Allan Gray Life Domestic Absolute Portfolio

30 April 2021

Portfolio objective and benchmark

This Portfolio is 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. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all local asset classes.
- Fully reflects the manager's strong investment convictions and could deviate considerably in both asset allocation and stock selection from the average retirement portfolio.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Compliance with Prudential Investment Guidelines

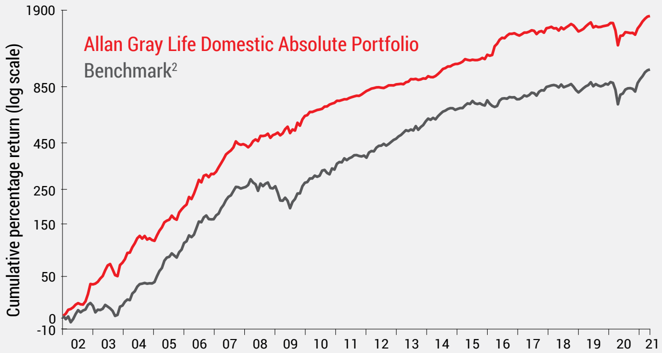
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 30 April 2021

Assets under management	R571m

Performance gross of fees

Cumulative performance since inception



1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
2. Mean of Alexander Forbes Domestic Large Manager Watch. The return for April 2021 is an estimate.
3. Includes holding in Prosus NV if applicable.

% Returns[1]	Portfolio	Benchmark[2]
Since inception	16.0	13.0
Latest 10 years	8.2	8.8
Latest 5 years	4.4	5.9
Latest 3 years	3.8	5.0
Latest 2 years	3.2	6.5
Latest 1 year	21.4	28.2
Latest 3 months	5.6	6.8

Top 10 share holdings on 31 March 2021 (updated quarterly)

Company	% of Portfolio
British American Tobacco	11.0
Naspers[3]	10.4
Glencore	5.8
Woolworths	4.2
Standard Bank	3.2
MultiChoice	2.8
Sasol	2.4
Remgro	2.4
Anglo American	2.0
Nedbank	1.9
Total (%)	**46.1**

Asset allocation on 30 April 2021

Asset class	Total
Net SA equity	67.7
Hedged SA equity	4.8
Property	0.2
Commodity-linked	3.4
Bonds	15.9
Money market and bank deposits	8.1
Total (%)	**100.0**

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

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Fund manager quarterly commentary as at 31 March 2021

The Portfolio returned 9% for the quarter, building on the recovery from the March 2020 lows. While pleasing, the three- and five-year numbers remain low in real terms and relative to fixed income.

Returns have been driven by strong equity markets, with the FTSE/JSE All Share Index (ALSI) and the MSCI World Index up 81% and 78% respectively from their March 2020 lows. For local equities, this return must be put in the context of a market that has traded sideways since 2014. When measured in US dollars, local equities have been outperforming global equities since the pandemic bottom, but the ALSI remains very depressed compared to the World and Emerging Market indices.

Bull markets are born out of pessimism and do not want to take investors along at the start. It is hard to imagine a more pessimistic scenario than 2020 for South Africa and, while we obviously do not know if this is the start of a bull market, we still own many cheap local shares. The net equity weighting at 69.1% reflects this belief, as well as the large rebound in prices.

The past few years have been a great time for index investors both locally and offshore, with indices driven by a small number of shares. As an active manager, we aim to beat the index, and can only do so by holding a portfolio that is different from the index. The recent increase in long bond yields and inflation expectations has caused many of the unloved and depressed shares, which do not dominate the index, to outperform quite strongly. This has helped the Portfolio.

So, how is the Portfolio positioned to outperform?

1. We are underweight iron producers (BHP and Anglo) and overweight the rest of the commodity basket via Glencore and Sasol.
2. We are overweight British American Tobacco, which has meaningfully underperformed in a strong market. As an "anti-bubble" share, it should provide protection during a correction, while paying an 8% dividend yield.
3. Naspers remains one of the largest equity positions.
4. With quantitative easing in combination with fiscal stimulus around the world, we own platinum and gold, as well as the miners including Sibanye-Stillwater, Impala Platinum and selected gold shares.
5. We retain an exposure to depressed local domestic shares, which remain well below their 2018 highs, including Woolworths, Standard Bank, FirstRand and Old Mutual.
6. On the fixed income side, we have a higher-than-normal weight to bonds given the steep yield curve.

The Portfolio seeks to own a diversified selection of undervalued assets that will produce real returns at an acceptable risk. We believe that to be the case currently.

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Past performance is not indicative of future performance.

MSCI Index

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Allan Gray

Inception date: 1 September 2001

Allan Gray Life Domestic Balanced Portfolio

30 April 2021

Portfolio objective and benchmark

This Portfolio is for institutional investors with an average risk tolerance. It aims to offer long-term returns superior to the benchmark, but at lower risk of capital loss. In terms of Allan Gray's risk-profiled range, this Portfolio has a higher risk of capital loss than the Stable Portfolio, but less than the Absolute Portfolio. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all local asset classes.
- Represents Allan Gray's 'houseview' for a domestic balanced mandate.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Compliance with Prudential Investment Guidelines

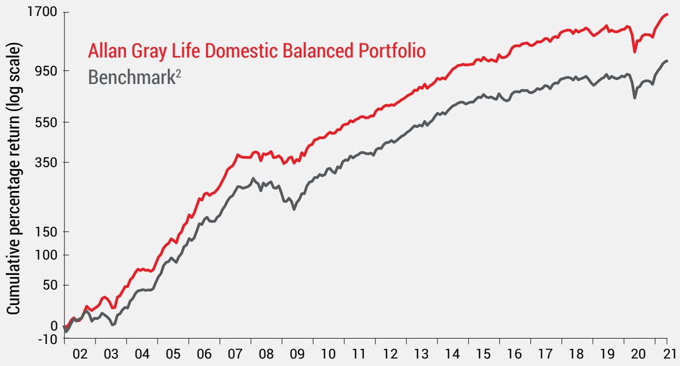
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 30 April 2021

Assets under management	R3 000m

Performance gross of fees

Cumulative performance since inception



1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
2. Mean of Alexander Forbes Domestic Large Manager Watch. The return for April 2021 is an estimate.
3. Includes holding in Prosus NV if applicable.

% Returns[1]	Portfolio	Benchmark[2]
Since inception	15.6	13.1
Latest 10 years	9.9	8.8
Latest 5 years	6.1	5.9
Latest 3 years	5.0	5.0
Latest 2 years	5.5	6.5
Latest 1 year	27.8	28.2
Latest 3 months	6.3	6.8

Asset allocation on 30 April 2021

Asset class	Total
Net SA equity	68.9
Hedged SA equity	1.0
Property	1.4
Commodity-linked	2.8
Bonds	19.7
Money market and bank deposits	6.2
Total (%)	**100.0**

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

Top 10 share holdings on 31 March 2021 (updated quarterly)

Company	% of Portfolio
Naspers[3]	9.3
British American Tobacco	6.9
Glencore	5.2
Woolworths	3.2
Sibanye Stillwater	2.8
Standard Bank	2.5
FirstRand	2.4
Old Mutual	2.3
Sasol	2.2
Remgro	2.1
Total (%)	**38.8**

Issued: 11 May 2021

Fund manager quarterly commentary as at 31 March 2021

The Portfolio returned 9% for the quarter, building on the recovery from the March 2020 lows. While pleasing, the three- and five-year numbers remain low in real terms and relative to fixed income.

Returns have been driven by strong equity markets, with the FTSE/JSE All Share Index (ALSI) and the MSCI World Index up 81% and 78% respectively from their March 2020 lows. For local equities, this return must be put in the context of a market that has traded sideways since 2014. When measured in US dollars, local equities have been outperforming global equities since the pandemic bottom, but the ALSI remains very depressed compared to the World and Emerging Market indices.

Bull markets are born out of pessimism and do not want to take investors along at the start. It is hard to imagine a more pessimistic scenario than 2020 for South Africa and, while we obviously do not know if this is the start of a bull market, we still own many cheap local shares. The net equity weighting at 69.1% reflects this belief, as well as the large rebound in prices.

The past few years have been a great time for index investors both locally and offshore, with indices driven by a small number of shares. As an active manager, we aim to beat the index, and can only do so by holding a portfolio that is different from the index. The recent increase in long bond yields and inflation expectations has caused many of the unloved and depressed shares, which do not dominate the index, to outperform quite strongly. This has helped the Portfolio.

So, how is the Portfolio positioned to outperform?

1. We are underweight iron producers (BHP and Anglo) and overweight the rest of the commodity basket via Glencore and Sasol.
2. We are overweight British American Tobacco, which has meaningfully underperformed in a strong market. As an "anti-bubble" share, it should provide protection during a correction, while paying an 8% dividend yield.
3. Naspers remains the largest equity position.
4. With quantitative easing in combination with fiscal stimulus around the world, we own platinum and gold, as well as the miners including Sibanye-Stillwater, Impala Platinum, and selected gold shares.
5. We retain an exposure to depressed local domestic shares, which remain well below their 2018 highs, including Woolworths, Standard Bank, FirstRand and Old Mutual.
6. On the fixed income side, we have a higher-than-normal weight to bonds given the steep yield curve.

The Portfolio seeks to own a diversified selection of undervalued assets that will produce real returns at an acceptable risk. We believe that to be the case currently.

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MSCI Index

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ALLAN GRAY

Inception date: 11 January 2001

Allan Gray Life Domestic Equity Portfolio

30 April 2021

Portfolio objective and benchmark

This Portfolio is for institutional investors requiring management of a specific equity portfolio. It aims to offer superior returns to that of the FTSE/JSE Capped Shareholder Weighted All Share Index including dividends, but with a lower risk of capital loss. The benchmark is the FTSE/JSE Capped Shareholder Weighted All Share Index including dividends.

Product profile

- Actively managed pooled portfolio.
- Represents Allan Gray's 'houseview' for a specialist equity-only mandate.
- Portfolio risk is controlled by limiting the exposure to individual counters.

Investment specifics

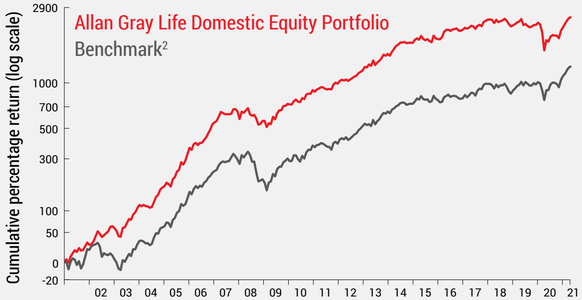
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Portfolio information on 30 April 2021

Assets under management	R4 053m

Performance gross of fees

Cumulative performance since inception



% Returns[1]	Portfolio	Benchmark[2]
Since inception[3]	17.6	13.8
Latest 10 years	9.9	10.8
Latest 5 years	3.5	8.2
Latest 3 years	1.2	8.5
Latest 2 years	1.3	10.8
Latest 1 year	36.3	37.7
Latest 3 months	9.0	10.1

Sector allocation on 31 March 2021 (updated quarterly)

	% of Portfolio	% of benchmark
Energy	0.0	1.1
Basic materials	26.6	28.6
Industrials	3.4	3.8
Consumer goods	13.2	10.9
Healthcare	3.5	2.5
Consumer services	9.0	6.5
Telecommunications	1.8	5.9
Financials	27.3	23.2
Technology	12.1	13.0
Commodity-linked	0.3	0.0
Other	0.1	0.0
Money market and bank deposits	1.0	0.0
Real estate	1.6	4.5
Total (%)	**100.0**	**100.0**

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

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
2. FTSE/JSE Capped Shareholder Weighted All Share Index. The benchmark prior to 1 October 2020 is the FTSE/JSE All Share Index.
3. Since alignment date (1 February 2001).
4. Includes holding in Prosus NV if applicable.

Top 10 share holdings on 31 March 2021 (updated quarterly)

Company	% of Portfolio
Naspers[4]	12.1
British American Tobacco	7.9
Glencore	6.3
Woolworths	4.5
Standard Bank	3.3
Reinet	3.2
FirstRand	3.2
Sibanye Stillwater	3.2
Old Mutual	3.0
Remgro	2.9
Total (%)	**49.8**

Issued: 11 May 2021

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Fund manager quarterly commentary as at 31 March 2021

In his 1986 letter to shareholders, Warren Buffett famously spoke of being fearful when others are greedy, and greedy when others are fearful. These words are as true today as they were then, and for the same reason: human emotion. Much like a contagious disease, greed and fear can rapidly spread through the investment community, coming to dominate our decisions irrespective of the underlying value on offer. The last year provides an apt example.

Just over a year ago today, at midnight on 26 March 2020, South Africa went under our first COVID-19-related lockdown. At that point in time, no one had a clear idea of how long the virus would be with us, nor of the social, human, and economic impact. Fear and uncertainty were heightened, and this reflected in our equity market. The FTSE/JSE All Share Index (ALSI) began 2020 offering what appeared to be attractive valuations, and yet by the end of March 2020, it had declined a further 21.4% as fear spread.

In many respects, we are no closer today to knowing when life will return to normal (if ever), but sentiment in markets has changed materially. Those who stayed invested, or were fortunate enough to have capital to deploy and be greedy, have been healthily rewarded. From the end of March 2020 to today, the ALSI has returned 54% including dividends reinvested. In US dollars those returns are even greater, at over 80%, as the rand has strengthened from R17.86/US$ to below R15/US$ over this same period.

Since the end of March 2020, the Portfolio has delivered similar absolute returns, delivering a return of 54.8% over the past year. Cumulatively, since the end of December 2019, the ALSI has delivered a return of 21.1%, while the Portfolio has delivered a relatively disappointing return of 6.9% in comparison.

It is hard to believe that the market in South Africa is up over 15 months given all that has transpired. Perhaps, therefore, it is harder still to believe that we continue to see significant value in a number of local equities and are excited about the prospects for future returns within the Portfolio.

The obvious question, then, is why?

The absolute performance of the ALSI over the last 15 months masks the individual performance of a number of shares, which have fared far worse than the market overall. There has been substantial disparity in the returns experienced in certain sectors and within individual shares. Platinum group metal companies have continued to rally materially, while four of the largest shares on our market – Naspers, BHP, Anglo and Richemont – are all up over 32% over the last 15 months. In contrast, a number of the domestic focused businesses, such as the banks and insurers, remain materially below their December 2019 share prices. Perhaps more perplexing, a company like British American Tobacco (BTI), which came into 2020 trading on an undemanding earnings multiple of 10 times and actually grew earnings and paid down debt during the pandemic, has seen its share price decline. BTI has delivered a positive return of 3.4% over these 15 months, but that is the result of the very healthy dividend it paid and continues to pay.

We are not blind to the risks in SA and the high likelihood of a slow, uncertain and drawn-out economic recovery. We are also not blind to the risks of traditional cigarette volumes globally continuing to decline. However, we do see substantial value in many of the sectors that remain depressed, and believe that the current disparity in markets is creating an opportunity for bottom-up stockpickers like ourselves to generate outsized returns.

As always, it is a question of price: How much am I paying? How large is my margin of safety? And to what degree am I being compensated for the downside risks?

There are some buckets of the market which seem priced for perfection, while other buckets seem priced as if the current depressed environment they are experiencing will only continue to deteriorate. Then there are buckets where the company earnings have proven remarkably resilient, yet the share prices remain depressed, often because they are in industries which are unsexy or that sector is currently out of favour. It is in these latter two buckets that we prefer to do our fishing.

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

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Portfolio objective and benchmark

This is a long-term absolute return portfolio for the institutional investor who wishes to diversify the volatility generally associated with stock and bond markets, but still wants exposure to specialist stock-picking skills and to target a positive rate of return which is higher than that of cash. The benchmark is the daily interest rate of Nedbank Limited.

Product profile

- Actively managed pooled portfolio, seeking absolute returns.
- Little correlation to stock or bond markets, with a low level of risk of capital loss.
- Investments consist of shares offering superior fundamental value, carefully managed to reduce the risk of underperforming the market, and short index derivatives to reduce stock market risk.

Investment specifics

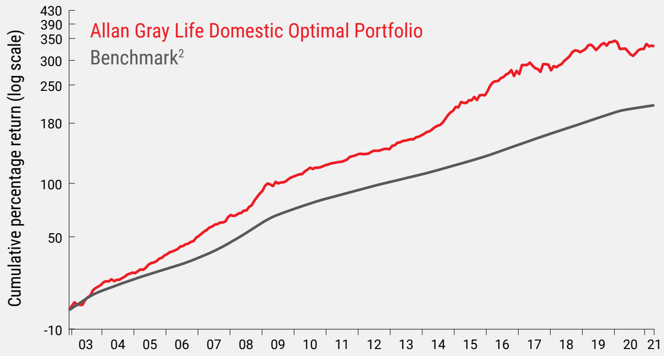
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Portfolio information on 30 April 2021

Assets under management	R377m

Performance gross of fees

Cumulative performance since inception



% Returns[1]	Portfolio	Benchmark[2]
Since inception	8.3	6.4
Latest 10 years	6.7	5.2
Latest 5 years	4.0	5.4
Latest 3 years	3.6	4.9
Latest 2 years	-0.4	4.3
Latest 1 year	1.4	2.9
Latest 3 months	-1.3	0.7

Asset allocation on 30 April 2021

Asset class	Total
Net SA equity	4.3
Hedged SA equity	77.8
Property	0.7
Money market and bank deposits	17.2
Total (%)	**100.0**

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

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
2. Daily interest rate of Nedbank Limited.
3. Includes holding in Prosus NV if applicable.

Top 10 share holdings on 31 March 2021 (updated quarterly)

Company	% of Portfolio
Naspers[3]	14.6
British American Tobacco	6.3
Sibanye-Stillwater	5.5
FirstRand	4.7
Glencore	4.3
Standard Bank	3.9
Sasol	3.5
Reinet	2.5
MultiChoice	2.4
Nedbank	2.3
Total (%)	**50.2**

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Fund manager quarterly commentary as at 31 March 2021

The Portfolio returned 1.9% for the first quarter of 2021. The FTSE/JSE All Share index (ALSI) has continued its strong performance that began in the latter part of last year into the current period. The rally in share prices has been more broad-based than was the case post the COVID-19 sell-off last year, which has helped the Portfolio claw back some of its recent underperformance. The overall trends remain similar to those observed in 2020, with resource counters continuing to outperform industrials, which in turn outperformed financials – but now with less divergence in returns.

Significant overweight Portfolio positions across shares and sectors include British American Tobacco (BTI), local diversified industrial companies and financial shares. Disappointingly, BTI detracted from performance despite posting a decent financial result, with sentiment towards the share remaining poor. At a dividend yield in line with its price-to-earnings ratio, an investor is at least compensated while waiting for sentiment to turn. The company consistently grows hard-currency earnings ahead of inflation, with high cash flow conversion. The next-generation product portfolio turning profitable, or reinstatement of the share buy-back, are additional factors that may lead to a change in the market's perception of the stock. Even with a modest rerating, potential returns are attractive.

The Portfolio owns a collection of small- and medium-sized industrial companies mainly exposed to the domestic economy. These shares fell heavily out of favour during the early part of the pandemic and traded to very depressed levels. With the economy less impacted than many had initially feared, plus a change in competitive dynamics, many of these shares have recovered to their pre-pandemic levels, or higher. A renewed interest in allocating capital towards emerging markets since the vaccine announcements late last year has also likely assisted. We have taken the opportunity to trim some positions where market prices have risen ahead of our estimate of fair value.

The picture among financials is more mixed. While the Portfolio has benefited from its overweight exposure to asset managers who are more geared to market returns, the banks and insurers have not fared as well. Previous economic downturns often proved good buying opportunities for these shares given most are adequately capitalised and well-managed.

Among the underweight positions are diversified miners, Richemont and telecoms companies principally informed by our concerns regarding valuation. The underweight exposure to diversified miners should be viewed in the context of an overweight exposure to Glencore and other non-mining resource companies, including Sappi and Sasol.

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Inception date: 19 April 2004

Allan Gray Life Stable Medical Scheme Portfolio

30 April 2021

Portfolio objective and benchmark

This Portfolio is specifically for Medical Schemes. It aims to offer superior returns to money market investments with limited capital volatility whilst striving for capital preservation over any two-year period. In terms of Allan Gray's risk-profiled range, this portfolio has less risk of capital loss than the Balanced Portfolio. The Portfolio is managed to comply with the limits of Annexure B to Regulation 30 of the Medical Schemes Act, 1998. The benchmark is the Alexander Forbes 3-month Deposit Index plus 2% or CPI plus 3%.

Product profile

- Conservatively managed pooled portfolio.
- Investments selected from all asset classes as permitted by Regulation 30.
- We attempt to limit the risk of capital loss by holding shares with limited downside or attractive dividend yields and/or hedging stock market exposure.
- Modified duration of the fixed interest component will be conservative.

Investment specifics

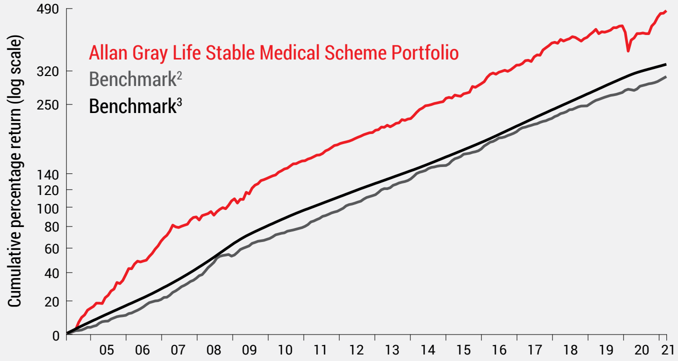
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to medical schemes.
- Minimum investment: R20m.
- Performance based fee/Fixed fee.

Portfolio information on 30 April 2021

Assets under management	R2 536m

Performance gross of fees

Cumulative performance since inception[4]



% Returns[1]	Portfolio	Benchmark[2]	Benchmark[3]
Since inception[4]	10.9	8.6	9.0
Latest 10 years	8.3	8.2	8.1
Latest 5 years	7.2	7.4	8.4
Latest 3 years	5.4	7.0	7.9
Latest 2 years	5.2	6.7	7.3
Latest 1 year	17.4	7.4	5.8
Latest 3 months	3.7	2.7	1.3

Asset allocation on 30 April 2021

Asset class	Total	SA	Africa ex-SA	Foreign ex-Africa
Net equity	32.6	32.6	0.0	0.0
Hedged equity	2.4	2.4	0.0	0.0
Property	2.7	2.7	0.0	0.0
Commodity-linked	2.7	2.7	0.0	0.0
Bonds	37.5	28.8	2.1	6.6
Money market and bank deposits	22.0	20.7	0.0	1.3
Total (%)	**100.0**	**89.9**	**2.2**	**7.9**

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

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021
2. CPI plus 3% p.a. The return for April 2021 is an estimate.
3. Alexander Forbes 3-month Deposit Index plus 2% p.a.
4. Since alignment date (1 May 2004).
5. Includes holding in Prosus NV if applicable.

Top 10 share holdings on 31 March 2021 (updated quarterly)

Company	% of Portfolio
Naspers[5]	3.6
British American Tobacco	3.6
Glencore	3.4
Woolworths	1.7
Sibanye Stillwater	1.6
Nedbank	1.4
MultiChoice	1.4
Standard Bank	1.3
Cashbuild	1.0
Remgro	1.0
Total (%)	**20.0**

Issued: 11 May 2021

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Fund manager quarterly commentary as at 31 March 2021

The Portfolio recovered some of its 2020 underperformance in the first quarter, returning 5.3% p.a. as measured over the last two years. The announcement of effective vaccines last November, together with a well-received Democratic win in the US elections, has allowed financial markets to look through the current uncertainty to a more normalised post-COVID-19 world, with the expectation of an economic upswing, as growth and inflation accelerate from a recessionary base, also known as the "reflation trade".

Reflation is typically seen as positive for more cyclical assets, commodities and emerging markets in general as investors reallocate from "safer" asset classes to those offering higher prospective returns. This has allowed many global equity indices to reach new highs this quarter, including our local market. There is reason to retain some caution given 1) the positive sentiment could be derailed by, for example, stuttering vaccine roll-outs or economic data not confirming expectations; or 2) the unprecedented monetary and fiscal stimulus embarked upon in 2020, mainly in developed markets, creating pockets of exuberance, the unwind of which could have a wider impact on financial markets. As always, we prefer to try and look through the shorter-term volatility and concentrate on the intrinsic value of each asset, based on fundamentals.

The Portfolio has benefited in recent quarters from a higher net equity weight of 32.7% (viewed against the 40% maximum). Positions that have contributed to returns on an absolute and relative basis over the last year include Glencore, Sibanye-Stillwater and Cashbuild, all of which remain material holdings in the Portfolio. While these shares traded at very depressed levels a year ago, the reasons for their subsequent advances are varied. Demand for the base metals that Glencore produces is often viewed as a leading indicator of economic growth given their input into industrial and consumer products, with prices for many of these metals now at multi-year highs. Similarly, Sibanye-Stillwater has benefited from exposure to higher platinum group metal prices, particularly palladium and rhodium, where supply deficits are expected to remain over the medium term. Lastly, Cashbuild has seen demand for its home-improvement products as people spend more time at home during lockdowns.

Disappointingly, British American Tobacco (BTI) has detracted from performance recently. In our opinion, the current valuation is undemanding for a company that continues to grow its US dollar earnings in real terms while paying a healthy dividend. BTI, together with the Portfolio's other more defensive shares and its exposure to precious metals, provides a counter to the reflation trade, should some of the risks mentioned above materialise.

Within fixed income, the Portfolio retains its preference for local bonds over cash given the steep yield curve and the low real return that holding cash currently offers. The Portfolio's bond holdings provide a real yield well ahead of what cash currently provides with an inflation outlook that is relatively muted. While the market welcomed the commitments made to fiscal discipline in the February Budget, execution risk remains high. The Portfolio duration has increased but remains well below that of the FTSE/JSE All Bond Index.

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Allan Gray Life Domestic Stable Portfolio

30 April 2021

Portfolio objective and benchmark

This Portfolio is 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. In terms of Allan Gray's risk-profiled range, this portfolio has less risk of capital loss than the Balanced Portfolio. The benchmark is the Alexander Forbes 3-month Deposit Index plus 2% or CPI plus 3%.

Product profile

- Conservatively managed pooled portfolio.
- Investments selected from all local asset classes.
- We attempt to limit the risk of capital loss by holding shares with limited downside or attractive dividend yields and/or hedging stock market exposure.
- Modified duration of the fixed interest component will be conservative.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee/Fixed fee.

Compliance with Prudential Investment Guidelines

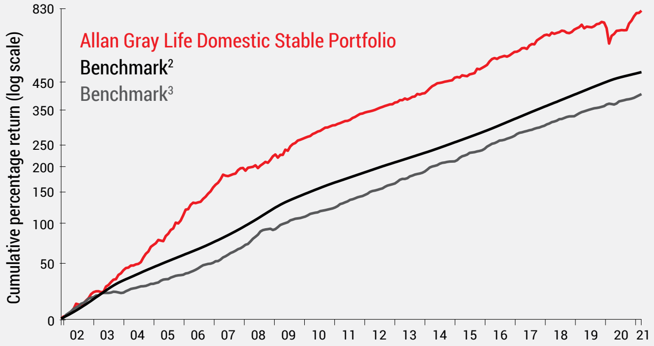
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 30 April 2021

Assets under management	R1 374m

Performance gross of fees

Cumulative performance since inception[4]



% Returns[1]	Portfolio	Benchmark[2]	Benchmark[3]
Since inception[4]	12.1	9.6	8.7
Latest 10 years	8.3	8.1	8.2
Latest 5 years	7.2	8.4	7.4
Latest 3 years	5.4	7.9	7.0
Latest 2 years	5.2	7.3	6.7
Latest 1 year	19.8	5.8	7.4
Latest 3 months	4.1	1.3	2.7

Asset allocation on 30 April 2021

Asset class	Total
Net SA equity	32.3
Hedged equity	4.1
Property	2.9
Commodity-linked	2.8
Bonds	47.3
Money market and bank deposits	10.6
Total (%)	**100.0**

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

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
2. Alexander Forbes 3-month Deposit Index plus 2% p.a.
3. CPI plus 3% p.a. The return for April 2021 is an estimate.
4. Since alignment date (1 December 2001).
5. Includes holding in Prosus NV if applicable.

Top 10 share holdings on 31 March 2021 (updated quarterly)

Company	% of Portfolio
Naspers[5]	3.6
British American Tobacco	3.6
Glencore	3.4
Woolworths	1.8
Sibanye Stillwater	1.6
Nedbank	1.4
MultiChoice	1.4
Standard Bank	1.3
Cashbuild	1.1
Remgro	1.0
Total (%)	**20.4**

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Fund manager quarterly commentary as at 31 March 2021

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Reflation is typically seen as positive for more cyclical assets, commodities and emerging markets in general as investors reallocate from "safer" asset classes to those offering higher prospective returns. This has allowed many global equity indices to reach new highs this quarter, including our local market. There is reason to retain some caution given 1) the positive sentiment could be derailed by, for example, stuttering vaccine roll-outs or economic data not confirming expectations; or 2) the unprecedented monetary and fiscal stimulus embarked upon in 2020, mainly in developed markets, creating pockets of exuberance, the unwind of which could have a wider impact on financial markets. As always, we prefer to try and look through the shorter-term volatility and concentrate on the intrinsic value of each asset, based on fundamentals.

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Disappointingly, British American Tobacco (BTI) has detracted from performance recently. In our opinion, the current valuation is undemanding for a company that continues to grow its US dollar earnings in real terms while paying a healthy dividend. BTI, together with the Portfolio's other more defensive shares and its exposure to precious metals, provides a counter to the reflation trade, should some of the risks mentioned above materialise.

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ALLANGRAY

Inception date: 1 April 2015

Allan Gray Life-Orbis Global Balanced (RRF) Feeder Portfolio

30 April 2021

Portfolio objective and benchmark

The Portfolio aims to balance capital appreciation, income generation and risk of loss in a diversified global multi asset class portfolio. The benchmark is a composite consisting of 60% of the MSCI World Index (net dividends reinvested) and 40% of the J.P. Morgan GBI Global Index.

Product profile

- This is a feeder portfolio, investing in the Orbis SICAV Global Balanced Fund which is actively managed by Orbis.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Base Refundable Reserve Fee is levied in the underlying Orbis SICAV Global Balanced Fund.

MSCI data

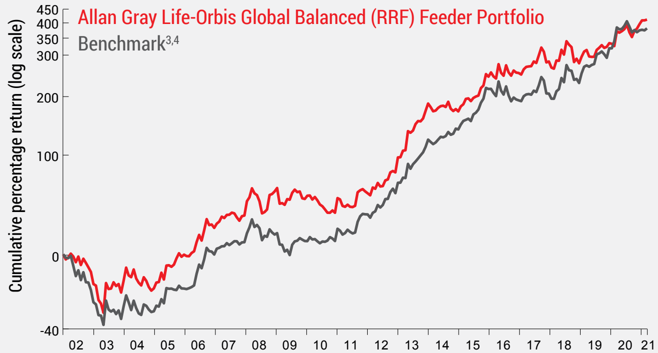
*The blended returns are calculated by Orbis Investment Management Ltd using end-of-day index level values licensed from MSCI (“MSCI Data”). For the avoidance of doubt, MSCI is not the benchmark “administrator” for, or a “contributor”, “submitter” or “supervised contributor” to, the blended returns, 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.

Portfolio information on 30 April 2021

Assets under management	R594m

Performance net of fees[1]

Cumulative performance since inception



% Returns[1,2]	Portfolio		Benchmark[3,4]	
	ZAR	US$	ZAR	US$
Since inception	8.9	7.6	8.5	7.3
Latest 10 years	13.9	5.3	15.3	6.6
Latest 5 years	8.6	8.1	9.9	9.4
Latest 3 years	10.0	4.6	15.7	10.1
Latest 2 years	11.2	10.5	13.8	13.1
Latest 1 year	8.5	37.4	-0.7	25.8
Latest 3 months	3.3	7.0	1.4	5.1

1. The returns prior to 1 August 2015 are those of the Allan Gray Life Foreign Portfolio since its inception on 23 January 2002. This Portfolio invested in a mix of Orbis funds. The Investor Class Fee was levied in the underlying Orbis funds.
2. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
3. 60% of the MSCI World Index (net dividends reinvested) and 40% of the J.P. Morgan GBI Global Index*.
4. The benchmark prior to 1 August 2015 is that of the Allan Gray Life Foreign Portfolio which is 60% of the MSCI All Country World Index and 40% of the J.P. Morgan GBI Global Index.
5. Underlying holdings of Orbis funds are included on a look-through basis.

Top 10 share holdings on 31 March 2021 (SA and Foreign) (updated quarterly)[5]

Company	% of Portfolio
Taiwan Semiconductor Mfg.	5.8
SPDR Gold Trust	5.7
Samsung Electronics	5.5
AbbVie	3.5
British American Tobacco	3.5
Bayerische Motoren Werke	3.1
BP	3.1
NetEase	3.1
ING Groep	2.6
Royal Dutch Shell	2.5
Total (%)	**38.4**

Asset allocation on 30 April 2021

This portfolio invests solely into the Orbis SICAV Global Balanced Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equity	63.3	13.2	25.1	8.0	14.6	2.3
Hedged equity	19.0	9.7	5.0	0.5	2.3	1.4
Fixed interest	11.4	8.7	0.7	0.0	0.3	1.7
Commodity-linked	5.9	0.0	0.0	0.0	0.0	5.9
Net current assets	0.5	0.0	0.0	0.0	0.0	0.5
Total	**100.0**	**31.6**	**30.8**	**8.5**	**17.2**	**11.8**
Currency exposure						
Fund	100.0	36.1	35.4	12.8	12.0	3.6
Index	100.0	60.3	24.9	11.9	0.8	2.2

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

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Fund manager quarterly commentary as at 31 March 2021

The Orbis SICAV Global Balanced Fund has now outperformed its benchmark 60/40 Index since global stock markets' pre-COVID-19 peak on 12 February 2020. Essentially, all of that outperformance has come since the positive vaccine announcements in early November, and those good returns have overcome the painful underperformance we experienced during the initial market drawdown. To be clear, we are not happy with how the portfolio behaved during the COVID-19 crash, and the Fund's relative returns over the last three years remain far below the standards we set for ourselves.

But the recovery is encouraging nonetheless, especially as the opportunity set remains stretched: That is true whether we look at bonds, aggregate valuations or valuation spreads within equities.

Government bond yields remain near-zero, with elevated interest rate risk. That risk is not theoretical, which we are seeing as bond yields have risen. So far this year, US Treasuries have endured their worst quarter in 40 years. The portfolio continues to have zero exposure to long-term nominal government bonds – the "40" in the benchmark 60/40 Index.

The "60" of the benchmark in global equities doesn't look much better. We flagged, in December, that the passive global 60/40 portfolio traded at 32 times earnings – its worst valuation ever. Today it trades at 31 times earnings. The recent bond volatility has barely made a dent in record-high valuations.

We see a similar pattern if we look within stock markets. In October, the valuation gap between fundamentally cheap and expensive shares reached an all-time record. Here, sticking to our philosophy has proved beneficial, as the stocks that were most painful to own during the crash have been some of the best performers over the last five months. Since the vaccine news, cheaper "value" shares have led the market, and that has made a dent in valuation spreads. But only a dent – the valuation gap today remains extreme.

As a result, the top holdings in the portfolio have not changed much. Taiwan Semiconductor Manufacturing and Samsung Electronics have performed well, even as some software companies have struggled, a trend we dub the "revenge of the makers". We continue to believe they offer good value. On the other end of the spectrum, BP and Royal Dutch Shell continue to offer ample free cash flow yields. In short, we continue to find the top holdings attractive.

In some quarters, having covered big holdings and the opportunity set, this is where the commentary would end. This quarter, we want to walk through some of the smaller equity clusters in the portfolio, including Japanese trading companies, UK small caps, underappreciated energy transition, European banks, COVID-19-based defensives, travel and leisure and gold companies. Taken together, the stocks in these seven clusters below represent 28% of the Global Balanced portfolio, and are broadly diversified across the investment universe. Having discussed the Japanese trading companies last quarter, and gold last June, we will focus here on the other five groups.

UK small caps: The UK stock market has been deeply out of favour and has lagged shares elsewhere by a cumulative 50% over the last five years. Here, we have found bargains such as Balfour Beatty (which we highlighted last quarter) and Headlam, Europe's leading distributor of floorcoverings.

Underappreciated energy transition: The other UK small cap we highlighted last quarter was Drax, a one-time coal utility that is transforming to focus on renewable power generation, carbon capture and energy storage. We have also uncovered opportunities like Siemens Energy. At times last year, most of Siemens Energy's market value was accounted for by its shareholding in wind turbine maker Siemens Gamesa, putting little value on other businesses such as crucial electricity grid equipment.

European banks: We wrote last quarter about ING Group, the low-cost, customer-friendly Dutch bank. Across the English Channel and the Irish Sea, we also hold the two dominant banks in Ireland – Bank of Ireland (BoI) and Allied Irish Banks (AIB). Today, BoI and AIB are among the most conservatively capitalised banks in Europe, yet they trade at some of the lowest valuations.

COVID-19-bashed defensives: We have spotted a similar setup among generally defensive businesses that have been bashed by COVID-19. Comcast, whose main business is cable communications (including broadband) is perhaps the best example. Its other businesses, including theme parks, have suffered to varying degrees during COVID-19, however this should prove temporary. Meanwhile, the main business has been growing as working from home has spurred demand for high-speed broadband.

Travel and leisure: Buying any stock into a sell-off is not an easy thing to do, but Southwest was the easiest of the hard decisions we made at the time of the COVID-19 crash. For one, Southwest is overwhelmingly focused on the US. International travel restrictions are less of an issue if you mainly operate in one country.

The holdings we have touched on above are all idiosyncratic opportunities. Some clusters of stocks behave similarly, and some don't, but the clusters themselves are broadly diversified. From a risk management perspective, that is exactly what we like to see – but it is largely a by-product of where we have found opportunities. More encouraging to us is the relative valuation picture. With the 60/40 Index still trading near record valuations, the outlook for broad equity and bond market returns looks poor, but with a portfolio active share of around 95%, an investment in Orbis Global Balanced is very different to an investment in the market. As gaps in the opportunity set remain wide, we believe the relative value in the portfolio remains compelling.

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

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J.P. Morgan Index

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MSCI Index

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Allan Gray Life Global Absolute Portfolio

30 April 2021

Portfolio objective and benchmark

This Portfolio is 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. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all asset classes.
- Investments may include foreign funds including, but not limited to, those managed by Orbis. Orbis is our global investment management partner which shares the same founder and investment philosophy as Allan Gray.
- Fully reflects the manager's strong investment convictions and could deviate considerably in both asset allocation and stock selection from the average retirement portfolio.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- Performance based fee.
- The Base Refundable Fee Reserve is levied in the underlying Orbis funds.

Compliance with Prudential Investment Guidelines

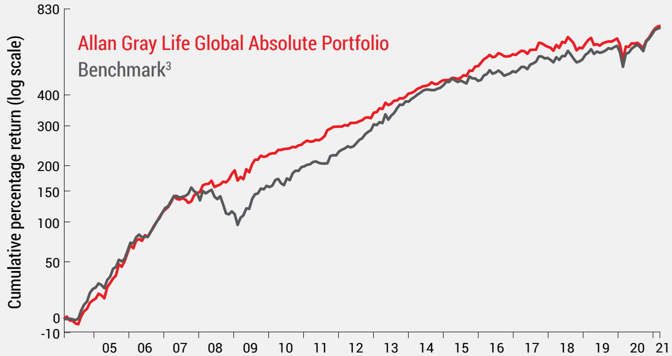
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 30 April 2021

Assets under management	R2 636m

Performance[1]

Cumulative performance since inception[4]



1. Performance gross of local fees, net of foreign fees.
2. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
3. Mean of Alexander Forbes Global Large Manager Watch. The return for April 2021 is an estimate.
4. Since alignment date (1 March 2004).
5. Including currency hedges.
6. Underlying holdings of Orbis funds are included on a look-through basis.
7. Includes holding in Prosus NV if applicable.

% Returns[2]	Portfolio	Benchmark[3]
Since inception[4]	13.1	13.1
Latest 10 years	8.7	10.2
Latest 5 years	4.7	7.0
Latest 3 years	4.7	7.4
Latest 2 years	4.5	8.2
Latest 1 year	16.2	21.1
Latest 3 months	5.2	5.2

Asset allocation on 30 April 2021

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equity	67.9	50.6	3.1	14.2
Hedged equity	13.5	3.9	0.0	9.6
Property	0.2	0.1	0.0	0.1
Commodity-linked	3.4	3.3	0.0	0.1
Bonds	9.9	8.4	0.0	1.5
Money market and bank deposits	5.1	3.0	0.2[5]	2.0
Total (%)	**100.0**	**69.3**	**3.2**	**27.4**

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

Top 10 share holdings on 31 March 2021 (SA and Foreign) (updated quarterly)[6]

Company	% of Portfolio
Naspers[7]	8.9
British American Tobacco	8.7
Glencore	4.8
Woolworths	2.9
Standard Bank	2.3
Anglo American	1.8
Sasol	1.8
Remgro	1.7
MultiChoice	1.5
Nedbank	1.4
Total (%)	**35.8**

Fund manager quarterly commentary as at 31 March 2021

The Portfolio returned 8% for the quarter, building on the recovery from the March 2020 lows. While pleasing, the three- and five-year numbers remain low in real terms and relative to fixed income.

Returns have been driven by strong equity markets, with the FTSE/JSE All Share Index (ALSI) and the MSCI World Index up 81% and 78% respectively from their March 2020 lows. For local equities, this return must be put in the context of a market that has traded sideways since 2014. When measured in US dollars, local equities have been outperforming global equities since the pandemic bottom, but the ALSI remains very depressed compared to the World and Emerging Market indices.

Bull markets are born out of pessimism and do not want to take investors along at the start. It is hard to imagine a more pessimistic scenario than 2020 for South Africa and, while we obviously do not know if this is the start of a bull market, we still own many cheap local shares. The net equity weighting at 67.2% reflects this belief, as well as the large rebound in prices.

The past few years have been a great time for index investors both locally and offshore, with indices driven by a small number of shares. As an active manager, we aim to beat the index, and can only do so by holding a portfolio that is different from the index. The recent increase in long bond yields and inflation expectations has caused many of the unloved and depressed shares, which do not dominate the index, to outperform quite strongly. This has helped the Portfolio.

So, how is the Portfolio positioned to outperform?

1. The Portfolio is underweight US equities and overweight the rest of the world, including emerging markets.
2. We have a greater exposure to value shares, implying an underweight in US technology/ecommerce/disruptor companies.
3. Unlike many peers, the Portfolio's 27% offshore exposure is not 100% invested in equities. We prefer to own more South African listed equities over fixed income to comply with Regulation 28 limits.
4. On the fixed income side, we have very little exposure to sovereign bonds offshore, and a higher-than-normal weight to local bonds given the steep yield curve.
5. We are underweight iron producers (BHP and Anglo) and overweight the rest of the commodity basket via Glencore and Sasol.
6. We are overweight British American Tobacco, which has meaningfully underperformed in a strong market. As an "anti-bubble" share, it should provide protection during a correction, while paying an 8% dividend yield.
7. Naspers remains the largest equity position.
8. With quantitative easing in combination with fiscal stimulus around the world, we own platinum and gold, as well as the miners including Sibanye-Stillwater, Impala Platinum, and selected gold shares.
9. We retain an exposure to depressed local domestic shares, which remain well below their 2018 highs, including Woolworths, Standard Bank, FirstRand and Old Mutual.

The Portfolio seeks to own a diversified selection of undervalued assets that will produce real returns at an acceptable risk. We believe that to be the case currently.

Information and content

The information in and content of this publication/presentation are provided by Allan Gray as general information about the company and its products and services. Allan Gray does not guarantee the suitability or potential value of any information or particular investment source. The information provided is not intended to, nor does it constitute financial, tax, legal, investment or other advice. Before making any decision or taking any action regarding your finances, you should consult a qualified financial adviser. Nothing contained in this publication/presentation constitutes a solicitation, recommendation, endorsement or offer by Allan Gray; it is merely an invitation to do business.

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Past performance is not indicative of future performance.

MSCI Index

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FTSE/JSE All Share Index

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ALLANGRAY

Inception date: 31 August 2000

Allan Gray Life Global Balanced Portfolio

30 April 2021

Portfolio objective and benchmark

This Portfolio is for institutional investors with an average risk tolerance. It aims to offer long-term returns superior to the benchmark, but at lower risk of capital loss. In terms of Allan Gray's risk-profiled range, this Portfolio has a higher risk of capital loss than the Stable Portfolio, but less than the Absolute Portfolio. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all asset classes.
- Investments may include foreign funds including, but not limited to, those managed by Orbis. Orbis is our global investment management partner which shares the same founder and investment philosophy as Allan Gray.
- Represents Allan Gray's 'houseview' for a global balanced mandate.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds
- Minimum investment: R20m.
- Performance based fee.
- The Investor Class Fee is levied on the Orbis funds.

Compliance with Prudential Investment Guidelines

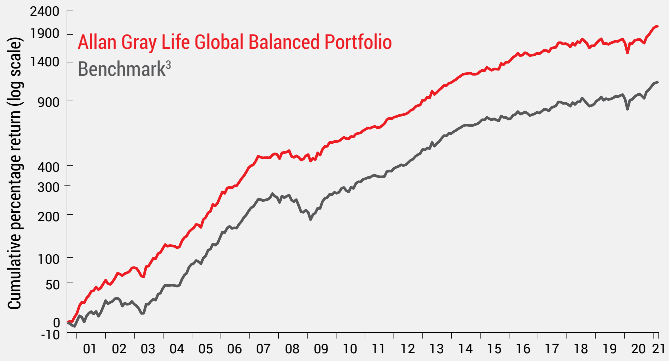
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately,except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 30 April 2021

Assets under management	R2 777m

Performance[1]

Cumulative performance since inception[4]



% Returns[2]	Portfolio	Benchmark[3]
Since inception[4]	16.0	12.8
Latest 10 years	11.1	10.2
Latest 5 years	6.4	7.0
Latest 3 years	6.2	7.4
Latest 2 years	6.9	8.2
Latest 1 year	19.6	21.1
Latest 3 months	5.6	5.2

Asset allocation on 30 April 2021

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equity	66.1	50.1	1.4	14.5
Hedged equity	12.9	3.1	0.0	9.8
Property	1.1	1.0	0.0	0.1
Commodity-linked	2.7	2.6	0.0	0.1
Bonds	11.4	9.3	1.4	0.8
Money market and bank deposits	5.8	3.2	0.4[5]	2.3
Total (%)	**100.0**	**69.3**	**3.2**	**27.5**

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

1. Performance gross of local fees, net of foreign fees.
2. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
3. Mean of Alexander Forbes Global Large Manager Watch. The return for April 2021 is an estimate.
4. Since alignment date (1 September 2000).
5. Including currency hedges.
6. Underlying holdings of Orbis funds are included on a look-through basis.
7. Includes holding in Prosus NV if applicable.

Top 10 share holdings on 31 March 2021 (SA and Foreign) (updated quarterly)[6]

Company	% of Portfolio
Naspers[7]	8.1
British American Tobacco	7.0
Glencore	4.3
Woolworths	2.6
Sibanye Stillwater	2.1
FirstRand	1.9
Old Mutual	1.8
Sasol	1.8
Remgro	1.8
Standard Bank	1.8
Total (%)	**33.2**

Issued: 11 May 2021

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Fund manager quarterly commentary as at 31 March 2021

The Portfolio returned 9% for the quarter, building on the recovery from the March 2020 lows. While pleasing, the three- and five-year numbers remain low in real terms and relative to fixed income.

Returns have been driven by strong equity markets, with the FTSE/JSE All Share Index (ALSI) and the MSCI World Index up 81% and 78% respectively from their March 2020 lows. For local equities, this return must be put in the context of a market that has traded sideways since 2014. When measured in US dollars, local equities have been outperforming global equities since the pandemic bottom, but the ALSI remains very depressed compared to the World and Emerging Market indices.

Bull markets are born out of pessimism and do not want to take investors along at the start. It is hard to imagine a more pessimistic scenario than 2020 for South Africa and, while we obviously do not know if this is the start of a bull market, we still own many cheap local shares. The net equity weighting at 65.7% reflects this belief, as well as the large rebound in prices.

The past few years have been a great time for index investors both locally and offshore, with indices driven by a small number of shares. As an active manager, we aim to beat the index, and can only do so by holding a portfolio that is different from the index. The recent increase in long bond yields and inflation expectations has caused many of the unloved and depressed shares, which do not dominate the index, to outperform quite strongly. This has helped the Portfolio.

So, how is the Portfolio positioned to outperform?

1. The Portfolio is underweight US equities and overweight the rest of the world, including emerging markets.
2. We have a greater exposure to value shares, implying an underweight in US technology/ecommerce/disruptor companies.
3. Unlike many peers, the Portfolio's 28% offshore exposure is not 100% invested in equities. We prefer to own more South African listed equities over fixed income to comply with Regulation 28 limits.
4. On the fixed income side, we have very little exposure to sovereign bonds offshore, and a higher weight to local bonds given the steep yield curve.
5. We are underweight iron producers (BHP and Anglo) and overweight the rest of the commodity basket via Glencore and Sasol.
6. We are overweight British American Tobacco, which has meaningfully underperformed in a strong market. As an "anti-bubble" share, it should provide protection during a correction, while paying an 8% dividend yield.
7. Naspers remains the largest equity position.
8. With quantitative easing in combination with fiscal stimulus around the world, we own platinum and gold, as well as the miners including Sibanye-Stillwater, Impala Platinum, and selected gold shares.
9. We retain an exposure to depressed local domestic shares, which remain well below their 2018 highs, including Woolworths, Standard Bank, FirstRand and Old Mutual.

The Portfolio seeks to own a diversified selection of undervalued assets that will produce real returns at an acceptable risk. We believe that to be the case currently.

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Past performance is not indicative of future performance.

MSCI Index

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FTSE/JSE All Share Index

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Allan Gray Life Global Balanced (RRF) Portfolio

30 April 2021

Portfolio objective and benchmark

This Portfolio is for institutional investors with an average risk tolerance. It aims to offer long-term returns superior to the benchmark, but at lower risk of capital loss. In terms of Allan Gray's risk-profiled range, this Portfolio has a higher risk of capital loss than the Stable Portfolio, but less than the Absolute Portfolio. The benchmark is the mean performance of the large managers as surveyed by consulting actuaries.

Product profile

- Actively managed pooled portfolio.
- Investments selected from all asset classes.
- Investments may include foreign funds including, but not limited to, those managed by Orbis. Orbis is our global investment management partner which shares the same founder and investment philosophy as Allan Gray.
- Represents Allan Gray's 'houseview' for a global balanced mandate.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- Performance based fee.
- The Base Refundable Reserve Fee is levied on the Orbis funds.

Compliance with Prudential Investment Guidelines

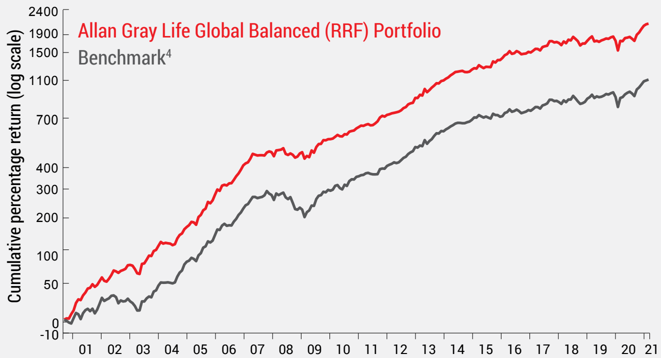
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 30 April 2021

Assets under management	R34 255m

Performance[1,2]

Cumulative performance since inception



% Returns[2,3]	Portfolio	Benchmark[4]
Since inception	16.0	12.8
Latest 10 years	11.1	10.2
Latest 5 years	6.5	7.0
Latest 3 years	6.4	7.4
Latest 2 years	6.8	8.2
Latest 1 year	19.6	21.1
Latest 3 months	5.7	5.2

Asset allocation on 30 April 2021

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equity	66.2	50.2	1.3	14.7
Hedged equity	13.0	3.1	0.0	9.9
Property	1.2	1.1	0.0	0.1
Commodity-linked	2.8	2.7	0.0	0.1
Bonds	11.5	9.3	1.4	0.9
Money market and bank deposits	5.4	2.9	0.4[5]	2.0
Total (%)	**100.0**	**69.2**	**3.2**	**27.7**

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

1. Performance gross of local fees, net of foreign fees.
2. The returns prior to 1 August 2015 are those of the Allan Gray Life Global Balanced Portfolio since its inception on 31 August 2000. The Investor Class Fee was levied in the underlying Orbis funds.
3. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
4. Mean of Alexander Forbes Global Large Manager Watch. The return for April 2021 is an estimate.
5. Including currency hedges.
6. Underlying holdings of Orbis funds are included on a look-through basis.
7. Includes holding in Prosus NV if applicable.

Top 10 share holdings on 31 March 2021 (SA and Foreign) (updated quarterly)[6]

Company	% of Portfolio
Naspers[7]	8.1
British American Tobacco	7.0
Glencore	4.3
Woolworths	2.6
Sibanye Stillwater	2.0
FirstRand	1.9
Old Mutual	1.8
Sasol	1.8
Remgro	1.8
Standard Bank	1.7
Total (%)	**33.1**

Fund manager quarterly commentary as at 31 March 2021

The Portfolio returned 9% for the quarter, building on the recovery from the March 2020 lows. While pleasing, the three- and five-year numbers remain low in real terms and relative to fixed income.

Returns have been driven by strong equity markets, with the FTSE/JSE All Share Index (ALSI) and the MSCI World Index up 81% and 78% respectively from their March 2020 lows. For local equities, this return must be put in the context of a market that has traded sideways since 2014. When measured in US dollars, local equities have been outperforming global equities since the pandemic bottom, but the ALSI remains very depressed compared to the World and Emerging Market indices.

Bull markets are born out of pessimism and do not want to take investors along at the start. It is hard to imagine a more pessimistic scenario than 2020 for South Africa and, while we obviously do not know if this is the start of a bull market, we still own many cheap local shares. The net equity weighting at 65.6% reflects this belief, as well as the large rebound in prices.

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So, how is the Portfolio positioned to outperform?

1. The Portfolio is underweight US equities and overweight the rest of the world, including emerging markets.
2. We have a greater exposure to value shares, implying an underweight in US technology/ecommerce/disruptor companies.
3. Unlike many peers, the Portfolio’s 28% offshore exposure is not 100% invested in equities. We prefer to own more South African listed equities over fixed income to comply with Regulation 28 limits.
4. On the fixed income side, we have very little exposure to sovereign bonds offshore, and a higher weight to local bonds given the steep yield curve.
5. We are underweight iron producers (BHP and Anglo) and overweight the rest of the commodity basket via Glencore and Sasol.
6. We are overweight British American Tobacco, which has meaningfully underperformed in a strong market. As an “anti-bubble” share, it should provide protection during a correction, while paying an 8% dividend yield.
7. Naspers remains the largest equity position.
8. With quantitative easing in combination with fiscal stimulus around the world, we own platinum and gold, as well as the miners including Sibanye-Stillwater, Impala Platinum, and selected gold shares.
9. We retain an exposure to depressed local domestic shares, which remain well below their 2018 highs, including Woolworths, Standard Bank, FirstRand and Old Mutual.

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MSCI Index

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Portfolio objective and benchmark

This Portfolio is 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. In terms of Allan Gray's risk-profiled range, this Portfolio has less risk of capital loss than the Balanced Portfolio. The benchmark is the Alexander Forbes 3-month Deposit Index plus 2% or CPI plus 3%.

Product profile

- Conservatively managed pooled portfolio.
- Investments selected from all asset classes.
- Investments may include foreign funds including, but not limited to, those managed by Orbis. Orbis is our global investment management partner which shares the same founder and investment philosophy as Allan Gray.
- We attempt to limit the risk of capital loss by holding shares with limited downside or attractive dividend yields and/or hedging stock market exposure.
- Modified duration of the fixed interest portfolio will be conservative.

Investment specifics

- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- Performance based fee/Fixed fee.

Compliance with Prudential Investment Guidelines

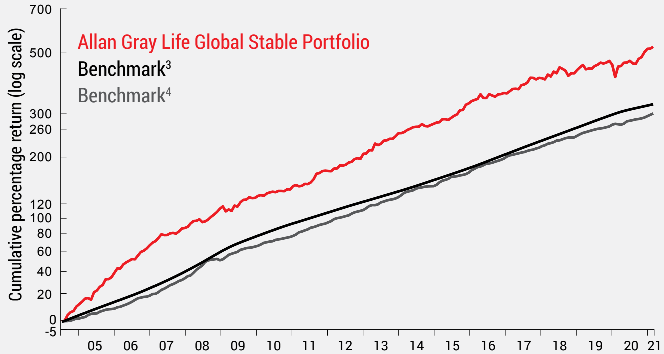
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. Allan Gray Life Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28) on behalf of retirement funds invested in the pool.

Portfolio information on 30 April 2021

Assets under management	R5 285m

Performance[1]

Cumulative performance since inception[5]



% Returns[2]	Portfolio	Benchmark[3]	Benchmark[4]
Since inception[5]	11.5	9.0	8.6
Latest 10 years	9.7	8.1	8.2
Latest 5 years	7.2	8.4	7.4
Latest 3 years	6.4	7.9	7.0
Latest 2 years	6.2	7.3	6.7
Latest 1 year	14.1	5.8	7.4
Latest 3 months	3.6	1.3	2.7

Asset allocation on 30 April 2021

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equity	35.7	22.4	2.0	11.2
Hedged equity	17.1	6.0	0.0	11.1
Property	2.9	2.7	0.0	0.1
Commodity-linked	3.9	2.8	0.0	1.0
Bonds	34.0	26.1	3.1	4.9
Money market and bank deposits	6.5	3.5	0.7[6]	2.4
Total (%)	**100.0**	**63.5**	**5.7**	**30.8**

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

1. Performance gross of local fees, net of foreign fees.
2. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
3. Alexander Forbes 3-month Deposit Index plus 2%.
4. CPI plus 3%. The return for April 2021 is an estimate.
5. Since alignment date (1 August 2004).
6. Including currency hedges.
7. Underlying holdings of Orbis funds are included on a look-through basis.
8. Includes holding in Prosus NV if applicable.

Top 10 share holdings on 31 March 2021 (SA and Foreign) (updated quarterly)[7]

Company	% of Portfolio
British American Tobacco	3.6
Naspers[8]	3.6
Glencore	2.7
Sibanye Stillwater	1.5
Woolworths	1.3
Taiwan Semiconductor Mfg.	1.2
Standard Bank	1.2
Nedbank	1.1
MultiChoice	1.0
SPDR Gold Trust	1.0
Total (%)	**18.3**

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Fund manager quarterly commentary as at 31 March 2021

The Portfolio recovered some of its 2020 underperformance in the first quarter, returning 6.4% p.a. as measured over the last two years. The announcement of effective vaccines last November, together with a well-received Democratic win in the US elections, has allowed financial markets to look through the current uncertainty to a more normalised post-COVID-19 world, with the expectation of an economic upswing, as growth and inflation accelerate from a recessionary base, also known as the "reflation trade".

Reflation is typically seen as positive for more cyclical assets, commodities and emerging markets in general as investors reallocate from "safer" asset classes to those offering higher prospective returns. This has allowed many global equity indices to reach new highs this quarter, including our local market. There is reason to retain some caution given 1) the positive sentiment could be derailed by, for example, stuttering vaccine roll-outs or economic data not confirming expectations; or 2) the unprecedented monetary and fiscal stimulus embarked upon in 2020, mainly in developed markets, creating pockets of exuberance, the unwind of which could have a wider impact on financial markets. As always, we prefer to try and look through the shorter-term volatility and concentrate on the intrinsic value of each asset, based on fundamentals.

The Portfolio has benefited in recent quarters from a higher net equity weight of 34.9% (viewed against the 40% maximum). Approximately two-thirds of this exposure is to locally listed shares. Positions that have contributed to returns on an absolute and relative basis over the last year include Glencore, Sibanye-Stillwater and Cashbuild, all of which remain material holdings in the Portfolio. While these shares traded at very depressed levels a year ago, the reasons for their subsequent advances are varied. Demand for the base metals that Glencore produces is often viewed as a leading indicator of economic growth given their input into industrial and consumer products, with prices for many of these metals now at multi-year highs. Similarly, Sibanye-Stillwater has benefited from exposure to higher platinum group metal prices, particularly palladium and rhodium, where supply deficits are expected to remain over the medium term. Lastly, Cashbuild has seen demand for its home-improvement products as people spend more time at home during lockdowns.

Disappointingly, British American Tobacco (BTI) has detracted from performance recently. In our opinion, the current valuation is undemanding for a company that continues to grow its US dollar earnings in real terms while paying a healthy dividend. BTI, together with the Portfolio's other more defensive shares and its exposure to precious metals, provides a counter to the reflation trade, should some of the risks mentioned above materialise.

Within fixed income, the Portfolio retains its preference for local bonds over cash given the steep yield curve and the low real return that holding cash currently offers. The Portfolio's bond holdings provide a real yield well ahead of what cash currently provides with an inflation outlook that is relatively muted. While the market welcomed the commitments made to fiscal discipline in the February Budget, execution risk remains high. Portfolio duration has increased marginally but remains below that of the FTSE/JSE All Bond Index. In the offshore portion, we continue to prefer hedged equities over global sovereign bonds which, despite the recent sell-off, in our view still offer poor value.

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FTSE/JSE All Bond Index

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Allan Gray Life-Orbis Global Equity Portfolio

30 April 2021

Portfolio objective and benchmark

The objective of the Portfolio is to outperform the FTSE World Index at no greater-than-average risk of loss in its sector. The benchmark is the FTSE World Index, including income.

Product profile

- This is a feeder portfolio, investing in the Orbis Global Equity Fund which is actively managed by Orbis.

Investment specifics

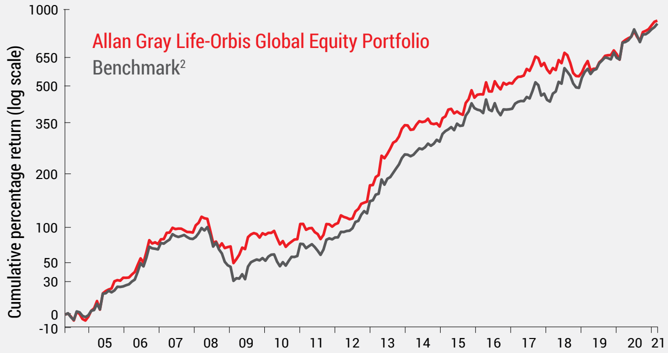
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Investor Class Fee is levied in the underlying Orbis Global Equity Fund.

Portfolio information on 30 April 2021

Assets under management	R373m

Performance net of fees

Cumulative performance since inception[1]



% Returns[1]	Portfolio		Benchmark[2]	
	ZAR	US$	ZAR	US$
Since inception	14.5	9.5	14.4	9.4
Latest 10 years	17.7	8.7	19.0	10.0
Latest 5 years	12.3	11.8	15.0	14.5
Latest 3 years	13.2	7.6	20.0	14.2
Latest 2 years	17.1	16.4	19.3	18.6
Latest 1 year	18.5	50.0	16.0	46.9
Latest 3 months	6.9	10.8	7.0	10.8

Asset allocation on 30 April 2021

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equity	97.9	32.3	30.0	8.9	17.3	9.3
Net current assets	2.1	0.0	0.0	0.0	0.0	2.1
Total	**100.0**	**32.3**	**30.0**	**8.9**	**17.3**	**11.4**
Currency exposure of the Orbis Global Equity Fund						
Fund	100.0	41.8	30.5	9.2	9.2	9.3
Index	100.0	64.7	18.5	7.3	5.9	3.7

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

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
2. FTSE World Index, including income.
3. Underlying holdings of Orbis funds are included on a look-through basis.
4. Includes holding in Prosus NV if applicable.

Top 10 share holdings on 31 March 2021 (updated quarterly)[3]

Company	% of Portfolio
British American Tobacco	7.5
Naspers[4]	6.9
NetEase	6.2
XPO Logistics	5.7
Bayerische Motoren Werke	3.8
Anthem	3.2
Comcast	3.2
Howmet Aerospace	3.1
Taiwan Semiconductor Mfg.	2.8
Newcrest Mining	2.7
Total (%)	**45.0**

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Fund manager quarterly commentary as at 31 March 2021

With just 30% of assets invested in US shares versus 66% for the MSCI World Index, the Orbis Global Equity Fund's current underweight to the US market is the largest in its history. As always, our portfolio positioning is driven by bottom-up decisions about individual businesses. But those decisions don't take place in a vacuum. They are influenced by the hand we are dealt by the market, and we naturally gravitate to areas where the attractive opportunities appear most abundant.

In recent years, the stockpicking environment in the US has been characterised by rising aggregate valuations, surging liquidity, dwindling concern for risk and increasing speculation. Yet despite stiff valuation headwinds at the broader market level, some of our highest-conviction ideas have come from the US market, where we continue to own a number of businesses that we believe offer attractive long-term risk-adjusted returns. In particular, we have uncovered shares of businesses that are cyclical, but also competitively advantaged.

XPO, a transportation and logistics company with operations in the US and Europe, is one example. It has been one of the largest holdings in the Fund for many years. The business is run by Bradley Jacobs, who has a strong track record of strategic vision, capital allocation acumen and operational skill. The most tangible evidence is XPO's outperformance of 14% per annum versus the S&P 500 since Jacobs took the helm in 2011.

Despite these results, we believe XPO continues to be undervalued, in part due to its complexity. It was therefore welcome news at the end of 2020 when XPO announced its intent to spin off its contract logistics business into an independent public company called GXO Logistics, and to seek investment grade credit ratings at both companies. As a simpler, pure-play transportation business, we believe XPO should be valued closer to its listed peers. Even if we assume a somewhat lower valuation, and that XPO keeps all of the company's current debt, this would ascribe no value to the GXO spin-off, which means we would essentially get it for free.

We believe the implementation of this spin-off plan and subsequent deleveraging, in conjunction with steady execution and an attractive long-term earnings growth trajectory, creates a compelling long-term risk-adjusted return profile for our holding today in XPO. It can take time for spin-offs to ultimately influence a company's valuation, but they can be an effective way to unlock hidden or underappreciated value.

While our conviction in XPO is driven by our bottom-up research, we also see reason for optimism about the relative return potential of XPO, and our other cyclical shares, when we consider the broader market and economic context. Large exogenous shocks have a way of changing the prevailing regime in unexpected but enduring ways, and the COVID-19 pandemic was nothing if not a shock to the global economy.

The market regime of the last decade in the US was a near-perfect confluence of conditions for the shares of the defensive growth businesses that we have largely avoided in recent years. Below-trend economic growth in the aftermath of the global financial crisis created an earnings headwind for economically sensitive businesses that made the relative earnings growth of many disruptive growth businesses look unusually attractive by comparison; with real growth scarce, investors were willing to pay a large premium for it. At the same time, inflation remained subdued. Finally, with low growth, low inflation and aggressive central bank intervention, long-term interest rates were depressed to historically low levels, disproportionately benefiting long-duration assets, such as the shares of richly-priced growth companies.

As this regime became entrenched, relative valuations for such businesses, which started low, were steadily amplified by the circularity of the capital cycle. Growth managers outperformed, attracting new assets, spurring further buying of the same growth shares, pushing such shares ever higher, while the reverse happened to value managers and their shares.

Yet developments since the pandemic offer the tantalising possibility that this regime may be changing.

Consider, for example, that the pandemic unleashed the most extreme increase in US government spending since World War II, US$6 trillion of stimulus, with more likely on the way given the prevailing political environment in Washington DC. The magnitude of this fiscal response is difficult to overstate and may well produce a period of unusually high economic growth in the coming years. Even without these extraordinary measures, the "real" economy stands to benefit from accelerating vaccine deployment and the end of lockdowns, combined with enormous pent-up demand and the highest individual savings rate in decades.

Additionally, the combination of surging demand, limited supply of both labour and goods (already a theme across US companies), ongoing de-globalisation and exceptionally loose monetary policy, potentially set the conditions for much higher rates of inflation and interest rates. Such a development would be a significant headwind to richly-priced growth shares.

While none of this is guaranteed to happen – and this is by no means a "forecast" on our part – it aligns well with developments in recent months. And by owning individually attractive companies like XPO, we don't need to bet on a regime change to find favourable risk-adjusted returns. A clear lesson from history is that big shifts can unfold dramatically, and it is critical to avoid areas of the market that look most overvalued. At this stage of the cycle, we believe it is less about trying to find the next Amazon, and more about trying to avoid being left holding the next Pets.com. US stocks may currently represent a relatively small portion of the Orbis Global Equity Fund, a far cry from their weight in the World Index. But, in our view, the handful of ideas that make up our allocation to the US are among our highest-conviction holdings anywhere in the world.

Adapted from a commentary contributed by Matthew Adams and Eric Marais, Orbis Investment Management (U.S.), L.P., San Francisco

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FTSE Russell Index

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MSCI Index

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ALLAN GRAY

Allan Gray Life-Orbis Global Equity (RRF) Feeder Portfolio

Inception date: 1 April 2015

30 April 2021

Portfolio objective and benchmark

The objective of the Portfolio is to outperform the MSCI World Index at no greater-than-average risk of loss in its sector. The benchmark is the MSCI World Index, with net dividends reinvested.

Product profile

- This is a feeder portfolio, investing in the Orbis Institutional Global Equity Fund which is actively managed by Orbis.

Investment specifics

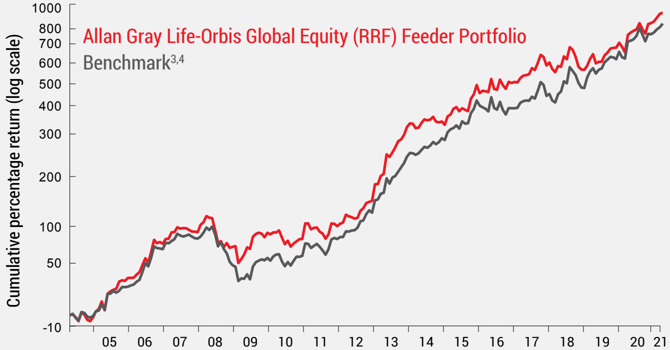
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Base Refundable Reserve Fee is levied in the underlying Orbis Institutional Global Equity Fund.

Portfolio information on 30 April 2021

Assets under management	R547m

Performance net of fees[1]

Cumulative performance since inception



% Returns[1,2]	Portfolio		Benchmark[3,4]	
	ZAR	US$	ZAR	US$
Since inception	14.8	9.8	14.2	9.2
Latest 10 years	18.1	9.1	18.8	9.7
Latest 5 years	13.1	12.6	14.6	14.0
Latest 3 years	14.7	9.1	20.0	14.1
Latest 2 years	17.4	16.7	18.8	18.1
Latest 1 year	18.8	50.4	14.8	45.3
Latest 3 months	7.0	10.9	7.0	10.9

Asset allocation on 30 April 2021

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equity	97.7	32.9	30.0	8.8	16.7	9.2
Net current assets	2.3	0.0	0.0	0.0	0.0	2.3
Total (%)	**100.0**	**32.9**	**30.0**	**8.8**	**16.7**	**11.6**
Currency exposure of the Orbis Institutional Global Equity Fund						
Fund	100.0	41.9	31.2	9.1	8.6	9.2
Index	100.0	70.2	19.0	7.1	1.3	2.4

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

1. The returns prior to 1 April 2015 are those of the Allan Gray Life-Orbis Global Equity Portfolio since its inception on 18 May 2004. The Investor Class Fee was levied in the underlying Orbis Global Equity Fund.
2. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 30 April 2021.
3. MSCI World Index, with net dividends reinvested.
4. The benchmark prior to 1 April 2015 is that of the Allan Gray Life-Orbis Global Equity Portfolio which is the FTSE World Index, including income.
5. Underlying holdings of Orbis funds are included on a look-through basis.
6. Includes holding in Prosus NV if applicable.

Top 10 share holdings on 31 March 2021 (updated quarterly)[5]

Company	% of Portfolio
British American Tobacco	8.3
Naspers[6]	6.8
NetEase	6.1
XPO Logistics	6.0
Bayerische Motoren Werke	3.7
Anthem	3.3
Comcast	3.2
Howmet Aerospace	3.1
Newcrest Mining	2.8
Taiwan Semiconductor Mfg.	2.6
Total (%)	**45.8**

Issued: 11 May 2021

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In recent years, the stockpicking environment in the US has been characterised by rising aggregate valuations, surging liquidity, dwindling concern for risk and increasing speculation. Yet despite stiff valuation headwinds at the broader market level, some of our highest-conviction ideas have come from the US market, where we continue to own a number of businesses that we believe offer attractive long-term risk-adjusted returns. In particular, we have uncovered shares of businesses that are cyclical, but also competitively advantaged.

XPO, a transportation and logistics company with operations in the US and Europe, is one example. It has been one of the largest holdings in the Fund for many years. The business is run by Bradley Jacobs, who has a strong track record of strategic vision, capital allocation acumen and operational skill. The most tangible evidence is XPO's outperformance of 14% per annum versus the S&P 500 since Jacobs took the helm in 2011.

Despite these results, we believe XPO continues to be undervalued, in part due to its complexity. It was therefore welcome news at the end of 2020 when XPO announced its intent to spin off its contract logistics business into an independent public company called GXO Logistics, and to seek investment grade credit ratings at both companies. As a simpler, pure-play transportation business, we believe XPO should be valued closer to its listed peers. Even if we assume a somewhat lower valuation, and that XPO keeps all of the company's current debt, this would ascribe no value to the GXO spin-off, which means we would essentially get it for free.

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MSCI Index

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FTSE Russell Index

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