

Fund description and summary of investment policy

The Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts and can only be accessed through these products. The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund.

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

Fund objective and benchmark

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

How we aim to achieve the Fund's objective

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

Suitable for those investors who

- Seek steady long-term capital growth
- Are comfortable with taking on some risk of market fluctuation and potential capital loss, but typically less than that of an equity fund
- Wish to invest in a tax-free investment account
- Typically have an investment horizon of at least three years

Maximum investment amounts

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

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

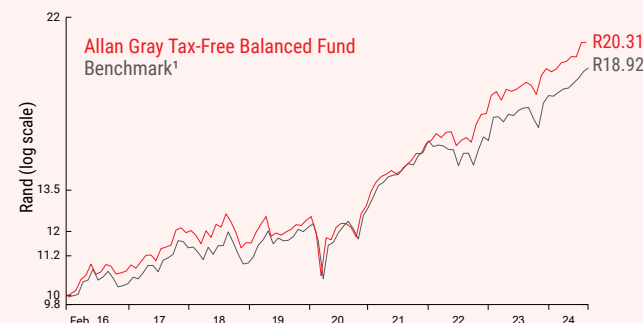
Fund information on 31 August 2024

Fund size	R3.2bn
Number of units	168 836 688
Price (net asset value per unit)	R16.58
Class	A

- 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 August 2024.
- This is based on the latest available numbers published by IRESS as at 31 July 2024.
- 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).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- 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.
- 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)	103.1	89.2	52.5
Annualised:			
Since inception (1 February 2016)	8.6	7.7	5.1
Latest 5 years	11.1	10.1	5.0
Latest 3 years	12.1	9.3	5.7
Latest 2 years	14.1	12.6	4.7
Latest 1 year	11.8	11.7	4.6
Year-to-date (not annualised)	7.6	8.0	2.8
Risk measures (since inception)			
Maximum drawdown ³	-24.6	-23.3	n/a
Percentage positive months ⁴	67.0	66.0	n/a
Annualised monthly volatility ⁵	9.3	9.2	n/a
Highest annual return ⁶	31.7	30.7	n/a
Lowest annual return ⁶	-13.4	-10.3	n/a

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 2023	30 Jun 2024
Cents per unit	19.8006	24.3788

Annual management fee

A fixed fee of 1.25% p.a. excl. VAT.

Allan Gray charges this fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. Orbis charges fixed fees within the Orbis funds that the Fund invests in. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and transaction costs

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

Top 10 share holdings on 30 June 2024 (SA and Foreign)
(updated quarterly)⁷

Company	% of portfolio
British American Tobacco	4.2
AB InBev	3.6
Naspers & Prosus	3.4
Glencore	2.4
Nedbank	2.1
Standard Bank	2.1
Woolworths	2.0
Mondi	1.9
Remgro	1.5
FirstRand	1.4
Total (%)	24.6

Asset allocation on 31 August 2024⁷

Asset class	Total	South Africa	Foreign
Net equities	64.8	40.1	24.7
Hedged equities	8.1	1.6	6.5
Property	0.6	0.3	0.3
Commodity-linked	3.0	2.3	0.7
Bonds	14.9	10.5	4.3
Money market and cash ⁸	8.6	7.6	1.0
Total (%)	100.0	62.4	37.6 ⁹

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

8. Including currency hedges.

9. The Fund can invest a maximum of 45% offshore. Market movements may periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

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

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

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2024	1yr %	3yr %
Total expense ratio	1.48	1.47
Fee for benchmark performance	1.31	1.30
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.03	0.03
VAT	0.14	0.14
Transaction costs (including VAT)	0.06	0.07
Total investment charge	1.54	1.54

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%

The MSCI World Index continues to trade near all-time highs, mainly driven by large-cap US shares. The S&P 500 was up 4.3% for the quarter. The FTSE/JSE All Share Index was up 8.2% in rands and 12.4% in US dollars.

In our Q1 2024 factsheet commentary, we highlighted that 2024 would be a year of above-average political risk due to the significant number of elections taking place globally. We said, "In the normal course of thinking about investments, we don't pay special attention to politics, but we don't believe this is a normal election cycle. The outcome of some of the elections could drastically change many policies that affect some of our underlying holdings."

We are now halfway through 2024, and although the US election is still to come, we have already witnessed several important elections take place in Taiwan, the European Union, India and South Africa. As we expected, they have moved asset prices and triggered potential significant sociopolitical change:

- Taiwan elected a pro-independence leader despite pressure from China.
- The incumbent parties in Europe were decimated, especially in Germany and France. The French government called for a snap election, which led to a sell-off of French assets and broader European markets in sympathy.
- In India, Modi's Bharatiya Janata Party lost its majority in parliament, which initially led to a sell-off in the Indian market. However, the market recovered as Modi remained prime minister – albeit with less power.
- In South Africa, the African National Congress lost its majority, which has led to the formation of a government of national unity.

While it is still very early days in South Africa, we seem to have avoided, or at least reduced the probability of, the left-tail risk scenario (a sharp move to radical policies) and consequently increased the probability of the right-tail, very positive economic scenario.

In response, South African assets have rallied, with strong price movements in what investors collectively term SA Inc stocks, such as retailers, banks and property REITs. As discussed in previous commentaries, many of these shares had been trading at very depressed levels when measured in US dollars. This was due to South Africa's poor economic fundamentals and exacerbated by investors waiting on the sidelines until the outcome of the election was known. When speaking to various sell-side institutions, we have heard that there was little foreign investor buying during the initial rally. Foreign investors are underweight South African markets in aggregate, so their potential buying could provide another leg up to the rally. Investors have also started taking a less constructive view on Mexico and Brazil, given some of their proposed political and economic changes. Any proceeds from reducing their positions in these markets may be switched into South African assets.

Of course, South Africa still faces significant social and economic headwinds, and it will be a herculean task to overcome them successfully, no matter who is running the country. The underlying fundamentals will have to improve to support the increase in asset prices if we are to avoid a repeat of the years post the Ramaphosa rally of 2018, which saw South African equities perform poorly.

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

During the quarter, the Fund increased its exposure to Standard Bank and Sasol and reduced its positions in Sibanye-Stillwater and MultiChoice.

Commentary contributed by Duncan Artus

**Fund manager quarterly
commentary as at
30 June 2024**

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Management Company

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

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

Performance

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

Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management

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

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (the "Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Information for investors in the tax-free investment account

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

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

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

MSCI Index

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J.P. Morgan 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**

Fund description and summary of investment policy

The Fund invests in a mix of South African interest-bearing securities. These securities can be issued by government, parastatals, corporates and banks. The Fund’s weighted average modified duration is limited to a maximum of two. Returns are likely to be less volatile than those of traditional income and bond funds, but more volatile than those of money market funds. The Fund is managed to comply with the investment limits governing retirement funds.

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

Fund objective and benchmark

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

How we aim to achieve the Fund’s objective

The Fund invests in select South African interest-bearing securities 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 securities for the Fund. These will primarily be floating-rate notes, money market instruments and fixed interest paper with a low duration. We take a conservative approach to credit risk, liquidity risk and duration risk.

Suitable for those investors who

- Are risk-averse but seek returns higher than bank deposits and traditional money market funds
- Need a short-term investment account
- Seek a domestic-only interest-bearing ‘building block’
- Require monthly income distributions

Fund information on 31 August 2024

Fund size	R0.7bn
Number of units	10 774 778
Price (net asset value per unit)	R10.15
Modified duration	0.5
Gross yield (i.e. before fees)	9.6
Net yield (i.e. after fees)	8.8
Fund weighted average maturity (years)	5.5
Class	A

Income distributions

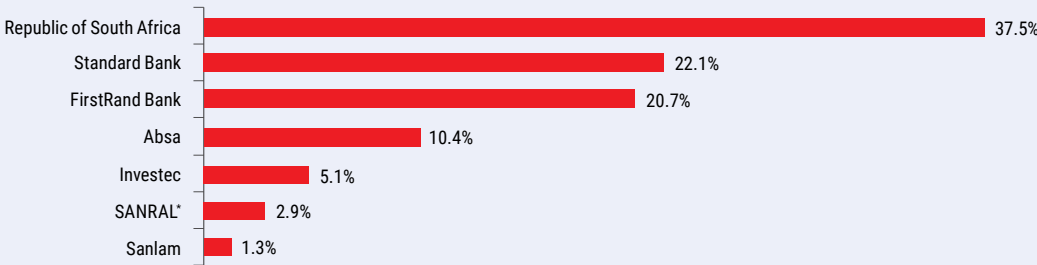
Actual payout (cents per unit), the Fund distributes monthly

May 2024	Jun 2024	Jul 2024	Aug 2024
6.59	6.57	8.11	7.40

Fund performance

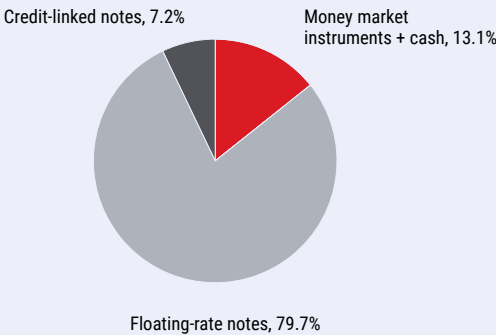
The Fund was launched on 1 May 2024. We will report its performance information from 31 October 2024.

Top credit exposures on 31 August 2024



* The debt holding is guaranteed by RSA Government.

Asset allocation on 31 August 2024



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

Annual management fee

A fixed fee of 0.65% 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). Transaction costs are disclosed separately. Complete and accurate data is only available after 12 months. The TER and transaction costs are therefore based on actual data, where available, and best estimates.

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2024	1yr %	3yr %
Total expense ratio	0.76	0.76
Fee for benchmark performance	0.65	0.65
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.01	0.01
VAT	0.10	0.10
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.76	0.76

Maturity profile on 31 August 2024



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

The Fund was seeded on 1 May 2024, a time of heightened political uncertainty and increased market volatility in South Africa. In early June 2024, local debt markets witnessed a sell-off in the immediate aftermath of the election results as it became clear that the African National Congress (ANC) had lost its outright majority for the first time since 1994, creating uncertainty regarding potential coalition partners.

Following the local market sell-off, mid-June marked a pivotal moment for the country as the newly established government of national unity convened its inaugural parliamentary session and Cyril Ramaphosa was re-elected as president. This development was widely embraced by financial markets, with the rand, the FTSE/JSE All Share Index and the bond market all experiencing substantial gains, signalling investor confidence in the potential for economic reforms and stability.

During this period of volatility, there were good opportunities for the Fund to lock in five-year fixed-rate money market positions at 10% yield, which is a longer time horizon than what a traditional money market fund can look at. This sort of positioning allows for some capital gains given the subsequent rally in these instruments down to 8.9% yield at end-July.

Most of the Fund has exposure to floating-rate instruments that return cash rates plus a spread and have low modified duration. Overnight cash rates in South Africa remain at a 15-year high following the elevated inflation

experienced over the last two years. During the July Monetary Policy Committee (MPC) meeting, the South African Reserve Bank kept interest rates unchanged, citing that the battle against inflation is not yet won, although two of the six MPC members voted to cut interest rates. The MPC prudently avoids giving forward guidance on interest rates so that they can remain nimble in the face of new data, although the market prices for rate cuts to begin as early as September 2024.

While the future remains uncertain, we aim to construct portfolios that can do well across a range of possible scenarios. We believe that the Fund currently holds assets that can provide above-cash returns and protect income in a high-inflation environment, particularly if interest rates remain higher than the prevailing inflation rate, as has been the case in South Africa over long periods. In the event of rate cuts, the Fund's weighted average yield (gross of fees) of 9.6% as at 31 July 2024 should decline, but it still offers a rate of interest that is 1.4% higher than that of overnight cash, as well as 4.5% higher than that of June's inflation print. The Fund also offers capital stability, is conservatively managed from a credit risk perspective, and should outperform traditional money market funds over one- to two-year periods.

Commentary contributed by Thalia Petousis

Fund manager commentary as at 31 July 2024

Note: From end-September 2024 we will publish fund manager commentaries on a quarterly basis, in line with all our other funds.

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Fund mandate

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Yield

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

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

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Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956 (the "Pension Funds Act"). Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within the prescribed regulatory time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

FTSE/JSE All Share Index

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Important information for investors

Need more information?

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Fund description and summary of investment policy

The Fund invests in South African interest bearing securities. Securities include national government, parastatal, municipal, corporate bonds and money market instruments. The Fund price is sensitive to interest rate movements because of the long-term nature of the Fund's investments. The duration of the Fund may differ materially from the benchmark. The Fund is managed to comply with investment limits governing retirement funds.

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

Fund objective and benchmark

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

How we aim to achieve the Fund's objective

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

Suitable for those investors who

- Seek a bond 'building block' for a diversified multi-asset class portfolio
- Are looking for returns in excess of those provided by money market or cash investments
- Are prepared to accept more risk of capital depreciation than in a money market or cash investment

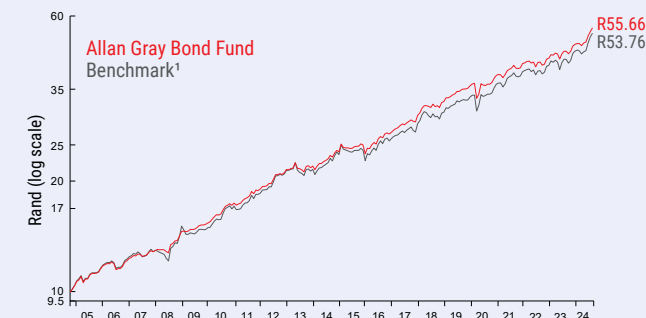
Fund information on 31 August 2024

Fund size	R8.5bn
Number of units	627 383 922
Price (net asset value per unit)	R10.75
Modified duration	4.4
Gross yield (before fees)	10.5
Class	A

- FTSE/JSE All Bond Index (source: IRESS), performance as calculated by Allan Gray as at 31 August 2024.
- This is based on the latest available numbers published by IRESS as at 31 July 2024.
- 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).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- 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.
- 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)	456.6	437.6	191.2
Annualised:			
Since inception (1 October 2004)	9.0	8.8	5.5
Latest 10 years	8.6	8.5	5.0
Latest 5 years	8.4	9.1	5.0
Latest 3 years	8.5	9.0	5.7
Latest 2 years	11.7	12.9	4.7
Latest 1 year	16.4	18.6	4.6
Year-to-date (not annualised)	11.3	12.3	2.8
Risk measures (since inception)			
Maximum drawdown ³	-18.9	-19.3	n/a
Percentage positive months ⁴	71.5	68.6	n/a
Annualised monthly volatility ⁵	5.9	7.5	n/a
Highest annual return ⁶	18.0	21.2	n/a
Lowest annual return ⁶	-2.6	-5.6	n/a

Meeting the Fund objective

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

Income distributions for the last 12 months

Actual payout, the Fund distributes quarterly	30 Sep 2023	31 Dec 2023	31 Mar 2024	30 Jun 2024
Cents per unit	25.7014	26.6398	25.8263	27.2485

Annual management fee

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

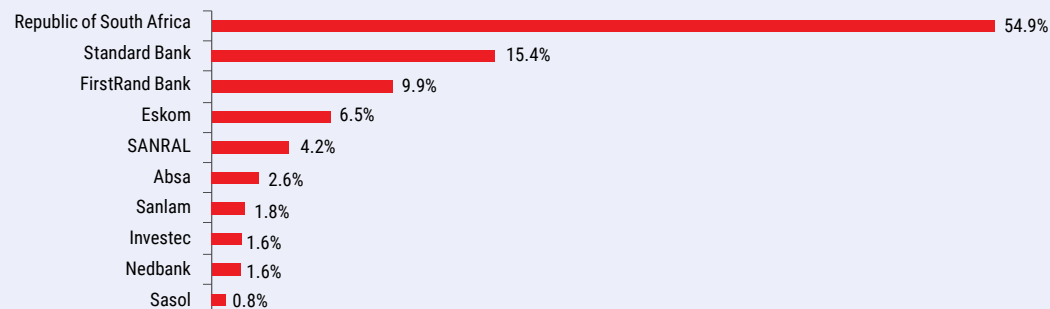
Total expense ratio (TER) and transaction costs (updated quarterly)

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.

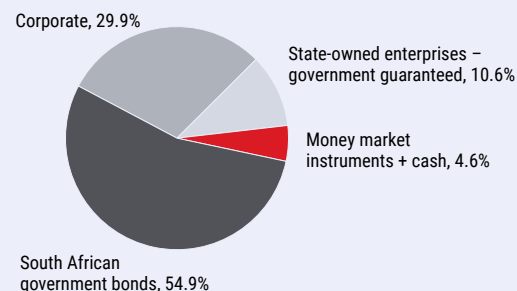
TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2024	1yr %	3yr %
Total expense ratio	0.59	0.55
Fee for benchmark performance*	0.50	0.47
Performance fees*	0.00	0.00
Other costs excluding transaction costs	0.01	0.01
VAT	0.08	0.07
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.59	0.55

*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.

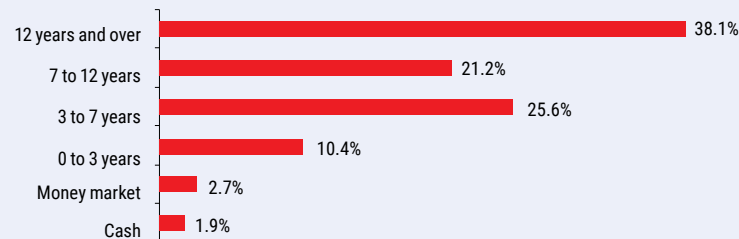
Top 10 credit exposures on 31 August 2024



Asset allocation on 31 August 2024



Maturity profile on 31 August 2024



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

The year of the great election has commenced, and a swing to the right is sweeping through the polls and flooding into ballot boxes. This is evident in the US, with strong polling figures for Donald Trump and the Republican Party; in the United Kingdom, where Nigel Farage's far-right Reform UK party has eroded some of the support base of the more temperate conservatives; in Germany, where the Social Democrats and Green Party have lost voter share while the prospects for the far-right Alternative for Germany (AfD) party have lifted with the conservative tide; and in France, where Marine Le Pen's right-wing Rassemblement National party significantly increased their seats in parliament.

These elections have arrived just two years after the highest levels of developed market inflation seen in 40 years. History doesn't repeat itself, but it often rhymes. In the Winter of Discontent following the high inflation of the 1970s, Margaret Thatcher led the Conservative Party to reach three landslide victories in the decade thereafter. The current "winter of disconnect" is not only fuelled by a reduction in purchasing power and social inequality but is also deeply rooted in the anti-illegal immigration movement.

In South Africa, the election results confirmed the polls that came before them – a large loss of voter share from the African National Congress (ANC) to Jacob Zuma's uMkhonto weSizwe Party (MK Party) in KwaZulu-Natal. In the days that followed, the market roiled as coalition outcomes were debated, but the MK Party's disorganisation, infighting, constantly changing member list and radical manifesto have made it too unruly to enter coalition discussions. Similarly, there were already mutterings pre-election from within the ANC that earlier provincial coalition partnerships with the Economic Freedom Fighters (EFF) had been damaging to the party. Thus, a government of national unity (GNU) has been formed – sans the EFF and MK Party.

Local equities and bonds have posted 12% and 11% annualised year-to-date returns, respectively. The SA 20-year bond yield has declined from a year-to-date high of 13.2% to as low as 11.9%, reducing the cost of funding for government. This reflects market exuberance with the results of the SA elections and the formation of a GNU that includes the Democratic Alliance (DA). A more confident SA market and a stronger rand can bleed into lower imported cost inflation and therefore have the potential to ease inflationary pressures from fuel and certain food items. As such, the SA market now prices for two to three interest rate cuts over the next two years.

In December 2017, market exuberance following Cyril Ramaphosa's election as president of the ANC saw a similar move in bonds. Ramaphoria, as the period came to be known, saw the 20-year bond spread versus US Treasuries

decline from 725 basis points (bps) to 560bps, or roughly a 13% capital return over just three months. Currently, the 20-year spread is at 753bps versus US Treasuries, reflecting that SA bonds are in fact cheaper now than they were pre-Ramaphoria on a relative valuation basis given our larger debt load and more severe interest service burden. Does this mean that this rally has longer to run if foreigners sustainably return to SA bond markets?

Casting one's eye one year forward from Ramaphoria to December 2018, yields were again wider, and the capital gain versus pre-Ramaphoria had collapsed to just 3% with the rand weaker alongside it. One lesson to be learned from this experience is that given the interwoven nature of the global economy and consumed goods, the path of interest rates can struggle to sustainably decline if global inflation misbehaves. In 2018, US inflation deviated from the Federal Reserve's 2% target and rose close to 3%. The inflation figure is similar today. In May 2024, US inflation printed at 3.3%, and the seven exuberant interest rate cuts priced into markets back in January 2024 have yet to materialise. The US labour market continues to be robust and consumers have been spending record amounts on items like travel.

A more imperative takeaway from the Ramaphoria period is that political goodwill alone cannot change the path of our country. For this time to be different, we need highly capable leaders to execute their mandates effectively after many years of decline in key government departments. Only the right mix of ingenuity and skill can improve South Africa's growth prospects and ultimately reduce unemployment. Some political parties have, for example, put forward ideas for revamping Home Affairs and resolving the ongoing tourist visa issues which frustrate this sector of the economy. Strong leaders in the right roles in key departments could have a tangible impact, as we saw when Edward Kieswetter turned the South African Revenue Service (SARS) around after state capture had eroded its operational ability and institutional integrity. Only time will tell if we will see a similar rebuild take place at a grander scale as the GNU and newly minted ministers find their feet.

In the last quarter, the Fund's weighted average yield to maturity (gross of fees) has widened versus the FTSE/JSE All Bond Index – measuring 11.3% versus 10.7% at quarter end. This is owing to the 28% of the Fund in floating-rate paper whose yields did not re-rate lower in the fixed-rate bond rally nor experience capital return, given that they pay a steady stream of income over time.

Commentary contributed by Thalia Petousis

Fund manager quarterly commentary as at 30 June 2024

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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.

Yield

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

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).

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Fund description and summary of investment policy

The Fund invests primarily in a mix of South African interest-bearing securities, with limited exposure to offshore interest-bearing securities. Returns are likely to be less volatile than those of a bond-only fund. The Fund is managed to comply with the investment limits governing retirement funds.

ASISA unit trust category: South African – Multi Asset – Income

Fund objective and benchmark

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

How we aim to achieve the Fund’s objective

The Fund invests in a broad range of South African interest-bearing securities, such as floating-rate notes, inflation-linked bonds, fixed-rate instruments and money market securities, with limited exposure to offshore interest-bearing securities. It provides investors with income 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 securities for the Fund. While the Fund can have limited exposure to equities and property, we expect this to occur infrequently and to typically coincide with unusual or extreme points in the valuation cycle. We take a conservative approach to managing the Fund, balancing credit risk, duration risk and liquidity risk when selecting securities.

Suitable for those investors who

- Are risk-averse and require capital preservation over any one- to two-year period
- Seek returns higher than traditional money market funds
- Seek a unit trust that provides an income
- Seek a prudently managed income ‘building block’
- Wish to invest in a unit trust that complies with retirement fund investment limits

Income distributions for the last 12 months

Actual payout, the Fund distributes quarterly	30 Jun 2024
Cents per unit	13.7849

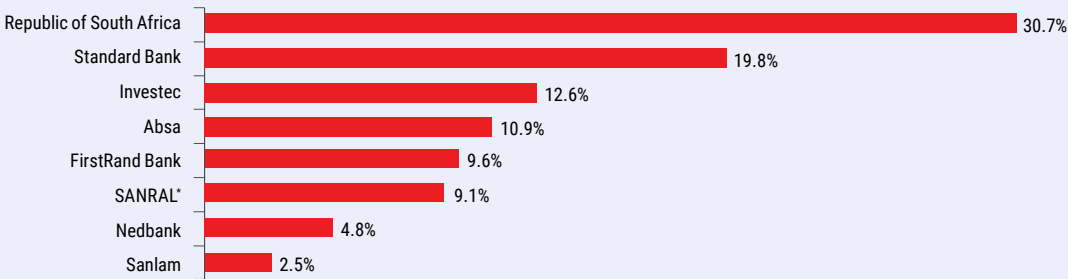
Fund information on 31 August 2024

Fund size	R0.6bn
Number of units	11 436 283
Price (net asset value per unit)	R10.38
Modified duration	0.8
Gross yield (i.e. before fees)	9.8
Net yield (i.e. after fees)	9.0
Fund weighted average maturity (years)	5.1
Class	A

Fund performance

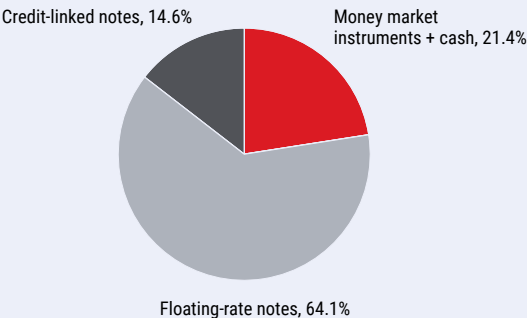
The Fund was launched on 1 May 2024. We will report its performance information from 31 October 2024.

Top credit exposures on 31 August 2024



* The debt holding is guaranteed by RSA Government.

Asset allocation on 31 August 2024



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

Annual management fee

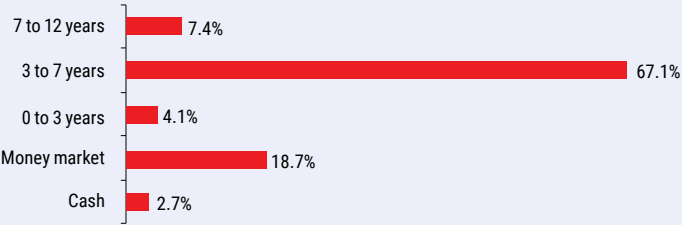
A fixed fee of 0.75% p.a. excl. VAT

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). Transaction costs are disclosed separately. Complete and accurate data is only available after 12 months. The TER and transaction costs are therefore based on actual data, where available, and best estimates.

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2024	1yr %	3yr %
Total expense ratio	0.87	0.87
Fee for benchmark performance	0.75	0.75
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.01	0.01
VAT	0.11	0.11
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.87	0.87

Maturity profile on 31 August 2024



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

The Fund was seeded on 1 May 2024, a time of heightened political uncertainty and increased market volatility in South Africa. In early June 2024, local debt markets witnessed a sell-off in the immediate aftermath of the election results as it became clear that the African National Congress (ANC) had lost its outright majority for the first time since 1994, creating uncertainty regarding potential coalition partners.

Following the local market sell-off, mid-June marked a pivotal moment for the country as the newly established government of national unity convened its inaugural parliamentary session and Cyril Ramaphosa was re-elected as president. This development was widely embraced by financial markets, with the rand, the FTSE/JSE All Share Index and the bond market all experiencing substantial gains, signalling investor confidence in the potential for economic reforms and stability.

During this period of volatility, there were good opportunities for the Fund to lock in five-year fixed-rate money market positions at 10% yield, which is a longer time horizon than what a traditional money market fund can look at. The Fund also invested in slightly more structured fixed-rate instruments yielding 12%, which the Fund subsequently took profit on in the market rally. While the Fund had some foreign exposure in the period to end-July, these instruments were hedged back to rands, and these positions have subsequently been sold as a profit-taking exercise given the large market rally. The peak modified duration we ran for the Fund during this period was 1.8, a far cry from the type of interest rate sensitivity and volatility one can expect from traditional bond funds.

Most of the Fund has exposure to floating-rate instruments that return cash rates plus a spread and have low modified duration. At end-July, the lowest yielding of these was cash + 1.3% and the highest yielding was cash + 3.1%. Overnight cash rates in South Africa remain at a 15-year high following the elevated inflation experienced over the last two years. During the July Monetary Policy Committee (MPC) meeting, the South African Reserve Bank kept interest rates unchanged, citing that the battle against inflation is not yet won, although two of the six MPC members voted to cut interest rates. The MPC prudently avoids giving forward guidance on interest rates so that they can remain nimble in the face of new data, although the market prices for rate cuts to begin as early as September 2024.

While the future remains uncertain, we aim to construct portfolios that can do well across a range of possible scenarios. We believe that the Fund currently holds assets that can provide above-cash returns and protect income in a high-inflation environment, particularly if interest rates remain higher than the prevailing inflation rate, as has been the case in South Africa over long periods. In the event of rate cuts, the Fund's weighted average yield (gross of fees) of 9.9% as at 31 July 2024 should decline, but it still offers a rate of interest that is 1.7% higher than that of overnight cash, as well as 4.8% higher than that of June's inflation print. The Fund also offers capital stability, is conservatively managed from a credit risk perspective, and should outperform traditional money market and cash-plus funds over one- to three-year periods.

Commentary contributed by Thalia Petousis

Fund manager commentary as at 31 July 2024

Note: From end-September 2024 we will publish fund manager commentaries on a quarterly basis, in line with all our other funds.

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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

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Yield

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

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

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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) 3-month Index.

How we aim to achieve the Fund’s objective

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

Suitable for those investors who

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

Fund information on 31 August 2024

Fund size	R29.1bn
Number of units	26 057 501 166
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.73
Fund weighted average coupon (days)	80.93
Fund weighted average maturity (days)	118.08
Class	A

- The current benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) 3-month Index. From inception to 31 March 2003, the benchmark was the Alexander Forbes 3-Month Deposit Index. From 1 April 2003 to 31 October 2011, the benchmark was the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund. From 1 November 2011 to 19 August 2024, the benchmark was the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Performance as calculated by Allan Gray as at 31 August 2024.
- This is based on the latest available numbers published by IRESS as at 31 July 2024.
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- 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.
- 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

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

Performance net of all fees and expenses

% Returns	Fund	Benchmark ¹	CPI inflation ²
Cumulative:			
Since inception (1 July 2001)	456.7	432.5	240.9
Annualised:			
Since inception (1 July 2001)	7.7	7.5	5.5
Latest 10 years	7.0	6.6	5.0
Latest 5 years	6.6	6.1	5.0
Latest 3 years	7.2	6.7	5.7
Latest 2 years	8.3	7.9	4.7
Latest 1 year	9.1	8.6	4.6
Year-to-date (not annualised)	6.0	5.6	2.8
Risk measures (since inception)			
Percentage positive months ³	100.0	100.0	n/a
Annualised monthly volatility ⁴	0.6	0.6	n/a
Highest annual return ⁵	12.8	13.3	n/a
Lowest annual return ⁵	4.3	3.8	n/a

Meeting the Fund objective

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

Annual management fee

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

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

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

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2024	1yr %	3yr %
Total expense ratio	0.29	0.29
Fee for benchmark performance	0.25	0.25
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.00	0.00
VAT	0.04	0.04
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.29	0.29

Exposure by issuer on 31 August 2024

	% of portfolio
Governments	42.3
Republic of South Africa	42.3
Banks ⁶	52.4
Nedbank	17.9
Standard Bank	13.3
FirstRand Bank	9.1
Investec Bank	6.4
Absa Bank	5.7
Corporates	5.3
Shoprite	2.5
Mercedes-Benz Group	1.7
Sanlam	1.1
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.

While South Africa's overnight interest rate was again left unchanged at 8.25% following the May meeting of the Monetary Policy Committee, the market had already moved to reduce one-year bank deposit rates from 9.30% in April to 8.85% at present, or 0.45% lower. This reflects market exuberance with the results of the SA elections and the formation of a government of national unity (GNU), which includes the Democratic Alliance. A more confident SA market and a stronger rand can bleed into lower imported cost inflation and therefore have the potential to ease inflationary pressures from fuel and certain food items. As such, the SA market now prices for two to three interest rate cuts over the next two years.

History doesn't repeat itself, but it often rhymes. During 2017, market exuberance following Cyril Ramaphosa's election as president of the African National Congress saw a similar move in interest rates. Ramaphoria, as the period came to be known, saw one-year money market rates decline by 0.45% over the month of December 2017 despite no change in the overnight rate. Casting one's eye a year forward to the end of December 2018, rate cuts had not sustainably emerged and one-year bank money market rates were in fact *higher* than they had been pre-Ramaphoria with the rand weaker alongside it.

A lesson to be learned from this experience is that given the interwoven nature of the global economy and consumed goods, the path of short-dated interest rates can struggle to sustainably decline if global inflation misbehaves. In 2018, US inflation deviated from the Federal Reserve's 2% target and rose to almost 3%. The inflation figure is similar today. In May 2024, US inflation

printed at 3.3% and the seven exuberant interest rate cuts priced into markets back in January 2024 have yet to materialise. The US labour market continues to be robust and consumers have been spending record amounts on items like travel.

Another key takeaway from the Ramaphoria period is that political goodwill alone cannot change the path of our country. For this time to be different, we need highly capable leaders to execute their mandates effectively after many years of decline in key government departments. Only the right mix of ingenuity and skill can improve South Africa's growth prospects and ultimately reduce unemployment. Some political parties have, for example, put forward ideas for revamping Home Affairs and resolving the ongoing tourist visa issues, which frustrate this sector of the economy. Strong leaders in the right roles in such departments could have a tangible impact, as we saw when Edward Kieswetter turned the South African Revenue Service (SARS) around after state capture had eroded its operational ability and institutional integrity. Only time will tell if we will see a similar rebuild take place on a grander scale as the GNU and the newly appointed ministers find their feet.

In the last quarter, the Fund raised its exposure to short-dated Government Treasury Bills as six-month government yields rose to be 0.5% wider than the equivalent bank money market deposits. The Fund's weighted average yield (gross of fees) declined over the quarter from 9.47% to 9.40% as the Fund began to reinvest deposit maturities at the lower prevailing term interest rates.

Commentary contributed by Thalia Petousis

**Fund manager quarterly
commentary as at
30 June 2024**

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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).

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