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

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

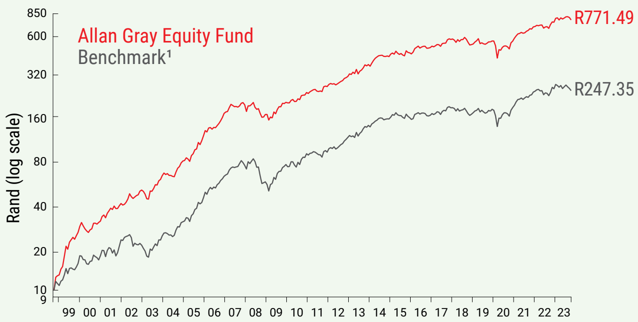
Fund information on 31 October 2023

Fund size	R40.3bn
Number of units	47 023 665
Price (net asset value per unit)	R503.74
Class	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 October 2023. From inception to 28 February 2015 the benchmark was the FTSE/JSE All Share Index including income. Source: IRESS.
2. This is based on the latest available numbers published by IRESS as at 30 September 2023.
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.

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)	7614.9	2373.5	272.7
Annualised:			
Since inception (1 October 1998)	18.9	13.6	5.4
Latest 10 years	7.5	6.0	5.1
Latest 5 years	7.5	7.7	5.0
Latest 3 years	16.8	14.7	6.0
Latest 2 years	7.3	3.8	6.4
Latest 1 year	7.6	2.9	5.4
Year-to-date (not annualised)	3.7	-2.9	4.7
Risk measures (since inception)			
Maximum drawdown[3]	-37.0	-45.4	n/a
Percentage positive months[4]	65.4	58.8	n/a
Annualised monthly volatility[5]	15.3	16.6	n/a
Highest annual return[6]	125.8	73.0	n/a
Lowest annual return[6]	-24.3	-37.6	n/a

Meeting the Fund objective

The Fund has created wealth for its long-term investors. 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 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.	31 Dec 2022	30 Jun 2023
Cents per unit	**707.3119**	**128.4571**

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 30 September 2023 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	5.6
Glencore	4.2
AB InBev	4.1
Naspers & Prosus	3.5
Standard Bank	3.3
Mondi	2.9
Woolworths	2.7
Nedbank	2.5
Sasol	2.4
Remgro	2.4
Total (%)	**33.6**

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 30 September 2023	1yr %	3yr %
Total expense ratio	**2.63**	**1.52**
Fee for benchmark performance	1.06	1.10
Performance fees	1.29	0.24
Other costs excluding transaction costs	0.04	0.04
VAT	0.24	0.14
Transaction costs (including VAT)	**0.07**	**0.09**
Total investment charge	**2.70**	**1.61**

Sector allocation on 30 September 2023 (updated quarterly)[7]

Sector	% of equities[8]	% of ALSI[9]
Financials	27.4	25.6
Consumer staples	16.7	10.7
Basic materials	16.1	27.5
Consumer discretionary	13.7	6.6
Industrials	10.8	5.3
Technology	5.3	12.7
Energy	4.3	1.2
Healthcare	2.1	1.9
Telecommunications	1.7	4.8
Utilities	1.2	0.0
Real estate	0.9	3.7
Total (%)	**100.0**	**100.0**

Asset allocation on 31 October 2023[7]

Asset class	Total	South Africa	Foreign[10]
Net equities	95.7	56.7	39.0
Hedged equities	0.0	0.0	0.0
Property	0.8	0.7	0.1
Commodity-linked	0.6	0.6	0.0
Bonds	0.3	0.0	0.2
Money market and bank deposits[11]	2.6	1.2	1.4
Total (%)	**100.0**	**59.3**	**40.7[12]**

10. Includes Africa ex-SA exposure following the consolidation of the foreign ex-Africa and Africa ex-SA allowances into a single foreign limit of 45%.

11. Including currency hedges.

12. 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 30 September 2023

The local market continued to drift sideways during the third quarter of 2023, reflected by the FTSE/JSE All Share Index (ALSI) and the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) delivering returns of -3% and -4% for the quarter, respectively. The Fund outperformed over the period, pushing the cumulative year-to-date return to 8% – i.e. 7% ahead of its benchmark.

Local market returns

The ALSI and Capped SWIX are the two most commonly used broad market indices in South Africa but have had large differences in composition and in performance from time to time. Over the last 12 months, the ALSI has returned 18% compared to the Capped SWIX's return of only 12%. A major contributor to this difference was the strong performance of Richemont, which had a larger weight in the ALSI.

The Richemont share price has been on a strong run – in line with the performance of other luxury goods businesses. We continue to believe that the share is overvalued, with margins and earnings at record levels, in what has historically been a cyclical business. The Richemont share price has given up some of its strong performance more recently, declining by 28% over the quarter. A Richemont corporate action in April 2023 led to a reduction in the share's weight in the ALSI. Going forward, Richemont constitutes a similar, much smaller weight in both the ALSI and the Capped SWIX. The only remaining big difference between the two indices is the larger weight of Anglo American in the ALSI.

It is well known that South African businesses face a myriad of challenges, notably loadshedding and a weak consumer environment. Despite this, market returns over the past 12 months have been reasonably strong, illustrating the benefits of a low starting valuation. The valuations of many South African shares remain at very cheap levels versus history, suggesting a reasonable prospect of good returns going forward – even in an unfavourable economic climate.

Risks and opportunities

Our approach remains focused on bottom-up company research to find superior investment opportunities. This includes identifying investments which offer the highest expected returns but also weighs up the associated risks and the diversification benefits of uncorrelated returns. All these factors are considered when putting together the portfolio.

An important decision at present is whether to prefer "SA Inc" shares (i.e. companies that primarily operate in the SA economy) or "rand hedge" shares (i.e. companies that operate offshore and benefit from a weaker rand). The very low valuations of SA Inc shares offer more potential upside if the economy recovers, but these are also the businesses facing the brunt of the challenges of operating in South Africa. At present, we are finding attractive opportunities in both categories, so there is no need to choose only one or the other. This diversification also means that performance of the Fund does not rely on a specific macroeconomic scenario playing out.

During the quarter, the Fund increased its foreign exposure to 41% – still below the 45% foreign capacity limit. The majority of the foreign portion of the Fund continues to be allocated to various Orbis funds. In addition to this, the Fund has the flexibility to directly hold foreign shares which is useful from a portfolio management point of view. One reason for not using the full foreign capacity is that local opportunities are more attractive currently. It is also worth remembering that a significant portion of local shares are in fact businesses with earnings outside of South Africa, so the underlying foreign exposure is higher than it appears.

The Fund added to its positions in AB InBev, MultiChoice and Mr Price and trimmed its holdings in Woolworths, Glencore and Prosus NV during the quarter.

Commentary contributed by Tim Acker

Information and content

The information in and content of this publication are provided by Allan Gray as general information about the company and its products and services. Allan Gray does not guarantee the suitability or potential value of any information or particular investment source. The information provided is not intended to, nor does it constitute financial, tax, legal, investment or other advice. Before making any decision or taking any action regarding your finances, you should consult a qualified financial adviser. Nothing contained in this publication constitutes a solicitation, recommendation, endorsement or offer by Allan Gray; it is merely an invitation to do business. Allan Gray has taken and will continue to take care that all information provided, in so far as this is under its control, is true and correct. However, Allan Gray shall not be responsible for and therefore disclaims any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance on any information provided. 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.

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 2023. 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.

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**

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ALLANGRAY

Fund managers: Duncan Artus, Jacques Plaut, Rory Kutisker-Jacobson, Tim Acker
(Most foreign assets are invested in Orbis funds) **Inception date:** 1 October 1999

Allan Gray Balanced Fund

31 October 2023

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

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

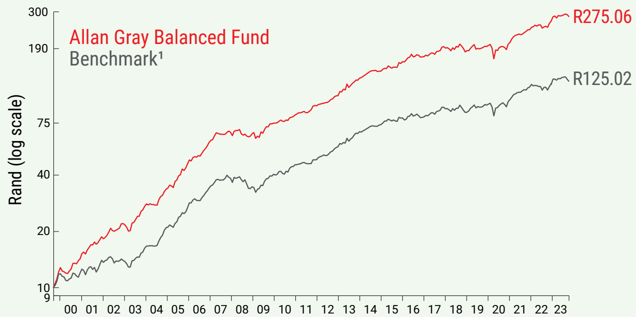
Fund information on 31 October 2023

Fund size	R171.9bn
Number of units	571 168 233
Price (net asset value per unit)	R137.34
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 October 2023. 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: Micropal.
2. This is based on the latest available numbers published by IRESS as at 30 September 2023.
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)	2650.6	1150.2	267.8
Annualised:			
Since inception (1 October 1999)	14.8	11.1	5.6
Latest 10 years	8.1	6.5	5.1
Latest 5 years	8.1	7.3	5.0
Latest 3 years	14.3	10.9	6.0
Latest 2 years	8.2	4.0	6.4
Latest 1 year	8.2	6.4	5.4
Year-to-date (not annualised)	5.2	3.6	4.7
Risk measures (since inception)			
Maximum drawdown[3]	-25.4	-23.3	n/a
Percentage positive months[4]	69.6	67.1	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

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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 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.	31 Dec 2022	30 Jun 2023
Cents per unit	215.3546	129.9463

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 30 September 2023 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	4.5
AB InBev	3.6
Glencore	3.2
Naspers & Prosus	2.8
Mondi	2.2
Woolworths	2.2
Sasol	2.1
Nedbank	2.0
Standard Bank	2.0
Remgro	1.8
Total (%)	**26.3**

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

TER and transaction costs breakdown for the 1- and 3-year period ending 30 September 2023	1yr %	3yr %
Total expense ratio	**1.83**	**1.36**
Fee for benchmark performance	1.02	1.02
Performance fees	0.61	0.18
Other costs excluding transaction costs	0.03	0.03
VAT	0.17	0.13
Transaction costs (including VAT)	**0.06**	**0.07**
Total investment charge	**1.89**	**1.43**

Asset allocation on 31 October 2023[7]

Asset class	Total	South Africa	Foreign[8]
Net equities	64.7	41.3	23.4
Hedged equities	8.9	2.8	6.1
Property	0.8	0.5	0.3
Commodity-linked	3.4	2.8	0.6
Bonds	13.5	8.5	5.0
Money market and bank deposits[9]	8.6	7.5	1.1
Total (%)	**100.0**	**63.4**	**36.6[10]**

7. Underlying holdings of foreign funds are included on a look-through basis.
8. Includes Africa ex-SA exposure following the consolidation of the foreign ex-Africa and Africa ex-SA allowances into a single foreign limit of 45%.
9. Including currency hedges.
10. 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	(February 2000) 49.3%
Average	63.2%
Maximum	(May 2021) 72.9%

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

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Fund manager quarterly commentary as at 30 September 2023

The local market continued to drift sideways in the third quarter of 2023. Year to date, the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) has delivered a return of 0%, and the FTSE/JSE All Bond Index delivered a return of 1%. The Fund's performance of 8% was ahead of these numbers, helped by stock selection and offshore exposure.

It is well known that South African businesses face a myriad of challenges, notably loadshedding and a weak consumer environment. Reading the daily newspaper headlines paints a grim picture. Despite this, market returns over the past three years have been reasonably healthy, e.g. 14% for the Capped SWIX. This illustrates the benefit of starting at a low valuation during the COVID-19 slump of 2020.

Valuations for many South African shares remain at very cheap levels versus history, suggesting a reasonable prospect of good returns going forward – even in an unfavourable economic climate. This can be seen when looking at the market from a top-down view, e.g. the FTSE/JSE All Share Index's price-to-earnings multiple of only 10 times compared to a 20-year average of 16 times. Our bottom-up fundamental research on local shares also confirms that many are trading on low valuations compared to history and to our estimate of their intrinsic value.

Fixed income

Long-term South African government bonds offer yields in excess of 12% which appear very attractive at face value. Locally, inflation has fallen below 5%, so these bonds offer a real (i.e. after inflation) yield of 7%. This is close to the highest it has been in the last two decades. It is likely that the South African Reserve Bank has reached the peak of the current interest rate hiking cycle or is close to it. If inflation remains subdued, there is a good chance that interest rates will be cut next year which would be good news for bondholders. We do believe South African government bonds offer decent value and have increased their weighting in the Fund in recent years. But despite these bullish arguments, South African government bonds make up only 5% of the Fund – a significantly smaller position than many of our peers. The South African government continues to run a large fiscal deficit which the local savings pool has a limited ability to fund. As long as foreign investors remain apprehensive of South African bonds, there is a risk that bond yields increase even more, i.e. a decline in prices.

Meanwhile, local cash is also offering attractive yields in excess of 9% at much lower risk than long bonds. Cash also has valuable optionality, as it can be used to take advantage of future opportunities that may arise. We also prefer South African shares over South African bonds, given the low valuations of shares. Shares also protect investors against the risk of inflation, as companies can typically pass higher prices on to their customers to some degree.

Risks and opportunities

Our approach remains focused on bottom-up company research to find superior investment opportunities. This includes identifying investments which offer the highest expected returns but also weighs up the associated risks as well as the diversification benefits of uncorrelated returns. All these factors are considered when building the portfolio.

An important decision at present is whether to prefer "SA Inc" shares (i.e. companies that primarily operate in the local economy) or "rand hedge" shares (i.e. companies that operate offshore and benefit from a weaker rand). The very low valuations of SA Inc shares offer more potential upside if the economy recovers, but these are also the businesses facing the brunt of the challenges of operating in South Africa. At present, we are finding attractive opportunities in both categories, so there is no need to choose only one or the other. This diversification also means that performance of the Fund does not rely on a specific macroeconomic scenario playing out.

The Fund increased its foreign exposure to 37% during the quarter – still below the 45% foreign capacity limit. The majority of the foreign portion of the Fund continues to be allocated to various Orbis funds. In addition to this, the Fund has the flexibility to directly hold foreign shares, which is useful from a portfolio management point of view. One reason for not using the full foreign capacity is that local opportunities are more attractive currently. It is also worth remembering that a significant portion of "local" shares are in fact businesses with earnings outside of South Africa, so the underlying foreign exposure is higher than it appears.

During the quarter, the Fund added to positions in AB InBev, MultiChoice and South32 and trimmed Woolworths, Glencore and Prosus NV.

Commentary contributed by Tim Acker

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Management Company

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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).

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

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MSCI Index

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Allan Gray Stable Fund

31 October 2023

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

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

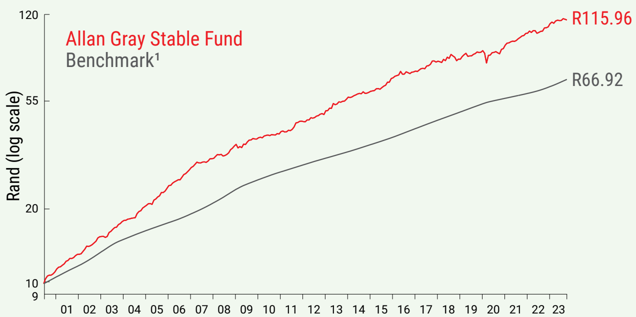
Fund information on 31 October 2023

Fund size	R50.4bn
Number of units	568 994 211
Price (net asset value per unit)	R42.34
Class	A

1. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited plus 2%, performance as calculated by Allan Gray as at 31 October 2023.
2. This is based on the latest available numbers published by IRESS as at 30 September 2023.
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.

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)	1059.6	569.2	249.4
Annualised:			
Since inception (1 July 2000)	11.1	8.5	5.5
Latest 10 years	7.9	7.1	5.1
Latest 5 years	7.2	6.7	5.0
Latest 3 years	11.0	6.4	6.0
Latest 2 years	7.7	7.4	6.4
Latest 1 year	7.6	9.0	5.4
Year-to-date (not annualised)	6.6	7.6	4.7
Risk measures (since inception)			
Maximum drawdown[3]	-16.7	n/a	n/a
Percentage positive months[4]	77.5	100.0	n/a
Annualised monthly volatility[5]	5.2	0.7	n/a
Highest annual return[6]	23.3	14.6	n/a
Lowest annual return[6]	-7.4	4.6	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. 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.	31 Dec 2022	31 Mar 2023	30 Jun 2023	30 Sep 2023
Cents per unit	31.6358	37.7005*	36.6206	44.1534

*This figure was restated on 30 November 2023 to correct a reporting error. There was no financial impact on the Fund due to the error.

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 30 September 2023 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	2.7
AB InBev	2.0
Woolworths	1.5
Glencore	1.5
Nedbank	1.3
Standard Bank	1.3
Remgro	1.2
Marriott International	1.1
Sasol	1.0
MultiChoice	0.8
Total (%)	**14.4**

7. Underlying holdings of foreign funds are included on a look-through basis.
8. All credit exposure 1% or more of portfolio.
9. Includes Africa ex-SA exposure following the consolidation of the foreign ex-Africa and Africa ex-SA allowances into a single foreign limit of 45%.

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

TER and transaction costs breakdown for the 1- and 3-year period ending 30 September 2023	1yr %	3yr %
Total expense ratio	**1.74**	**1.52**
Fee for benchmark performance	1.01	1.01
Performance fees	0.52	0.32
Other costs excluding transaction costs	0.03	0.03
VAT	0.18	0.16
Transaction costs (including VAT)	**0.04**	**0.05**
Total investment charge	**1.78**	**1.57**

Top credit exposures on 30 September 2023 (SA and Foreign) (updated quarterly)[7,8]

Issuer	% of portfolio
Republic of South Africa	11.2
FirstRand Bank	9.2
Standard Bank	7.7
Absa Bank	7.4
Investec Bank	3.2
Nedbank	1.8
Northam Platinum	1.5
Sasol	1.5
United States Treasury	1.4
South African Futures Exchange	1.2
Total (%)	**46.1**

Asset allocation on 31 October 2023[7]

Asset class	Total	South Africa	Foreign[9]
Net equities	24.7	13.7	11.0
Hedged equities	18.5	8.6	10.0
Property	1.0	0.8	0.2
Commodity-linked	2.3	1.8	0.5
Bonds	32.1	24.8	7.2
Money market and bank deposits[10]	21.4	22.7	-1.3
Total (%)	**100.0**	**72.4**	**27.6**[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	26.5%
Maximum	(December 2018) 39.6%

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

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Fund manager quarterly commentary as at 30 September 2023

Returns from most South African assets have been muted throughout 2023. Year to date, South African shares (as measured by the FTSE/JSE Capped Shareholder Weighted All Share Index) returned 0%, bonds returned 1% and cash returned 6%. Over the same period, the Fund delivered a return of 7%, keeping pace with its benchmark's return of 7% and ahead of CPI inflation of 4%. Performance was helped by its conservative local fixed income positioning and the foreign allocation, which benefited from a weaker rand.

Long-term South African government bonds currently offer yields in excess of 12%, which look very attractive at face value: Domestic inflation has fallen below 5%, so they offer a real (i.e. after inflation) yield of 7%. This is close to the highest it has been in the last two decades. It is likely that the South African Reserve Bank has reached the peak of the current interest rate hiking cycle or is close to reaching it. If inflation remains subdued, there is a good chance that interest rates will be cut next year, which would be good news for bondholders. We do believe South African government bonds offer decent value and have increased their weighting in the Fund in recent years. But despite these bullish arguments, South African bonds make up just 24% of the Fund. This includes the exposure to South African government bonds as well as corporates, with a conservative exposure to duration and credit risk. The South African government continues to run a large fiscal deficit, which the South African savings pool has a limited ability to fund. As long as foreign investors remain apprehensive of South African bonds, there is a risk that local bond yields increase even more, i.e. a decline in prices.

It is useful to reiterate the Fund's objectives, namely, to generate returns ahead of bank deposits and inflation while maintaining a high degree of capital stability and minimising the risk of loss over any two-year period. Long-term South African bonds may offer high yields but clearly come with risks and can be fairly volatile. Meanwhile, local cash is a good alternative, offering attractive yields in excess of 9% at much lower risk. Cash also has valuable optionality, as it can be used to take advantage of future opportunities that may arise.

A similar argument can be made for inflation-linked bonds: It makes sense to sacrifice some yield for the insurance against potential high-inflation scenarios. We also prefer domestic shares over South African bonds, given the low valuations of shares. Shares also protect investors against the risk of inflation, as companies can typically pass higher prices on to their customers to some degree. The higher volatility of shares does of course need to be considered. At present, the Fund has a net equity exposure of 24%.

The Fund has a foreign exposure of 28% – below the 45% foreign capacity limit. One reason for not utilising the full foreign capacity is that local opportunities are more attractive at present. It is also worth remembering that a significant portion of "local" shares are in fact businesses with earnings outside of South Africa, so the underlying foreign exposure is higher than it appears. We also need to be mindful of additional volatility as a result of increasing the foreign exposure, given the Fund's objective of offering investment stability and capital preservation in rand terms. Currently, the majority of the Fund's offshore allocation is invested in low-risk instruments such as cash or cash-like securities and hedged equities.

Our approach remains focused on bottom-up company research to find superior investment opportunities. This includes identifying investments which offer the highest expected returns but also weighs up the associated risks and the diversification benefits of uncorrelated returns. All these factors are considered in putting together the portfolio.

During the quarter, the Fund added to positions in AB InBev, MultiChoice and British American Tobacco and trimmed exposure to the NewGold ETF, Standard Bank and Sasol.

Commentary contributed by Tim Acker

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FTSE Russell Index

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MSCI Index

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Allan Gray Optimal Fund

31 October 2023

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

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

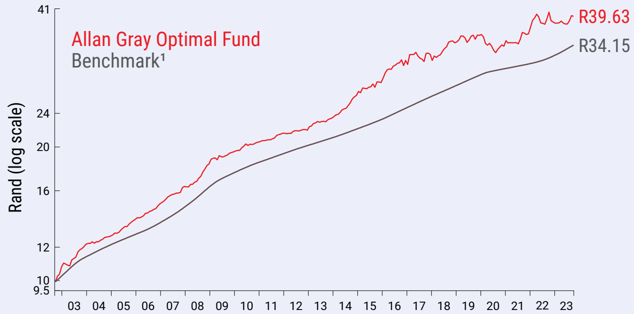
**Only available to investors with a South African bank account.

Fund information on 31 October 2023

Fund size	R0.8bn
Number of units	22 371 049
Price (net asset value per unit)	R23.29
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 2002)	296.3	241.5	195.8
Annualised:			
Since inception (1 October 2002)	6.7	6.0	5.3
Latest 10 years	5.5	5.0	5.1
Latest 5 years	2.6	4.6	5.0
Latest 3 years	5.5	4.3	6.0
Latest 2 years	4.5	5.3	6.4
Latest 1 year	-2.1	6.9	5.4
Year-to-date (not annualised)	3.0	5.9	4.7
Risk measures (since inception)			
Maximum drawdown[3]	-10.2	n/a	n/a
Percentage positive months[4]	73.5	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

1. The daily interest rate as supplied by FirstRand Bank Limited (source: FirstRand Bank), performance as calculated by Allan Gray as at 31 October 2023.
2. This is based on the latest available numbers published by IRESS as at 30 September 2023.
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.

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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.	31 Dec 2022	30 Jun 2023
Cents per unit	**54.2894**	**44.7117**

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 30 September 2023 (updated quarterly)

Company	% of portfolio
British American Tobacco	8.7
Sasol	5.9
AB InBev	5.3
Mondi	4.5
Nedbank	4.0
Standard Bank	3.5
Gold Fields	3.5
Sappi	3.3
MTN	3.2
Spar	3.2
Total (%)	**45.2**

Asset allocation on 31 October 2023

Asset class	Total
Net equities	3.6
Hedged equities	77.4
Property	1.4
Commodity-linked	0.0
Bonds	0.0
Money market and bank deposits	17.6
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 30 September 2023	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)	**0.07**	**0.12**
Total investment charge	**1.25**	**1.30**

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

Minimum	(September 2016) -3.6%[7]
Average	4.7%
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.

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Fund manager quarterly commentary as at 30 September 2023

The Fund had an improved third quarter and returned 4.5%, which is 2.6% ahead of its cash benchmark. This period of better performance has coincided with a difficult last three months for risk assets in general with the FTSE/JSE All Bond and the FTSE/JSE All Share indices shedding 0.3% and 3.5%, respectively. Noticeably the year-to-date returns for these higher risk asset classes – being 1.5% and 2.2%, respectively – are also lower than that of local cash at 5.7%.

As a reminder, it is the performance of the Fund's underlying shares relative to the stock market index together with the level of short-term interest rates that determines the performance. The Fund's more bearish positioning both in terms of stock selection and net equity weight, which was a headwind earlier in the year, has aided its return more recently.

Defining themes in the last quarter included continued speculation on the future path of central bank rate movements, prospects for near-term Chinese growth and the renewed rally in the oil price. While developed market interest rates may well be at or near current cycle highs, expectations on the timing of future rate cuts have been pushed out as market participants come round to the idea that rates may have to remain higher for longer to tame stubbornly high inflation, particularly in economies such as the United States where growth remains robust and unemployment low. Accordingly, global bond yields have sold off to post-global financial crisis highs with the accompanying downward impact of equity valuations.

Inflationary concerns are further compounded by the recent surge in the oil price – which has increased by more than 30% in US dollars – over the last quarter. The anticipated resurgence in the Chinese economy post the crippling COVID-19 lockdowns has also failed to materialise – with the Chinese government more intent on stabilising the faltering property sector and other strategic priorities, such as self-sufficiency, than the previous growth-at-any-cost model. This has knock-on consequences for companies with exposure to the Chinese consumer, such as Richemont and Tencent, as well as the level of commodity prices.

These global factors, as well as the continued impact of structural constraints placed on South African economic growth, such as loadshedding and logistics failures, have provided a challenging backdrop for our local market. During the quarter, the Fund benefited from its exposure to global companies trading at already-attractive valuation multiples, such as British American Tobacco and AB InBev, as well as commodity producers with relatively lower exposure to Chinese demand, including Sasol, Mondi and Sappi. Underweight exposure to Richemont and Naspers/Prosus also contributed to performance.

During the quarter, the Fund added to existing holdings of Mondi and MultiChoice and initiated a new position in Mr Price. It reduced exposure to local banks, The Foschini Group and Glencore.

Commentary contributed by Sean Munsie

Information and content

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Management Company

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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. 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 and FTSE/JSE All Bond Index

The FTSE/JSE 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 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 and FTSE/JSE All Bond Index vests in FTSE and the JSE jointly. All their rights are reserved.

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Allan Gray Bond Fund

31 October 2023

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

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

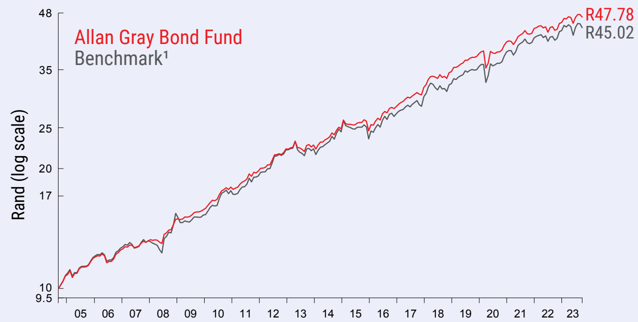
Fund information on 31 October 2023

Fund size	R7.0bn
Number of units	638 333 128
Price (net asset value per unit)	R9.98
Modified duration	4.0
Gross yield (before fees)	11.5
Class	A

1. FTSE/JSE All Bond Index (source: IRESS), performance as calculated by Allan Gray as at 31 October 2023.
2. This is based on the latest available numbers published by IRESS as at 30 September 2023.
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)	377.8	350.2	180.9
Annualised:			
Since inception (1 October 2004)	8.5	8.2	5.6
Latest 10 years	7.7	7.3	5.1
Latest 5 years	7.6	7.9	5.0
Latest 3 years	7.0	7.3	6.0
Latest 2 years	5.7	5.5	6.4
Latest 1 year	8.7	7.9	5.4
Year-to-date (not annualised)	4.6	3.2	4.7
Risk measures (since inception)			
Maximum drawdown[3]	-18.9	-19.3	n/a
Percentage positive months[4]	71.2	68.1	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

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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	31 Dec 2022	31 Mar 2023	30 Jun 2023	30 Sep 2023
Cents per unit	**25.0699**	**24.7203**	**26.0679**	**25.7014**

Annual management fee

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

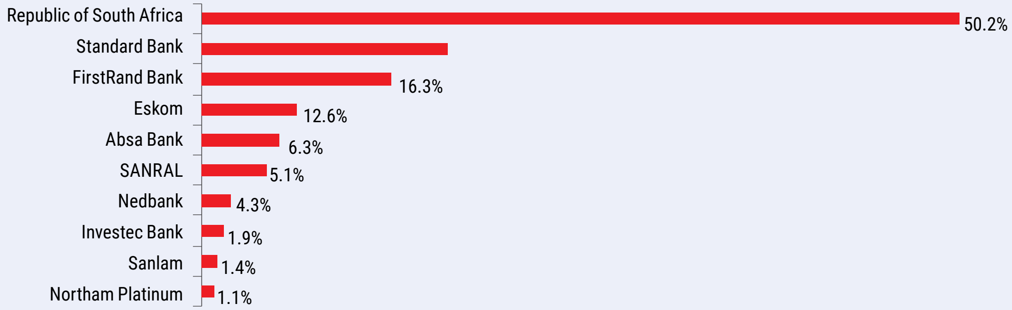
Total expense ratio (TER) and transaction costs (updated quarterly)

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.

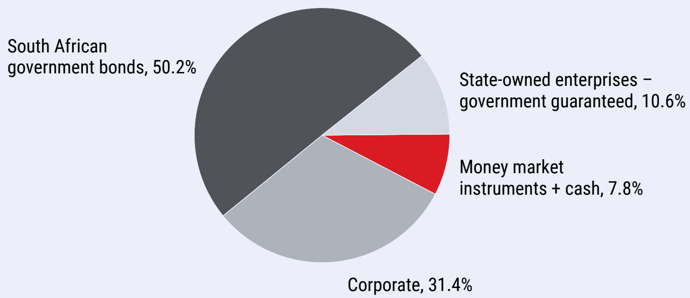
TER and transaction costs breakdown for the 1- and 3-year period ending 30 September 2023	1yr %	3yr %
Total expense ratio	**0.59**	**0.47**
Fee for benchmark performance*	0.50	0.40
Performance fees*	0.00	0.00
Other costs excluding transaction costs	0.01	0.01
VAT	0.08	0.06
Transaction costs (including VAT)	**0.00**	**0.00**
Total investment charge	**0.59**	**0.47**

*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.

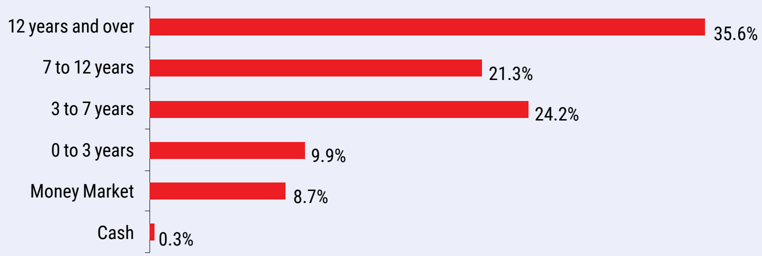
Top 10 credit exposures on 31 October 2023



Asset allocation on 31 October 2023



Maturity profile on 31 October 2023



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Fund manager quarterly commentary as at 30 September 2023

The notion of a government bond trading at a 12% yield can sound very appealing, but it poses several issues. The first is for the bond investor. To own a government bond at a 12% yield does not mean one is earning 12% per annum. On the contrary, while the South African government 20-year bond has traded at an average yield of 12.1% this year, the total return for a holder of this bond over that period has in fact been marginally negative. The reason for this is that while this bond started the year at 11.5%, it ended the most recent quarter at 13%. Put simply, one has been taking capital price knocks along the way, which eat away at one's return as the bond's market value is made cheaper. Another way to think about this, as put forward by South African Reserve Bank Governor Lesetja Kganyago at the September Monetary Policy Committee meeting, is that bond investors are essentially asking for more butter and jam to spread on the proverbial South African bread. The yields are rising.

A more serious issue, perhaps, is the fiscal implications of the South African government issuing debt at a 12% yield while nominal economic growth is climbing at around half of that, or 6%. In this situation, government's interest expense grows and compounds at a much faster rate than tax revenue growth, requiring cost-cutting measures to offset growth in the unfunded interest bill. Using theoretical estimates, if nominal GDP grows at 6.5% per annum for the next seven years while government's cost of interest remains at 12% or more, then even if we manage to run a neutral primary balance every year (i.e. government revenue equals government spending, ignoring the interest bill), by 2030 we could easily be in a situation where debt is close to 100% of GDP and where approximately 40 cents on every tax rand that is raised goes towards servicing interest on old debt.

The only way to neutralise the fiscal deterioration from such a growing debt burden is to embark on fiscal austerity and put aside large primary surpluses in the budget every year.

A version of such an approach is currently being proposed by National Treasury and the Finance Minister, Enoch Godongwana, although with some resistance from government and unions. This is perhaps understandable when one questions the appropriateness of austerity in a country with such devastating levels of social poverty and unemployment. Treasury's challenge will be to cut spending in areas where it is wasteful and keep the taps open where it is being routed to social welfare and critical infrastructure. Treasury argues for a restructuring of the public sector by closing redundant government departments and reducing the headcount, as well as scrapping a host of smaller spending programmes that are seen as non-critical.

These strong measures are being proposed as the market awakens to the realisation that the Budget estimates tabled in February were not credible. As discussed in various of my writings this year, the February Budget greatly overestimated corporate income tax collection, which has subsequently been decimated by a decline in commodity export prices and the severe cost of loadshedding, while also pencilling in far lower public sector wage increases than those ultimately agreed to with striking unions. Against this backdrop, we have already seen Treasury raise their weekly issuance of short-dated T-bills from R12.4bn per week to R14.8bn per week. Any move to raise the issuance of longer-dated government bonds will put further pressure on yields, which is a risk of which we are vigilant.

In the last quarter, the Fund maintained its reasonably low-duration position and increased its exposure to floating-rate instruments at 9.5% to 11.5% yields while selectively reinvesting a smaller portion of its coupon flows into fixed-rate bonds above 12% yield.

Commentary contributed by Thalia Petousis

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Fund mandate

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Unit price

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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 October 2023

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

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

Fund information on 31 October 2023

Fund size	R27.5bn
Number of units	25 161 232 212
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.73
Fund weighted average coupon (days)	86.74
Fund weighted average maturity (days)	107.51
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 October 2023.
2. This is based on the latest available numbers published by IRESS as at 30 September 2023.
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

Nov 2022	Dec 2022	Jan 2023	Feb 2023
0.53	0.58	0.60	0.56
Mar 2023	**Apr 2023**	**May 2023**	**Jun 2023**
0.64	0.64	0.68	0.68
Jul 2023	**Aug 2023**	**Sep 2023**	**Oct 2023**
0.71	0.72	0.70	0.73

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 July 2001)	417.7	397.3	228.8
Annualised:			
Since inception (1 July 2001)	7.6	7.4	5.5
Latest 10 years	6.7	6.4	5.1
Latest 5 years	6.4	5.9	5.0
Latest 3 years	5.9	5.4	6.0
Latest 2 years	6.6	6.2	6.4
Latest 1 year	8.1	7.7	5.4
Year-to-date (not annualised)	6.9	6.6	4.7
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

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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 30 September 2023	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 October 2023

	% of portfolio
Corporates	**10.8**
Sanlam	2.5
Shoprite	2.4
Daimler Truck AG	2.2
AVI	1.5
Pick 'n Pay	0.9
Toyota Financial Services (SA)	0.8
Mercedes-Benz Group AG	0.6
Banks[6]	**70.6**
Nedbank	19.3
Investec Bank	18.0
Standard Bank (SA)	16.1
Absa Bank	13.7
FirstRand Bank	3.4
Governments	**18.6**
Republic of South Africa	18.6
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.

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Fund manager quarterly commentary as at 30 September 2023

The South African overnight repo rate has been held constant at 8.25% since May this year, but it has remained there by the skin of its teeth. At each of the South African Reserve Bank's (SARB) last two Monetary Policy Committee meetings, two members voted for a rate hike while three voted to keep rates unchanged. SARB Governor Lesetja Kganyago remains vigilant and asserts that the job of tackling inflation is not done. There is clearly some level of disagreement among members regarding the degree of upside risks to inflation – as is to be expected when independent minds analyse a multitude of economic data in an environment of healthy debate.

From a peak of 14.4% in March of this year, food price inflation moderated lower to 8.2% in August. Regardless, several SARB members have highlighted the risks that food prices rise to north of 10% in 2024, largely on the back of the El Niño weather phenomenon of hot temperatures and drought, expected to hit Southern Africa in the coming months, lowering agricultural output. Part of the upside inflationary risks also arise from spill-over via elevated oil prices and the restructuring of global trade. The dollar value of US imports coming from China has fallen by 30% since 2018, as US supply chains are instead reorganised to benefit Western-friendly allies like Taiwan, Mexico, Europe and Canada. As the map of global trade is redrawn over time, it has the potential to raise prices as higher-cost or even domestic producers are favoured in the name of national security.

The SARB has also alluded to the idea that, to some degree, monetary policy and the setting of interest rates are being held hostage by reckless fiscal policy and government overspending. South Africa needs foreign capital to fund its deficits but falls prey to the rising cost of government borrowing as more debt is issued against the backdrop of tight global financial conditions. Cash is flowing less freely than in the past, and imprudent fiscal policy raises our country risk premium as well as the interest rate level which the SARB determines to be "neutral" and appropriate.

When recently asked about the plight of indebted borrowers struggling to service mortgages and overdrafts, Kganyago had a response befitting of an independent governor cognisant of the complex role of interest rates in society: He asked why he should care more about the borrower than the saver when tasked with finding the right balance to restore price stability.

In the last quarter, the Fund raised its exposure to Treasury bills as yields rose above bank deposit rates due to increased weekly government debt issuance in the face of tax revenue shortfalls and overspending on public sector wages. The weighted average yield of the Fund (gross of fees) ended the quarter at 9.26% – which is both a multi-year high and 4.5% higher than the August inflation print of 4.8%.

Commentary contributed by Thalia Petousis

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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

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ALLAN GRAY

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 October 2023

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.

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

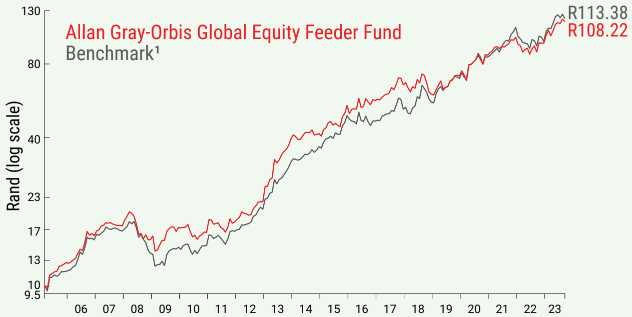
Fund information on 31 October 2023

Fund size	R25.7bn
Number of units	238 583 880
Price (net asset value per unit)	R107.68
Class	A

1. MSCI World Index, including income, after withholding taxes (source: Bloomberg), performance as calculated by Allan Gray as at 31 October 2023. From inception to 15 May 2023, the benchmark was the FTSE World Index, including income.
2. This data reflects the latest available inflation numbers for South Africa and the United States of America, as published by IRESS as of 30 September 2023.
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)	982.2	259.9	1033.8	277.1	175.4	59.2
Annualised:						
Since inception (1 April 2005)	13.7	7.2	14.0	7.4	5.6	2.5
Latest 10 years	11.9	5.1	14.7	7.7	5.1	2.8
Latest 5 years	10.7	5.6	13.7	8.5	5.0	4.0
Latest 3 years	11.9	6.8	13.6	8.4	6.0	5.8
Latest 2 years	5.7	-4.8	5.7	-4.8	6.4	5.9
Latest 1 year	14.7	12.6	13.4	11.3	5.4	3.7
Year-to-date (not annualised)	15.4	4.7	18.9	7.9	4.7	3.0
Risk measures (since inception)						
Maximum drawdown[3]	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months[4]	62.8	58.3	60.5	62.8	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

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 2022
Cents per unit	**0.6110**

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 30 September 2023	1yr %	3yr %
Total expense ratio	**2.21**	**1.31**
Fee for benchmark performance	1.35	1.44
Performance fees	0.81	-0.18
Other costs excluding transaction costs	0.05	0.05
VAT	0.00	0.00
Transaction costs (including VAT)	**0.09**	**0.10**
Total investment charge	**2.30**	**1.41**

Top 10 share holdings on 31 October 2023

Company	% of portfolio
FLEETCOR Technologies	5.3
Sumitomo Mitsui Fin.	4.6
Global Payments	4.0
GXO Logistics	3.9
Constellation Energy	3.8
Interactive Brokers Group	3.3
UnitedHealth Group	2.8
Intel	2.8
BAE Systems	2.8
Shell	2.6
Total	**35.9**

Asset allocation on 31 October 2023

This fund invests solely into the Orbis Global Equity Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	97.3	50.8	17.3	14.1	14.2	1.0
Hedged equities	0.0	0.0	0.0	0.0	0.0	0.0
Fixed interest	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
Net current assets	2.7	0.0	0.0	0.0	0.0	2.7
Total	**100.0**	**50.8**	**17.3**	**14.1**	**14.2**	**3.6**
Currency exposure						
Fund	100.0	49.7	21.0	16.9	7.7	4.7
Benchmark	100.0	73.2	17.5	6.1	1.0	2.1

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

Fund manager quarterly commentary as at 30 September 2023

As renewable energy sources such as wind and solar have been more widely adopted, they have rapidly become more cost competitive, driven by "Wright's Law" effects – as cumulative production grows, industries learn and costs fall.

But renewables have a key flaw, which makes them increasingly less useful the more they are adopted in the energy system. That flaw is "intermittency" – wind turbines don't generate when there is no wind, and solar panels don't generate when there is no sun.

When renewables are first added to an electricity system, the overall intermittency effect is small, as there is a large base of other power sources that are either dispatchable such as gas and coal or continuously generating like nuclear. However, as the proportion of power provided by renewables grows over time and the proportion of dispatchable power falls, intermittency issues grow, and power prices become more volatile.

This is the core of why we are attracted to nuclear as a source of power. Nuclear power stations can generate power almost 24/7, running around 95% of the time. They don't suffer from intermittency. Yet they are also low carbon.

We initially came across Constellation Energy in early 2022. The company had just spun out of Exelon, a US utility. Constellation is the largest US producer of zero-carbon electricity with 21 gigawatts (GW) of nuclear capacity – roughly enough to power about 17 million homes for a year.

What first piqued our interest was that Constellation traded at a very attractive valuation relative to its replacement cost – the cost required to replace all its existing power plants. When we initially invested in the company, its enterprise value – the value of the business excluding its debt and cash – was approximately US$25bn. Given a US$5-10bn per GW cost of constructing new nuclear plants, Constellation's replacement value was around US$100-200bn. Of course, new plants last about 80 years, and Constellation's have been operating for 30 to 40 already – but even including depreciation, the company's enterprise value was a fraction of its replacement value.

Constellation also had a competitive advantage stemming from its significant scale – it has triple the nuclear capacity of the next-largest nuclear generator in the US. That allows the company to run multiple copies of the same nuclear reactor design, achieving economies of scale in maintenance. We see this in the hard numbers, where Constellation achieves more output on similar assets compared to peers and is consistently ranked as the best producer in the US on production, cost and safety.

Shortly after our initial investment, the US passed landmark climate legislation in the so-called "Inflation Reduction Act". The Act included a suite of subsidies for renewable energy but also for nuclear power.

For Constellation, the subsidy regime transforms the economic and intrinsic value of the business. It will receive a fixed minimum price, which guarantees profitability. This boosts both earnings and the valuation those earnings deserve by reducing the uncertainty and risk in the earnings stream. Even more favourably, Constellation is still exposed to upside in market power prices – there is a floor price but no ceiling price. That provides an asymmetric risk profile, and this observation has been a key difference in our view on the stock compared to the market's view.

While there is some opposition to nuclear, it is often not on cost grounds but on the grounds of safety. We believe that this is a common case of the seen and unseen. A small number of nuclear accidents are highly vivid (the seen). However, they have also been exceptionally rare. We believe, in fact, that nuclear is among the safest forms of energy in the world – significantly safer than generation by coal, oil, gas or biomass. The difference is that the harms from fossil fuel generation are less vivid, as accidents tend to be smaller scale (fires) and much of the local harm (pollution) is unseen.

There is also an outstanding question on how to store nuclear waste. For now, the US government reimburses power producers for the costs of on-site storage, where nuclear waste is sealed in large metal "casks". These casks have been entirely safe to date in their operation. They are closely monitored and are designed to withstand earthquakes, floods and even projectiles.

As the largest provider of reliable zero-carbon electricity in the US, Constellation is primed to be a key beneficiary of the shift to true zero-carbon energy. Though the shares have performed well since our purchase, we remain substantial shareholders.

We believe at its current valuation, Constellation trades at an undemanding price given the long-term floor on the company's profits. We also see plausible paths to higher upside. If the US rolls out either widespread carbon pricing or further nuclear subsidies, the company's enterprise value could more than double, approaching the replacement cost of the assets. In Constellation, we believe we've found a company that is playing a positive role for society – and whose shares trade at an attractive discount to intrinsic value.

We reduced the position in Samsung Electronics to reallocate capital to other higher-conviction semiconductor positions. Samsung Electronics remained a meaningful holding as at 30 September 2023. We also exited the position in Kinder Morgan to reallocate the capital to stocks we believed traded at a higher discount to intrinsic value.

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

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FTSE Russell Index

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Allan Gray-Orbis Global Balanced Feeder Fund

31 October 2023

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

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 October 2023

Fund size	R15.6bn
Number of units	246 852 075
Price (net asset value per unit)	R63.35
Class	A

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

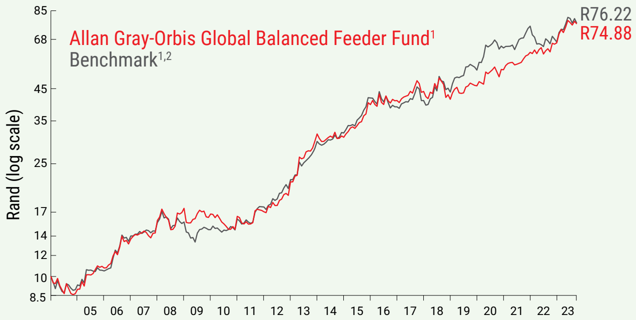
*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

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 October 2023. From inception to 31 May 2021, the benchmark was 60% of the FTSE World Index including income and 40% of the J.P. Morgan Global Government Bond Index.
3. This data reflects the latest available inflation numbers for South Africa and the United States of America, as published by IRESS as of 30 September2023.
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.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund		Benchmark[1,2]		CPI inflation[3]	
Cumulative:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (3 February 2004)	648.8	181.3	662.2	186.3	186.7	65.0
Annualised:						
Since inception (3 February 2004)	10.7	5.3	10.8	5.4	5.5	2.6
Latest 10 years	10.5	3.8	11.1	4.3	5.1	2.8
Latest 5 years	9.5	4.5	9.4	4.4	5.0	4.0
Latest 3 years	13.9	8.7	6.3	1.4	6.0	5.8
Latest 2 years	11.6	0.5	2.6	-7.6	6.4	5.9
Latest 1 year	12.4	10.3	8.1	6.1	5.4	3.7
Year-to-date (not annualised)	12.0	1.6	13.2	2.7	4.7	3.0
Risk measures (since inception)						
Maximum drawdown[4]	-24.0	-37.0	-25.1	-37.5	n/a	n/a
Percentage positive months[5]	58.2	59.9	57.4	62.4	n/a	n/a
Annualised monthly volatility[6]	13.5	11.7	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

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Allan Gray-Orbis Global Balanced Feeder Fund

31 October 2023

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 2022
Cents per unit	**0.3579**

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 30 September 2023	1yr %	3yr %
Total expense ratio	**2.91**	**1.83**
Fee for benchmark performance	1.10	1.35
Performance fees	1.75	0.42
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	**2.98**	**1.91**

Top 10 holdings on 31 October 2023

Company	% of portfolio
SPDR Gold Trust	5.4
Samsung Electronics	4.4
Kinder Morgan	3.5
US TIPS 5 - 7 Years	3.1
Taiwan Semiconductor Mfg.	2.8
US TIPS 3 - 5 Years	2.4
Burford Capital	2.3
Shell	1.8
Sumitomo Mitsui Fin.	1.8
US TIPS 1 - 3 Years	1.8
Total (%)	**29.3**

Asset allocation on 31 October 2023

This fund invests solely into the Orbis SICAV Global Balanced Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	56.6	13.9	19.6	8.6	12.4	2.1
Hedged equities	19.0	10.8	5.4	0.7	1.1	1.0
Fixed interest	18.9	14.5	3.4	0.6	0.2	0.2
Commodity-linked	5.4	0.0	0.0	0.0	0.0	5.4
Net current assets	0.0	0.0	0.0	0.0	0.0	0.0
Total	**100.0**	**39.1**	**28.5**	**9.9**	**13.7**	**8.8**
Currency exposure						
Fund	100.0	31.8	35.8	17.6	9.7	5.1
Benchmark	100.0	64.6	22.1	10.8	0.6	1.9

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

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Fund manager quarterly commentary as at 30 September 2023

It is not a comfortable time for global investors. While we can find plenty to invest in, stock markets in aggregate are not attractively valued, economic uncertainty is high and geopolitical uncertainty is even higher. At times like this, it is wonderful when we can find companies whose success or failure is determined by factors specific to that business rather than the broader economic and interest rate cycle. We like companies that march to the beat of their own drum, and we call them "idiosyncratics".

Of course, almost every investment has idiosyncratic parts. Yet few are insulated from big macroeconomic and market factors like stock market bubbles and bursts, economic booms and recessions, and interest rate hikes and cuts. Idiosyncratic investments are always nice to have in portfolios, but they are most valuable when markets are expensive and the environment uncertain. Therefore, we are really keen on them now.

The Fund has plenty of idiosyncratic holdings, few of which make headlines, and none of which sit in the top positions of major indices. Drax's share price moves day-to-day on perceptions around the acceptance of biomass energy. Shares such as Bayer (pharmaceuticals), Incitec Pivot (chemicals, fertilisers and explosives) and Nufarm (agricultural chemicals) are significantly driven by weather patterns. Our defence holdings take their cue from global conflicts. But perhaps the purest example of an idiosyncratic in the Fund today is a company we first discovered through a short-seller report.

In August 2019, a report came across our desks discussing a company we had never heard of. The report made some provocative claims about abuses of fair value accounting and weak governance. Some of the criticism seemed valid, but after doing our own work, most of it struck us as nonsense. That company was Burford Capital.

Burford Capital specialises in litigation funding. Hiring a law firm was historically a self-financed endeavour, with the client typically paying a lawyer a fee in exchange for the lawyer's services. A litigation funder is a third-party firm which provides an alternative financing arrangement for clients pursuing claims. This funding arrangement often involves the financier taking a share of the ultimate recovery of the claim in exchange for paying the legal costs. Essentially, Burford invests in legal claims, with a strong focus on commercial claims. In some situations, Burford, leveraging its deep expertise, takes over management of the proceedings. Most claims settle, sometimes they lose and sometimes they win big. Burford has done this successfully for over 13 years – they basically created the litigation finance industry and have been trailblazers in providing new financing solutions to clients.

Apart from this interesting operating model, Burford has a lot of appealing hallmarks. It is owner-operated, and its leaders have a large percentage of their wealth invested in the company. It has a deep moat from being the first, largest and most recognisable name in the space, giving it first pick on many claims and a data advantage in assessing those claims. It is an income stream uncorrelated to the rest of our Fund – legal claims won't go down when macro trends weaken. It relies on a rigorous research process similar to our own. And lastly, Burford offers optionality – a potentially meaningful claim against Argentina and its state oil company.

Burford's most prominent investment relates to the Argentine government expropriating the oil company YPF. For years, the case moved back and forth between the New York district court and the appeals court. Analysing the legal arguments made by both sides gave us confidence that Burford would prevail. So far, they have: In late March 2023, the judge granted summary judgement and subsequently awarded the plaintiffs a meaningful award. Argentina can appeal, but these were important milestones.

Despite these positive developments – and the share price rally that has accompanied them – we remain enthusiastic owners of the business. While discussion of the company has been dominated by the Argentine case, courts have also started catching up on their COVID-19 backlogs, and Burford's underlying business has had a great 2023. Using what we consider to be conservative assumptions about the future, we believe a discount to intrinsic value remains, even without a big payoff from that case. Argentina has been combative in past spats with sovereign bondholders and the market is bearish about Burford's chances of extracting the YPF-related claim. But enforcement proceedings against sovereigns present unique challenges that do not apply to those against private entities, and Burford has historically shown an amazing ability to deliver what its clients are owed from the most recalcitrant defendants. The road to resolution will be bumpy and could take time, but recovering even half the claim would mean we are getting the rest of Burford's business for free at today's price.

As contrarians, we are drawn to companies that other investors hate, neglect or misunderstand. Idiosyncratics fit that description perfectly. And if, in an uncertain environment, they can also improve the Fund's diversification, so much the better.

We added to the Fund's exposure to US Treasury Inflation Protected Securities (TIPS), as we believe the exposure offers low risk, real yield and inflation protection at an attractive price. This was funded through sales of some smaller holdings in the Fund where the discount to intrinsic value had narrowed.

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

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MSCI Index

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FTSE Russell Index

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J.P. Morgan Index

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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 October 2023

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 October 2023

Fund size	R1.6bn
Number of units	57 227 166
Price (net asset value per unit)	R28.21
Class	A

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

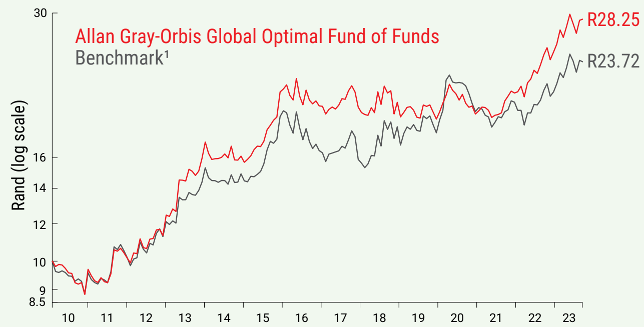
*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

1. The simple average of the benchmarks of the underlying funds, performance as calculated by Allan Gray as at 31 October 2023.
2. This data reflects the latest available inflation numbers for South Africa and the United States of America, as published by IRESS as of 30 September 2023.
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.

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 (2 March 2010)	182.5	16.0	137.2	-2.6	98.9	41.5
Annualised:						
Since inception (2 March 2010)	7.9	1.1	6.5	-0.2	5.2	2.6
Latest 10 years	6.9	0.4	6.0	-0.5	5.1	2.8
Latest 5 years	6.2	1.3	5.3	0.5	5.0	4.0
Latest 3 years	13.2	8.0	4.7	-0.1	6.0	5.8
Latest 2 years	17.6	5.9	11.0	0.0	6.4	5.9
Latest 1 year	11.9	9.8	9.8	7.8	5.4	3.7
Year-to-date (not annualised)	14.0	3.4	13.8	3.3	4.7	3.0
Risk measures (since inception)						
Maximum drawdown[3]	-18.9	-31.3	-26.6	-16.1	n/a	n/a
Percentage positive months[4]	52.4	54.9	47.6	48.2	n/a	n/a
Annualised monthly volatility[5]	13.4	7.2	13.9	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 2022
Cents per unit	**0.3832**

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 30 September 2023	1yr %	3yr %
Total expense ratio	**1.06**	**1.06**
Fee for benchmark performance	0.99	0.99
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**	**0.13**
Total investment charge	**1.17**	**1.19**

Top 10 share holdings on 31 October 2023

Company	% of portfolio
Shell	3.4
FLEETCOR Technologies	3.2
British American Tobacco	2.7
Motorola Solutions	2.2
Taiwan Semiconductor Mfg.	2.2
Bayerische Motoren Werke	2.2
GXO Logistics	2.1
UnitedHealth Group	2.0
ConvaTec Group	2.0
Borr Drilling	1.8
Total (%)	**23.8**

Fund allocation on 31 October 2023

Foreign absolute return funds	%
Orbis Optimal SA (US$)	62.0
Orbis Optimal SA (Euro)	38.0
Total (%)	**100.0**

Asset allocation on 31 October 2023

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	5.9	-2.7	3.4	3.1	1.6	0.6
Hedged equities	80.4	37.2	20.5	16.9	4.9	0.9
Fixed interest	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
Net current assets	13.7	0.0	0.0	0.0	0.0	13.7
Total	**100.0**	**34.5**	**23.9**	**19.9**	**6.5**	**15.2**
Currency exposure						
Fund	100.0	55.7	37.8	6.3	0.5	-0.3

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

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Allan Gray-Orbis Global Optimal Fund of Funds

31 October 2023

Fund manager quarterly commentary as at 30 September 2023

The objective of the Allan Gray-Orbis Global Optimal Fund of Funds is to generate positive returns on a low-risk global investment portfolio. The long-term returns of the Fund are intended to be largely independent of the returns of major asset classes such as equities, bonds and cash. With its uncorrelated returns, the Fund can be a valuable building block in a broader portfolio. It is also designed to offer a volatility profile that is substantially below the undulating returns of global stock markets.

It is often posited that volatility is not a robust measure of risk. Our own investment process focuses a great deal more on the risk of permanent capital impairment, which results typically from paying more for an asset than its intrinsic value. That said, it's clear to us that volatility – the degree to which your investment results vary from one period to another – is not something to be ignored. Indeed, it can be demonstrated that for a long-term investor, volatility is an absolutely critical variable, right up there with investment longevity and performance.

As an illustration, let's walk through a two-part thought exercise.

For the first part of the exercise, imagine there are 1 000 hypothetical investors. Each starts with US$10 000 and invests for 60 years – roughly a lifetime of investing if you are diligent enough to start with your first pay cheque. Each investor's returns are random, sampled annually from the same distribution of returns from global stock markets, with the same volatility. All of our imaginary investors are therefore equally skilled (or unskilled) and equally good (or bad) at risk management. Let's call this group the "normal" investors.

Interestingly, even with a completely random simulation the resulting distribution of wealth looks strikingly similar to real world outcomes. A few lucky investors accumulate hundreds of millions of dollars and help pull up the average (mean) result to about US$9 million. But this is hardly the typical outcome. About 80% of our investors are below this number – most of them come nowhere near it. Investor #500 – bang in the middle (i.e. the median investor) –ends up with about US$3 million.

Perhaps more interesting is that the resulting distribution of wealth is non-linear. The mean result is much higher than the median result, meaning the results have a positive skew. As our investors become increasingly lucky, their luck compounds to provide ever-higher levels of wealth. Even among the top 1%, there are meaningful differences in outcomes. The good news is that the non-linearity of outcomes can work in your favour when investing.

It means that small things add up, and every little improvement can make a big difference – even if you never end up with Warren Buffett and Elon Musk in the top 0.1%.

For the second part of our thought exercise, let's ask ourselves a question which may lead to a different outcome. What would happen if our fictional investors were equally skilled or unskilled, but were notably better risk managers? We can answer this question by keeping all of the original assumptions in place, but by reducing the chances of extreme losses and gains (i.e. narrowing the distribution used to randomise returns). Let's call this group the "risk managers".

The median investor in this group has a far better outcome than in the group of "normal" investors, simply by reducing volatility. In fact, only 10% of this new group ends up worse off than the original "median" investor. In other words, good risk management can significantly raise your wealth generation potential. The intuition behind this is that big losses are extremely tough to recover. As the saying goes, a 50% loss requires a 100% return to regain. Or as Buffett says, "Rule #1: Never lose money. Rule #2: Never forget Rule #1."

Investing in the real world is a lot more complex than in our simple thought exercise, but we see a lot of lessons applicable to the Fund. The lesson is not to avoid risk altogether – it's essential if you wish to compound your investments over time – but rather that no amount of skill or patience matters if you get wiped out from excess risk taking.

This is all the more important in the current environment, in which there is plenty to worry about – rising interest rates, inflation, geopolitics, climate change – and the range of outcomes is unusually wide and increasingly difficult to manage. In other words, it's the perfect opportunity for the Fund to earn its keep.

The Fund's overall net equity exposure remained the same over the quarter. Among individual positions, the largest buy was a new position in a Japanese online retailer, where we felt the market's reaction to recent results was overly negative for a company with solid fundamentals. We trimmed the position in INPEX, a Japanese oil and gas producer, into share price strength.

Adapted from a commentary contributed by Graeme Forster, Orbis Investment Management Limited, Bermuda

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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.

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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

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2023. 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.

MSCI Index

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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 Tax-Free Balanced Fund

31 October 2023

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

Minimum investment amounts*

Initial lump sum per investor account	R36 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

Maximum investment amounts

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

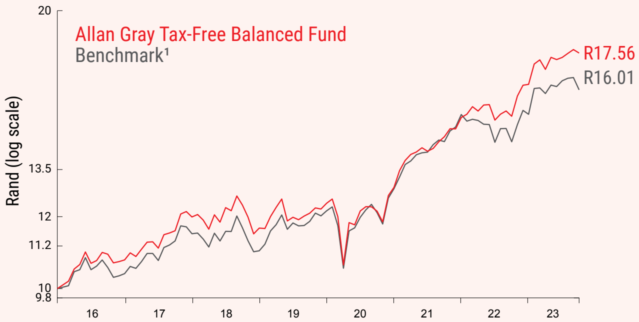
Fund information on 31 October 2023

Fund size	R2.5bn
Number of units	149 811 401
Price (net asset value per unit)	R14.74
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 October 2023.
2. This is based on the latest available numbers published by IRESS as at 30 September 2023.
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)	75.6	60.1	47.1
Annualised:			
Since inception (1 February 2016)	7.5	6.3	5.2
Latest 5 years	8.0	7.3	5.0
Latest 3 years	14.1	10.9	6.0
Latest 2 years	8.6	4.0	6.4
Latest 1 year	8.6	6.4	5.4
Year-to-date (not annualised)	5.5	3.6	4.7
Risk measures (since inception)			
Maximum drawdown[3]	-24.6	-23.3	n/a
Percentage positive months[4]	65.6	63.4	n/a
Annualised monthly volatility[5]	9.5	9.3	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.	31 Dec 2022	30 Jun 2023
Cents per unit	**24.2736**	**15.7833**

Annual management fee

The fee we charge is fixed at 1.25% excluding VAT.

This fee only applies to the portion of the unit trusts that we manage. The offshore portion of the unit trust is managed by Orbis. Orbis charges fixed fees within these funds. 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 30 September 2023 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	4.5
AB InBev	3.6
Glencore	3.2
Naspers & Prosus	2.8
Mondi	2.2
Woolworths	2.2
Sasol	2.1
Standard Bank	2.0
Nedbank	2.0
Remgro	1.7
Total (%)	**26.2**

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

TER and transaction costs breakdown for the 1- and 3-year period ending 30 September 2023	1yr %	3yr %
Total expense ratio	**1.48**	**1.50**
Fee for benchmark performance	1.31	1.31
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.03	0.04
VAT	0.14	0.15
Transaction costs (including VAT)	**0.07**	**0.08**
Total investment charge	**1.55**	**1.58**

Asset allocation on 31 October 2023[7]

Asset class	Total	South Africa	Foreign[8]
Net equities	64.2	41.1	23.1
Hedged equities	8.8	2.8	6.0
Property	0.8	0.5	0.3
Commodity-linked	3.5	2.9	0.6
Bonds	13.7	8.8	4.9
Money market and bank deposits[9]	8.9	6.7	2.2
Total (%)	**100.0**	**62.8**	**37.2**[10]

7. Underlying holdings of foreign funds are included on a look-through basis.
8. Includes Africa ex-SA exposure following the consolidation of the foreign ex-Africa and Africa ex-SA allowances into a single foreign limit of 45%.
9. Including currency hedges.
10. 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.

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%

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Fund manager quarterly commentary as at 30 September 2023

The local market continued to drift sideways in the third quarter of 2023. Year to date, the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) has delivered a return of 0%, and the FTSE/JSE All Bond Index delivered a return of 1%. The Fund's performance of 8% was ahead of these numbers, helped by stock selection and offshore exposure.

It is well known that South African businesses face a myriad of challenges, notably loadshedding and a weak consumer environment. Reading the daily newspaper headlines paints a grim picture. Despite this, market returns over the past three years have been reasonably healthy, e.g. 14% for the Capped SWIX. This illustrates the benefit of starting at a low valuation during the COVID-19 slump of 2020.

Valuations for many South African shares remain at very cheap levels versus history, suggesting a reasonable prospect of good returns going forward – even in an unfavourable economic climate. This can be seen when looking at the market from a top-down view, e.g. the FTSE/JSE All Share Index's price-to-earnings multiple of only 10 times compared to a 20-year average of 16 times. Our bottom-up fundamental research on local shares also confirms that many are trading on low valuations compared to history and to our estimate of their intrinsic value.

Fixed income

Long-term South African government bonds offer yields in excess of 12% which appear very attractive at face value. Locally, inflation has fallen below 5%, so these bonds offer a real (i.e. after inflation) yield of 7%. This is close to the highest it has been in the last two decades. It is likely that the South African Reserve Bank has reached the peak of the current interest rate hiking cycle or is close to it. If inflation remains subdued, there is a good chance that interest rates will be cut next year which would be good news for bondholders. We do believe South African government bonds offer decent value and have increased their weighting in the Fund in recent years. But despite these bullish arguments, South African government bonds make up only 5% of the Fund – a significantly smaller position than many of our peers. The South African government continues to run a large fiscal deficit which the local savings pool has a limited ability to fund. As long as foreign investors remain apprehensive of South African bonds, there is a risk that bond yields increase even more, i.e. a decline in prices.

Meanwhile, local cash is also offering attractive yields in excess of 9% at much lower risk than long bonds. Cash also has valuable optionality, as it can be used to take advantage of future opportunities that may arise. We also prefer South African shares over South African bonds, given the low valuations of shares. Shares also protect investors against the risk of inflation, as companies can typically pass higher prices on to their customers to some degree.

Risks and opportunities

Our approach remains focused on bottom-up company research to find superior investment opportunities. This includes identifying investments which offer the highest expected returns but also weighs up the associated risks as well as the diversification benefits of uncorrelated returns. All these factors are considered when building the portfolio.

An important decision at present is whether to prefer "SA Inc" shares (i.e. companies that primarily operate in the local economy) or "rand hedge" shares (i.e. companies that operate offshore and benefit from a weaker rand). The very low valuations of SA Inc shares offer more potential upside if the economy recovers, but these are also the businesses facing the brunt of the challenges of operating in South Africa. At present, we are finding attractive opportunities in both categories, so there is no need to choose only one or the other. This diversification also means that performance of the Fund does not rely on a specific macroeconomic scenario playing out.

Currently, the Fund's foreign exposure is at 37% – still below the 45% foreign capacity limit. The majority of the foreign portion of the Fund continues to be allocated to various Orbis funds. In addition to this, the Fund has the flexibility to directly hold foreign shares, which is useful from a portfolio management point of view. One reason for not using the full foreign capacity is that local opportunities are more attractive currently. It is also worth remembering that a significant portion of "local" shares are in fact businesses with earnings outside of South Africa, so the underlying foreign exposure is higher than it appears.

During the quarter, the Fund added to positions in AB InBev, British American Tobacco and MultiChoice and trimmed Woolworths, Glencore and Prosus NV.

Commentary contributed by Tim Acker

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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. 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

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.

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: Duncan Artus, Jacques Plaut, Rory Kutisker-Jacobson, Tim Acker
Inception date: 13 March 2015

Allan Gray SA Equity Fund

31 October 2023

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

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

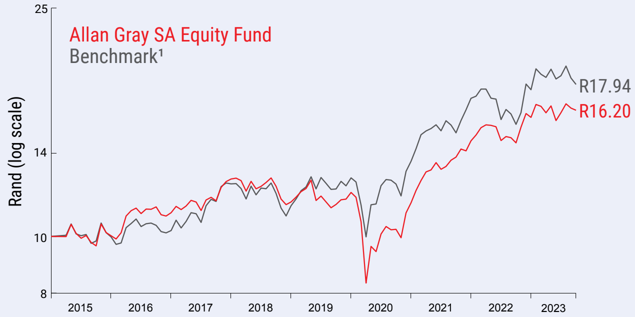
Fund information on 31 October 2023

Fund size	R3.6bn
Number of units	880 033
Price (net asset value per unit)	R419.99
Class	A

1. FTSE/JSE All Share Index including income (source: IRESS), performance as calculated by Allan Gray as at 31 October 2023.
2. This is based on the latest available numbers published by IRESS as at 30 September 2023.
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)	62.0	79.4	55.3
Annualised:			
Since inception (13 March 2015)	5.7	7.0	5.3
Latest 5 years	6.8	9.8	5.0
Latest 3 years	17.7	15.0	6.0
Latest 2 years	6.5	5.8	6.4
Latest 1 year	3.8	8.3	5.4
Year-to-date (not annualised)	-0.2	-1.3	4.7
Risk measures (since inception)			
Maximum drawdown[3]	-44.3	-35.2	n/a
Percentage positive months[4]	56.7	54.8	n/a
Annualised monthly volatility[5]	14.9	14.8	n/a
Highest annual return[6]	57.3	54.0	n/a
Lowest annual return[6]	-32.0	-18.4	n/a

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ALLANGRAY

Fund managers: Duncan Artus, Jacques Plaut, Rory Kutisker-Jacobson, Tim Acker
Inception date: 13 March 2015

Allan Gray SA Equity Fund

31 October 2023

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.	31 Dec 2022	30 Jun 2023
Cents per unit	**899.8108**	**874.8755**

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 30 September 2023 (updated quarterly)

Company	% of portfolio
British American Tobacco	7.5
AB InBev	6.6
Glencore	6.4
Naspers & Prosus	6.0
Mondi	5.2
Standard Bank	5.0
Woolworths	4.4
Nedbank	3.6
Sasol	3.4
Remgro	3.2
Total (%)	**51.4**

Sector allocation on 30 September 2023 (updated quarterly)

Sector	% of equities[7]	% of ALSI[8]
Financials	25.7	25.6
Basic materials	23.1	27.5
Consumer staples	20.8	10.7
Consumer discretionary	10.5	6.6
Industrials	7.9	5.3
Technology	6.2	12.7
Telecommunications	2.0	4.8
Healthcare	1.9	1.9
Real estate	1.4	3.7
Energy	0.5	1.2
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 30 September 2023	1yr %	3yr %
Total expense ratio	**0.48**	**0.62**
Fee for benchmark performance	1.00	1.00
Performance fees	-0.59	-0.47
Other costs excluding transaction costs	0.01	0.01
VAT	0.06	0.08
Transaction costs (including VAT)	**0.10**	**0.12**
Total investment charge	**0.58**	**0.74**

Asset allocation on 31 October 2023

Asset class	Total
Net equity	94.4
Property	1.1
Commodity-linked	1.1
Bonds	0.1
Money market & bank deposits	3.3
Total (%)	**100.0**

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

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Fund manager quarterly commentary as at 30 September 2023

The local market continued to drift sideways during the third quarter of 2023, reflected by the FTSE/JSE All Share Index (ALSI) and the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) delivering returns of -3% and -4% for the quarter, respectively. The Fund outperformed over the period, pushing the cumulative year-to-date return to 3% – i.e. 1% ahead of its benchmark.

Market returns

The ALSI and Capped SWIX are the two most commonly used broad market indices in South Africa but have had large differences in composition and in performance from time to time. Over the last 12 months, the ALSI has returned 18% compared to the Capped SWIX's return of only 12%. A major contributor to this difference was the strong performance of Richemont, which had a larger weight in the ALSI.

The Richemont share price has been on a strong run – in line with the performance of other luxury goods businesses. We continue to believe that the share is overvalued, with margins and earnings at record levels, in what has historically been a cyclical business. The Richemont share price has given up some of its strong performance more recently, declining by 28% over the quarter. A Richemont corporate action in April 2023 led to a reduction in the share's weight in the ALSI. Going forward, Richemont constitutes a similar, much smaller weight in both the ALSI and the Capped SWIX. The only remaining big difference between the two indices is the larger weight of Anglo American in the ALSI.

It is well known that South African businesses face a myriad of challenges, notably loadshedding and a weak consumer environment. Despite this, market returns over the past 12 months have been reasonably strong, illustrating the benefits of a low starting valuation. The valuations of many South African shares remain at very cheap levels versus history, suggesting a reasonable prospect of good returns going forward – even in an unfavourable economic climate.

Risks and opportunities

Our approach remains focused on bottom-up company research to find superior investment opportunities. This includes identifying investments which offer the highest expected returns but also weighs up the associated risks and the diversification benefits of uncorrelated returns. All these factors are considered when putting together the portfolio.

An important decision at present is whether to prefer "SA Inc" shares (i.e. companies that primarily operate in the SA economy) or "rand hedge" shares (i.e. companies that operate offshore and benefit from a weaker rand). The very low valuations of SA Inc shares offer more potential upside if the economy recovers, but these are also the businesses facing the brunt of the challenges of operating in South Africa. At present, we are finding attractive opportunities in both categories, so there is no need to choose only one or the other. This diversification also means that performance of the Fund does not rely on a specific macroeconomic scenario playing out.

It is also worth remembering that a significant portion of local shares are in fact businesses with earnings outside of South Africa which makes them less reliant on the prevailing local environment.

The Fund added to its positions in MultiChoice, AB InBev and African Rainbow Minerals and trimmed its holdings in Woolworths, Prosus NV and Glencore during the quarter.

Commentary contributed by Tim Acker

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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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