

The Allan Gray investment portfolios included on the Old Mutual SuperFund Platform select investments from all asset classes, include foreign exposure and are managed in accordance with Regulation 28.

Allan Gray Life Global Absolute Portfolio - an aggressively managed pooled portfolio designed for institutional investors seeking superior absolute returns (in excess of inflation) over the long-term with a higher risk tolerance in the short term than the Balanced Portfolio. This portfolio fully reflects the manager's strong investment convictions and it could deviate considerably in both asset allocation and stock selection from the average retirement portfolio.

Allan Gray Life Global Balanced (RRF) Portfolio - an actively managed pooled portfolio for institutional investors with an average risk tolerance. It aims to offer long-term returns superior to the mean performance of the large managers surveyed, but at lower risk of capital loss.

Allan Gray Life Global Stable Portfolio - a conservatively managed pooled portfolio for risk-averse institutional investors. It aims to offer superior returns to money market investments with limited capital volatility whilst striving for capital preservation over any two-year period. This portfolio has less risk of capital loss than the Balanced Portfolio.

Transformation, diversity and inequality are important social issues for the communities we serve and for our country. We proudly contribute to reducing inequality and to growing jobs and the economy, not only through our work in managing the savings of millions of pension fund members and clients, but also through our ownership structure and the Allan Gray Orbis Foundation and Endowment.

The Allan Gray Orbis Foundation is a public benefit organisation funded through the donation of 5% of the pre-tax profits of Allan Gray Proprietary Limited. This may not seem impressive, but it is about seven times the average corporate social commitment in our country as a percentage of profits. The Foundation believes entrepreneurship is the best way to ensure long-term equality and prosperity in Southern Africa and offers high school scholarships to learners who are in financial need, have a curious, entrepreneurial mindset and the potential to excel academically. It also awards Candidate Fellows with full funding to university in addition to access to support and development to cultivate an entrepreneurial mindset. Importantly there is no post graduate contractual obligation for recipients. The Foundation currently funds 321 Candidate Fellows and 158 learners, whilst 325 Fellows have graduated through the programme since its start in 2007. Under the Foundation's trust deed, at least 90% of its Fellows must be Black South Africans.

Disclaimer:

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The Foundation has as its goal to develop high impact entrepreneurs. It recruits the best and brightest school leavers across the country, sends them to university and supports their development with an impactful extra-curricular programme and committed external volunteer mentors. At the end of university a Fellow is expected to get some real world work experience, after which they may apply to E² for favourable funding terms to start a business or social enterprise. If only a few of these young people go on to become successful high impact entrepreneurs each year it will make a meaningful difference to South Africa's prosperity.

E² stands for 'excellence in entrepreneurship' and is a long-term capital fund created for the purpose of providing subsidised financing to entrepreneurs who are Fellows of the Allan Gray Orbis Foundation. In addition, E² provides financing for activities of social entrepreneurs who demonstrate exceptional leadership and creative initiative in non-profit sectors. E² owns 17.8% of Allan Gray Proprietary Limited and thus is funded by 17.8% of our distributed profits. It is bound by its trust deed to have a majority of Black trustees and it is independent of the Allan Gray Group, with trustees appointing their successors. Two of the E² trustees are nominated as directors of Allan Gray Proprietary Limited. In 2016 E² made the final payment of debt incurred to buy its stake in Allan Gray, and has now begun to fund Fellows' new ventures.

The Allan Gray Orbis Foundation Endowment was founded through a donation by Allan W.B. Gray to provide financial support to the Allan Gray Orbis Foundation in the event that Allan Gray Proprietary Limited can no longer fund the activities of the Foundation.

Responsible Investing

We take a long-term view when considering an investment at Allan Gray, as our purpose is to help our clients build long-term wealth. This means that sustainability is important to us in our overall investment appraisal. Our investment philosophy recognises that, in the long-run, a company cannot achieve sustained economic success while neglecting its environmental and social responsibilities. Environmental, Social and Governance (ESG) risks and opportunities are thoroughly assessed as part of our bottom-up company analysis and weigh into the decision-making process of the investment team's vote to buy or sell specific shares.

Once our clients are invested, we will support, on their behalf, anything that we think makes the business a better long-term financial prospect. Our investment team engaged with company representatives on 595 occasions over the 12 months to 30 September 2017. During these engagements, ESG and sustainability issues were specifically discussed on 276 occasions. In addition, we made voting recommendations on 1 707 resolutions tabled at shareholder meetings of South African listed companies – assisting our clients in exercising their ownership responsibilities.