ALLANGRAY

Inception date: 6 July 2001

Allan Gray Life Domestic Absolute Portfolio

31 May 2022

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

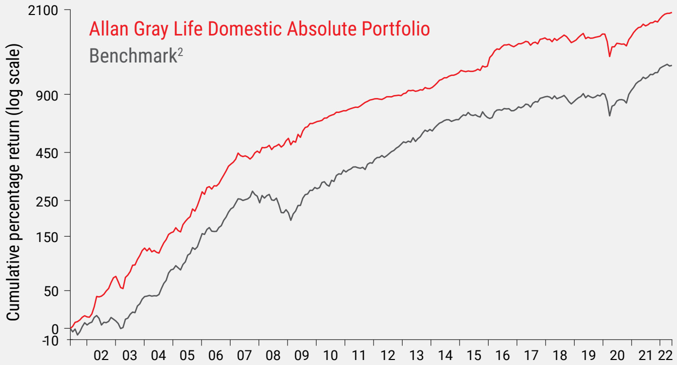
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a 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 31 May 2022

Assets under management	R548m

Performance gross of fees

Cumulative performance since inception



% Returns[1]	Portfolio	Benchmark[2]
Since inception	15.9	13.1
Latest 10 years	8.7	9.4
Latest 5 years	5.9	8.0
Latest 3 years	8.9	11.1
Latest 2 years	18.3	21.4
Latest 1 year	12.2	12.2
Latest 3 months	1.7	0.2

Asset allocation on 31 May 2022

Asset class	Total
Net SA equities	63.7
Hedged SA equities	8.3
Property	0.1
Commodity-linked	3.2
Bonds	14.7
Money market and bank deposits	10.0
Total (%)	**100.0**

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 May 2022.
2. Mean of Alexander Forbes Domestic Large Manager Watch. The return for May 2022 is an estimate.
3. Includes holding in Prosus N.V., if applicable.

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

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

Company	% of Portfolio
British American Tobacco	9.1
Glencore	7.0
Naspers[3]	4.6
Sasol	4.0
Standard Bank	4.0
Woolworths	3.8
Remgro	3.7
Nedbank	3.0
MultiChoice	2.8
AB InBev	2.4
Total (%)	**44.4**

Issued: 9 June 2022

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Fund manager quarterly commentary as at 31 March 2022

The Portfolio returned 5.3% for the quarter, outperforming the benchmark by 1.5%[1].

With high commodity prices, inflation consistently above 5% in the US since June 2021 (7.9% as at the end of February 2022) and an overheating US economy, global trends that resulted in the strong performance of US markets have begun to reverse in 2022. In March, the Federal Reserve approved its first interest rate increase in more than three years and signalled its intention to keep hiking rates throughout 2022 and possibly into 2023. Year to date, the yield on 10-year government bonds in the US has increased from 1.5% to 2.3%, causing those same bonds to generate a negative return of 7.2% in US dollars. Higher interest rates have also meant higher discount rates, with a number of highly priced companies falling significantly and the S&P 500 down 4.6% in US dollars, year to date.

At this stage, we do not know whether global inflation will prove to be transitory or more persistent in nature. We do know that developed market government debt is at record levels and that the real yield on long-dated government bonds continues to be negative in many countries. We also know that the average earnings multiple one is paying for US equities remains high relative to history. As a result, we are of the view that we are at the early stages of this trend reversal.

In contrast to global bond markets, the 10-year government bond in South Africa is providing real returns, with a benchmark rate now in the ballpark of 10% (real rate above 4%). The risks in South Africa are well known, but one is arguably being compensated for these higher risks at today's prices. Further, we continue to see significant value in our preferred JSE-listed equities – a number of which are global companies that happen to be listed in South Africa.

One such example is Glencore. Glencore produces and sells over 120 million tonnes of coal each year. Coal is arguably the dirtiest of fossil fuels, and we need to make a global effort to materially reduce our reliance on it over the next 30 to 40 years if we are to achieve our ambition of keeping climate change to a minimum.

Glencore is not blind to this reality and has committed to responsibly winding down their mines over time and reinvesting the proceeds in more sustainable and greener metals. However, as it currently stands, many countries – emerging markets in particular – are reliant on coal for their primary energy needs. South Africa is no exception, with approximately 85% of our electricity continuing to be generated from coal.

Over the past few years, there has been huge pressure on companies to close and reduce investment into fossil fuel operations, coal in particular. In theory, this should drive a positive outcome from a climate change perspective.

Unfortunately, as a global society, we have been poor in terms of the speed and scale at which we have made greener alternatives a viable reality. As consumers are reluctant to reduce their overall energy needs, demand has remained sticky. With demand remaining elevated and supply under pressure, the coal price has rallied materially over the past 18 months. This has been exacerbated in the short term by COVID-19 supply disruptions and the events unfolding in Ukraine, with the related sanctions on Russian oil and gas.

It is important to note that a high coal price is favourable for Glencore's income statement in the short term, but it is also useful in the war against carbon emissions. That is because high prices reduce consumer demand and increase the incentive to produce and bring alternatives to market. There is a reasonable chance that the high prices we are seeing in fossil fuels today will ultimately accelerate their replacement by greener alternatives.

As a result, when valuing Glencore, we do not bake today's high coal prices into our valuation, and we place the coal business on a below-average multiple. However, what we believe the market fails to appreciate is just how important Glencore is to the energy transition. Glencore is one of the world's largest producers of zinc, cobalt, nickel and copper. The world will need to more than double its annual consumption of these four commodities as we scale up investments in electric vehicles, large-scale commercial batteries, wind and solar farms, and greater redundancy in electrical grids. At spot, the Glencore share price is discounting not only materially lower coal prices, but materially lower prices for these other commodities too. We like that risk-reward trade-off.

[1] The return for March 2022 is an estimate.

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Allan Gray Life Domestic Balanced Portfolio

31 May 2022

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

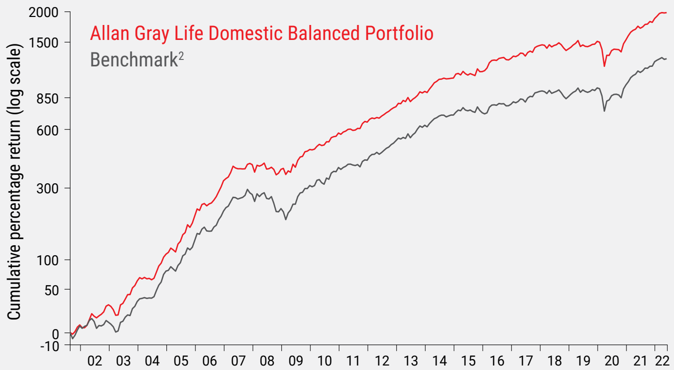
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a 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 31 May 2022

Assets under management	R7 685m

Performance gross of fees

Cumulative performance since inception



% Returns[1]	Portfolio	Benchmark[2]
Since inception	15.6	13.2
Latest 10 years	10.4	9.4
Latest 5 years	8.0	8.0
Latest 3 years	11.2	11.1
Latest 2 years	22.3	21.4
Latest 1 year	13.6	12.2
Latest 3 months	0.8	0.2

Asset allocation on 31 May 2022

Asset class	Total
Net SA equities	67.9
Hedged SA equities	2.2
Property	1.4
Commodity-linked	2.2
Bonds	20.8
Money market and bank deposits	5.5
Total (%)	**100.0**

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 May 2022.
2. Mean of Alexander Forbes Domestic Large Manager Watch. The return for May 2022 is an estimate.
3. Includes holding in Prosus N.V., if applicable.

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

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

Company	% of Portfolio
Glencore	6.5
British American Tobacco	6.2
Naspers[3]	4.8
Nedbank	3.4
Sasol	3.1
Woolworths	3.1
Sibanye-Stillwater	2.7
AB InBev	2.6
Remgro	2.5
Standard Bank	2.4
Total (%)	**37.4**

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Fund manager quarterly commentary as at 31 March 2022

The Portfolio returned 5.7% for the quarter, outperforming the benchmark by 1.8%[1].

With high commodity prices, inflation consistently above 5% in the US since June 2021 (7.9% as at the end of February 2022) and an overheating US economy, global trends that resulted in the strong performance of US markets have begun to reverse in 2022. In March, the Federal Reserve approved its first interest rate increase in more than three years and signalled its intention to keep hiking rates throughout 2022 and possibly into 2023. Year to date, the yield on 10-year government bonds in the US has increased from 1.5% to 2.3%, causing those same bonds to generate a negative return of 7.2% in US dollars. Higher interest rates have also meant higher discount rates, with a number of highly priced companies falling significantly and the S&P 500 down 4.6% in US dollars, year to date.

At this stage, we do not know whether global inflation will prove to be transitory or more persistent in nature. We do know that developed market government debt is at record levels and that the real yield on long-dated government bonds continues to be negative in many countries. We also know that the average earnings multiple one is paying for US equities remains high relative to history. As a result, we are of the view that we are at the early stages of this trend reversal.

In contrast to global bond markets, the 10-year government bond in South Africa is providing real returns, with a benchmark rate now in the ballpark of 10% (real rate above 4%). The risks in South Africa are well known, but one is arguably being compensated for these higher risks at today's prices. Further, we continue to see significant value in our preferred JSE-listed equities – a number of which are global companies that happen to be listed in South Africa.

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Glencore is not blind to this reality and has committed to responsibly winding down their mines over time and reinvesting the proceeds in more sustainable and greener metals. However, as it currently stands, many countries – emerging markets in particular – are reliant on coal for their primary energy needs. South Africa is no exception, with approximately 85% of our electricity continuing to be generated from coal.

Over the past few years, there has been huge pressure on companies to close and reduce investment into fossil fuel operations, coal in particular. In theory, this should drive a positive outcome from a climate change perspective.

Unfortunately, as a global society, we have been poor in terms of the speed and scale at which we have made greener alternatives a viable reality. As consumers are reluctant to reduce their overall energy needs, demand has remained sticky. With demand remaining elevated and supply under pressure, the coal price has rallied materially over the past 18 months. This has been exacerbated in the short term by COVID-19 supply disruptions and the events unfolding in Ukraine, with the related sanctions on Russian oil and gas.

It is important to note that a high coal price is favourable for Glencore's income statement in the short term, but it is also useful in the war against carbon emissions. That is because high prices reduce consumer demand and increase the incentive to produce and bring alternatives to market. There is a reasonable chance that the high prices we are seeing in fossil fuels today will ultimately accelerate their replacement by greener alternatives.

As a result, when valuing Glencore, we do not bake today's high coal prices into our valuation, and we place the coal business on a below-average multiple. However, what we believe the market fails to appreciate is just how important Glencore is to the energy transition. Glencore is one of the world's largest producers of zinc, cobalt, nickel and copper. The world will need to more than double its annual consumption of these four commodities as we scale up investments in electric vehicles, large-scale commercial batteries, wind and solar farms, and greater redundancy in electrical grids. At spot, the Glencore share price is discounting not only materially lower coal prices, but materially lower prices for these other commodities too. We like that risk-reward trade-off.

[1] The return for March 2022 is an estimate.

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Allan Gray Life Domestic Equity Portfolio

31 May 2022

ALLANGRAY

Inception date: 11 January 2001

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

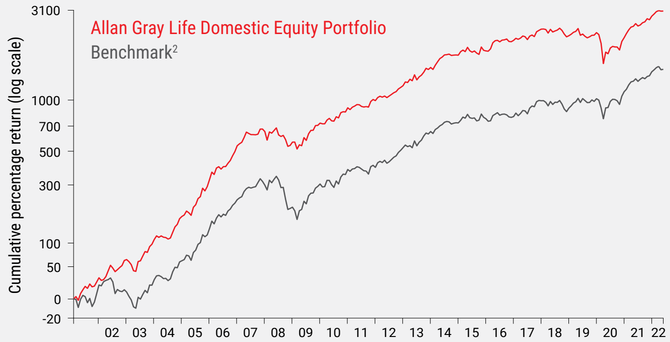
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Portfolio information on 31 May 2022

Assets under management	R3 818m

Performance gross of fees

Cumulative performance since inception



% Returns[1]	Portfolio	Benchmark[2]
Since inception[3]	17.6	13.8
Latest 10 years	11.0	11.9
Latest 5 years	6.4	10.5
Latest 3 years	10.2	14.2
Latest 2 years	29.2	25.9
Latest 1 year	16.3	12.1
Latest 3 months	0.7	-2.0

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 May 2022.
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 N.V., if applicable.

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

Sector allocation on 31 March 2022 (updated quarterly)

	% of Portfolio	% of benchmark
Energy	0.3	1.2
Basic materials	28.8	27.3
Industrials	4.4	3.4
Consumer staples	14.5	10.3
Healthcare	3.0	2.6
Consumer discretionary	9.0	6.9
Telecommunications	1.7	8.0
Financials	27.6	27.2
Technology	6.9	8.5
Real estate	1.6	4.4
Money market and bank deposits	2.0	0.0
Bonds	0.1	0.0
Unlisted Shares	0.0	0.0
Total (%)	**100.0**	**100.0**

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

Company	% of Portfolio
Glencore	8.4
British American Tobacco	7.6
Naspers[4]	6.6
Woolworths	4.4
Nedbank	4.3
Standard Bank	3.7
Remgro	3.7
Sasol	3.7
AB InBev	3.5
Sibanye-Stillwater	3.3
Total (%)	**49.2**

Issued: 9 June 2022

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Fund manager quarterly commentary as at 31 March 2022

The Portfolio returned 6.9% for the quarter, while the benchmark delivered 6.7%.

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 Portfolio 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 Portfolio bought Reinet and Thungela, and sold Impala Platinum and Standard Bank.

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

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Allan Gray Life Domestic Optimal Portfolio

ALLANGRAY

Inception date: 4 December 2002

31 May 2022

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

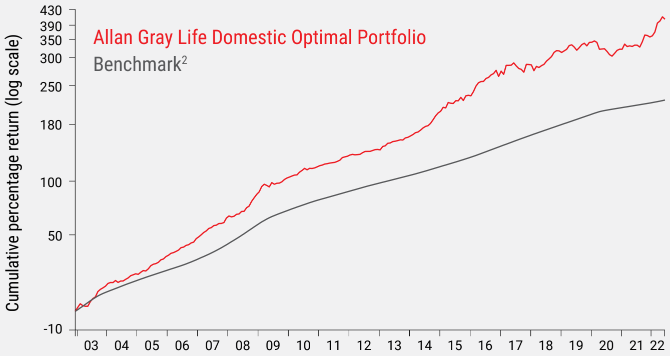
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds and medical schemes.
- Minimum investment: R20m.
- Performance based fee.

Portfolio information on 31 May 2022

Assets under management	R428m

Performance gross of fees

Cumulative performance since inception



% Returns[1]	Portfolio	Benchmark[2]
Since inception	8.6	6.2
Latest 10 years	7.7	5.0
Latest 5 years	4.9	4.7
Latest 3 years	5.3	3.8
Latest 2 years	8.5	2.9
Latest 1 year	15.4	3.1
Latest 3 months	2.1	0.9

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 May 2022.
2. Daily interest rate of Nedbank Limited.

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

Asset allocation on 31 May 2022

Asset class	Total
Net SA equities	5.7
Hedged SA equities	73.4
Property	1.5
Money market and bank deposits	19.4
Total (%)	**100.0**

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

Company	% of Portfolio
Glencore	6.3
Sasol	6.1
Standard Bank	5.8
Nedbank	5.0
Sibanye-Stillwater	4.8
Gold Fields	4.2
MTN	4.2
AngloGold Ashanti	4.0
Impala Platinum	3.9
British American Tobacco	2.9
Total (%)	**47.2**

Issued: 9 June 2022

Fund manager quarterly commentary as at 31 March 2022

The Portfolio has had a decent start to the year, returning 8.5% for the quarter, outperforming its cash benchmark by 7.7%. After a strong prior year, the FTSE/JSE All Share Index 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 Portfolio's performance. This stock selection process contributed to the Portfolio's return during the quarter.

Russia's invasion of Ukraine continues to overshadow all else. Many of the market themes that served the Portfolio well in 2021 carried over to this year and, if anything, were exacerbated by the outbreak of the conflict in late February. Firstly, the Portfolio has been overweight resources, 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 Portfolio 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 Portfolio 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 Portfolio 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.

Information and content

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ALLAN GRAY

Inception date: 19 April 2004

Allan Gray Life Stable Medical Scheme Portfolio

31 May 2022

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

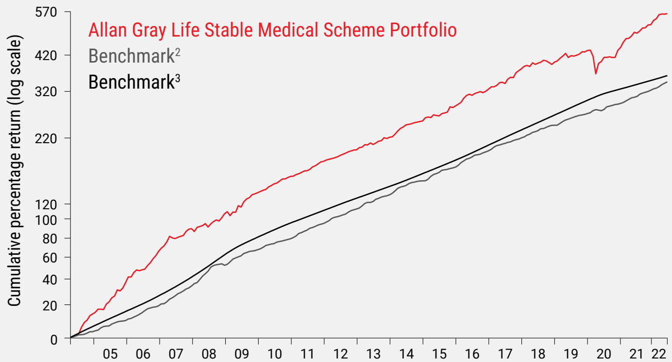
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to medical schemes.
- Minimum investment: R20m.
- Performance based fee/Fixed fee.

Portfolio information on 31 May 2022

Assets under management	R2 781m

Performance gross of fees

Cumulative performance since inception[4]



% Returns[1]	Portfolio	Benchmark[2]	Benchmark[3]
Since inception[4]	11.0	8.6	8.8
Latest 10 years	8.7	8.2	7.9
Latest 5 years	8.3	7.5	7.7
Latest 3 years	8.9	7.5	6.7
Latest 2 years	15.0	8.8	5.7
Latest 1 year	11.5	9.4	5.7
Latest 3 months	0.6	2.9	1.5

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 May 2022.
2. CPI plus 3% p.a. The return for May 2022 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 N.V., if applicable.

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

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

Company	% of Portfolio
Glencore	3.5
British American Tobacco	3.2
Standard Bank	1.9
Nedbank	1.9
Woolworths	1.7
Sasol	1.7
Sibanye-Stillwater	1.6
AngloGold Ashanti	1.6
Naspers[5]	1.5
Remgro	1.3
Total (%)	**20.0**

Asset allocation on 31 May 2022

Asset class	Total	SA	Africa ex-SA	Foreign ex-Africa
Net equities	34.9	34.8	0.0	0.1
Hedged equities	1.4	1.4	0.0	0.0
Property	1.4	1.4	0.0	0.0
Commodity-linked	2.0	2.0	0.0	0.0
Bonds	38.2	32.6	1.0	4.6
Money market and bank deposits	22.1	21.6	0.0	0.4
Total (%)	**100.0**	**93.9**	**1.1**	**5.1**

Issued: 9 June 2022

Fund manager quarterly commentary as at 31 March 2022

Russia invaded Ukraine during the quarter. This led to heightened volatility in global markets as investors processed the event and tried to forecast the potential knock-on effects. Increased global tensions and rising inflation have the potential to derail the global economy's recovery. The Portfolio is well diversified and delivered a return of 3.9% over the past quarter.

As South Africans, we are used to moderate levels of inflation as a feature of daily life. For developed markets, this has not been the case in recent times. For example, in the US, consumer inflation from 2009 to 2020 averaged only 1.6% and rarely exceeded 2.5%. Inflation started to increase meaningfully during 2021 and the most recent annualised US inflation numbers are above 7%. Only some of this is explained by a higher oil price; more important are unusually stimulative monetary and fiscal policies as well as supply chain constraints. High global inflation will feed into higher local inflation, with specific contributions from higher prices for commodities such as wheat and oil.

Inflation is often the biggest risk to conservative investors. Investments in "safe" instruments such as cash or bonds have a low risk of capital loss but offer no protection against inflation, which erodes the purchasing power of each rand. Investments in shares may feel less safe in the short term due to higher volatility and the possibility of capital loss but provide greater protection against inflation over the long term. Most companies have some ability to raise prices or own assets which maintain their value as prices rise.

The Portfolio uses a combination of investments in shares, bonds, cash and other instruments to construct a portfolio which should do well in most scenarios without taking undue risks. The Portfolio can also use an offshore allocation, which partially buffers against a fall in the value of South African assets or the rand.

It is worth reviewing the aims of the Portfolio:

- To achieve a high degree of capital stability;
- To minimise the risk of loss over any two-year period; and
- To produce long-term returns that are better than bank deposits and inflation.

The Portfolio remains well positioned to take advantage of opportunities, including those in the South African market where many companies still trade on reasonable valuations. Positions in cash, fixed income, hedged equities, commodities and offshore assets provide some balance to the volatility of equity markets. South Africa faces serious macro challenges, but buyers of South African bonds are well compensated for these risks. The Portfolio maintains a relatively conservative fixed income position. Inflation-linked bonds provide some protection against rising inflation.

Since the onset of the COVID-19 pandemic – at the start of 2020 – the Portfolio has delivered an annualised return of 9.9%, outperforming inflation by 5.3% per annum.

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ALLANGRAY

Inception date: 14 November 2001

Allan Gray Life Domestic Stable Portfolio

31 May 2022

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

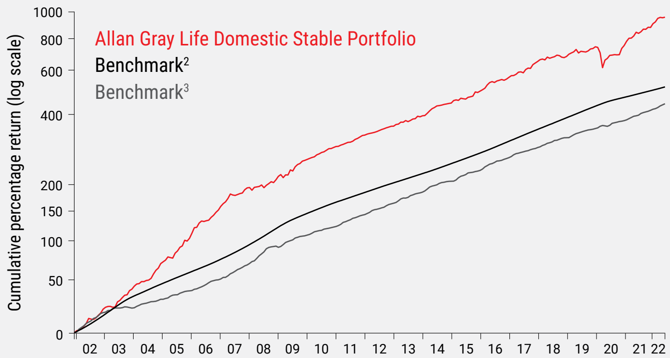
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a 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 31 May 2022

Assets under management	R1 374m

Performance gross of fees

Cumulative performance since inception[4]



% Returns[1]	Portfolio	Benchmark[2]	Benchmark[3]
Since inception[4]	12.2	9.4	8.7
Latest 10 years	8.9	7.9	8.2
Latest 5 years	8.5	7.7	7.5
Latest 3 years	9.3	6.7	7.5
Latest 2 years	16.6	5.7	8.8
Latest 1 year	11.9	5.7	9.4
Latest 3 months	0.9	1.5	2.9

Asset allocation on 31 May 2022

Asset class	Total
Net SA equities	35.7
Hedged equities	1.8
Property	1.5
Commodity-linked	2.1
Bonds	46.1
Money market and bank deposits	12.8
Total (%)	**100.0**

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 May 2022.
2. Alexander Forbes 3-month Deposit Index plus 2% p.a.
3. CPI plus 3% p.a. The return for May 2022 is an estimate.
4. Since alignment date (1 December 2001).
5. Includes holding in Prosus N.V., if applicable.

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

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

Company	% of Portfolio
Glencore	3.4
British American Tobacco	3.2
Nedbank	1.9
Standard Bank	1.8
Woolworths	1.7
Sasol	1.6
Sibanye-Stillwater	1.6
AngloGold Ashanti	1.5
Naspers[5]	1.5
Remgro	1.3
Total (%)	**19.3**

Issued: 9 June 2022

Fund manager quarterly commentary as at 31 March 2022

Russia invaded Ukraine during the quarter. This led to heightened volatility in global markets as investors processed the event and tried to forecast the potential knock-on effects. Increased global tensions and rising inflation have the potential to derail the global economy's recovery. The Portfolio is well diversified and delivered a return of 4.8% over the past quarter.

As South Africans, we are used to moderate levels of inflation as a feature of daily life. For developed markets, this has not been the case in recent times. For example, in the US, consumer inflation from 2009 to 2020 averaged only 1.6% and rarely exceeded 2.5%. Inflation started to increase meaningfully during 2021 and the most recent annualised US inflation numbers are above 7%. Only some of this is explained by a higher oil price; more important are unusually stimulative monetary and fiscal policies as well as supply chain constraints. High global inflation will feed into higher local inflation, with specific contributions from higher prices for commodities such as wheat and oil.

Inflation is often the biggest risk to conservative investors. Investments in "safe" instruments such as cash or bonds have a low risk of capital loss but offer no protection against inflation, which erodes the purchasing power of each rand. Investments in shares may feel less safe in the short term due to higher volatility and the possibility of capital loss but provide greater protection against inflation over the long term. Most companies have some ability to raise prices or own assets which maintain their value as prices rise.

The Portfolio uses a combination of investments in shares, bonds, cash and other instruments to construct a portfolio which should do well in most scenarios without taking undue risks.

It is worth reviewing the aims of the Portfolio:

- To achieve a high degree of capital stability;
- To minimise the risk of loss over any two-year period; and
- To produce long-term returns that are better than bank deposits and inflation.

The Portfolio remains well positioned to take advantage of opportunities, including those in the South African market where many companies still trade on reasonable valuations. Positions in cash, fixed income, hedged equities and commodities provide some balance to the volatility of equity markets. South Africa faces serious macro challenges, but buyers of South African bonds are well compensated for these risks. The Portfolio maintains a relatively conservative fixed income position. Inflation-linked bonds provide some protection against rising inflation.

Since the onset of the COVID-19 pandemic – at the start of 2020 – the Portfolio has delivered an annualised return of 10.2%, outperforming inflation by 5.6% per annum.

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

Inception date: 1 August 2015

31 May 2022

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

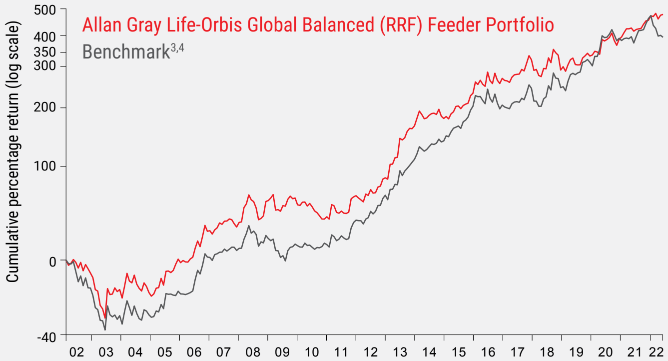
*The blended returns are calculated by Orbis Investment Management Ltd using end-of-day index level values licensed from MSCI ("MSCI Data"). For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, 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 31 May 2022

Assets under management	R623m

Performance net of fees[1]

Cumulative performance since inception



% Returns[1,2]	Portfolio		Benchmark[3,4]	
	ZAR	US$	ZAR	US$
Since inception	8.9	7.3	8.0	6.5
Latest 10 years	13.1	6.6	13.0	6.5
Latest 5 years	8.8	5.2	9.5	5.9
Latest 3 years	12.5	10.0	9.2	6.8
Latest 2 years	9.8	16.8	0.1	6.5
Latest 1 year	12.5	-0.9	4.1	-8.4
Latest 3 months	-0.7	-1.6	-6.1	-6.9

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 31 May 2022.
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.

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

Asset allocation on 31 May 2022

This portfolio invests solely into the Orbis SICAV Global Balanced Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	62.0	15.9	22.8	7.9	9.0	6.4
Hedged equities	20.0	10.4	5.7	1.0	1.6	1.4
Fixed interest	11.9	8.6	0.4	0.1	0.2	2.7
Commodity-linked	6.1	0.0	0.0	0.0	0.0	6.1
Net current assets	-0.1	0.0	0.0	0.0	0.0	-0.1
Total	**100.0**	**34.8**	**28.8**	**9.0**	**10.8**	**16.5**
Currency exposure						
Fund	100.0	34.9	32.6	15.4	9.3	7.9
Index	100.0	63.6	22.4	11.1	0.7	2.2

Top 10 share holdings on 31 March 2022 (SA and Foreign) (updated quarterly)[5]

Company	% of Portfolio
SPDR Gold Trust	6.2
Samsung Electronics	5.0
Shell	3.3
Schlumberger	3.1
Kinder Morgan	2.9
Drax Group	2.7
Bayer	2.4
Barrick Gold	2.4
Taiwan Semiconductor Mfg.	2.2
Mitsubishi	2.0
Total (%)	**32.2**

Issued: 9 June 2022

Fund manager quarterly commentary as at 31 March 2022

Russia's invasion of Ukraine is a painful reminder that there is more to life than markets, and our concern goes out to the people suffering. As investors, our job is to assess the impact on our clients' portfolios. Coming into this year, the Orbis SICAV Global Balanced Fund ("the Fund"), in which the Portfolio invests, held no Russian positions, and we sold Russia-exposed BP between late January and early February.

The Fund has fared much better than its 60/40 benchmark amid the conflict-related volatility. As inflation has eclipsed 7% in the US, interest rates have begun to rise. That has punished global government bonds, which have lost 6.2%, and the richly priced growth stocks. While global value shares are roughly flat this year, the Nasdaq is down 9%.

Those moves feel huge if you're reading the headlines every day, but have barely made a dent in the trends of recent decades. Bond yields remain near 120-year lows in the US and 260-year lows in the UK. And over the past 15 years, the Nasdaq has only once been more richly priced relative to global value shares – during the COVID-19 lockdowns.

Despite the assurances of central bankers, inflation expectations continue to rise. That is dangerous, because inflation is unlike most financial risks. With most financial risks, the more you worry about them, the less likely they are to happen. With inflation, it is the opposite.

Three boomerangs

As well as rising inflation, Russia's invasion has exacerbated several trends that were already underway. We have found opportunities aligned with three of these trends: a global energy crisis, a global food shortage, and a resumption of the Cold War. Each of these represents a reversal of the prevailing trends in recent decades and could shape the world for decades to come.

Global energy crisis

We have expected a supply crunch in energy for some time. Over the past seven years, oil producers underinvested by hundreds of billions of dollars, and petroleum inventories are now at their lowest levels since 2014. Then Russia invaded Ukraine, rendering 10% of world oil production and over 30% of Europe's gas supply insecure and toxic. As the world divides, it is becoming obvious that the US must lead the way in providing Europe with energy security – Europe and the US have already signed an agreement to increase transatlantic liquefied natural gas (LNG) shipments.

The most obvious beneficiaries are responsible Western companies that can contribute to the energy security effort. Much of that LNG will be handled by Shell, one of the world's largest LNG producers and traders. Forty percent of gas consumed in the US flows through the pipelines of Kinder Morgan, which also owns stakes in LNG export terminals. As European LNG demand boosts prices in Asia, gas producers in Australia such as Woodside will benefit. And companies like Schlumberger and Hunting, which provide the technology and equipment to increase oil and gas production, stand to benefit as countries and companies finally attempt to increase supply.

As obvious as all that seems, this is not reflected in valuations, which remain attractive across many parts of the energy space. Over the past few months, we have rotated the Fund's energy holdings from politically vulnerable producers towards the more neglected services firms.

Longer term, the energy shortage may hasten Europe's desire to increase energy efficiency and transition to renewable power. One of the easiest efficiency wins is to use LED lightbulbs, which should provide a tailwind to Signify, maker of Philips-branded LED bulbs. And investment in renewable energy should support both the wind turbine and electrical grid equipment businesses of Siemens Energy.

Global food shortage

Russia is by far the world's largest wheat exporter, and in normal times Russia and Ukraine together account for a quarter of the world's wheat exports. As that supply is threatened, food prices have spiked globally. That will make it essential for producers in other regions to maximise crop yields. Top holding Bayer, with its portfolio of yield-enhancing seeds, fertilisers, and pesticides, may be due a reappraisal. Once loathed for genetically modified seeds and Roundup (glyphosate), Bayer now seems utterly forgotten, even as its Roundup legal fortunes improve.

The Fund also gains some protection against rising food prices through its Treasury Inflation-Protected Securities. The principal value of those bonds adjusts according to changes in consumer prices, and food and energy account for roughly a quarter of the consumer price basket.

The Cold War resumes

With Russia's invasion of Ukraine, the era of predictable European and Asian peace that started in the early 1990s is eliminated – with all the economic blessings that came with it. With the peace dividend gone, countries and alliances need to make up for a decades-long investment deficit in defence. That need is being felt most acutely in Europe and Japan, where defence contractors have performed poorly for 20 years, exacerbated recently by investor unease about the social responsibility of investing in those firms. Now, we appear on the cusp of a boomerang-like turn in both fundamentals and sentiment.

On the fundamental side, European powers are already ramping up defence spending and favouring local contractors such as BAE Systems, Saab, Rheinmetall, Rolls-Royce, Leonardo, and Thales. Most of these contractors offer high dividend yields that are well covered by cash flows on current contracts, with additional upside should defence spending increase. On the sentiment side, investors are reassessing the importance of defence companies in protecting liberal democracies. While we did not buy these companies because we foresaw events in Ukraine, we were able to build modest positions in them over the past several months.

A yawning gap

Amid the volatility of recent months, we resisted the urge to trim positions that performed well in favour of shares that recently started to lag. In our view, the boomerang in markets has only started to turn, and the much-discussed "value rotation" is mainly a sell-off in shares that looked absurdly expensive before and still look extreme. After a good quarter for relative returns, the equities in the Fund still trade at a 30% discount to the MSCI World Index on price-to-earnings. We remain enthusiastic about the Fund's long-term relative return potential.

We exited a position in BP in mid-February amid increasing concerns over its exposure to Russia. We recycled much of that cash into more attractive energy ideas, including Kinder Morgan, an energy infrastructure company. We also sold out of the Fund's position in Comcast, a US-based cable and media company, due to concerns about rising competitive intensity.

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

31 May 2022

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

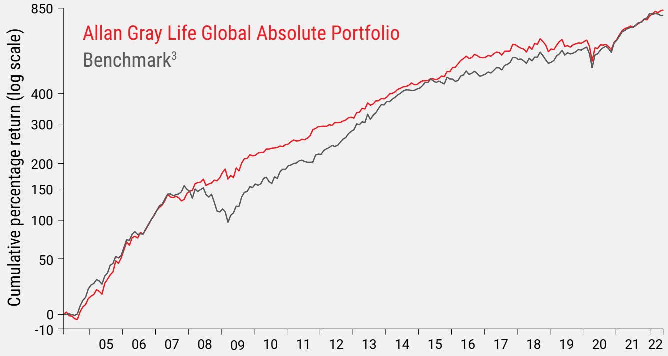
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a 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 31 May 2022

Assets under management	R2 273m

Performance[1]

Cumulative performance since inception[4]



% Returns[2]	Portfolio	Benchmark[3]
Since inception[4]	13.1	12.9
Latest 10 years	8.7	10.2
Latest 5 years	6.5	8.1
Latest 3 years	9.4	10.3
Latest 2 years	15.3	15.3
Latest 1 year	12.6	9.5
Latest 3 months	1.1	-1.3

Asset allocation on 31 May 2022

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equities	65.8	52.0	2.9	10.9
Hedged equities	16.2	7.9	0.0	8.3
Property	0.1	0.1	0.0	0.0
Commodity-linked	3.5	3.5	0.0	0.0
Bonds	7.3	6.8	0.0	0.5
Money market and bank deposits	7.1	4.7	0.1[5]	2.3
Total (%)	**100.0**	**75.0**	**3.1**	**22.0**

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 31 May 2022.
3. Mean of Alexander Forbes Global Large Manager Watch. The return for May 2022 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 N.V., if applicable.

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

Top 10 share holdings on 31 March 2022 (SA and Foreign) (updated quarterly)[6]

Company	% of Portfolio
British American Tobacco	7.8
Glencore	6.6
Naspers[7]	4.3
Sasol	3.3
Standard Bank	3.1
Woolworths	3.1
Remgro	2.7
AB InBev	2.4
Nedbank	2.3
MultiChoice	1.9
Total (%)	**37.5**

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Fund manager quarterly commentary as at 31 March 2022

For the quarter, the Portfolio returned 2.4%. This is relatively muted in absolute terms but better than the benchmark, which delivered negative 0.8%[1] for the quarter. Notably, the foreign portion of the Portfolio returned negative 5.6% in rands, compared with a 60/40 benchmark return of negative 13.4%.

We have previously spoken about our significant underweight in US equities and our preference for depressed European, UK and emerging market equities in the offshore component. We have also had no exposure to developed world, long-dated sovereign bonds, believing investors were taking on return-free risk by buying at generationally low interest rates. From early 2018 until the end of 2021, this positioning caused significant underperformance in the offshore component of our Portfolio, as US equities continued to outperform and yields on long-dated government bonds continued to compress, inflating bond prices.

However, with high commodity prices, inflation consistently above 5% in the US since June 2021 (7.9% as at the end of February 2022) and an overheating US economy, these trends have begun to reverse in 2022. In March, the Federal Reserve approved its first interest rate increase in more than three years and signalled its intention to keep hiking rates throughout 2022 and possibly into 2023. Year to date, the yield on 10-year government bonds in the US has increased from 1.5% to 2.3%, causing those same bonds to generate a negative return of 7.2% in US dollars. Higher interest rates have also meant higher discount rates, with a number of highly priced companies falling significantly and the S&P 500 down 4.6% in US dollars, year to date.

At this stage, we do not know whether global inflation will prove to be transitory or more persistent in nature. We do know that developed market government debt is at record levels and that the real yield on long-dated government bonds continues to be negative in many countries. We also know that the average earnings multiple one is paying for US equities remains high relative to history. As a result, we are of the view that we are at the early stages of this trend reversal and continue to see substantial upside in our offshore investments relative to overall global asset prices.

In contrast to global bond markets, the 10-year government bond in South Africa is providing real returns, with a benchmark rate now in the ballpark of 10% (real rate above 4%). The risks in South Africa are well known, but one is arguably being compensated for these higher risks at today's prices.

Following the Budget speech, the offshore investment limits for portfolios that comply with Regulation 28 of the Pension Funds Act, were increased to 45%. We continue to see significant value in our preferred JSE-listed equities, a number of which are global companies that happen to be listed in South Africa, and have not immediately reweighted our asset allocation positions as a result.

One such example is Glencore. Glencore produces and sells over 120 million tonnes of coal each year. Coal is arguably the dirtiest of fossil fuels, and we need to make a global effort to materially reduce our reliance on it over the next 30 to 40 years if we are to achieve our ambition of keeping climate change to a minimum. Glencore is not blind to this reality and has committed to responsibly winding down their mines over time and reinvesting the proceeds in more sustainable and greener metals. However, as it currently stands, many countries – emerging markets in particular – are reliant on coal for their primary energy needs. South Africa is no exception, with approximately 85% of our electricity continuing to be generated from coal.

Over the past few years, there has been huge pressure on companies to close and reduce investment into fossil fuel operations, coal in particular. In theory, this should drive a positive outcome from a climate change perspective.

Unfortunately, as a global society, we have been poor in terms of the speed and scale at which we have made greener alternatives a viable reality. As consumers are reluctant to reduce their overall energy needs, demand has remained sticky. With demand remaining elevated and supply under pressure, the coal price has rallied materially over the past 18 months. This has been exacerbated in the short term by COVID-19 supply disruptions and the events unfolding in Ukraine, with the related sanctions on Russian oil and gas.

It is important to note that a high coal price is favourable for Glencore's income statement in the short term, but it is also useful in the war against carbon emissions. That is because high prices reduce consumer demand and increase the incentive to produce and bring alternatives to market. There is a reasonable chance that the high prices we are seeing in fossil fuels today will ultimately accelerate their replacement by greener alternatives.

As a result, when valuing Glencore, we do not bake today's high coal prices into our valuation, and we place the coal business on a below-average multiple. However, what we believe the market fails to appreciate is just how important Glencore is to the energy transition. Glencore is one of the world's largest producers of zinc, cobalt, nickel and copper. The world will need to more than double its annual consumption of these four commodities as we scale up investments in electric vehicles, large-scale commercial batteries, wind and solar farms, and greater redundancy in electrical grids. At spot, the Glencore share price is discounting not only materially lower coal prices, but materially lower prices for these other commodities too. We like that risk-reward trade-off.

[1] The return for March 2022 is an estimate.

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Inception date: 31 August 2000

Allan Gray Life Global Balanced Portfolio

31 May 2022

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

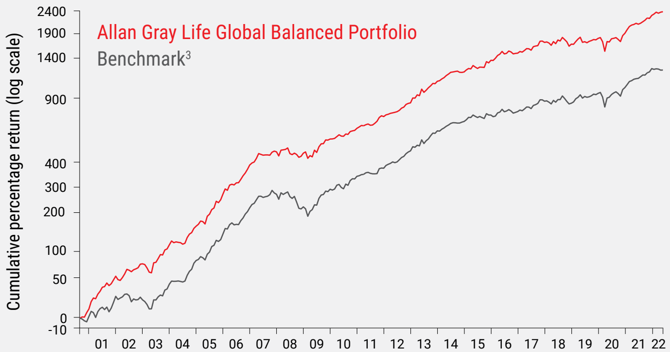
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately,except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable 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 31 May 2022

Assets under management	R2 225m

Performance[1]

Cumulative performance since inception[4]



% Returns[2]	Portfolio	Benchmark[3]
Since inception[4]	15.9	12.7
Latest 10 years	11.1	10.2
Latest 5 years	8.1	8.1
Latest 3 years	11.3	10.3
Latest 2 years	17.2	15.3
Latest 1 year	12.9	9.5
Latest 3 months	0.5	-1.3

Asset allocation on 31 May 2022

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equities	66.5	51.5	1.7	13.3
Hedged equities	13.7	3.5	0.0	10.2
Property	1.0	1.0	0.0	0.0
Commodity-linked	2.2	2.2	0.0	0.0
Bonds	10.7	8.8	1.2	0.8
Money market and bank deposits	5.8	2.7	0.1[5]	3.0
Total (%)	**100.0**	**69.6**	**3.0**	**27.4**

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 31 May 2022.
3. Mean of Alexander Forbes Global Large Manager Watch. The return for May 2022 is an estimate.
4. Since alignment date (1 September 2000).
5. Including currency hedges.
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Top 10 share holdings on 31 March 2022 (SA and Foreign) (updated quarterly)[6]

Company	% of Portfolio
British American Tobacco	6.5
Glencore	5.5
Naspers[7]	4.2
Nedbank	2.8
Woolworths	2.6
Sasol	2.6
Remgro	2.4
Sibanye-Stillwater	2.2
AB InBev	2.1
Standard Bank	1.8
Total (%)	**32.8**

Issued: 9 June 2022

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Inception date: 1 August 2015

Allan Gray Life Global Balanced (RRF) Portfolio

31 May 2022

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

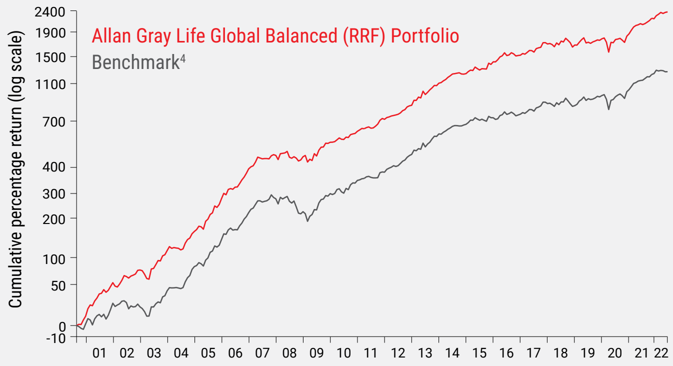
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a 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 31 May 2022

Assets under management	R27 437m

Performance[1,2]

Cumulative performance since inception



% Returns[2,3]	Portfolio	Benchmark[4]
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Latest 3 years	11.2	10.3
Latest 2 years	17.1	15.3
Latest 1 year	12.8	9.5
Latest 3 months	0.5	-1.3

Asset allocation on 31 May 2022

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equities	66.5	51.6	1.7	13.3
Hedged equities	13.8	3.5	0.0	10.3
Property	1.0	0.9	0.0	0.0
Commodity-linked	2.3	2.3	0.0	0.0
Bonds	11.0	8.9	1.2	0.9
Money market and bank deposits	5.5	2.5	0.1[5]	2.8
Total (%)	**100.0**	**69.7**	**3.0**	**27.3**

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 31 May 2022.
4. Mean of Alexander Forbes Global Large Manager Watch. The return for May 2022 is an estimate.
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Sasol	2.6
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Standard Bank	1.8
Total (%)	**32.9**

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One such example is Glencore. Glencore produces and sells over 120 million tonnes of coal each year. Coal is arguably the dirtiest of fossil fuels, and we need to make a global effort to materially reduce our reliance on it over the next 30 to 40 years if we are to achieve our ambition of keeping climate change to a minimum. Glencore is not blind to this reality and has committed to responsibly winding down their mines over time and reinvesting the proceeds in more sustainable and greener metals. However, as it currently stands, many countries – emerging markets in particular – are reliant on coal for their primary energy needs. South Africa is no exception, with approximately 85% of our electricity continuing to be generated from coal.

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Allan Gray Life Global Stable Portfolio

31 May 2022

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

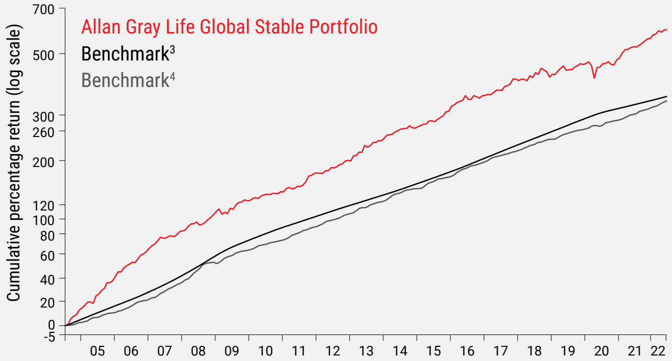
The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a 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 31 May 2022

Assets under management	R5 097m

Performance[1]

Cumulative performance since inception[5]



% Returns[2]	Portfolio	Benchmark[3]	Benchmark[4]
Since inception[5]	11.5	8.8	8.6
Latest 10 years	9.5	7.9	8.2
Latest 5 years	8.3	7.7	7.5
Latest 3 years	9.3	6.7	7.5
Latest 2 years	13.1	5.7	8.8
Latest 1 year	11.8	5.7	9.4
Latest 3 months	0.6	1.5	2.9

Asset allocation on 31 May 2022

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equities	36.5	27.0	1.7	7.7
Hedged equities	14.0	3.5	0.0	10.5
Property	1.2	1.0	0.0	0.2
Commodity-linked	3.1	2.4	0.0	0.7
Bonds	32.8	25.7	3.1	4.0
Money market and bank deposits	12.4	8.9	0.2[6]	3.4
Total (%)	**100.0**	**68.5**	**5.0**	**26.6**

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 31 May 2022.
3. Alexander Forbes 3-month Deposit Index plus 2%.
4. CPI plus 3%. The return for May 2022 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 N.V.,if applicable.

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

Top 10 share holdings on 31 March 2022 (SA and Foreign) (updated quarterly)[7]

Company	% of Portfolio
British American Tobacco	2.9
Glencore	2.7
Nedbank	1.8
Standard Bank	1.7
Sibanye-Stillwater	1.6
Sasol	1.6
Naspers[8]	1.5
AngloGold Ashanti	1.4
Woolworths	1.3
Remgro	1.3
Total (%)	**17.8**

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Fund manager quarterly commentary as at 31 March 2022

Russia invaded Ukraine during the quarter. This led to heightened volatility in global markets as investors processed the event and tried to forecast the potential knock-on effects. Increased global tensions and rising inflation have the potential to derail the global economy's recovery. The Portfolio is well diversified and delivered a return of 1.8% over the past quarter.

As South Africans, we are used to moderate levels of inflation as a feature of daily life. For developed markets, this has not been the case in recent times. For example, in the US, consumer inflation from 2009 to 2020 averaged only 1.6% and rarely exceeded 2.5%. Inflation started to increase meaningfully during 2021 and the most recent annualised US inflation numbers are above 7%. Only some of this is explained by a higher oil price; more important are unusually stimulative monetary and fiscal policies as well as supply chain constraints. High global inflation will feed into higher local inflation, with specific contributions from higher prices for commodities such as wheat and oil.

Inflation is often the biggest risk to conservative investors. Investments in "safe" instruments such as cash or bonds have a low risk of capital loss but offer no protection against inflation, which erodes the purchasing power of each rand. Investments in shares may feel less safe in the short term due to higher volatility and the possibility of capital loss but provide greater protection against inflation over the long term. Most companies have some ability to raise prices or own assets which maintain their value as prices rise.

The Portfolio uses a combination of investments in shares, bonds, cash and other instruments to construct a portfolio which should do well in most scenarios without taking undue risks.

The Portfolio can also use an offshore allocation, which partially buffers against a fall in the value of South African assets or the rand.

It is worth reviewing the aims of the Portfolio:

- To achieve a high degree of capital stability;
- To minimise the risk of loss over any two-year period; and
- To produce long-term returns that are better than bank deposits and inflation.

The Portfolio remains well positioned to take advantage of opportunities, including those in the South African market where many companies still trade on reasonable valuations. Positions in cash, fixed income, hedged equities, commodities and offshore assets provide some balance to the volatility of equity markets. South Africa faces serious macro challenges, but buyers of South African bonds are well compensated for these risks. The Portfolio maintains a relatively conservative fixed income position. Inflation-linked bonds provide some protection against rising inflation.

Following announcements in the recent Budget speech, the South African Reserve Bank has confirmed that the offshore investment limits for portfolios that are mandated to invest offshore, including those that comply with the retirement fund regulations (Regulation 28 of the Pension Funds Act), are increased to 45%. As always, decisions regarding the Portfolio's level of offshore exposure will continue to be made according to our assessment of where the best value can be found over the long term.

Since the onset of the COVID-19 pandemic – at the start of 2020 – the Portfolio has delivered an annualised return of 9.6%, outperforming inflation by 5.0% per annum.

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AllanGray

Inception date: 18 May 2004

Allan Gray Life-Orbis Global Equity Portfolio

31 May 2022

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

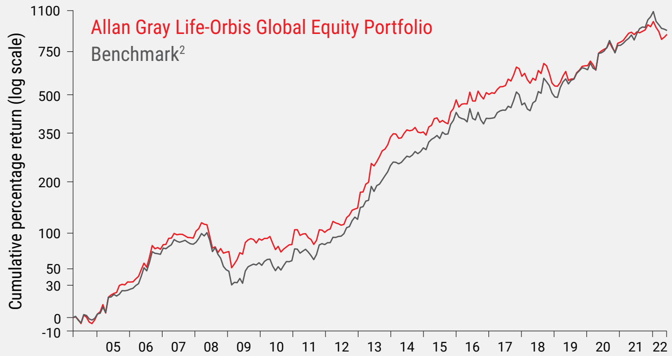
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Investor Class Fee is levied in the underlying Orbis Global Equity Fund.

Portfolio information on 31 May 2022

Assets under management	R230m

Performance net of fees

Cumulative performance since inception[1]



% Returns[1]	Portfolio		Benchmark[2]	
	ZAR	US$	ZAR	US$
Since inception	13.5	8.4	13.7	8.6
Latest 10 years	16.5	9.7	18.1	11.2
Latest 5 years	8.8	5.2	13.7	10.0
Latest 3 years	13.2	10.7	15.4	12.9
Latest 2 years	6.9	13.7	9.4	16.4
Latest 1 year	0.2	-11.9	8.0	-5.0
Latest 3 months	-2.3	-3.1	-4.6	-5.4

Asset allocation on 31 May 2022

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	97.5	46.4	22.4	9.6	13.7	5.4
Net current assets	2.5	0.0	0.0	0.0	0.0	2.5
Total	**100.0**	**46.4**	**22.4**	**9.6**	**13.7**	**7.9**
Currency exposure of the Orbis Global Equity Fund						
Fund	100.0	46.5	25.6	11.6	8.4	7.9
Index	100.0	66.5	17.6	6.6	5.3	3.9

1. Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 May 2022.
2. FTSE World Index, including income.
3. Underlying holdings of Orbis funds are included on a look-through basis.

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

Top 10 share holdings on 31 March 2022 (updated quarterly)[3]

Company	% of Portfolio
British American Tobacco	7.8
FLEETCOR Technologies	3.6
Global Payments	3.6
UnitedHealth Group	3.4
XPO Logistics	3.4
Anthem	3.1
Newcrest Mining	3.0
Howmet Aerospace	2.9
Progressive	2.8
GXO Logistics	2.7
Total (%)	**36.2**

Issued: 9 June 2022

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Fund manager quarterly commentary as at 31 March 2022

Prior to Russia's invasion of Ukraine on 24 February, the Orbis Global Equity Fund ("the Fund"), in which the Portfolio invests, had less than a 2% position in Russia. We were concerned for some time about increasing tensions between the two countries and trimmed our overall exposure to Russia in recent months. With the benefit of hindsight, we should have eliminated the position much sooner. At present, we have little confidence in our ability to recover value from these positions and wrote them down to zero in early March. Our thoughts remain with those in harm's way, and we hope for a prompt and peaceful resolution.

While investors seem to be focused on understanding the immediate impact on markets, we think this misses a much bigger point. While Russian energy exports may come under pressure from explicit sanctions or implicit boycotts, the real question is what happens if there is a more sustained disruption in Russian energy production itself. For example, a ban on the sale of equipment to Russia for oil and gas extraction could impair long-term production capacity. The old adage that "the best cure for high prices is high prices", remains true – other suppliers will happily step in to fill the gap. But so far that supply response has been limited for a variety of reasons, and supply was already very tight prior to the invasion. In fact, it is precisely because fossil fuels have been so deeply out of favour for so long that the supply crunch exists in the first place. In our view, many investors are only beginning to grasp these longer-term implications.

Nor are energy prices the only concern. Other key commodities are in short supply and will almost certainly affect the pricing of many other products. The US Federal Reserve is clinging to the view that inflation will be "transitory", but this does not inspire confidence. In fact, the Fed's limited response thus far probably raises the odds that inflation will persist.

For investors, the resurgence of inflation is a potential game-changer. The market environment in recent years has been characterised by a TINA mentality – There Is No Alternative – in which investors have had little choice but to chase increasingly frothy equity returns rather than sit in cash earning nothing or the "return-free risk" offered by many government bonds.

At Orbis, we don't get along very well with TINA. As value-oriented investors, we struggle to keep pace when equity markets become increasingly expensive, as has been the case in recent years. We prefer TASHA – There Are Some Healthy Alternatives – and that's exactly the mindset that we bring to the opportunity set today.

Commodity producers are one such alternative. Teck Resources, a Canadian mining company, offers a 25% free cash flow yield at current commodity prices. In other words, if you bought the company outright, you could get all of your money back after just four years if today's commodity prices were to persist. Even if they don't, Teck still looks reasonably attractive under more conservative long-term assumptions.

Brazil's Vale is another good example. Vale is one of four iron ore majors globally and is also the world's largest producer of nickel, a critical component for electric vehicle batteries. It has net cash on its balance sheet and trades at just six times our estimate of this year's earnings. At current production levels and iron ore prices of US$150 per tonne, Vale generates a free cash flow yield of about 25%, but even at US$80 per tonne it would still deliver about 8-10% free cash flow yield. That tells us that the stock is fairly valued with ore at US$80 and a steal if current prices persist. Of course, the current levels may be unsustainably high, but high commodity prices provide a reassuring margin of safety. The longer high prices persist, the more cash will flow back to the owners of the business, which in turn provides fundamental support for the share price.

If we are correct that the stockpicking environment is changing, then banks may offer yet another healthy alternative. Interest rates have recently been the lowest in 5 000 years of knowable history and it would be unreasonable to assume that this will persist indefinitely – particularly in light of the sharp uptick in inflation. For banks, rising interest rates should be a positive, as they will be able to take advantage of the difference between the rate that banks pay to customers on their savings, and the rate they can earn through investing those savings.

KB Financial Group, one of the leading lenders in South Korea, is growing at a steady pace, and is paying about a 5% dividend yield – which should rise over time. Despite this, KB currently trades at a 50% discount to its book value. Valuation figures like these might normally be signs of distress or weak fundamentals for a bank, but KB has an impressive track record of profitability and a strong balance sheet.

In our view, there are still plenty of healthy alternatives to choose from in the current environment, particularly as growth rates fade and valuation multiples are squeezed by rising interest rates. While the likes of Teck, Vale and KB are just a few examples, they are representative of the types of new opportunities that we have been focusing on of late.

While the Fund's performance in the first quarter was similar to that of its benchmark, we got there very differently. It has been frustrating that our exposure to Russia and China has hurt performance, but being underweight the most expensive parts of the market in favour of our selection of healthy alternatives has been a tailwind – one we believe has far more room to run.

We trimmed the position in Taiwan Semiconductor Manufacturing Company in light of rising geopolitical risks and exited the position in Meta Platforms (formerly Facebook) due to concerns about increasing competitive pressures.

Adapted from a commentary contributed by Ben Preston, Orbis Portfolio Management (Europe) LLP, London

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FTSE Russell Index

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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

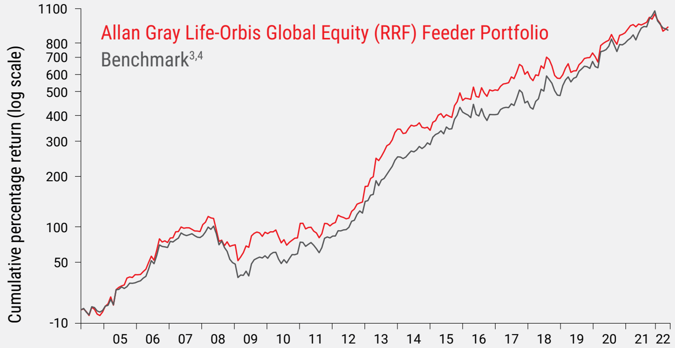
- This Portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Base Refundable Reserve Fee is levied in the underlying Orbis Institutional Global Equity Fund.

Portfolio information on 31 May 2022

Assets under management	R569m

Performance net of fees[1]

Cumulative performance since inception



% Returns[1,2]	Portfolio		Benchmark[3,4]	
	ZAR	US$	ZAR	US$
Since inception	13.7	8.6	13.6	8.4
Latest 10 years	16.9	10.1	17.8	10.9
Latest 5 years	9.8	6.1	13.5	9.7
Latest 3 years	13.3	10.8	15.1	12.6
Latest 2 years	7.0	13.8	8.8	15.7
Latest 1 year	0.1	-11.9	8.1	-4.8
Latest 3 months	-2.6	-3.5	-4.9	-5.7

Asset allocation on 31 May 2022

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	97.8	46.8	22.6	9.7	13.3	5.4
Net current assets	2.2	0.0	0.0	0.0	0.0	2.2
Total (%)	**100.0**	**46.8**	**22.6**	**9.7**	**13.3**	**7.6**
Currency exposure of the Orbis Institutional Global Equity Fund						
Fund	100.0	47.3	25.1	11.8	8.2	7.6
Index	100.0	72.0	18.1	6.2	1.2	2.5

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 31 May 2022.
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.
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Top 10 share holdings on 31 March 2022 (updated quarterly)[5]

Company	% of Portfolio
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Global Payments	3.6
XPO Logistics	3.5
UnitedHealth Group	3.3
Newcrest Mining	3.0
Anthem	3.0
Howmet Aerospace	2.9
Progressive	2.9
GXO Logistics	2.9
Total (%)	**36.4**

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MSCI Index

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FTSE Russell Index

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