Allan Gray Multi-Manager Moderate Portfolio

31 March 2025

Portfolio description and summary of investment policy

The Portfolio invests in the Balanced mandates of a minimum of three managers, all of which are managed to comply with the investment limits governing retirement funds. The Allan Gray Balanced Portfolio has a target allocation of 30% (excluding cash) in the Multi-Manager Portfolio. This allocation can change as a result of performance within pre-defined parameters. The Portfolio is a pooled portfolio offered by Allan Gray Life and is only available to members of the Allan Gray Umbrella Pension Fund and the Allan Gray Umbrella Provident Fund (collectively known as the Allan Gray Umbrella Retirement Fund).

Portfolio objective and benchmark

The Portfolio aims to achieve steady long-term growth of capital for investors within the constraints governing retirement funds, while producing returns superior to the average return of similar funds without assuming any more risk. The Portfolio's benchmark is a composite benchmark, of which 60% is domestic and 40% is foreign.[2]

How we aim to achieve the Portfolio's objective

We have selected managers with a strong track record who have consistently executed on their investment approach over time. These managers have complementary investment styles which, when combined appropriately, should improve the Portfolio's potential to deliver real returns through different market cycles.

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 portfolio that complies with retirement fund investment limits
- Typically have an investment time horizon of at least three years
- Wish to diversify risk across multiple managers

Annual management fee

Each underlying manager charges their own fee. Where performance fees are charged, this is based on the underlying manager's performance compared to its respective benchmark. The benchmark for each underlying manager may differ from the benchmark of the Portfolio.

Allan Gray charges a multi-management fee based on the net asset value of the Portfolio, excluding the portion invested in Allan Gray portfolios. This fee is 0.20% p.a. (which equates to approximately 0.14% p.a. on the entire Portfolio).

Underlying portfolio allocation on 31 March 2025

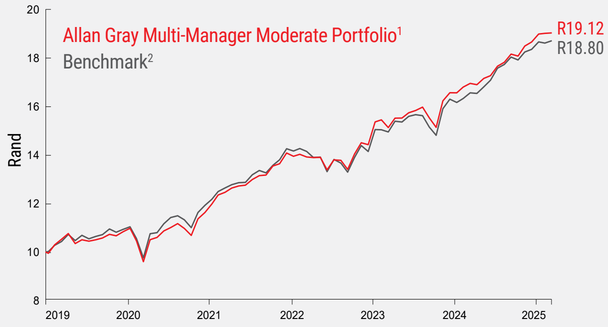
Portfolio	% of Portfolio
Allan Gray Balanced Portfolio	29.3
Coronation Global Houseview Portfolio	25.1
M&G Balanced Portfolio	19.5
Ninety One Opportunity Portfolio	25.1
Cash	1.1
Total	**100.0**

1. Performance is net of all fees and expenses.
2. 41% FTSE/JSE Capped Shareholder Weighted All Share Index, 10% FTSE/JSE All Bond Index, 9% 3-month STeFI, 24% MSCI All Country World Index and 16% J.P. Morgan Global Government Bond Index, all including income. From inception to 31 July 2022 the benchmark was 47% FTSE/JSE Capped Shareholder Weighted All Share Index, 14% FTSE/JSE All Bond Index, 9% 3-month STeFI, 18% MSCI All Country World Index and 12% J.P. Morgan Global Government Bond Index, all including income. Source: IRESS BFA, Bloomberg.*
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 17 February 2020 to 23 March 2020. Drawdown is calculated on the total return of the Portfolio/benchmark (i.e. including income).
4. The percentage of calendar months in which the Portfolio produced a positive monthly return since inception.
5. The standard deviation of the Portfolio's monthly return. This is a measure of how much an investment's return varies from its average over time.

* The blended returns are calculated by Allan Gray Proprietary Limited using end of day index level values licensed from MSCI ("MSCI Data"). For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "AS IS" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilising any MSCI Data, models, analytics or other materials or information.

Performance net of all fees and expenses

Value of R10 invested at inception



% Returns	Portfolio[1]	Benchmark[2]
Cumulative:		
Since inception (18 January 2019)	91.2	88.0
Annualised:		
Since inception (18 January 2019)	11.0	10.7
Latest 5 years	14.8	14.0
Latest 3 years	11.1	9.8
Latest 2 years	12.2	11.9
Latest 1 year	12.3	13.1
Year-to-date (not annualised)	2.0	2.0
Risk measures (since inception)		
Maximum drawdown[3]	-22.3	-23.0
Percentage positive months[4]	73.0	66.2
Annualised monthly volatility[5]	9.1	9.2

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Quarterly commentary as at 31 March 2025

Last year was marked with above average political risk as a result of the major elections which took place. This year has been marked with its own share of risks, as can be seen with the tariff wars. Having said this, the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) returned approximately 23% for the year ending 31 March 2025 – an increase compared to the one-year period ended 31 December 2024. The resources sector recovered to post positive returns of approximately 19% for the one-year period to 31 March 2025. The financials and industrials sectors returned approximately 20% and 21% respectively over the same period. The MSCI All Country World Index (MSCI ACWI) underperformed the Capped SWIX, returning approximately 6% in rand terms over the one-year period ending 31 March 2025.

The latest annual inflation figure was unchanged from the previous month at 3.2% (February 2025). This marked the fourth month in a row that inflation was above the five-year low of 2.8% recorded in October 2024, as noted by Statistics South Africa. At its previous meeting in March 2025, the South African Reserve Bank highlighted that risks to economic stability required caution and therefore kept the repo rate unchanged at 7.5%.

The Portfolio return was on par with that of its benchmark for the latest quarter. It lagged the benchmark over the one-year period ending 31 March 2025. However, over the long term, the Portfolio delivered returns ahead of benchmark returns.

On a look-through basis, Bid Corporation was displaced from the top 10 local equities. The overall allocation of the top 10 local equities increased by approximately 1% compared to the quarter ended 31 December 2024. From an asset allocation point of view, there was a marginal increase in local asset class allocation relative to foreign asset classes.

Commentary contributed by Tonderai Makeke

Top 10 share holdings on 31 March 2025 (updated quarterly)

Company	% of Portfolio
Naspers & Prosus	5.6
Standard Bank	2.0
British American Tobacco	1.9
AB InBev	1.6
Richemont	1.3
Remgro	1.3
AngloGold Ashanti	1.2
FirstRand	1.2
Mondi	1.1
Capitec Bank	1.0
Total (%)	**18.3**

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

Asset allocation on 31 March 2025

Asset class	Total	South Africa	Foreign
Net equities	66.1	35.0	31.0
Hedged equities	3.5	1.0	2.5
Property	2.9	2.1	0.8
Commodity-linked	1.6	1.6	0.0
Bonds	16.8	12.6	4.2
Money market, bank deposits and currency hedge	8.7	7.7	1.0
Other[6]	0.4	0.4	0.0
Total (%)	**100.0**	**60.5**	**39.5**

6. Hedge fund.

Total expense ratio (TER) and transaction costs

TER and transaction costs breakdown for the 1- and 3-year period ending 31 December 2024[9]	1yr %	3yr %
Total expense ratio[7]	**0.83**	**0.92**
Fee for benchmark performance	0.66	0.66
Performance fees	0.02	0.11
Other costs excluding transaction costs	0.15	0.15
Transaction costs[8]	**0.10**	**0.09**
Total investment charge	**0.93**	**1.01**

7. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs.
8. Transaction costs are a necessary cost in administering the Portfolio and impacts Portfolio returns. It 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.
9. This estimate is based on information provided by the underlying managers.

Commentary from underlying fund managers as at 31 March 2025

M&G Balanced Portfolio

Performance review

The Portfolio returned 2.3% for the first quarter of 2025, while it delivered returns in excess of 15% for the 12-month period and approximately 11% per annum for the 3-year period, both ending 31 March 2025.

In terms of asset allocation this quarter, the Portfolio's SA equity position added significant value on an absolute basis. However, it returned slightly less than its benchmark. The Portfolio's underweight allocation to international equity and favourable stock selection kept it in positive territory on an absolute and relative basis versus the negative returns experienced by the market. The Portfolio's underweight position in SA cash proved beneficial, contributing positively on an absolute basis and against the benchmark. However, the overweight position in international cash detracted from value on a relative basis, given that the US dollar weakened against some major currencies during the quarter.

Within SA equity, the strong rally for the quarter was very concentrated in a few bigger names and the Portfolio's overweight position in MTN (up 34%) was the top contributor to absolute and relative performance. The next biggest contributor to performance this quarter was AngloGold Ashanti (up 66%) on the back of strong performance in the precious metal and mining space. Gold was significantly up in the month of March. Not holding shares in Harmony Gold Mining detracted from relative performance, as it delivered well during the quarter.

Strategy and positioning

The start of the year saw the South African market outperform global peers. We saw very strong moves in the SA equity market, as measured by the FTSE/JSE Capped SWIX which returned 5.9% for the quarter against the 3.8% fall in global equities, as measured by the MSCI ACWI (both in rands). The bond market was more subdued, adding 70 basis points, but this was also ahead of the flat performance of the Bloomberg Global Aggregate Bond Index (in rands).

Our broad preference continues to be overweight South African domestic assets and underweight foreign exposure. Within our global positioning in our funds, we are currently neutral equities, overweight bond duration and cash, and underweight property and credit exposure. We kept our overall positioning fairly intact during the quarter.

The valuation for the MSCI ACWI 12-month forward price-to-earnings (P/E) ratio reduced from 18.35 times at the start of the year to 17.25 times by the end of the quarter. This is mainly due to the downward move in US equity markets. We made no changes to our global equity positioning in our funds on the back of these moves, as we believe there's still room for the trend to continue. As such, we continue to have a short position to the US market, counter-balanced by long positions to China, Mexico, South Korea, and a few other developed and emerging countries.

On the global bond side, we continue to hold our existing position to long-dated US treasuries in our funds with an overweight duration position. We also still maintain our position to Brazilian bonds, which we added at the end of last year. New positions added were UK gilts and German bunds during the sell-off in global bond markets in the first few weeks of January. We maintain our underweight position to global corporate credit, given that credit spreads are still trading at very compressed levels.

We have seen some earnings expectations upgrades in our local market during the quarter. Our market still screens cheap when looking at pure fundamentals, such as the price-to-book ratio (1.79 times) and forward P/E ratio (10.10 times). We have cut our SA equity position to neutral in our funds on the back of the significant outperformance of our market compared to other markets during the first quarter. We view this as a tactical trade due to relative market moves.

On the SA bond side, we still see value as real bond yields are trading in excess of our fair value and we continue to hold an overweight to nominal bonds.

Fundamentals for the local property sector have also improved somewhat on the back of a retracement in price for this asset class after very strong positive performance in 2024. We have kept our property positioning at a small underweight to neutral position, after making use of market opportunities during the previous year to reduce the underweight we had to that asset class.

Ninety One Opportunity Portfolio

For the quarter, the Portfolio generated a positive absolute return.

Our domestic equity positioning contributed meaningfully to performance over the quarter in what was a strong period for the domestic market. Our equity exposure was maintained at approximately 28% of the Portfolio at quarter end, with around two-thirds allocated to SA listed global businesses and the remainder across locally focused companies. Our positioning reflected a cautious and selective stance toward the South African market, aligned with the uncertain macroeconomic backdrop. This approach acknowledged the limited progress on a broad-based economic recovery and the persistent weakness in foreign investor appetite. Given the elevated external risks and wide range of potential outcomes, our conviction in local equities remains tempered. Material contributors over the quarter included Prosus, Richemont and British American Tobacco, where investors sought the comfort of safety while looking towards positions with positive earnings and growth prospects. Offsetting this were domestic-oriented holdings where earnings are linked to the local economy in an environment where investor optimism has faded and foreign holders continue to sell. These include Santam, Clicks and Shoprite (which remains one of the more liquid, tradeable shares held by global investors).

Also adding value over the quarter was the Portfolio's gold exposure. The gold price surged to a record high of over US$3 100 per ounce by quarter end driven by heightened geopolitical tensions and global economic uncertainty, which boosted demand for safe-haven assets. While the rand appreciated against the US dollar over the period, the strength in the underlying US dollar gold price more than offset currency headwinds. As a result, our gold

Commentary from underlying fund managers as at 31 March 2025

exchange-traded fund positioning delivered strong rand-based returns, providing valuable diversification and downside protection amid volatile market conditions.

In terms of the Portfolio's offshore equity exposure, the first quarter saw notable shifts in global markets. US equities faced challenges, with the S&P 500 hitting a technical correction in March, off its peak just a month earlier. This decline was largely attributed to escalating trade tensions and recent tariff announcements by US President Donald Trump, which negatively impacted investor confidence, raised inflation concerns and weighed on real growth expectations.

Markets also experienced a notable shift, with the technology sector coming under pressure amid a broader reassessment of interest rate expectations, positioning and valuation risks. Key drivers included stronger-than-expected inflation data in the US, which pushed bond yields higher and led investors to scale back bets on near-term US interest rate cuts. This weighed particularly heavily on growth-oriented sectors like technology, where valuations are more sensitive to discount rate moves. The impact was also acute on goods-producing sectors, where we have already seen immediate impacts on autos and consumer discretionary stocks. Tariff responses can only come from raising prices or absorbing the cost and suffering margin declines. Rand strength compounded the impact, with primary detractors including Microsoft, Alphabet, Icon and Booking Holdings. Contributors included Visa, Verisign, Check Point and Nestlé.

Over the quarter, we trimmed positions in Check Point, Moody's, Nestlé and ADP, which performed well, reducing position-sizing into strength. We added to Align Technology, given confidence in the investment thesis at a more attractive entry point. We initiated a new position in Marsh McLennan, a high-quality, defensive and globally diversified professional services firm with strong recurring revenue characteristics. Positioning remains diversified, focused on businesses with low economic sensitivity and earnings resilience, given that we expect markets to remain volatile in the short term. We retain an allocation of just over 40% at quarter end.

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J.P. Morgan Global Government Bond Index

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MSCI Index

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