Portfolio Manager Quarterly Comment

The Glacier Global Stock Feeder Fund had a total return of +8.71% for the first quarter of 2024, compared to +12.74% for the MSCI World Index, both in rand terms. For the trailing year ending 31 March 2024, the Fund had a total return of +28.08%, compared to +33.53% for the MSCI World, also in rand terms.

Investment commentary – in USD

Global equity markets achieved all-time highs during the first quarter of 2024, with the MSCI ACWI up 8.2%. This performance represented a continuation of strong 2023 performance and was driven by solid earnings growth, a resilient global economy, and consensus expectations for US interest rate cuts.

Many stocks exposed to artificial intelligence (AI) saw large gains. For example, Nvidia – a world leader in AI computing – rose 82% and was the largest single contributor to the MSCI ACWI's return, accounting for 19% of the Index's performance in the first quarter. Many AI beneficiaries are also domiciled in the US and thereby bolstered performance in the MSCI ACWI region (up 10.3%).

Japan was the best-performing region (up 11.0%), buoyed by corporate governance reform and the Bank of Japan's decision to raise interest rates for the first time in 17 years, which ended its negative rate policy. In emerging markets, the MSCI China Index declined 2.2% amid concerns about China's economic outlook, faltering real estate market, and geopolitical tensions.

Global growth stocks continued to outperform global value stocks during the quarter, and the valuation disparity between value and growth stocks remains wide. The MSCI ACWI Value Index ended the quarter trading at 13.5 times forward earnings versus 25.4 times for the MSCI ACWI Growth Index.

The Fund's USD Accumulating Class returned 5.7% in the first quarter, underperforming the MSCI ACWI by 2.5 percentage points. The largest detractors were the Fund's holdings in the communication services sector and overweight position and holdings in the health care sector. Europe and the United States were the largest detractors by region.

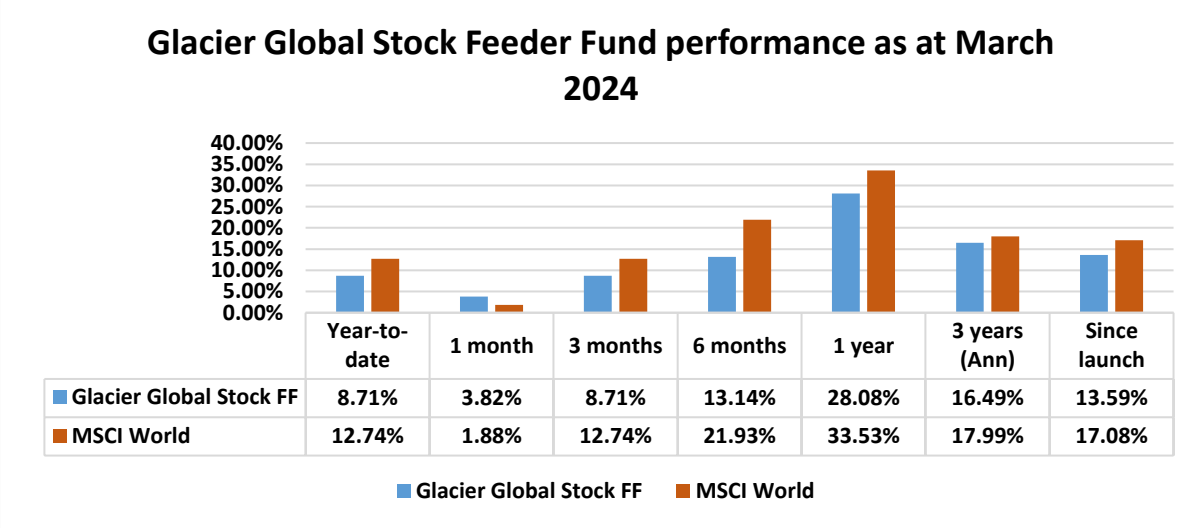
At Dodge & Cox, we recognise the importance of having a long-term investment horizon. This approach can result in the Fund being underweight pockets of market exuberance and, as a result, may underperform at times. In the first quarter, not owning Nvidia alone generated over half of the Fund's relative underperformance against the MSCI ACWI.

Applying our price-disciplined approach, we adjusted the Fund's portfolio to take advantage of opportunities where we believe the company's fundamentals are not fully reflected in the valuation. During the first quarter, we initiated a position in American Electric Power, the largest owner/operator

of US power transmission grids with a large, integrated, mostly regulated power plant portfolio. We believe the company is an energy transition beneficiary with a solid balance sheet, improving free cash flow profile, and stable, growing dividend.

The Fund trades at an attractive valuation of 12.0 times forward earnings, which is a discount to not only the MSCI ACWI at 17.8 times but also to the MSCI ACWI Value at 13.5 times. We continue to be optimistic about the long-term outlook for the Fund, which is diversified by sector, region, and investment thesis. We thank you for your continued confidence in Dodge & Cox.

Figure 1: Glacier Global Stock Feeder Fund performance (in ZAR) as at March 2024



	Year-to-date	1 month	3 months	6 months	1 year	3 years (Ann)	Since launch
Glacier Global Stock FF	8.71%	3.82%	8.71%	13.14%	28.08%	16.49%	13.59%
MSCI World	12.74%	1.88%	12.74%	21.93%	33.53%	17.99%	17.08%

Source: Morningstar Direct & Glacier Research

Table 1: MSCI World style indices performances (in ZAR) as at March 2024

	Year-to-date	1 month	3 months	6 months	1 year
MSCI World Growth	14.15%	0.54%	14.15%	25.59%	40.03%
MSCI World Quality	15.53%	1.23%	15.53%	26.11%	42.62%
MSCI World Value	11.3%	3.34%	11.3%	18.09%	26.77%
MSCI World Momentum	24.37%	2.99%	24.37%	35.34%	45.19%

Source: Morningstar Direct & Glacier Research

First Quarter Performance review – in USD

The USD Accumulating Class underperformed the MSCI World by 2.54 percentage points during the quarter.

Key contributors to relative performance:

- Stock selection in Industrials.
- Positions in GSK, Barclays, and Coherent.

Key detractors from relative performance:

- Communication Services holdings, particularly Charter Communications.
- Health Care holdings, including Sanofi, and overweight position in the sector.
- Positions in Prudential PLC and Anheuser-Busch InBev.