

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

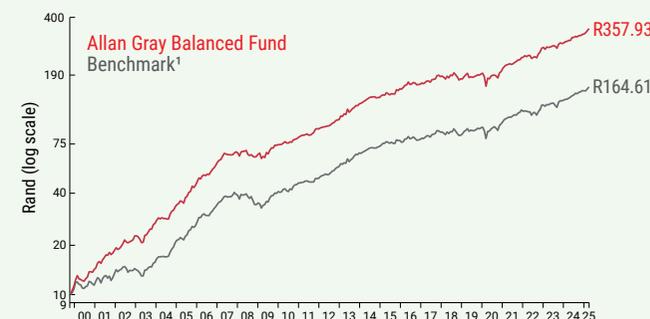
Fund information on 31 May 2025

Fund size	R217.9bn
Number of units	593 373 465
Price (net asset value per unit)	R172.31
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 May 2025. 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. CPI inflation has been calculated based on the most recent rebased values from Stats SA, reflecting the data as at 30 April 2025 (source: IRESS).
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)	3479.3	1546.1	288.9
Annualised:			
Since inception (1 October 1999)	15.0	11.5	5.5
Latest 10 years	9.2	7.8	4.8
Latest 5 years	14.5	12.6	5.0
Latest 3 years	12.8	11.9	4.9
Latest 2 years	13.5	12.8	4.0
Latest 1 year	17.2	16.3	2.8
Year-to-date (not annualised)	9.8	6.8	2.0
Risk measures (since inception)			
Maximum drawdown ³	-25.4	-23.3	n/a
Percentage positive months ⁴	70.5	67.9	n/a
Annualised monthly volatility ⁵	9.2	9.2	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 2024	31 Dec 2024
Cents per unit	219.4385	172.6912

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 2025 (SA and Foreign) (updated quarterly)⁷

Company	% of portfolio
AB InBev	4.3
Naspers & Prosus	4.1
British American Tobacco	3.7
Standard Bank	2.1
AngloGold Ashanti	2.1
Nedbank	1.9
The Walt Disney Company	1.9
Woolworths	1.7
Remgro	1.6
Glencore	1.4
Total (%)	24.7

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

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2025	1yr %	3yr %
Total expense ratio	1.42	1.67
Fee for benchmark performance	1.02	1.02
Performance fees	0.24	0.46
Other costs excluding transaction costs	0.04	0.04
VAT	0.12	0.15
Transaction costs (including VAT)	0.06	0.06
Total investment charge	1.48	1.73

Asset allocation on 31 May 2025⁷

Asset class	Total	South Africa	Foreign
Net equities	63.9	37.3	26.6
Hedged equities	9.0	3.0	5.9
Property	1.0	0.2	0.9
Commodity-linked	3.2	2.6	0.6
Bonds	16.5	11.7	4.8
Money market and cash ⁸	6.4	6.9	-0.5
Total (%)	100.0	61.7	38.3⁹

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.

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

Minimum	49.3% (February 2000)
Average	63.3%
Maximum	72.9% (May 2021)

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

2024 was a strong year for local assets, and this positive momentum carried through into the first quarter of 2025. The FTSE/JSE All Share Index generated a return of 13% in 2024 and 6% in the latest quarter, while the FTSE/JSE All Bond Index returned 17% in 2024 and 1% for the quarter. Global equity markets also performed well in 2024 but have had a softer start to 2025. The MSCI World Index ended up 19% in US dollars in 2024 but fell 2% in the first quarter of 2025.

The Fund returned 3.9% for the quarter, outperforming its benchmark by 2.6%. Local performance was driven by large multinational “rand-hedge” shares, such as AB InBev and British American Tobacco. This is a reversal of one of the dominant trends of 2024: Following the national elections and the formation of the government of national unity (GNU) in June 2024, domestically focused “SA Inc” shares strongly outperformed rand-hedge shares. The Fund responded by reducing its SA Inc exposure in the second half of 2024 and adding to its rand-hedge positions. SA bonds also had a strong 2024 but have come under pressure in the last six months. A conservative bond stance and favouring rand-hedge shares detracted from performance last year, but supported performance in the most recent quarter.

The formation of the GNU in June 2024 sparked a wave of optimism about South Africa’s future, both locally and abroad. Some of this was driven by hopes of political reform and economic recovery, but it also reflected relative appeal – many emerging markets were in deeper turmoil, making South Africa look comparatively stable. While we acknowledge encouraging signs, such as improvements at Eskom, our research suggests that broader progress has been limited. State-owned enterprises continue to face deep structural issues, and the business environment remains difficult. Recent financial results from consumer-focused companies reinforce this view – many continue to report subdued earnings as household spending remains under pressure.

This highlights the danger of paying a premium for optimism. When expectations run ahead of fundamentals, prices can detach from reality. Our approach remains rooted in bottom-up analysis, favouring companies priced well below their

intrinsic value, across sectors and regions. While there are still undervalued SA Inc shares, many are now priced for perfection in an economy still facing major headwinds. The difficulty in passing the first coalition budget and ongoing public tension between our government and the United States are good reminders of the economic and political risks.

There is value in having a diversified portfolio containing both SA Inc and rand-hedge stocks. The portfolio reflects that there are attractive opportunities available in both categories. SA bonds offer high yields that appear very attractive at first glance, but we remain concerned about the fiscal challenges facing the SA government. Despite a steepening yield curve, the Fund maintains a conservative duration position, preferring shorter-dated bonds.

Offshore stock selection contributed to relative performance in the quarter. We remain underweight the US market and mega-cap tech – areas that have driven global market returns for several years but now appear increasingly crowded and expensive. There have been early signs of this trend shifting. European equities, long neglected by investors, have attracted fresh interest. Emerging markets, too, outperformed the MSCI World Index this quarter. Japan, often overlooked in global portfolios, offers compelling opportunities for uncorrelated returns in a concentrated global market. The majority of the Fund’s 38% foreign allocation is in equities, with the remainder mostly in hedged equities and short-dated bonds. This positioning reflects our view that the overall global stock market remains expensive and longer-dated global government bonds don’t offer compelling value either. The offshore portion of the Fund continues to look very different from the world index and many of our competitors, a divergence we believe will benefit long-term returns.

During the quarter, the Fund purchased AngloGold Ashanti and AB InBev, and sold British American Tobacco and Gold Fields.

Commentary contributed by Tim Acker

**Fund manager quarterly
commentary as at
31 March 2025**

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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.

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).

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

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MSCI Index

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