global bonds have struggled to gain traction with investors becoming increasingly cautious on the quantum of interest rate cuts anticipated over the next year. US growth prospects remain strong and global inflation remains higher than targeted levels, particularly in the more labour-intensive services economy. The FTSE World Government Bond Index returned -2.4%, while the local FTSE/JSE All Bond Index posted a 4.1% decline in US dollars (-1.8% in rands) over the quarter.

Against this challenging backdrop for risk assets, the Fund's return for the first quarter was 2.1%, marginally behind the benchmark return of 2.3%. The Fund's foreign assets were the main contributor to performance, while the hedged equity portion and bonds also added to returns.

At the end of this quarter, the Fund's allocation to local cash and bonds is 46.6% of assets, with the split across instruments made with the objective of generating an acceptable overall real return (i.e. after adjusting for inflation), under a variety of possible scenarios. This comprises low-risk money market instruments yielding 9%, higher nominal South African government bonds at more than 12% and inflation linkers at 4.5% to 6.0% real rates. In sum, this combination should provide a return in excess of 10% without taking on excessive credit and interest rate risk, which is attractive relative to local inflation at 5.6%. In addition to local fixed income, the Fund holds offshore US dollar-denominated low-duration bonds at yields of 5% and higher.

A net equity weight of 25.3%, split evenly across local and foreign stocks, reflects a more cautious stance when viewed against the 40% maximum allowable allocation. We are wary of parts of the market that appear expensive (such as US mega-cap technology shares) and what that may entail for absolute equity returns if stark valuation discrepancies begin to unwind. We seek to exploit this potential opportunity with our allocation to hedged equities which should provide a return profile more akin to cash plus the alpha generated via our bottom-up stockpicking process.

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. Current high cash rates do present a steep performance hurdle to overcome. It is important that the appropriate balance is struck between the risk and return required in meeting and surpassing this hurdle, especially in an environment of uncertainty both locally and offshore.

This quarter, the Fund added to positions in gold miners, including Pan African Resources and AngloGold Ashanti. We trimmed the Fund's exposure to Standard Bank and Nedbank.

Commentary contributed by Sean Munsie

Information and content

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FTSE Russell Index

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MSCI Index

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Allan Gray Optimal Fund

31 March 2024

Fund description and summary of investment policy

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.

ASISA unit trust category: South African – Multi Asset – Low Equity

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.

How we aim to achieve the Fund's objective

The Fund invests in selected shares and seeks to substantially reduce stock market risk by selling exchange-traded equity index derivatives. The selected share portfolio is derived from our thorough research process, but the selection of equities in this Fund may differ from that in the other Allan Gray funds. The deviation of the Fund's selected share portfolio from the composition of the underlying benchmark indices (on which the derivative contracts are based) is restricted and closely monitored. This does not eliminate the risk of capital loss should the selected equities underperform.

Suitable for those investors who

- Seek absolute (i.e. positive) returns regardless of stock market trends
- Require a high degree of capital stability over a 3-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

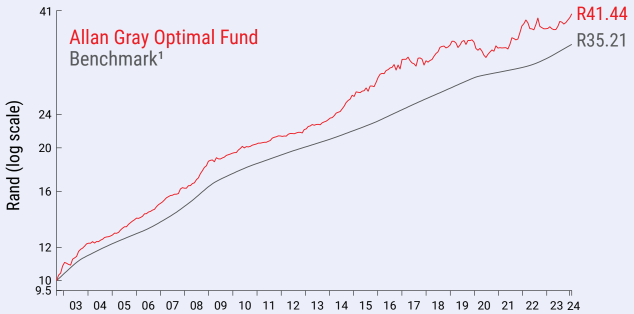
Fund information on 31 March 2024

Fund size	R0.8bn
Number of units	21 995 037
Price (net asset value per unit)	R23.85
Class	A

1. The daily interest rate as supplied by FirstRand Bank Limited (source: FirstRand Bank), performance as calculated by Allan Gray as at 31 March 2024.
2. This is based on the latest available numbers published by IRESS as at 29 February 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.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 2002)	314.4	252.1	201.3
Annualised:			
Since inception (1 October 2002)	6.8	6.0	5.3
Latest 10 years	5.7	5.1	5.1
Latest 5 years	3.0	4.7	5.1
Latest 3 years	6.2	5.0	6.1
Latest 2 years	2.7	6.2	6.3
Latest 1 year	8.1	7.5	5.6
Year-to-date (not annualised)	4.8	1.8	1.1
Risk measures (since inception)			
Maximum drawdown[3]	-10.2	n/a	n/a
Percentage positive months[4]	73.6	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

Meeting the Fund objective

Since inception and over the latest 10-year period, the Fund has outperformed its benchmark. Over the latest five-year period, the Fund has underperformed its benchmark, which is the daily interest rate supplied by FirstRand Bank Limited. The Fund aims to deliver long-term positive returns, irrespective of stock market returns.

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 2023	31 Dec 2023
Cents per unit	**44.7117**	**48.3060**

Annual management fee

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 0.2% to the fee for each percentage of performance above the high watermark. The fee is uncapped.

Total expense ratio (TER) and transaction costs

The annual management fee is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

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

Company	% of portfolio
British American Tobacco	8.7
Naspers & Prosus	7.8
AB InBev	6.0
Gold Fields	5.4
AngloGold Ashanti	4.8
Sasol	4.6
Mondi	4.4
MultiChoice Group	4.4
Sappi	4.0
Absa Group	3.7
Total (%)	**53.7**

Asset allocation on 31 March 2024

Asset class	Total
Net equities	2.3
Hedged equities	81.8
Property	0.9
Commodity-linked	0.0
Bonds	0.0
Money market and bank deposits	15.1
Total (%)	**100.0**

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

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**1.18**	**1.18**
Fee for benchmark performance	1.00	1.00
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.03	0.03
VAT	0.15	0.15
Transaction costs (including VAT)	**0.10**	**0.13**
Total investment charge	**1.28**	**1.31**

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	(September 2016) -3.6%[7]
Average	4.6%
Maximum	(November 2018) 15.4%

7. The negative net equity exposure as at 30 September 2016 is due to the cash acquisition of SABMiller by Anheuser-Busch In-Bev. This was corrected and the Fund had a positive net equity exposure by 4 October 2016.

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

Fund manager quarterly commentary as at 31 March 2024

The optimism that greeted our local market in the latter part of 2023 has not extended into the current year – the FTSE/JSE Capped SWIX declined by 2.3% in the first quarter. The weak performance of our market, particularly when measured in US dollars, is in stark contrast to other global equity indices which have continued to post fresh all-time highs on the back of interest rate cut expectations and a continuing rally in AI-related stocks. A lacklustre commodity price environment, low economic growth and market participants keeping an eye on the upcoming national elections are all contributing to generally poor sentiment.

Against this challenging backdrop, the Fund has had a pleasing start to the year, returning 4.8% for the quarter – 3.0% ahead of its cash benchmark. This has helped to recover some of the Fund's underperformance from the previous year. Over the trailing 12 months, the Fund has returned 8.1% compared to 7.5% for the benchmark. Among the main contributors to performance were the Fund's holdings in MultiChoice, Sappi and gold-mining stocks.

The Fund has held MultiChoice sporadically since its unbundling from Naspers in 2019. The latest position was initiated over the course of 2023 after the share sold down following a weak set of financial results. Slowing South African revenue growth with accompanying margin compression, significant currency devaluation across some of its African operations and steep losses in its Showmax streaming business as it reinvests in the offering culminated in a suspension of the dividend. In our opinion, these factors were more temporary than structural, and the market was undervaluing the quality of the business and its strong position on the continent. Subsequently, Canal+, the French broadcaster with a presence in Africa, has taken advantage of an overly depressed share price, announcing its firm intention to acquire the company which, in turn, provided a boost to the Fund's performance.

Sappi is another stock which, in our view, is currently mispriced. While the cyclical nature of the business justifies a lower earnings multiple through the cycle, its current low rating is unwarranted. The company has made significant progress in shifting away from the declining graphic paper segment, to which it has historically been overexposed, towards the growing packaging and pulp sectors. Over time, this should translate to higher margins. In early 2025, Sappi is due to complete its capacity expansion programme in the United States, an attractive market for paper producers, which should add to earnings quality in the future.

Lastly, the Fund holds a basket of gold producers that have also aided performance. The gold price (as measured in US dollars) hit record highs during the quarter on hopes of interest rate cuts as well as strong physical purchases. Elevated geopolitical and political risk are also providing price support. One of the Fund's largest gold exposures is to AngloGold Ashanti. The company has embarked on a multiyear restructuring, the full benefit of which, in our view, is still to be realised.

In addition to the exposures mentioned above, the Fund favours global businesses, such as AB InBev, British American Tobacco and Mondi, as well as attractively valued local companies, like Sasol. In contrast, we have more prudent exposure to Naspers/Prosus, diversified miners, domestic banks and local retailers.

During the quarter, the Fund added to its positions in Naspers and FirstRand and initiated new positions in Thungela and African Rainbow Minerals. Holdings in Spar and Standard Bank were trimmed.

Commentary contributed by Sean Munsie

Information and content

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Allan Gray is an authorised financial services provider.

Management Company

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

The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)11 301 6335 or www.rmb.co.za.

Performance

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

Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

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

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

The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond 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 Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond 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 Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index vests in FTSE and the JSE jointly. All their rights are reserved.

Important information for investors

Need more information?
You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website **www.allangray.co.za** or via our Client Service Centre on **0860 000 654**

Allan Gray Bond Fund

31 March 2024

Fund description and summary of investment policy

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.

ASISA unit trust category: South African – Interest Bearing – Variable Term

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.

How we aim to achieve the Fund's objective

We try to balance credit risk, duration risk and liquidity risk when selecting investments. We target total returns for investors rather than trying to mirror the returns of the FTSE/JSE All Bond Index. When we cannot find value in the bond markets, our portfolio will be weighted towards cash to achieve better returns.

Suitable for those investors who

- 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

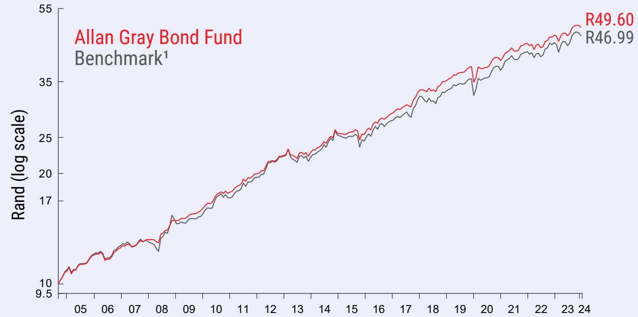
Fund information on 31 March 2024

Fund size	R7.6bn
Number of units	626 699 119
Price (net asset value per unit)	R10.10
Modified duration	4.1
Gross yield (before fees)	11.6
Class	A

1. FTSE/JSE All Bond Index (source: IRESS), performance as calculated by Allan Gray as at 31 March 2024.
2. This is based on the latest available numbers published by IRESS as at 29 February 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 31 January 2015 and the benchmark's occurred during the 12 months ended 31 January 2015. 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.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 2004)	396.0	369.9	186.2
Annualised:			
Since inception (1 October 2004)	8.6	8.3	5.6
Latest 10 years	8.0	7.7	5.1
Latest 5 years	6.8	7.0	5.1
Latest 3 years	7.2	7.4	6.1
Latest 2 years	5.2	5.0	6.3
Latest 1 year	5.0	4.2	5.6
Year-to-date (not annualised)	-0.8	-1.8	1.1
Risk measures (since inception)			
Maximum drawdown[3]	-18.9	-19.3	n/a
Percentage positive months[4]	70.9	67.9	n/a
Annualised monthly volatility[5]	5.9	7.5	n/a
Highest annual return[6]	18.0	21.2	n/a
Lowest annual return[6]	-2.6	-5.6	n/a

Meeting the Fund objective

Since inception and over the latest 10-year period, the Fund has outperformed its benchmark. Over the latest five-year period, the Fund has underperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund aims to take no greater risk than its benchmark. The maximum drawdown and lowest annual return numbers, in the 'Performance net of all fees and expenses' table, show that the Fund has successfully reduced downside risk in periods of negative market returns.

Income distributions for the last 12 months

Actual payout, the Fund distributes quarterly	30 Jun 2023	30 Sep 2023	31 Dec 2023	31 Mar 2024
Cents per unit	26.0679	25.7014	26.6398	25.8263

Annual management fee

A fixed fee of 0.5% p.a. excl. VAT

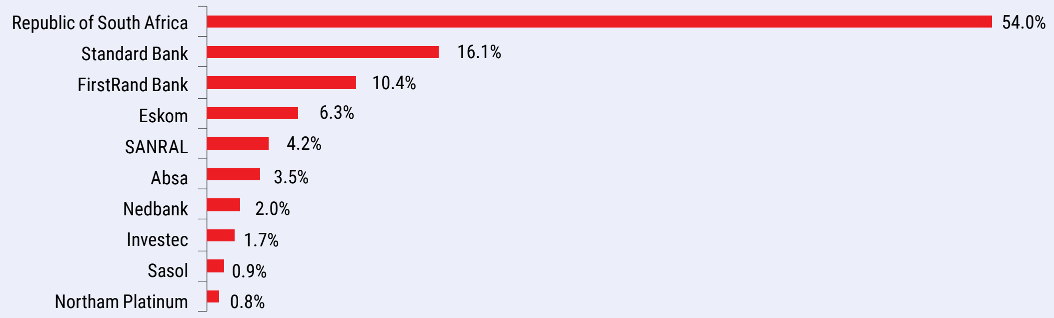
Total expense ratio (TER) and transaction costs (updated quarterly)

The annual management fee is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

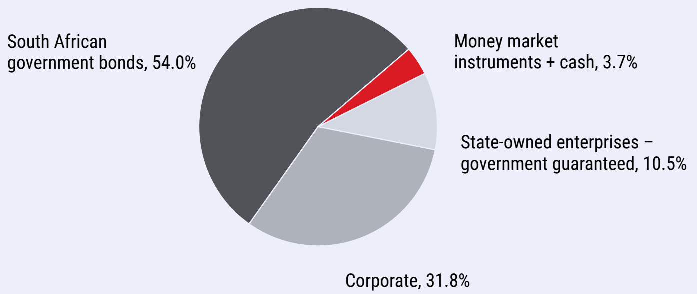
TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	0.59	0.52
Fee for benchmark performance*	0.50	0.44
Performance fees*	0.00	0.00
Other costs excluding transaction costs	0.01	0.01
VAT	0.08	0.07
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.59	0.52

*On 1 December 2021, the Fund's annual management fee changed from the previous performance-based fee to the current fixed fee of 0.5% p.a. excl. VAT.

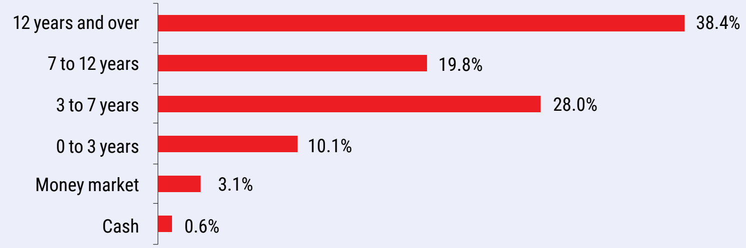
Top 10 credit exposures on 31 March 2024



Asset allocation on 31 March 2024



Maturity profile on 31 March 2024



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

Fund manager quarterly commentary as at 31 March 2024

South African government bonds have had a rough start to the year, as indicated by a rise in government borrowing costs (i.e. bond yields). After the SA 20-year bond yield sold off to an intra-year high of 13.2% in September 2023, it staged a recovery in late 2023 and traded down to 12.1%. Late in March 2024, roughly 80% of these gains (in price terms) had been unwound, and the bond again sold off to an elevated yield of 13.0%. Around half of this sell-off can be explained by the weakening of the 20-year US Treasury bond, as investors quite rationally questioned the market's pricing of up to seven US rates cuts in 2024 against the reality of a strong US labour market, low unemployment and sticky inflation in US services.

The drivers of US services inflation over the last few months cover quite a range of items, like costlier prices for elder care and domestic work, hospital and veterinary 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. This is particularly true for an economy with a shortage of low-skilled labour, like the US. When in short supply, lower-cost labourers have a lot of bargaining power, and US wage growth is unsurprisingly still running at an elevated 5.4% year-on-year with 8.8 million job openings versus only 6.4 million unemployed workers.

The other half of the sell-off in the SA 20-year government bond can be explained by South Africa-specific factors, as seen by a widening in the risk premium of SA versus US government bonds. This relates to elevated political risk heading into South Africa's May 2024 elections. Alongside this, the South African Budget in February was poorly received by the market, sparking some selling of bonds and limited reinvestment of fixed-rate bond coupons back into the government bond market – of which roughly R105bn was paid out to bondholders over the first three months of the year. The much-discussed lever of restructuring the South African public sector and closing redundant government departments and programmes received little airtime in the Budget. National Treasury instead agreed to monetise R150bn of the Gold and Foreign Exchange Contingency Reserve Account (GFECRA), as well as carve out an additional R100bn from this account for the Reserve Bank to use in order to pay interest on the newly printed bank reserves as a sterilisation measure.

Even with such arguably drastic measures being taken, government debt to gross domestic product (GDP) is only forecast to stabilise at 75% of GDP over the next three years from 78% prior. This is still a very elevated level of debt. While GFECRA does mean that government's gross borrowing requirement over the next three years falls from R560bn per annum on average to R480bn per annum, it is not clear that there would be any room to cut the already-high quantum of weekly debt issuance from current levels given the government's anaemic cash levels.

The Budget also contained some relaxation of the budgetary spending restraint in the government wage bill forecasts, and we have yet to see fiscal anchors like a spending ceiling being imposed.

One concern is that now that GFECRA has been "discovered", it will be easier to pull on this as an emergency lever as opposed to getting to the heart and underlying cause of our structural fiscal woes. In this regard, Treasury has indicated that there could be room to monetise more in future depending on the behaviour of the exchange rate. Theoretically, every one rand of exchange rate depreciation against the US dollar creates R60bn of additional GFECRA. Given this perverse hedge, it may allow government to keep monetising the account the worse that things are going in the economy, instead of using a desperate situation to enforce reform.

SA government bonds have also continued to sell off as recent polls suggest a major decline in ANC support as we head into the May 2024 elections. Early in the year, market concerns likely centred around the notion that the rising tide of economic dissatisfaction and joblessness may also have lifted the ship of populist parties like the EFF, who promise their constituents a radical redistribution of wealth. That said, the polling data is changing quickly to reflect a larger threat coming from former president Jacob Zuma's uMkhonto weSizwe Party (MK Party), which has been polling as high as 13% nationally according to the February 2024 Brenthurst polls, taking market share from both the ANC and EFF. There are currently a range of election and coalition outcomes and clearly not all of them are positive.

In the last quarter, the Fund upweighted its allocation to senior floating-rate notes at annualised yields above 10%, to take the total allocation to floating-rate paper to approximately 30% of the Fund. It also reinvested coupons into 13-year SA government bonds as yields began to sell off but maintained its underweight duration positioning with only 45% of the Fund invested in fixed-rate government bonds. Valuations are compelling, in that a 13-year government bond bought at 12% yield would still be able to offer a five-year return of 10% per annum if it sold off to a 15% yield by the end of that period. That said, given that the Fund offers a healthy weighted average yield of 11.8% for a modified duration of 4.1, there is arguably no need to take on undue risk beyond the current allocation. A full position would also limit the ability of the Fund to participate into further price depreciation in a rising bond yield environment, which has been the status quo for the last decade in South Africa. For yields to decline on a sustained basis, we need to become an attractive investment destination again. Large pools of foreign capital have a lot of choices globally, and South Africa is small enough to ignore if the risk-reward ratio is not favourable.

Commentary contributed by Thalia Petousis

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Unit price

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

Yield

The Allan Gray Bond Fund yield is current, calculated as at month-end.

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.

Total expense ratio (TER) and transaction costs

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

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (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 Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

FTSE/JSE All Bond Index

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

Important information for investors

Need more information?
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Allan Gray Money Market Fund

31 March 2024

ALLANGRAY

Fund manager: Thalia Petousis **Inception date:** 1 July 2001

Fund description and summary of investment policy

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.

ASISA unit trust category: South African – Interest Bearing – Money Market

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) Composite Index.

How we aim to achieve the Fund's objective

The Fund invests in selected money market instruments providing an income yield and a high degree of capital stability. We formulate an interest rate outlook, which is influenced by our inflation outlook and expectations of the resulting Reserve Bank policy response. Based on this analysis, we select investments for the Fund. These assets are typically held to maturity. We take a conservative approach to credit risk.

Suitable for those investors who

- Require monthly income distributions
- Are highly risk-averse but seek returns higher than bank deposits
- Need a short-term investment account

Fund information on 31 March 2024

Fund size	R29.2bn
Number of units	26 199 181 832
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.74
Fund weighted average coupon (days)	88.33
Fund weighted average maturity (days)	110.67
Class	A

1. The current benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Since 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, performance as calculated by Allan Gray as at 31 March 2024.
2. This is based on the latest available numbers published by IRESS as at 29 February 2024.
3. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
4. 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.
5. 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.

Income distribution for the last 12 months

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

Apr 2023	May 2023	Jun 2023	Jul 2023
0.64	0.68	0.68	0.71
Aug 2023	**Sep 2023**	**Oct 2023**	**Nov 2023**
0.72	0.70	0.73	0.71
Dec 2023	**Jan 2024**	**Feb 2024**	**Mar 2024**
0.74	0.75	0.69	0.74

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 July 2001)	436.8	414.6	235.0
Annualised:			
Since inception (1 July 2001)	7.7	7.5	5.5
Latest 10 years	6.9	6.5	5.1
Latest 5 years	6.5	6.0	5.1
Latest 3 years	6.5	6.1	6.1
Latest 2 years	7.6	7.2	6.3
Latest 1 year	8.8	8.4	5.6
Year-to-date (not annualised)	2.2	2.1	1.1
Risk measures (since inception)			
Percentage positive months[3]	100.0	100.0	n/a
Annualised monthly volatility[4]	0.6	0.6	n/a
Highest annual return[5]	12.8	13.3	n/a
Lowest annual return[5]	4.3	3.8	n/a

Meeting the Fund objective

The Fund has preserved capital, maintained liquidity and generated a sound level of income.

Annual management fee

A fixed fee of 0.25% p.a. excl. VAT

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

The annual management fee is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**0.29**	**0.29**
Fee for benchmark performance	0.25	0.25
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.00	0.00
VAT	0.04	0.04
Transaction costs (including VAT)	**0.00**	**0.00**
Total investment charge	**0.29**	**0.29**

Exposure by issuer on 31 March 2024

	% of portfolio
Corporates	**8.8**
Shoprite	2.3
Mercedes-Benz Group	2.3
Sanlam	2.1
Daimler Truck	2.1
Banks[6]	**50.5**
Nedbank	17.8
Standard Bank	11.5
Absa Bank	8.5
Investec Bank	7.4
FirstRand Bank	5.2
Governments	**40.8**
Republic of South Africa	40.8
Total (%)	**100.0**

6. 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.

Fund manager quarterly commentary as at 31 March 2024

While 2024 began with the US interest rate markets pricing for up to seven interest rate cuts during the year, by the end of the first quarter these expectations had been scaled back to only three cuts. The US market is awakening to the reality of a strong labour market, low unemployment and sticky inflation in US services. Such stickiness in US prices makes it incredibly difficult to cut interest rates without lighting the flame of another round of inflation. The drivers of US services inflation over the last few months 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 with a shortage of low-skilled labour, like the US. When in short supply, lower-cost labourers have a lot of bargaining power. US wage growth is unsurprisingly still running at an elevated 5.4% year-on-year with 8.8 million job openings versus only 6.4 million unemployed workers.

Inflation is also proving to be sticky in South Africa, and it is no surprise that the South African Reserve Bank (SARB) voted unanimously in March to keep the repo rate unchanged at a 14-year high of 8.25%. Last year, South African food inflation hit its highest levels since 2008. Drought-like conditions are emerging, not just in parts of the country, but across the continent, doing damage to crop yields and maize harvests. El Niño and bean disease have caused official cocoa production numbers to fall by 20% to 40% in Côte d'Ivoire and Ghana, which are responsible for a combined 60% of global cocoa bean production. As a result, the price of cocoa per metric tonne has tripled in the last year which will bleed into confectionary prices in time.

The SARB has also been at pains to highlight that high administered regulated price inflation, such as for electricity, water and property rates, puts pressure on prices in a way that is outside of the SARB's control, given these prices are not being adjusted with demand but rather with the broken balance sheets of state-owned enterprises (SOEs) and municipalities. In February, South African consumer prices rose by 5.6% year-on-year, more than a full percent wider than the SARB's preferred level. Unpacking this figure further, inflation in the Western Cape increased to 6.3%, given a greater weighting towards services categories like medical insurance, which rose by 13%. In provinces like Limpopo, headline inflation was notably lower at 4.4%, given a larger weighting towards basic food and fuel which is disinflating from the high base created in 2022.

The sticky nature of inflation in South Africa lessens the probability that the SARB will cut interest rates any time soon – or, if they do, it raises the chances that it will be a short cutting cycle. In this regard, the local market continues to price for only one interest rate cut over the next two years.

Over the last quarter, the Fund again raised its exposure to Treasury Bills as yields remained higher than bank deposit rates due to government's large funding requirement. Bank appetite to pay up aggressively for deposits tends to wane when they are writing fewer loans, and we have seen this occur as bank non-performing loans rise, and they subsequently rein in their credit appetite. The weighted average yield of the Fund (gross of fees) ended the quarter at 9.47%, paying the highest rate of interest in the Fund in over 14 years.

Commentary contributed by Thalia Petousis

Information and content

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Allan Gray is an authorised financial services provider.

Management Company

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

The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)11 301 6335 or www.rmb.co.za.

Performance

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

Fund mandate

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

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 Management Company by 11:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za.

Fees

Permissible deductions may include management fees, brokerage, securities transfer tax, auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

Total expense ratio (TER) and transaction costs

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

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (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 Management Company 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 information for investors

Need more information?
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Fund managers: This Fund invests solely into the Orbis Global Equity Fund, managed by Orbis Investment Management Limited **Inception date:** 1 April 2005

Allan Gray-Orbis Global Equity Feeder Fund

31 March 2024

Fund description and summary of investment policy

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.

ASISA unit trust category: Global – Equity – General

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.

How we aim to achieve the Fund's objective

The Fund invests only in the Orbis Global Equity Fund. The Orbis Global Equity Fund is designed to be exposed to all of the risks and rewards of selected global shares. Orbis uses in-house research to identify companies around the world whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables Orbis to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. This is the same approach as that used by Allan Gray to invest in South African equities, except that Orbis is able to choose from many more shares, listed internationally.

Suitable for those investors who

- 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

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

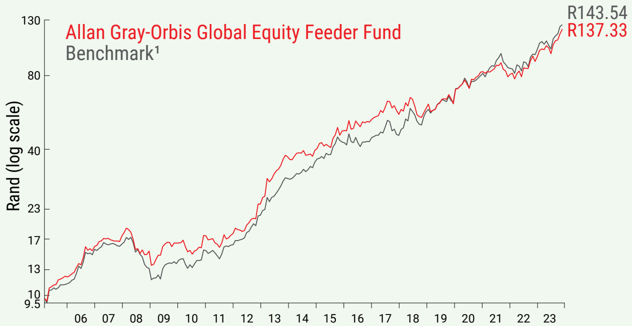
Fund information on 31 March 2024

Fund size	R32.0bn
Number of units	234 183 620
Price (net asset value per unit)	R136.63
Class	A

1. MSCI World Index, including income, after withholding taxes (source: Bloomberg), performance as calculated by Allan Gray as at 31 March 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 29 February 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.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund		Benchmark[1]		CPI inflation[2]	
Cumulative:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (1 April 2005)	1273.3	350.7	1335.4	371.1	180.5	61.1
Annualised:						
Since inception (1 April 2005)	14.8	8.3	15.1	8.6	5.6	2.6
Latest 10 years	13.5	7.1	16.2	9.6	5.1	2.8
Latest 5 years	16.6	10.5	18.5	12.3	5.1	4.2
Latest 3 years	15.0	5.8	18.0	8.6	6.1	5.7
Latest 2 years	26.0	10.5	23.2	8.1	6.3	4.6
Latest 1 year	36.8	27.9	33.9	25.1	5.6	3.2
Year-to-date (not annualised)	11.9	9.3	11.5	8.9	1.1	1.0
Risk measures (since inception)						
Maximum drawdown[3]	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months[4]	63.6	58.8	61.4	63.6	n/a	n/a
Annualised monthly volatility[5]	15.2	17.2	14.3	16.0	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

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Meeting the Fund objective

Since inception and over the latest 10- and five-year periods, the Fund has underperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the global stock market. The maximum drawdown and lowest annual return numbers, in the 'Performance net of all fees and expenses' table, show that the Fund has successfully reduced downside risk in periods of negative market returns.

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 2023
Cents per unit	**1.3302**

Annual management fee

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

Orbis charges an annual management fee within the underlying Orbis 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.

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

The annual management fee charged by Orbis is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**1.70**	**1.27**
Fee for benchmark performance	1.15	1.38
Performance fees	0.49	-0.16
Other costs excluding transaction costs	0.06	0.05
VAT	0.00	0.00
Transaction costs (including VAT)	**0.10**	**0.10**
Total investment charge	**1.80**	**1.37**

Top 10 share holdings on 31 March 2024

Company	% of portfolio
Corpay	5.5
UnitedHealth Group	3.6
Interactive Brokers Group	3.5
Global Payments	3.3
GXO Logistics	3.2
Sumitomo Mitsui Fin.	3.1
Alphabet	3.1
British American Tobacco	2.9
Shell	2.8
BAE Systems	2.8
Total (%)	**33.7**

Asset allocation on 31 March 2024

This fund invests solely into the Orbis Global Equity Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	97.6	50.7	22.9	8.7	14.1	1.2
Hedged equities	0.0	0.0	0.0	0.0	0.0	0.0
Property	0.0	0.0	0.0	0.0	0.0	0.0
Commodity-linked	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	0.8	0.8	0.0	0.0	0.0	0.0
Money market and cash	1.6	1.7	0.4	0.1	-0.6	0.0
Total (%)	**100.0**	**53.2**	**23.3**	**8.8**	**13.5**	**1.2**
Currency exposure						
Fund	100.0	50.6	23.6	15.0	5.8	4.9
Benchmark	100.0	74.0	17.0	6.1	0.8	2.1

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

Fund manager quarterly commentary as at 31 March 2024

While the US stock market represents about 70% of the FTSE World and MSCI World indices, just half of the Fund is invested in American shares. But the US is also a big place with many excellent companies and, where we can find great companies at good prices, we are delighted to own them. Two businesses that fit that description are the managed care organisations (MCOs) UnitedHealth Group and Elevance Health.

MCOs serve the vast US healthcare market, which is relatively more complex than many healthcare markets elsewhere. In the US, most working people get health insurance through their employer or through the government-funded Medicaid (need-based) or Medicare (age-based) schemes. Both Medicare and Medicaid plans can be administered by the MCOs. But the MCOs are not just insurers, they increasingly own and manage physician practices, care centres and pharmacies, making them better placed to connect the dots for patients across this complex system.

For new entrants, that complexity has made the healthcare market a tough nut to crack: Amazon, JP Morgan and Berkshire Hathaway announced to great fanfare that they were entering the health insurance market in 2018, only to abandon the venture three years later.

With this industry setup, the MCOs benefit from two long-term tailwinds: an ageing population and increased outsourcing of Medicare and Medicaid administration. This has been a winning formula historically, with UnitedHealth and Elevance growing earnings per share by 15-17% per annum over the last 10 years. Indeed, we find the two companies rather special investment opportunities when comparing their moats, growth runways, returns on capital, historical track records and management quality with how the stocks are priced by the market.

Today, those prices look reasonable due to pessimism we see as excessive. Market concerns focus on two main things: political risk and cost pressure from Medicare Advantage plans.

Political risk is a persistent worry for the companies. Plenty of countries have socialised healthcare, and the possibility of the US moving in the same direction has often been seen as a risk for the MCOs. Leaning against that pessimism enabled us to build our first positions in the companies when President Obama was initially elected. We continue to believe that MCO-destroying political changes are extremely unlikely. Republicans have no interest in socialising healthcare, and Democrats would need control of the presidency, House of Representatives and 60% control of the Senate to push through such a major societal change – even if they had a unified view internally on the best approach, which they do not. Neither Donald Trump nor Joe Biden is focused on healthcare in their campaigns ahead of the upcoming election.

Moreover, while the US infamously spends more than other countries on healthcare, that is not because of the MCOs, but because healthcare professionals, drugs, medical devices and facilities cost much more. That level of care is great for patients, but it comes with costs.

The MCOs' role is to make the system more efficient – as evidenced by the government, states and individuals increasingly choosing MCO-administered plans for Medicare and Medicaid. In 2008, a fifth of people with Medicare and Medicaid used plans administered by MCOs. Today, the companies manage half of Medicare enrolment and more than half of Medicaid enrolment.

Cost pressures on MCO-managed Medicare plans, called Medicare Advantage, have become a concern for investors. Last year, Humana, a competitor of UnitedHealth and Elevance, saw a sharp uptick in medical costs for its Medicare Advantage business. The cost increases were far in excess of how Humana had priced its policies, severely hurting its margins. Investors worried that UnitedHealth and Elevance would suffer similar problems, hurting the companies' share prices.

We think those worries are excessive. Humana offered lower prices than UnitedHealth and Elevance in 2023, and that now looks like an underwriting mistake. We don't expect the MCOs we are holding in the portfolio to see pressure to the same extent as Humana. Further, the MCOs reprice their policies annually, so if any weakness does materialise, it should prove short-lived.

We remain confident that the companies can continue to deliver as they have in the past. Healthcare spending should continue to grow a little faster than the US economy, and the companies should continue to grow moderately faster than wider US healthcare spending as more people adopt MCO-administered Medicare and Medicaid plans. Meanwhile, we see Elevance and especially UnitedHealth taking intelligent risks in building out their own care networks, positioning them to drive better efficiency and outcomes across the system – and to be rewarded for it. Stacking those up, we believe the companies can grow earnings per share by 12-15% per annum for years to come.

In the short term, the path might look less smooth. Healthcare reform could rise to the top of the election news cycle, and weakness in Medicare Advantage plans could depress sentiment. But as long-term investors, we think those risks are reflected in the companies' prices. UnitedHealth normally trades at a similar price-to-earnings multiple to the S&P 500. It now trades at a discount. Elevance, which has somewhat lower returns on capital than UnitedHealth, trades at an unusually large discount to the US market. In both cases, that is despite long-term growth prospects that we believe are above average.

We trimmed the Fund's positions in Constellation Energy, a nuclear power producer, and Japanese banks Sumitomo Mitsui Financial Group and Mitsubishi UFJ Financial Group into relative share price strength. We added to the Fund's position in Google's parent company, Alphabet, and established new positions in Samsung Electronics and Diageo, a leading spirits manufacturer.

Adapted from a commentary contributed by Povilas Dapkevicius and Matteo Sbalzarini, Orbis Portfolio Management (Europe) LLP, London

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Important information for investors

Need more information?
You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website **www.allangray.co.za** or via our Client Service Centre on **0860 000 654**

ALLANGRAY

Fund managers: This Fund invests solely into the Orbis SICAV Global Balanced Fund, managed by Orbis Investment Management Limited. **Inception date:** 3 February 2004

Allan Gray-Orbis Global Balanced Feeder Fund

31 March 2024

Fund description and summary of investment policy[1]

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

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

Fund objective and benchmark[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.

How we aim to achieve the Fund's objective

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

Like Allan Gray, Orbis uses in-house research to identify companies whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables them to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. A similar approach is applied in selecting fixed income instruments, which may consist of cash, cash equivalents, government bonds and investment-grade and high-yield corporate bonds and, at times, distressed corporate bonds. They are selected with the aim of increasing the overall risk-adjusted return.

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

Suitable for those investors who

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

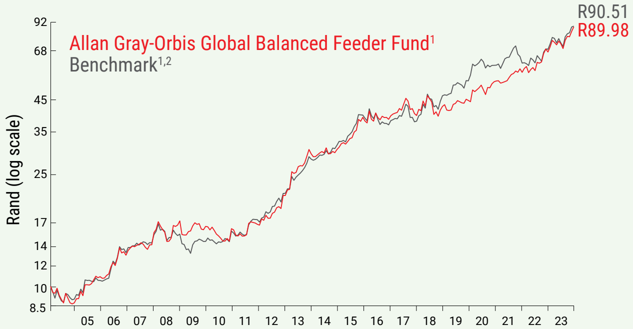
Note: The availability of the Fund is subject to offshore capacity constraints. Please contact our Client Service Centre for further information about any constraints that may apply.

Fund information on 31 March 2024

Fund size	R18.6bn
Number of units	244 442 130
Price (net asset value per unit)	R76.13
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund[1]		Benchmark[1,2]		CPI inflation[3]	
Cumulative:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (3 February 2004)	799.8	233.5	805.1	235.5	192.1	67.0
Annualised:						
Since inception (3 February 2004)	11.5	6.1	11.5	6.1	5.5	2.6
Latest 10 years	11.6	5.3	12.0	5.7	5.1	2.8
Latest 5 years	14.4	8.4	12.5	6.6	5.1	4.2
Latest 3 years	16.5	7.2	11.6	2.7	6.1	5.7
Latest 2 years	21.2	6.3	16.9	2.5	6.3	4.6
Latest 1 year	23.8	15.7	21.7	13.7	5.6	3.2
Year-to-date (not annualised)	8.4	5.9	6.7	4.2	1.1	1.0
Risk measures (since inception)						
Maximum drawdown[4]	-24.0	-37.0	-25.1	-37.5	n/a	n/a
Percentage positive months[5]	58.7	60.3	58.3	63.2	n/a	n/a
Annualised monthly volatility[6]	13.5	11.8	12.8	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

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 March 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 29 February 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.

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

Meeting the Fund objective

Since inception and over the latest 10-year period, the Fund has underperformed its benchmark. Over the latest five-year period, the Fund has outperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than similar funds in the Global – Multi Asset – High Equity sector.

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually.	31 Dec 2023
Cents per unit	**1.0560**

Annual management fee

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

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

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

The annual management fee charged by Orbis is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**1.73**	**1.99**
Fee for benchmark performance	1.10	1.29
Performance fees	0.57	0.64
Other costs excluding transaction costs	0.06	0.06
VAT	0.00	0.00
Transaction costs (including VAT)	**0.07**	**0.08**
Total investment charge	**1.80**	**2.07**

Top 10 holdings on 31 March 2024

Company	% of portfolio
SPDR Gold Trust	5.6
Samsung Electronics	4.5
Kinder Morgan	3.3
Taiwan Semiconductor Mfg.	2.9
US TIPS 0.25% 15 Jul 2029	2.6
Burford Capital	2.5
Mitsubishi Heavy Industries	2.4
Nintendo	2.3
Micron Technology	1.9
Shell	1.9
Total (%)	**29.9**

Asset allocation on 31 March 2024

This fund invests solely into the Orbis SICAV Global Balanced Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	58.4	12.4	20.9	8.7	14.0	2.3
Hedged equities	18.6	10.4	5.3	0.5	1.4	1.0
Property	0.6	0.0	0.0	0.6	0.0	0.0
Commodity-linked	5.6	5.6	0.0	0.0	0.0	0.0
Bonds	15.3	11.4	3.8	0.0	0.0	0.1
Money market and cash	1.5	0.3	0.7	0.1	0.4	0.1
Total (%)	**100.0**	**40.1**	**30.8**	**9.9**	**15.8**	**3.5**
Currency exposure						
Fund	100.0	26.3	38.1	17.5	12.1	6.1
Benchmark	100.0	64.9	22.1	10.5	0.5	1.9

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

Fund manager quarterly commentary as at 31 March 2024

While electric vehicles, batteries, solar panels and windmills dominate headlines around the energy transition, they are only a fraction of the whole project. Boring bits of the system may do just as much to propel the transition forward – and the companies that provide them may be much more attractive investments.

Looking at the Orbis SICAV Global Balanced Fund, 17% is invested in the stocks and bonds of companies which play at least some role in the energy transition. To sketch out how the parts of the value chain – and how some of our investee companies within it – fit together, let's start with a typical offshore wind project, the Galloper wind farm off the eastern coast of England.

The core of the project is 56 windmills built and maintained by Siemens Gamesa, a unit of Siemens Energy. Helix, which operates a fleet of undersea robots and support ships, conducted the undersea trenching and burial work for the 56 cables connecting those turbines to an offshore substation, and Prysmian, a power and telecommunication cable manufacturer, provided some of the high-voltage cables to connect the project to adjacent windfarms and then 45 kilometres back to shore.

As the world adopts broadly dispersed power farms located far away from cities, our energy system will become much more cable intensive. Cables can represent a quarter of the cost for an offshore wind project, and to support wind farms and international interconnectors, the world will need to roll out about 5 000 kilometres of subsea cables every year (outside of China, which uses its own suppliers). That is good news for Prysmian, which is the largest of only three major Western firms with the specialised factories to make those cables and the specialised ships to lay them. All that underwater work also augurs well for Helix. It turns out that the skills (and robots) that are useful for servicing offshore oil wells transfer quite well to servicing offshore wind farms.

Wind farms are not the only source of growing cable demand. Existing grids need cables too, in part because the world's electric grids are ageing. On average, grid equipment in the US and Europe is old and being operated beyond its designed lifespan. In some places, people are charging Teslas using cables installed before World War II. The US Department of Energy reckons grid infrastructure will need to be expanded by 60% by 2030. Globally, that translates into US$650 billion of estimated grid investment every year, double the level of recent years.

A system juggling intermittent power sources, batteries, home solar panels, power-hungry artificial intelligence data centres, and electrified cars and factories will be both more burdened and more complex than the grid is today. More electricity needs to travel longer distances in more directions to more locations, and Siemens Energy and Mitsubishi Heavy Industries (MHI), which both make electricity transmission and distribution equipment, are well placed to provide the increasingly sophisticated transformers, switchgear, converters and substations the new grid will require.

Intermittency (power sources that are not always on) poses challenges beyond just grid infrastructure. As systems become more reliant on wind and solar power, they need to keep the lights on when the wind isn't blowing and the sun isn't shining.

Drax, a UK power generator, provides reliable baseload electricity, as it can run its biomass plant 24/7. Drax also plays a role in energy storage with its elegantly simple "pumped hydro" facility in Scotland. When power is plentiful and cheap, Drax uses electrical pumps to move water uphill into a reservoir, then later lets it flow back downhill through turbines when power is scarce and better priced.

The move to a cleaner energy system is bigger than just the electric grid; it also involves industry and buildings. Siemens Energy offers a suite of products to help companies electrify their operations, while MHI focuses on helping companies switch their heat source from coal to gas, cutting carbon emissions by about 40% in the process. Beyond industry, buildings of all kinds can be much more energy-efficient than they are today. In Europe, where buildings account for 40% of total energy consumption, Signify brings a simple solution: just replace the lights. Lighting accounts for nearly half of cities' total electricity use, and replacing inefficient lights with Signify's excellent LED systems can cut the related carbon emissions by 75% or more.

The preceding sketch barely scratches the surface of the major energy transition themes, but in our view, it is an encouraging story. There are challenges and trade-offs, but these companies are applying their skills in innovative ways to move both their own businesses and the broader transition forward.

That alone wouldn't earn their stocks and bonds a place in the Fund, however. As investors, the key for us is the relationship between the companies' fundamental prospects and the prices of their shares and bonds. In each of these cases, we think their prospects are underappreciated by the market.

This has allowed us to build positions in these companies at attractive prices. Drax trades for less than five times earnings. Helix and Signify trade for less than 10 times free cash flow. Siemens Energy is struggling to work through quality control issues at its wind turbine unit, but in our view the long-term value of its businesses is substantially higher than its current market capitalisation. MHI has begun to attract attention for its defence business, but still trades at a lower valuation than the typical global stock – as does Prysmian, where consensus earnings estimates are just starting to reflect the growth potential we have long seen.

The energy transition features no shortage of complexity and controversy. Put those together, and it also features plenty of investment opportunity.

We reduced the Fund's exposure to US Treasury Inflation Protected Securities (TIPS) to reallocate some of the capital to Norwegian and Icelandic government bonds. In addition, we trimmed the Fund's position in Corpay (formerly Fleetcor Technologies) and increased the Fund's exposure to gold-related securities, as we continue to believe gold provides attractive diversification benefits to the Fund.

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

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ALLANGRAY

Fund manager: Duncan Artus (The underlying Orbis funds are managed by Orbis)
Inception date: 2 March 2010

Allan Gray-Orbis Global Optimal Fund of Funds

31 March 2024

Fund description and summary of investment policy

The Fund invests in a mix of absolute return funds managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The typical net equity exposure of the Fund is between 0% and 20%. The Orbis Optimal SA funds included in the Fund use exchange-traded derivative contracts on stock market indices to reduce net equity exposure. In these funds, the market exposure of equity portfolios is effectively replaced with cash-like exposure, plus or minus Orbis' skills in delivering returns above or below the market. Returns are likely to be less volatile than those of a foreign equity or balanced fund. Although the Fund's investment universe is global, the units in the Fund are priced and traded daily in rands. When considered in rands, returns of this foreign fund are likely to be more volatile than domestic funds with similar equity constraints.

ASISA unit trust category: Global – Multi Asset – Low Equity

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability (when measured in the foreign currency denominations of the underlying Orbis Funds), while producing long-term returns that are superior to foreign currency bank deposits. The Fund's benchmark is the simple average of the benchmarks of the underlying Orbis funds.

How we aim to achieve the Fund's objective

The Fund invests only in the Optimal SA absolute return funds managed by our offshore investment partner, Orbis Investment Management Limited. Within the Optimal funds, Orbis uses in-house research to identify companies around the world whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables them to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. This is the same approach as that used by Allan Gray to invest in South African equities, except that Orbis is able to choose from many more shares, listed internationally. The Orbis Optimal SA funds reduce most of their stock market risk by the use of exchange-traded derivative futures contracts. The Orbis Optimal SA funds will typically retain a small portion of their exposure to equity markets, but the level of exposure may be varied depending on Orbis' assessment of the potential returns on global stock markets relative to their risk of capital loss. The underlying funds' returns are therefore derived partly from their relatively low exposure to stock markets, partly from Orbis' selected share returns relative to those markets, and partly from foreign currency cash-equivalent returns. The Fund's currency exposure is actively managed both within the underlying Orbis funds and through our selection of Orbis funds.

Suitable for those investors who

- Seek steady absolute returns ahead of those of cash measured in global currencies
- Wish to invest in international assets without having to personally expatriate rands
- Are comfortable with taking on the risk of currency fluctuation, but prefer little exposure to stock market risk
- Wish to use the Fund as a foreign absolute return 'building block' in a diversified multi-asset class portfolio

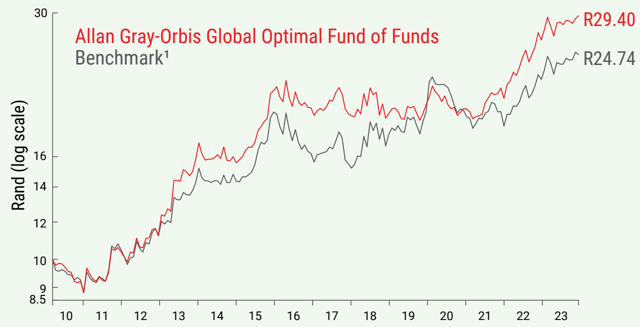
Note: The availability of the Fund is subject to offshore capacity constraints. Please contact our Client Service Centre for further information about any constraints that may apply.

Fund information on 31 March 2024

Fund size	R1.2bn
Number of units	39 265 511
Price (net asset value per unit)	R29.35
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



1. The simple average of the benchmarks of the underlying funds, performance as calculated by Allan Gray as at 31 March 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 29 February 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.

% Returns	Fund		Benchmark[1]		CPI inflation[2]	
Cumulative:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (2 March 2010)	194.0	19.1	147.4	0.2	102.7	43.2
Annualised:						
Since inception (2 March 2010)	8.0	1.3	6.6	0.0	5.2	2.6
Latest 10 years	6.6	0.6	5.7	-0.3	5.1	2.8
Latest 5 years	8.6	2.9	6.7	1.1	5.1	4.2
Latest 3 years	14.7	5.5	9.5	0.7	6.1	5.7
Latest 2 years	20.1	5.4	17.1	2.7	6.3	4.6
Latest 1 year	11.4	4.1	11.5	4.2	5.6	3.2
Year-to-date (not annualised)	2.4	0.0	2.4	0.0	1.1	1.0
Risk measures (since inception)						
Maximum drawdown[3]	-18.9	-31.3	-26.6	-16.1	n/a	n/a
Percentage positive months[4]	52.7	55.0	47.9	49.1	n/a	n/a
Annualised monthly volatility[5]	13.2	7.1	13.7	4.3	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

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Meeting the Fund objective

Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. There has been some volatility in the Fund's returns. The underlying funds' maximum drawdowns to date, in their reporting currencies, are 23% for the Orbis Optimal SA Dollar class and 28% for the Orbis Optimal SA Euro class.

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 2023
Cents per unit	**0.3632**

Annual management fee

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 fund's fee rate is calculated based on the 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.

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

The annual management fees charged by Orbis are included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**1.06**	**1.07**
Fee for benchmark performance	0.99	1.00
Performance fees	-0.01	-0.01
Other costs excluding transaction costs	0.08	0.08
VAT	0.00	0.00
Transaction costs (including VAT)	**0.11**	**0.12**
Total investment charge	**1.17**	**1.19**

Top 10 share holdings on 31 March 2024

Company	% of portfolio
Corpay	4.0
Taiwan Semiconductor Mfg.	3.1
British American Tobacco	3.0
Micron Technology	2.8
UnitedHealth Group	2.6
Motorola Solutions	2.4
London Stock Exchange Group	2.3
GXO Logistics	2.1
Elevance Health	2.0
ConvaTec Group	2.0
Total (%)	**26.3**

Fund allocation on 31 March 2024

Foreign absolute return funds	%
Orbis Optimal SA (US$)	62.1
Orbis Optimal SA (Euro)	37.9
Total (%)	**100.0**

Asset allocation on 31 March 2024

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	1.5	-0.8	2.3	-0.3	-0.6	0.9
Hedged equities	86.0	36.0	21.9	19.1	8.9	0.0
Property	2.5	1.1	0.0	1.4	0.0	0.0
Commodity-linked	0.1	0.1	0.0	0.0	0.0	0.0
Bonds	1.8	1.8	0.0	0.0	0.0	0.0
Money market and cash	8.2	4.2	1.4	1.5	1.1	0.0
Total (%)	**100.0**	**42.4**	**25.6**	**21.7**	**9.4**	**0.9**
Currency exposure						
Fund	100.0	55.9	36.6	6.4	1.1	0.0

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

Fund manager quarterly commentary as at 31 March 2024

The Orbis Optimal SA Fund is designed to provide protection from market declines through hedging, while retaining exposure to the alpha in the stocks where we see highly favourable risk-reward. One such stock is Diageo. It is the largest spirits manufacturer globally and is known for iconic brands such as Johnnie Walker (scotch), Don Julio and Casamigos (tequila), Smirnoff (vodka), Tanqueray (gin) and Guinness (beer). It has the leading market share in the overall spirits category across key markets, accounting for 10% of all spirits sold, and holds around 5% of total global alcohol sales when beer and wine are included.

Barriers to entry in spirits, especially non-aged spirits, are low. However, barriers to scale are high – brands need demand in order to gain distribution access at bars, restaurants and supermarkets, and at the same time, need distribution access to generate demand. Diageo's flywheel is fuelled by the company's large scale, which enables leading routes to market, marketing prowess and customer insight. In the US, which is its largest and most profitable market, Diageo holds around a 20% market share, more than two times larger than the next competitor. Diageo's dominance with bartenders, distributors and retailers is second to none. Diageo's recent success in the fast-growing tequila category is a testament to its competitive advantage driven by scale. The company caught onto the trend early, spent top dollar on acquiring promising brands, and then used their marketing and distribution capabilities to fuel category-leading growth.

Globally, spirits have been gaining share from beer and wine, with the value of spirits sales growing at a 7% annualised rate versus 4% for the total alcohol market over the last decade. This growth has been driven primarily by premiumisation, as consumers pay up for quality, i.e. consumers are drinking more moderately, but better. What one orders at the bar or serves at home says something about the person and can be achieved without breaking the bank. And given the aspirational nature of this consumption, a well-known brand serves the purpose much better than a no-name one. Marketing budgets and widespread distribution matter. As a result, premium and luxury spirits have been growing at two to three times the rate of lower categories.

Diageo has upgraded its portfolio in a significant way in the last decade. Premium-and-above categories now represent two-thirds of revenues versus just one-third a decade ago. This is a key tailwind driving Diageo's growth.

Sentiment on the entire alcoholic beverage sector is low currently due to concerns about demand normalisation post the pandemic. Spirits category growth has slowed recently after a significant step-up during the pandemic when consumers shifted spending away from services and towards accessible indulgences. These headwinds have been particularly acute in Diageo's Latin American business, where channel inventories piled up as demand slowed. Management has revised their estimates lower for the current year but expects the industry to return to its prior growth trajectory within the next 12-18 months. The related uncertainty has led to Diageo trading at the same price as five years ago, but operating profits are about 30% higher.

Taking a step back, Diageo sells liquid luxury – its products are accessible and relatively affordable and are benefiting from structural tailwinds of premiumisation. We believe the company can continue to grow revenues and earnings at 5-7% annually over the long term. The business model has been resilient – Diageo hasn't seen negative organic growth in the last 25 years outside of 2020 when bar and restaurant sales took a hit due to COVID-19-related lockdowns.

We welcomed the opportunity to buy shares in Diageo this quarter at a forward earnings multiple of 18, one of the lowest multiples the stock has traded at this decade, as others fret about near-term challenges which have little impact on the intrinsic value of the business. Over the long term, Diageo has shown a consistent track record of growth and tends to return the majority of its earnings to shareholders in the form of dividends and buybacks. We see here a high-quality and defensive company that is well positioned to outpace a local market environment characterised by uncertainty – which is exactly what the Orbis SA Optimal Fund itself seeks to deliver.

The Fund's overall net equity exposure fell over the quarter. Among individual positions, the largest buy was the new position in Diageo. We exited the position in Dollar General and trimmed the position in Intel into share price strength.

Adapted from a commentary contributed by Neha Aggarwal, Orbis Portfolio Management (Europe) LLP, London

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Allan Gray is an authorised financial services provider.

Management Company

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

The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)11 301 6335 or www.rmb.co.za.

Performance

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

Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

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

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 funds of funds.

FTSE Russell Index

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MSCI Index

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ALLANGRAY

Fund managers: Duncan Artus, Rory Kutisker-Jacobson, Tim Acker
(Most foreign assets are invested in Orbis funds) **Inception date:** 1 February 2016
Only available through tax-free investment accounts.

Allan Gray Tax-Free Balanced Fund

31 March 2024

Fund description and summary of investment policy

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 typically 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.

ASISA unit trust category: South African – Multi Asset – High Equity

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).

How we aim to achieve the Fund's objective

We seek to buy shares at a discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares we may increase the Fund's weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Fund's stock market exposure. By varying the Fund's exposure to these different asset classes over time, we seek to enhance the Fund's long-term returns and to manage its risk. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- 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

Maximum investment amounts

Maximum lump sum per investor account	R36 000
Lifetime maximum	R500 000
Maximum debit order*	R3 000

*Only available to investors with a South African bank account.

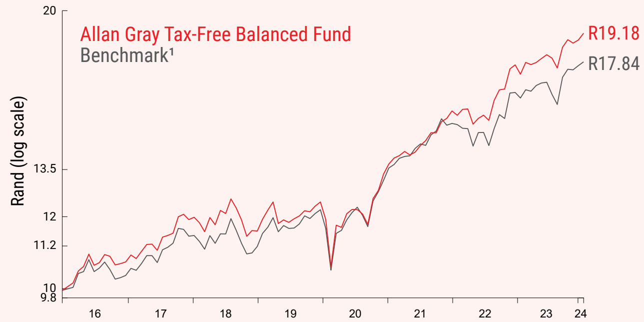
Fund information on 31 March 2024

Fund size	R2.9bn
Number of units	160 084 004
Price (net asset value per unit)	R15.90
Class	A

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 March 2024.
2. This is based on the latest available numbers published by IRESS as at 29 February 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.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 February 2016)	91.8	78.4	49.9
Annualised:			
Since inception (1 February 2016)	8.3	7.3	5.1
Latest 5 years	9.4	8.7	5.1
Latest 3 years	11.1	9.1	6.1
Latest 2 years	11.0	8.3	6.3
Latest 1 year	11.0	9.6	5.6
Year-to-date (not annualised)	1.7	1.9	1.1
Risk measures (since inception)			
Maximum drawdown[3]	-24.6	-23.3	n/a
Percentage positive months[4]	66.3	64.3	n/a
Annualised monthly volatility[5]	9.4	9.4	n/a
Highest annual return[6]	31.7	30.7	n/a
Lowest annual return[6]	-13.4	-10.3	n/a

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Fund history

This Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts. Refer to the Allan Gray Balanced Fund factsheet for a history of the Allan Gray Balanced Fund since its inception on 1 October 1999.

Meeting the Fund objective

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 experiences periods of underperformance in pursuit of this objective. Since inception and over the latest five-year period, the Fund has outperformed its benchmark.

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 2023	31 Dec 2023
Cents per unit	**15.7833**	**19.8006**

Annual management fee

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.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Top 10 share holdings on 31 March 2024 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	3.9
AB InBev	3.8
Naspers & Prosus	3.1
Glencore	2.5
Nedbank	2.0
Mondi	1.9
Woolworths	1.8
Standard Bank	1.8
The Walt Disney Company	1.3
Remgro	1.3
Total (%)	**23.5**

Asset allocation on 31 March 2024[7]

Asset class	Total	South Africa	Foreign
Net equities	64.6	39.5	25.1
Hedged equities	8.3	1.8	6.6
Property	0.9	0.5	0.4
Commodity-linked	3.1	2.4	0.7
Bonds	14.2	9.4	4.9
Money market and bank deposits[8]	8.9	10.6	-1.7
Total (%)	**100.0**	**64.1**	**35.9[9]**

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.

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

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**1.48**	**1.48**
Fee for benchmark performance	1.31	1.30
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.03	0.04
VAT	0.14	0.14
Transaction costs (including VAT)	**0.06**	**0.08**
Total investment charge	**1.54**	**1.56**

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	(February 2016) 57.5%
Average	64.4%
Maximum	(May 2021) 72.5%

Fund manager quarterly commentary as at 31 March 2024

The FTSE/JSE All Share Index trended lower over the quarter, with several shares falling on the release of their financial results. The operating environment for local businesses is very tough. In contrast, global equities have been strong, with the MSCI World Index surpassing its previous 2022 all-time high. Much of this strength was driven by US mega-caps, but the Japanese and certain European stock markets also reached new highs. Against this backdrop, the Fund returned 1.7% for the quarter.

2024 could be described as the global year of elections. Based on research conducted by Deutsche Bank, 2024 will see the highest percentage of the world's population voting since 1800. Some of the regions heading to the polls include Taiwan, Europe, the United States of America, India, the United Kingdom and, of course, South Africa. In the normal course of thinking about investments, we do not pay special attention to politics – but this is not a normal election cycle; the outcomes could drastically change many policies that affect some of our underlying holdings. In our view, 2024 has above-average political risk.

The various elections are taking place against the backdrop of a world increasingly divided along both geopolitical and social lines. This is a trend we have been speaking to our clients about for a few years, and one that is making the operating environment increasingly complex for many multinational companies. Think of the partial ban of iPhones for certain public sector workers in China or the shipping attacks in the Red Sea affecting global shipping routes. While we have no unique insights, we do think about these risks when constructing the portfolio. For example, we have written many times about the significant exposure that the South African equity market has to China. We put limits on this exposure.

Closer to home, we may see quite a different political and economic landscape after the South African national elections in May. No one knows the outcome with certainty, given several potential scenarios. Clearly, not all of them are positive. We had not even heard of the uMkhonto weSizwe Party (MK Party) a few months ago. Rather than hedging our bets on one or two scenarios prevailing, we try to understand what is discounted in current asset prices.

This is of particular importance to the valuations of many depressed locally focused shares. The political and economic uncertainty in South Africa has pushed up the cost of capital via higher long-bond yields. When this is combined with low or non-existent real growth, the result is a low valuation placed on local profits. Of course, any positive change in yields or growth could result in an upward rerating from depressed levels. We believe that this scenario would require a return of foreign investors, first to our bond and then our equity markets. For that to happen, we need to become an attractive investment destination again. Large pools of foreign capital have many choices globally, and South Africa is small enough to ignore if the risk-reward ratio is not favourable.

With these risks and opportunities in mind, we have deliberately constructed a diversified portfolio for a wide range of outcomes. The portfolio has exposure to offshore assets, locally listed shares that are international businesses, attractively valued domestic businesses, high-yielding cash and bonds, as well as precious metals. We believe running a successful asset allocation fund requires a holistic view of the portfolio that allows us to balance the opportunities and risks derived from our positioning.

During the quarter, the Fund purchased Prosus and South32 and reduced positions in AB InBev and AVI.

Commentary contributed by Duncan Artus

Information and content

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

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Performance

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

Fund mandate

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

Unit price

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

Fees

Permissible deductions may include management fees, brokerage, securities transfer tax, auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

Total expense ratio (TER) and transaction costs

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

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (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 Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Information for investors in the tax-free investment account

The Allan Gray Tax-Free Investment Account is administered by Allan Gray Investment Services (Pty) Ltd, an authorised administrative financial services provider, and underwritten by Allan Gray Life Ltd, an insurer licensed to conduct investment-linked life insurance business as defined in the Insurance Act 18 of 2017. The underlying investment options of the Allan Gray individual products are portfolios of collective investment schemes in securities (unit trusts or funds).

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

The FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond 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 Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond 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 Capped Shareholder Weighted All Share Index and FTSE/JSE All Bond Index vests in FTSE and the JSE jointly. All their rights are reserved.

MSCI Index

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

Allan Gray SA Equity Fund

31 March 2024

Fund description and summary of investment policy

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.

ASISA unit trust category: South African – Equity – General

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.

How we aim to achieve the Fund's objective

We seek to buy shares offering the best relative value while maintaining a diversified portfolio. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. We invest in a selection of shares across all sectors of the JSE, and across the range of large, mid and smaller cap shares.

Suitable for those investors who

- 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

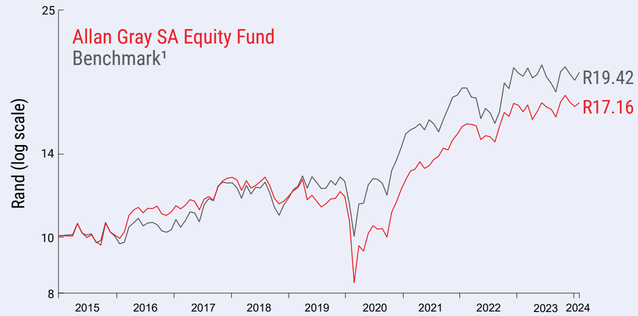
Fund information on 31 March 2024

Fund size	R3.5bn
Number of units	885 722
Price (net asset value per unit)	R435.68
Class	A

1. FTSE/JSE All Share Index including income (source: IRESS), performance as calculated by Allan Gray as at 31 March 2024.
2. This is based on the latest available numbers published by IRESS as at 29 February 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.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (13 March 2015)	71.6	94.2	58.2
Annualised:			
Since inception (13 March 2015)	6.1	7.6	5.2
Latest 5 years	7.1	9.7	5.1
Latest 3 years	9.7	8.1	6.1
Latest 2 years	4.4	3.2	6.3
Latest 1 year	3.7	1.6	5.6
Year-to-date (not annualised)	-3.0	-2.2	1.1
Risk measures (since inception)			
Maximum drawdown[3]	-44.3	-35.2	n/a
Percentage positive months[4]	56.9	55.0	n/a
Annualised monthly volatility[5]	14.8	14.9	n/a
Highest annual return[6]	57.3	54.0	n/a
Lowest annual return[6]	-32.0	-18.4	n/a

Fund history

The Allan Gray Equity Fund was managed in exactly the same way as this Fund from the inception of the Allan Gray Equity Fund on 1 October 1998, until March 2015, when the Allan Gray Equity Fund changed its mandate to include the ability to invest offshore. A combined history of the two funds since inception of the Allan Gray Equity Fund can be viewed here.

Meeting the Fund objective

The Fund aims to outperform the South African equity market over the long term, without taking on greater risk. The Fund experiences periods of underperformance in pursuit of this objective. Since inception and over the latest five-year period, the Fund has underperformed its benchmark.

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 2023	31 Dec 2023
Cents per unit	**874.8755**	**949.678**

Annual management fee

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 0.2%. 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.

Total expense ratio (TER) and transaction costs

The annual management fee is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

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

Company	% of portfolio
British American Tobacco	8.2
Naspers & Prosus	7.6
AB InBev	7.3
Glencore	5.1
Mondi	4.7
Standard Bank	4.6
Nedbank	3.9
Woolworths	3.8
FirstRand Bank	3.0
Sappi	2.8
Total (%)	**51.1**

Sector allocation on 31 March 2024 (updated quarterly)

Sector	% of equities[7]	% of ALSI[8]
Financials	25.5	27.2
Basic materials	22.3	22.2
Consumer staples	21.4	12.2
Consumer discretionary	9.6	7.6
Technology	7.8	14.4
Industrials	6.8	3.8
Telecommunications	3.1	4.7
Healthcare	1.5	2.3
Real estate	1.3	4.7
Energy	0.7	1.0
Total (%)	**100.0**	**100.0**

7. Includes listed property.
8. FTSE/JSE All Share Index.

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

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2024	1yr %	3yr %
Total expense ratio	**0.60**	**0.83**
Fee for benchmark performance	1.00	1.00
Performance fees	-0.49	-0.29
Other costs excluding transaction costs	0.01	0.01
VAT	0.08	0.11
Transaction costs (including VAT)	**0.10**	**0.10**
Total investment charge	**0.70**	**0.93**

Asset allocation on 31 March 2024

Asset class	Total
Net equity	96.4
Hedged equity	0.0
Property	1.3
Commodity-linked	1.2
Bonds	0.1
Money market & bank deposits	1.0
Total (%)	**100.0**

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

Fund manager quarterly commentary as at 31 March 2024

In 2023, the FTSE/JSE All Share Index (ALSI) returned 9.3% in rands, while the FTSE/JSE Capped SWIX All Share Index (Capped SWIX) returned 7.9%. Although positive, one could have achieved a similar return from cash while taking on considerably less risk (in 2023, the Allan Gray Money Market Fund generated a return of 8.4%). To make matters worse, in the first three months of the year, markets have given roughly a quarter of this back, with the ALSI down 2.2% and the Capped SWIX down 2.3%. In this environment, the Fund returned -3.0% for the quarter.

There have been few places to hide, with 26 out of the top 40 stocks down in nominal terms over the quarter, including dividends.

It has not just been a lost quarter or year; the JSE has been a poor place to invest for more than a decade. For a global investor, for every R100 you had to invest in the ALSI at the end of December 2010, you would have approximately R360 today, including all dividends reinvested. In US dollars, a US$100 investment would only be worth about US$126 at the end of March 2024, given that the rand has weakened from R6.62/US$ to R18.88/US$ over this time. Excluding dividends, in nominal terms, the value of that investment would be down in US dollars. In contrast, a US$100 investment in the USA's major index, the S&P 500, in December 2010 would be worth roughly US$539 at the end of March 2024 – more than four times the return experienced on the ALSI.

Looking in the rearview mirror and taking South Africa's current political and economic landscape into consideration, it is easy to be despondent about the JSE's return prospects. This crude analysis, however, is not the full picture and masks some important facts:

- The JSE has not been the only bad stock market to invest in over the past decade. Most emerging markets have fared poorly, and the JSE has performed largely in line with its peers. US$100 invested in the MSCI Emerging Markets Index would be worth approximately US$131 at the end of March 2024. Indeed, the past 13-plus years have been more a story of exceptional relative returns from US companies than anything else. The S&P 500's returns have been roughly threefold greater than those of the UK's FTSE All Share Index over this same period.
- Starting prices matter. At the end of December 2010, the ALSI was trading on 17.2 times earnings, while the S&P 500 traded on 14.7 times earnings. At the end of March 2024, the ALSI had derated to 13.1 times earnings, while the S&P 500 had rerated to 21.6 times earnings. Underlying earnings growth has been superior in the USA, but this change in sentiment has had a big impact on returns over time. The ALSI has gone from trading at a premium to trading at a material discount to the S&P 500.
- There is an increasingly large number of multinational companies that happen to be listed on the JSE but derive more than 80% of their revenue and income from markets outside South Africa. They may be listed in South Africa, but their fortunes are not tied to the domestic economy. This is the case for British American Tobacco, Naspers and Prosus, AB InBev, Glencore and Mondi, all of which are top 10 Fund positions.

While we cannot predict what returns one can expect over the next 13-plus years, we can focus on the factors within our control: buying out-of-favour companies at below fair value. In our opinion, the shares listed on the JSE are much cheaper today than they were a decade ago, and we can find a number of attractive opportunities. The opposite is true of many American listed companies.

By way of example, our Fund has two material positions in the global paper and packaging industry: Mondi and Sappi. In 2023, Mondi's earnings fell by roughly 45% as prices and volumes in corrugated packaging and uncoated fine paper came under considerable cyclical pressure. In our opinion, earnings are depressed and current industry pricing is unsustainable. In addition, Mondi has a number of organic projects under development that should see growth in volumes and an improvement in costs. Using what we believe to be conservative normal pricing assumptions, Mondi trades on less than nine times our estimate of normal earnings.

Sappi is a lower quality company than Mondi but also considerably cheaper. At the end of September 2018, the share price was R88.75. At the end of the quarter, some five and a half years later, it was 43% lower at R50.29 per share. Over this period, Sappi's earnings have been cyclical, but it has grown free cash flow and reduced net debt by roughly a third. Similar to Mondi, we think earnings are depressed at current levels and are likely to rise in the future. However, even if earnings do not recover, Sappi is cheap. It trades at less than seven times consensus earnings for 2024.

During the quarter, the Fund added to its positions in Prosus and South32 and reduced its holdings in AB InBev and AVI.

Commentary contributed by Rory Kutisker-Jacobson

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FTSE/JSE All Share Index, FTSE/JSE Capped Shareholder Weighted All Share Index and FTSE/JSE Mid Cap Index

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MSCI Index

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FTSE Russell Index

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