ALLANGRAY

Fund managers: Duncan Artus, Jacques Plaut, Rory Kutisker-Jacobson, Tim Acker
Inception date: 13 March 2015

Allan Gray SA Equity Fund

30 April 2022

Fund description and summary of investment policy

The Fund invests in shares listed on the Johannesburg Stock Exchange (JSE). The Fund is typically fully invested in shares. Returns are likely to be volatile, especially over short- and medium-term periods.

ASISA unit trust category: South African – Equity – General

Fund objective and benchmark

The Fund aims to create long-term wealth for investors. It aims to outperform the South African equity market over the long term, without taking on greater risk. To pursue its objective the Fund's portfolio may differ materially from its benchmark. This will result in the Fund underperforming its benchmark materially at times. The Fund aims to compensate for these periods of underperformance by delivering outperformance over the long term. The Fund's benchmark is the FTSE/JSE All Share Index including income.

How we aim to achieve the Fund's objective

We seek to buy shares offering the best relative value while maintaining a diversified portfolio. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. We invest in a selection of shares across all sectors of the JSE, and across the range of large, mid and smaller cap shares.

Suitable for those investors who

- Seek exposure to JSE-listed equities to provide long-term capital growth
- Are comfortable with stock market fluctuation, i.e. short- to medium-term volatility
- Are prepared to accept the risk of capital loss
- Typically have an investment horizon of more than five years
- Wish to use the Fund as an equity 'building block' in a diversified multi asset class portfolio

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

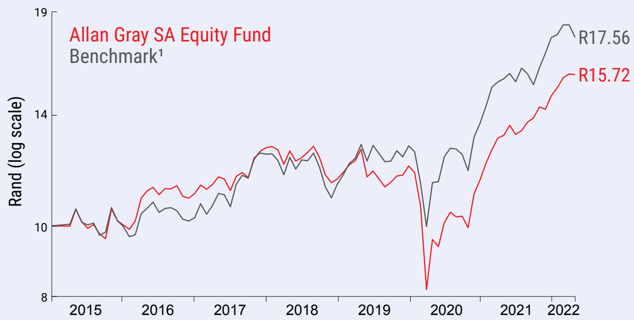
Fund information on 30 April 2022

Fund size	R4.3bn
Number of units	3 627 174
Price (net asset value per unit)	R428.09
Class	A

1. FTSE/JSE All Share Index including income (source: IRESS), performance as calculated by Allan Gray as at 30 April 2022.
2. This is based on the latest available numbers published by IRESS as at 31 March 2022.
3. Maximum percentage decline over any period. The maximum drawdown for the Fund occurred from 25 January 2018 to 23 March 2020 and maximum benchmark drawdown occurred from 17 January 2020 to 19 March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception of the Fund. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 March 2021 and the benchmark's occurred during the 12 months ended 31 March 2021. The Fund's lowest annual return occurred during the 12 months ended 31 March 2020 and the benchmark's occurred during the 12 months ended 31 March 2020. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (13 March 2015)	57.2	75.6	41.4
Annualised:			
Since inception (13 March 2015)	6.5	8.2	5.0
Latest 5 years	6.3	9.8	4.3
Latest 3 years	7.7	11.3	4.4
Latest 2 years	28.0	24.3	4.6
Latest 1 year	19.9	13.2	5.9
Year-to-date (not annualised)	6.5	0.0	2.4
Risk measures (since inception)			
Maximum drawdown[3]	-44.3	-35.2	n/a
Percentage positive months[4]	60.5	58.1	n/a
Annualised monthly volatility[5]	15.4	14.2	n/a
Highest annual return[6]	57.3	54.0	n/a
Lowest annual return[6]	-32.0	-18.4	n/a

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Fund history

The Allan Gray Equity Fund was managed in exactly the same way as this Fund from the inception of the Allan Gray Equity Fund on 1 October 1998, until March 2015, when the Allan Gray Equity Fund changed its mandate to include the ability to invest offshore. A combined history of the two funds since inception of the Allan Gray Equity Fund can be viewed here.

Meeting the Fund objective

The Fund aims to outperform the South African equity market over the long term, without taking on greater risk. The Fund experiences periods of underperformance in pursuit of this objective. Since inception and over the latest five-year period, the Fund has underperformed its benchmark.

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2021	31 Dec 2021
Cents per unit	**451.9763**	**813.8448**

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund. The fee rate is calculated daily by comparing the Fund's total performance for the day to that of the benchmark.

Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT

For each annualised percentage point above or below the benchmark we add or deduct 0.2%. The maximum fee is uncapped and if the fee would have been negative, 0% will be charged for the day and the negative fee will be carried forward to reduce the next day's fee (and all subsequent days until the underperformance is recovered).

This means that Allan Gray shares in 20% of annualised performance relative to the benchmark.

Total expense ratio (TER) and transaction costs

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

Top 10 share holdings on 31 March 2022 (updated quarterly)

Company	% of portfolio
Glencore	8.4
British American Tobacco	7.5
Naspers[7]	6.5
Woolworths	4.4
Nedbank	4.3
Standard Bank	3.7
Remgro	3.7
Sasol	3.6
AB InBev	3.4
Sibanye-Stillwater	3.3
Total (%)	**48.8**

7. Includes holding in stub certificates or Prosus N.V., if applicable.

Sector allocation on 31 March 2022 (updated quarterly)

Sector	% of Fund	% of ALSI[8]
Energy	0.3	1.1
Basic materials	28.4	31.0
Industrials	4.2	3.9
Consumer staples	14.4	8.1
Healthcare	3.3	2.0
Consumer discretionary	8.7	15.9
Telecommunications	1.7	6.3
Financials	27.9	21.6
Technology	6.8	6.8
Real estate	1.6	3.4
Bonds	0.1	0.0
Money market & bank deposits	2.5	0.0
Total (%)	**100.0**	**100.0**

8. FTSE/JSE All Share Index.

Total expense ratio (TER) and transaction costs

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2022	1yr %	3yr %
Total expense ratio	**0.01**	**0.02**
Fee for benchmark performance	1.00	1.00
Performance fees	-1.00	-0.99
Other costs excluding transaction costs	0.01	0.01
VAT	0.00	0.00
Transaction costs (including VAT)	**0.09**	**0.10**
Total investment charge	**0.10**	**0.12**

Asset allocation on 30 April 2022

Asset class	Total
Net equities	94.4
Property	1.6
Bonds	0.1
Money market & bank deposits	3.9
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 2022

The Fund returned 6.7% for the quarter, better than the benchmark, which gave 3.8%.

For technology investors, the mood has shifted from euphoria to caution. This can be seen most easily in the performance of stocks like Peloton, which sells exercise bikes connected to the internet, and which is down 84% in US dollars from its peak a little over a year ago. Other technology darlings like Zoom, Delivery Hero, and Beyond Meat are all down more than 70% from their respective peak dollar share prices. In most instances, the fundamentals have not changed that much. Delivery Hero, for example, reported slightly worse guidance for 2022 than what analysts had been hoping for – which hardly seems like a sufficient reason for the stock to lose nearly EUR10 bn of value. The change in sentiment seems to be the overriding factor.

Chinese technology companies have also suffered: From their respective peaks, Meituan, Pinduoduo, JD.com, Alibaba, and Tencent have all lost more than 40% of their value in dollars. The fall in Tencent has affected Naspers, which is down 57% from its 2021 rand peak. And this during a time when almost every other large stock on our market delivered a positive return.

The technology sell-off is a reminder that when you pay a high price for a business, you had better be right about its growth prospects. We are all imperfect forecasters, and it's not always so obvious in advance which companies are going to change the world, which are going to compound for 20 years, and which are going to be outcompeted. As an investor, you can reduce your odds of losing money by being careful not to pay too high a price for growth, especially during times of very positive sentiment.

In addition, a large portion of the stocks in our universe are directly or indirectly exposed to China, and getting this call right is crucially important. The Fund has been underweight commodities, especially iron ore producers and Richemont, in order to limit exposure to China over the past few years. Large global stocks like British American Tobacco and AB InBev, that are in our top 10 and have very little exposure to China, should hold their value and protect the portfolio against Chinese setbacks.

During the quarter, the Fund bought Reinet and Thungela, and sold Impala Platinum and Standard Bank.

Commentary contributed by Jacques Plaut

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Allan Gray is an authorised financial services provider.

Management Company

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

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

Performance

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

Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

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

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

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

Important information for investors

Need more information?
You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website **www.allangray.co.za** or via our Client Service Centre on **0860 000 654**

Fund description and summary of investment policy

The Fund invests mainly in selected shares and it uses exchange-traded derivative contracts on stock market indices to substantially reduce its net equity exposure to within a range of 0-20%. As a result, the Fund's return depends on the level of short-term interest rates (implicit in the pricing of the sold futures contracts) and the performance of the Fund's selected shares relative to the stock market index. The Fund's return is therefore unlikely to be correlated with equity market returns. In addition, a portion of the Fund is typically invested in cash and margin deposits.

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

Fund objective and benchmark

The Fund aims to provide investors with long-term positive returns higher than those available in the money market sector, irrespective of stock market returns. The Fund's benchmark is the daily interest rate as supplied by FirstRand Bank Limited.

How we aim to achieve the Fund's objective

The Fund invests in selected shares and seeks to substantially reduce stock market risk by selling exchange-traded equity index derivatives. The selected share portfolio is derived from our thorough research process, but the selection of equities in this Fund may differ from that in the other Allan Gray funds. The deviation of the Fund's selected share portfolio from the composition of the underlying benchmark indices (on which the derivative contracts are based) is restricted and closely monitored. This does not eliminate the risk of capital loss should the selected equities underperform.

Suitable for those investors who

- Seek absolute (i.e. positive) returns regardless of stock market trends
- Require a high degree of capital stability over a 3-year time horizon
- Wish to invest in a product that offers uncorrelated returns relative to shares or bonds as a 'building block' in a diversified multi-asset class portfolio

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

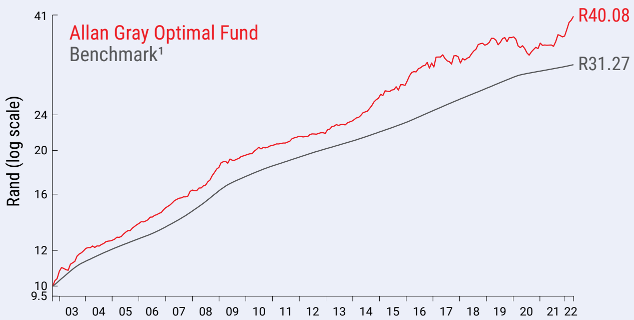
**Only available to investors with a South African bank account.

Fund information on 30 April 2022

Fund size	R0.9bn
Number of units	23 016 472
Price (net asset value per unit)	R24.93
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 2002)	300.8	212.7	169.3
Annualised:			
Since inception (1 October 2002)	7.3	6.0	5.2
Latest 10 years	6.4	4.7	5.0
Latest 5 years	4.3	4.5	4.3
Latest 3 years	3.9	3.6	4.4
Latest 2 years	8.4	2.7	4.6
Latest 1 year	16.1	2.7	5.9
Year-to-date (not annualised)	10.7	1.0	2.4
Risk measures (since inception)			
Maximum drawdown[3]	-10.2	n/a	n/a
Percentage positive months[4]	75.7	100.0	n/a
Annualised monthly volatility[5]	4.1	0.6	n/a
Highest annual return[6]	18.1	11.9	n/a
Lowest annual return[6]	-8.2	2.5	n/a

1. The daily interest rate as supplied by FirstRand Bank Limited (source: FirstRand Bank), performance as calculated by Allan Gray as at 30 April 2022.
2. This is based on the latest available numbers published by IRESS as at 31 March 2022.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 6 February 2020 to 15 September 2020. Drawdown is calculated on the total return of the Fund (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 30 September 2003 and the benchmark's occurred during the 12 months ended 30 September 2003. The Fund's lowest annual return occurred during the 12 months ended 31 August 2020 and the benchmark's occurred during the 12 months ended 30 November 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

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Meeting the Fund objective

Since inception and over the latest 10-year period, the Fund has outperformed its benchmark, which is the daily interest rate supplied by FirstRand Bank Limited. Over the latest five-year period the Fund has underperformed its benchmark. The Fund aims to deliver long-term positive returns, irrespective of stock market returns.

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2021	31 Dec 2021
Cents per unit	**15.6876**	**35.9602**

Annual management fee

The fee rate is calculated daily by comparing the Fund's total performance to that of the benchmark.

Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT

The Fund is first required to recover any underperformance before a fee higher than the fee for performance equal to the benchmark can be charged. This is known as a high watermark. If the Fund's performance is above its previous high watermark, we add 0.2% to the fee for each percentage of performance above the high watermark. The fee is uncapped.

Total expense ratio (TER) and transaction costs

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

Top 10 share holdings on 31 March 2022 (updated quarterly)

Company	% of portfolio
Glencore	6.3
Sasol	6.0
Standard Bank	6.0
Nedbank	5.2
Sibanye-Stillwater	4.7
MTN	4.2
Gold Fields	4.2
AngloGold Ashanti	3.9
Impala Platinum	3.8
British American Tobacco	2.8
Total (%)	**47.0**

Total expense ratio (TER) and transaction costs

TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2022	1yr %	3yr %
Total expense ratio	**1.18**	**1.18**
Fee for benchmark performance	1.00	1.00
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.03	0.03
VAT	0.15	0.15
Transaction costs (including VAT)	**0.16**	**0.11**
Total investment charge	**1.34**	**1.29**

Asset allocation on 30 April 2022

Asset class	Total
Net equities	3.8
Hedged equities	77.9
Property	1.6
Commodity-linked	0.0
Bonds	0.0
Money market and bank deposits	16.8
Total (%)	**100.0**

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	(September 2016) -3.6%[7]
Average	4.9%
Maximum	(November 2018) 15.4%

7. The negative net equity exposure as at 30 September 2016 is due to the cash acquisition of SABMiller by Anheuser-Busch In-Bev. This was corrected and the Fund had a positive net equity exposure by 4 October 2016.

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

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Fund manager quarterly commentary as at 31 March 2022

The Fund has had a decent start to the year, returning 8.5% for the quarter, outperforming its cash benchmark by 7.8%. After a strong prior year, the FTSE/JSE All Share Index (ALSI) has begun 2022 in a more muted fashion, with a 3.8% return year to date. As a reminder though, it is the selection of individual shares, rather than the overall level of the market, that drives the Fund's performance. This stock selection process contributed to the Fund's return during the quarter.

Russia's invasion of Ukraine continues to overshadow all else. Many of the market themes that served the Fund well in 2021 carried over to this year and, if anything, were exacerbated by the outbreak of the conflict in late February. Firstly, the Fund has been overweight resources for some time, particularly oil (via Sasol), coal (via Glencore) and platinum group metal (PGM) miners. Russia is a key producer of these commodities. Supply uncertainty, either from sanctions (or the threat thereof) or rising resource nationalism, has pushed most commodity prices materially higher. While this is clearly beneficial in the near term for producers, we are cognisant of the potential impacts arising from possible demand destruction and any general slowdown in economic activity that may follow. As share prices rallied, we trimmed some cyclical resources exposure (mainly PGM miners) in favour of more defensive rand hedges.

Secondly, the Fund has meaningful exposure to domestically focused companies. Many of these companies' business activities and share prices have continued on the post-COVID-19 recovery path from overly depressed levels. For example, local banks recently reported results that came in well above expectations. The promise of rising rates, in response to increased inflation, and the view that the worst impacts of the pandemic have now passed, serve as additional tailwinds. Select local shares, particularly those favoured by foreign investors, are also benefiting to some degree from the fallout from the Western sanctions placed on Russia.

Historically, Russian stocks carried a material weight in emerging market indices, implying foreign investment flows are now likely to be directed towards more palatable markets, such as our own. In our view, this is supported by relative valuation levels, where the ALSI screens attractively versus both developed and emerging market peers.

Lastly, the low weighting to Naspers/Prosus that the Fund has maintained for some time was a significant contributor to performance this quarter. Multiple factors have weighed on the share, some perhaps more temporary than others. The Chinese regulatory overhang and its accompanying impact on the technology sector has not fully dissipated, made evident in Tencent's weak recent results. At the same time, global technology stocks have come under pressure, with valuation multiples compressing considerably, particularly for companies that remain loss-making. This has, in turn, impacted the market valuation of the Naspers "rump" assets. And then to compound matters, with specific reference to Tencent, the US and Europe's response to Russia's actions has brought scenarios that were previously viewed as tail risks for investors in Chinese assets increasingly into focus.

The volatility we have witnessed over the quarter, while unsettling, does create opportunities for potential outperformance. One such example is Mondi which, owing to its Russian paper and packaging business, has come under substantial pressure and now trades below our assessment of its intrinsic value, even if no value is attributed to its Russian assets.

During the quarter, the Fund sold Naspers/Prosus, PGM miners and MTN. Alongside Mondi, we initiated new positions in AB InBev and Pick n Pay and added to our holdings in select gold miners.

Commentary contributed by Sean Munsie

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Fund mandate

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

Unit price

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

Fees

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

Total expense ratio (TER) and transaction costs

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

FTSE/JSE All Share Index

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Allan Gray Bond Fund

30 April 2022

Fund description and summary of investment policy

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

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

Fund objective and benchmark

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

How we aim to achieve the Fund's objective

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

Suitable for those investors who

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

Minimum investment amounts*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

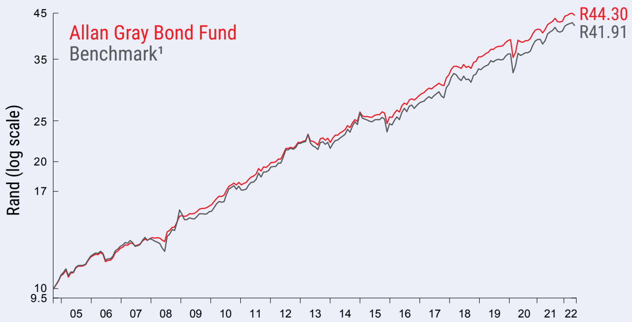
Fund information on 30 April 2022

Fund size	R6.5bn
Number of units	567 650 694
Price (net asset value per unit)	R10.73
Modified duration	5.8
Gross yield (before fees)	10.0
Class	A

1. FTSE/JSE All Bond Index (source: IRESS), performance as calculated by Allan Gray as at 30 April 2022.
2. This is based on the latest available numbers published by IRESS as at 31 March 2022.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 27 February 2020 to 24 March 2020 and maximum benchmark drawdown occurred from 26 February 2020 to 23 March 2020. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 January 2015 and the benchmark's occurred during the 12 months ended 31 January 2015. The Fund's lowest annual return occurred during the 12 months ended 31 January 2016 and the benchmark's occurred during the 12 months ended 31 January 2016. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 October 2004)	343.0	319.1	155.8
Annualised:			
Since inception (1 October 2004)	8.8	8.5	5.5
Latest 10 years	8.1	7.8	5.0
Latest 5 years	8.5	8.2	4.3
Latest 3 years	7.1	7.6	4.4
Latest 2 years	10.6	11.5	4.6
Latest 1 year	7.8	8.4	5.9
Year-to-date (not annualised)	0.3	0.1	2.4
Risk measures (since inception)			
Maximum drawdown[3]	-18.9	-19.3	n/a
Percentage positive months[4]	72.0	68.7	n/a
Annualised monthly volatility[5]	5.8	7.4	n/a
Highest annual return[6]	18.0	21.2	n/a
Lowest annual return[6]	-2.6	-5.6	n/a

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Meeting the Fund objective

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

Income distributions for the last 12 months

Actual payout, the Fund distributes quarterly	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022
Cents per unit	**22.9999**	**23.8985**	**24.6430**	**23.9256**

Annual management fee

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

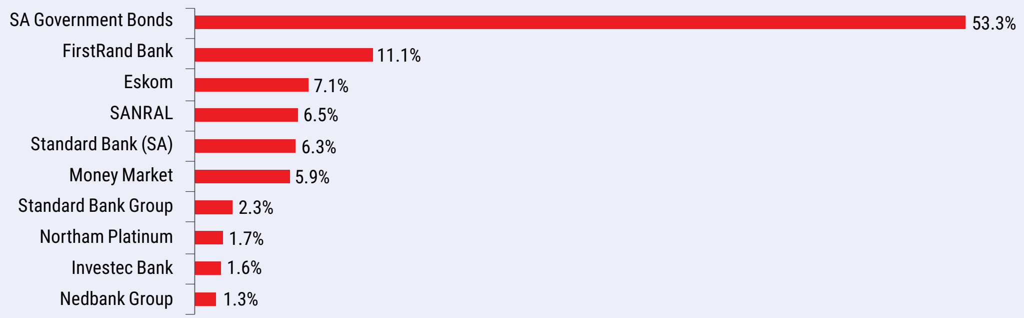
Total expense ratio (TER) and transaction costs

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

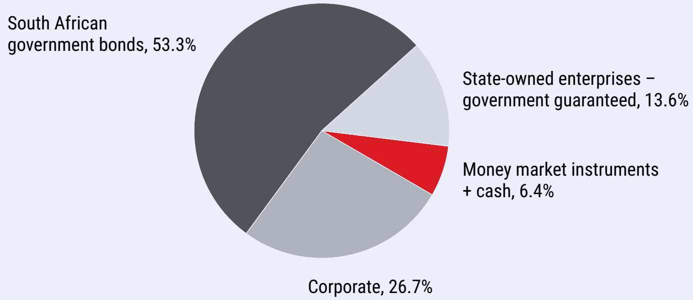
TER and transaction costs breakdown for the 1- and 3-year period ending 31 March 2022	1yr %	3yr %
Total expense ratio	**0.39**	**0.47**
Fee for benchmark performance*	0.33	0.28
Performance fees*	0.00	0.12
Other costs excluding transaction costs	0.01	0.01
VAT	0.05	0.06
Transaction costs (including VAT)	**0.00**	**0.00**
Total investment charge	**0.39**	**0.47**

*On 1 December 2021, the Fund's annual management fee changed from the previous performance-based fee to the current fixed fee of 0.5% p.a. excl. VAT.

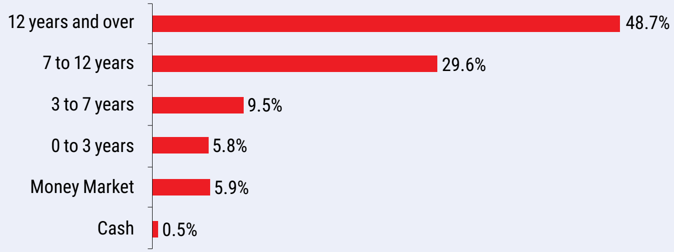
Top 10 credit exposures on 30 April 2022



Asset allocation on 30 April 2022



Maturity profile on 30 April 2022



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

Fund manager quarterly commentary as at 31 March 2022

The narrative about inflation being transitory – a common refrain among major central banks during the pandemic recovery period – has decisively been put to rest. Developed country policymakers are increasingly waking up to the reality of persistently higher prices, and this has been a rude awakening: US inflation reached 40-year highs in February, printing at a whopping 7.9%. During the quarter, the Federal Reserve ended its asset purchase programme and embarked on its first rate hike of 25 basis points. The Bank of England implemented its third rate hike in a row, while the European Central Bank announced the winding down of asset purchases from the end of March.

If the major central banks were still in bed recovering from the rude inflationary wake-up call, then Russia's invasion of Ukraine must have been akin to being splashed with a bucket of ice cold water. The sanctions imposed on Russia resulted in the oil price touching US$140 per barrel, the highest since 2008. The conflict has also affected global food prices, given that Russia and Ukraine are large wheat exporters. The sad reality is that the conflict has not only resulted in unjustifiable human suffering and loss of life in Ukraine but has also exported economic pain to the rest of the world through higher food and fuel prices, which have a particularly harmful effect on people in developing countries.

The domestic environment has been rather tame compared to the upheaval observed in other parts of the world. The South African Reserve Bank implemented two 25 basis point rate hikes in a bid to normalise monetary policy and contain inflation that is hovering just below the 6% upper bound. February saw Finance Minister, Enoch Godongwana, deliver his maiden Budget speech. It was a bullish budget due to revenue overshooting relative to the upwardly revised November estimates, largely owing to the continued outperformance of commodities.

Some of this extra revenue was used to extend the COVID-19 Social Relief of Distress grant for another year. The Budget also pencilled in minimal salary increases for civil servants and made no provision for new bailouts of state-owned enterprises (SOEs) – these two items have been leading threats to fiscal sustainability in recent years. In a final boost to the fiscus, the Constitutional Court exonerated the government from having to make good on the final year of a previous wage deal, which the government had reneged on due to affordability concerns.

Credit spreads in the domestic market appear to have stabilised at low levels. Furthermore, more and more auctions have been clearing towards the top end of guidance – another indicator of the potential end of the spread contraction seen over the past few years. Notable issuances came from Fortress REIT, which privately placed sustainability-linked bonds worth R1.3bn, and Transnet, which held its first auction in several years, raising a total of R2bn.

During the quarter, we switched from short-dated to long-dated FirstRand senior bonds, sold low-yielding Standard Bank and MTN paper, and added duration ahead of what we anticipated would be a positive budget. Half of the Fund is invested in liquid, long-dated government bonds, which are offering good value at current yields. This is balanced against bank bonds, other fixed rate credit, floating rate notes and inflation-linked bonds – all of which tend to be defensive during bouts of risk aversion. The Fund's modified duration is 0.6 years less than that of the FTSE/JSE All Bond Index.

Commentary contributed by Londa Nxumalo

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Allan Gray is an authorised financial services provider.

Management Company

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

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

Performance

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

Fund mandate

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Yield

The Allan Gray Bond Fund yield is current, calculated as at month-end.

Fees

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Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act 24 of 1956. 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. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

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