ALLANGRAY

Fund managers: Duncan Artus, Jacques Plaut, Rory Kutisker-Jacobson, Tim Acker
(Most foreign assets are invested in Orbis funds) **Inception date:** 1 October 1998

Allan Gray Equity Fund

30 June 2022

Fund description and summary of investment policy

The Fund invests primarily in shares listed on the Johannesburg Stock Exchange (JSE). The Fund can invest a maximum of 45% offshore. The Fund invests the bulk of its foreign allowance in equity funds managed by Orbis Investment Management Limited, our offshore investment partner. 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 average return of South African General Equity Funds over the long term, without taking on greater risk of loss. To pursue its objective the Fund's portfolio may differ materially from those of its peers. 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 market value-weighted average return of funds in the South African – Equity – General category (excluding Allan Gray funds).

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 from sellers who over-react to short-term difficulties or undervalue long-term potential. We invest in a selection of shares across all sectors of the stock market, and across the range of large, mid and smaller cap shares.

Suitable for those investors who

- Seek exposure to 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.

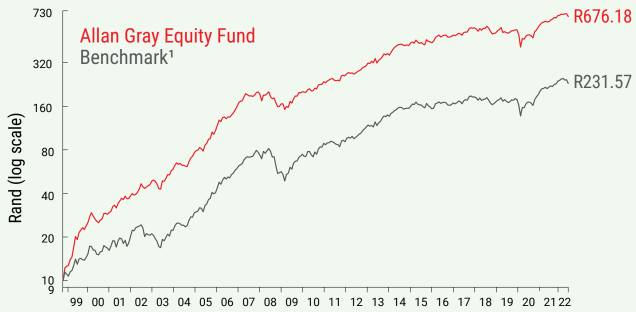
Fund information on 30 June 2022

Fund size	R37.6bn
Number of units	47 393 740
Price (net asset value per unit)	R452.11
Class	A

1. The market value-weighted average return of funds in the South African – Equity – General category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 30 June 2022. From inception to 28 February 2015 the benchmark was the FTSE/JSE All Share Index including income. Source: IRESS.
2. This is based on the latest available numbers published by IRESS as at 31 May 2022.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 3 September 2018 to 23 March 2020 and maximum benchmark drawdown occurred from 22 May 2008 to 20 November 2008. 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 30 September 1999 and the benchmark's occurred during the 12 months ended 30 April 2006. 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 28 February 2009. 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 1998)	6661.8	2215.7	243.7
Annualised:			
Since inception (1 October 1998)	19.4	14.1	5.4
Latest 10 years	9.4	8.9	5.1
Latest 5 years	6.0	6.6	4.5
Latest 3 years	8.2	8.7	4.6
Latest 2 years	16.7	17.4	5.9
Latest 1 year	8.5	7.9	6.5
Year-to-date (not annualised)	-2.0	-4.2	3.7
Risk measures (since inception)			
Maximum drawdown[3]	-37.0	-45.4	n/a
Percentage positive months[4]	65.6	59.6	n/a
Annualised monthly volatility[5]	15.5	16.7	n/a
Highest annual return[6]	125.8	73.0	n/a
Lowest annual return[6]	-24.3	-37.6	n/a

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Meeting the Fund objective

The Fund has created wealth for its long-term investors. Since inception and over the latest 10-year period, the Fund has outperformed its benchmark. Over the latest five-year period, the Fund has underperformed its benchmark. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the average equity fund. 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

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.	31 Dec 2021	30 Jun 2022
Cents per unit	**448.7288**	**303.2238**

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. 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 approximately 20% of annualised performance relative to the benchmark.

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are 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 30 June 2022 (SA and Foreign)
(updated quarterly)[7]

Company	% of portfolio
British American Tobacco	7.8
Naspers[8]	7.8
Glencore	5.9
Woolworths	3.3
Sasol	3.2
Nedbank	3.1
AB InBev	3.0
Remgro	2.9
Standard Bank	2.7
Sibanye-Stillwater	2.4
Total (%)	**42.0**

7. Underlying holdings of Orbis funds are included on a look-through basis.
8. Includes holding in stub certificates or Prosus N.V., if applicable.
9. 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 30 June 2022	1yr %	3yr %
Total expense ratio	**1.19**	**0.81**
Fee for benchmark performance	1.12	1.13
Performance fees	-0.08	-0.43
Other costs excluding transaction costs	0.03	0.04
VAT	0.12	0.07
Transaction costs (including VAT)	**0.10**	**0.10**
Total investment charge	**1.29**	**0.91**

Sector allocation on 30 June 2022
(updated quarterly)[7]

Sector	% of Fund	% of ALSI[9]
Energy	4.6	1.2
Basic materials	20.8	27.3
Industrials	7.6	4.2
Consumer staples	16.1	8.9
Healthcare	2.5	2.0
Consumer discretionary	8.9	16.3
Telecommunications	1.9	5.3
Utilities	0.7	0.0
Financials	23.6	20.7
Technology	9.0	10.7
Commodity-linked	0.6	0.0
Real estate	1.0	3.4
Money market and bank deposits	2.7	0.0
Bonds	0.1	0.0
Total (%)	**100.0**	**100.0**

Asset allocation on 30 June 2022[7]

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equities	95.7	67.7	3.8	24.2
Hedged equities	0.0	0.0	0.0	0.0
Property	1.0	1.0	0.0	0.0
Commodity-linked	0.6	0.6	0.0	0.0
Bonds	0.3	0.1	0.0	0.2
Money market and bank deposits	2.4	1.1	-0.2	1.5
Total (%)	**100.0**	**70.5**	**3.6**	**25.9**[10]

10. The Fund can invest a maximum of 45% offshore. Market movements periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

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

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Fund manager quarterly commentary as at 30 June 2022

The Fund has returned -3.8% for the quarter and -2.0% for the year to date.

Rising inflation has continued to upset global markets. Consumer price inflation hit 8.6% in May in the US. In South Africa, the year-over-year increase was 6.5%. For the US and many other developed market economies, this is the highest inflation they have experienced in four decades. Why has inflation across the world increased so much over the last year? There are some specific and, hopefully temporary, factors including the war in Ukraine and global supply chain issues. But there has also been massive fiscal stimulus by governments everywhere over the last two years in response to the COVID-19 pandemic. And all this has taken place in the context of the extremely loose monetary policy environment of the last decade, i.e. low interest rates and quantitative easing by developed market central banks. Lastly, it is possible that underinvestment in areas like energy has led to shortages that could take many years to resolve.

What does higher inflation mean for the stock market? Shares are often said to be a hedge against inflation, providing some protection, unlike cash and bonds, which provide no protection. This is because businesses can increase their prices to keep up with inflation. Some businesses are better placed than others to pass higher costs on to their customers and defend margins. An example from our portfolio is British American Tobacco, which has a good history of increasing cigarette prices ahead of cost increases. All businesses are struggling with rising costs, from labour and fuel costs to raw materials. Consumers are starting to feel the pinch of the rising cost of living, which translates into lower purchasing power. This is true in rich countries, for example the US, but especially so in emerging markets, like South Africa, where consumers spend a larger percentage of their income on food, transport and other basic necessities. There may be relative winners in this environment, such as providers of necessities rather than luxuries and lower-cost retailers that benefit from downtrading.

A last factor to consider is the reaction of central banks to inflation. Both globally and locally, central banks have started raising interest rates in an attempt to rein in demand and tame inflation. This is a delicate balancing act – raising interest rates quickly may lead to a recession, which would be bad for the real economy and the stock market. However, higher interest rates can benefit some businesses, for example banks, which earn higher interest income. The Fund has an 8.9% exposure to local banking shares, such as Nedbank and Standard Bank.

It is hard to predict with high confidence how the current inflationary period will play out. The portfolio is constructed on a bottom-up basis, with a view of doing well in various macroeconomic scenarios and taking the risk of a global recession into account.

During the quarter, the Fund bought Prosus and select miners and sold select financial services shares.

Commentary contributed by Tim Acker

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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.

MSCI Index

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

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).

Foreign exposure

This fund may invest in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

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**

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ALLAN GRAY

Fund managers: Duncan Artus, Jacques Plaut, Rory Kutisker-Jacobson, Tim Acker
(Most foreign assets are invested in Orbis funds) **Inception date:** 1 October 1999

Allan Gray Balanced Fund

30 June 2022

Fund description and summary of investment policy

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund.

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

Fund objective and benchmark

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund's benchmark is the market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds).

How we aim to achieve the Fund's objective

We seek to buy shares at a discount to their intrinsic value. 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. If the stock market offers few attractive shares we may increase the Fund's weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Fund's stock market exposure. By varying the Fund's exposure to these different asset classes over time, we seek to enhance the Fund's long-term returns and to manage its risk. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- Seek steady long-term capital growth
- Are comfortable with taking on some risk of market fluctuation and potential capital loss, but typically less than that of an equity fund
- Wish to invest in a unit trust that complies with retirement fund investment limits
- Typically have an investment horizon of more than three years

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.

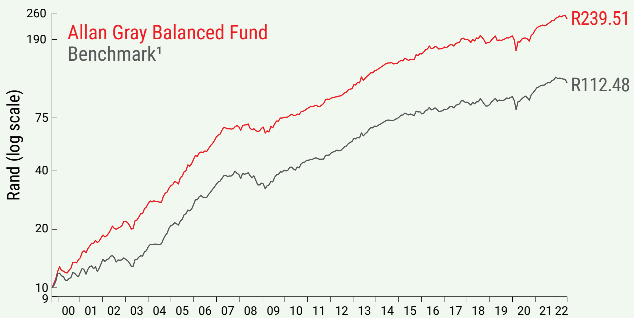
Fund information on 30 June 2022

Fund size	R152.2bn
Number of units	556 481 415
Price (net asset value per unit)	R123.78
Class	A

1. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 30 June 2022. From inception to 31 January 2013 the benchmark was the market value-weighted average return of the funds in both the Domestic Asset Allocation Medium Equity and Domestic Asset Allocation Variable Equity sectors of the previous ASISA Fund Classification Standard, excluding the Allan Gray Balanced Fund. Source: Micropal.
2. This is based on the latest available numbers published by IRESS as at 31 May 2022.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 20 January 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 30 April 2006 and the benchmark's occurred during the 12 months ended 30 April 2006. 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 28 February 2009. 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 1999)	2295.1	1024.8	239.1
Annualised:			
Since inception (1 October 1999)	15.0	11.2	5.5
Latest 10 years	9.5	8.3	5.1
Latest 5 years	6.6	6.1	4.5
Latest 3 years	8.6	6.9	4.6
Latest 2 years	12.7	9.8	5.9
Latest 1 year	8.4	2.5	6.5
Year-to-date (not annualised)	-0.9	-6.7	3.7
Risk measures (since inception)			
Maximum drawdown[3]	-25.4	-23.3	n/a
Percentage positive months[4]	69.6	67.4	n/a
Annualised monthly volatility[5]	9.5	9.3	n/a
Highest annual return[6]	46.1	41.9	n/a
Lowest annual return[6]	-14.2	-16.7	n/a

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Meeting the Fund objective

The Fund has created wealth for its long-term investors. Since inception and over the latest 10- and five-year periods, the Fund has outperformed its benchmark. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the average balanced fund.

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.	31 Dec 2021	30 Jun 2022
Cents per unit	**159.5677**	**107.1483**

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years, to that of the benchmark.

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

For each percentage of two-year performance above or below the benchmark we add or deduct 0.1%, subject to the following limits:

Maximum fee: 1.50% p.a. excl. VAT
Minimum fee: 0.50% p.a. excl. VAT

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

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and transaction costs

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Top 10 share holdings on 30 June 2022 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	6.7
Naspers[8]	5.8
Glencore	4.6
Sasol	2.7
Woolworths	2.6
Nedbank	2.6
AB Inbev	2.3
Remgro	2.1
Sibanye-Stillwater	1.9
Standard Bank	1.6
Total (%)	**32.9**

Total expense ratio (TER) and transaction costs

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2022	1yr %	3yr %
Total expense ratio	**1.25**	**0.97**
Fee for benchmark performance	1.02	1.04
Performance fees	0.07	-0.20
Other costs excluding transaction costs	0.03	0.04
VAT	0.13	0.09
Transaction costs (including VAT)	**0.08**	**0.08**
Total investment charge	**1.33**	**1.05**

Asset allocation on 30 June 2022[7]

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equities	69.8	50.4	3.1	16.3
Hedged equities	8.5	3.2	0.0	5.3
Property	1.1	0.9	0.0	0.2
Commodity-linked	3.1	2.4	0.0	0.7
Bonds	12.7	9.0	1.7	2.1
Money market and bank deposits	4.8	2.4	-0.1	2.5
Total (%)	**100.0**	**68.3**	**4.7**	**27.0**[9]

7. Underlying holdings of Orbis funds are included on a look-through basis.
8. Includes holding in stub certificates or Prosus N.V., if applicable.
9. The Fund can invest a maximum of 45% offshore. Market movements periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

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

Minimum	(February 2000) 49.3%
Average	63.0%
Maximum	(May 2021) 72.9%

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

Fund manager quarterly commentary as at 30 June 2022

The second quarter of 2022 will not easily be forgotten by many investors owing to significant drawdowns in both equities and fixed income and the strength of the US dollar. Interest rates on both the short and long end of the interest rate curve had sharp upward moves across many developed world markets. This resulted in capital losses for what global investors typically consider "safe" assets, in particular, long-dated developed world sovereign bonds. As most clients are aware, we have been bearish on these assets for several years. A meaningful portion of our offshore exposure was rather invested in hedged equities, which hedge out underlying equity risk by selling index futures. Given the market sell-off, this protected part of the portfolio and added returns as our underlying holdings outperformed the overall market.

The rise in interest rates and the rapid pace thereof also led to the significant decline in long-duration equities, as represented mainly by technology, e-commerce and what we would call "disruptor" stocks. The large declines in the disruptor stocks should not come as a huge surprise when one considers the valuations on which they were trading, often with very little history of generating actual earnings. What took many investors by surprise was the decline in the mega-cap technology shares, which have been leading the market and generating most of the returns for several years. Our colleagues at Orbis have written about the large disparity in valuations on many occasions.

Fortunately, the Fund was relatively well positioned for the above, given our overweight positions in energy and selected shares that stand to benefit from the forecast energy transition, and our significant underweight exposure to the mega-cap technology shares. Many defensive shares have held up well relative to the market, in particular British American Tobacco, given its low valuation.

Locally, we are still finding it tough to identify obvious shares to sell. This gives us reasonable confidence in the prices we are paying relative to the value we are receiving, despite the well-known South Africa-specific risks.

While we are bottom-up investors, we still want to be on the right end of long-term trends. We continue to believe that the future will be characterised by higher realised inflation, higher interest rates and an increasingly geopolitically divided world relative to the recent past. These trends provided performance tailwinds given our relative positioning this year, but it is of some short-term concern that being long commodities and energy has become a more consensus view. Indeed, we have seen a correction in the last two weeks of the quarter: Commodity and energy stocks have come under pressure as the market worries about the potential demand destruction brought about by slower global growth in response to higher interest rates and quantitative tightening.

With the current high levels of cost inflation there is potential for a significant squeeze on the profit margins of many businesses that won't be able to pass price increases on to their customers. We are actively thinking about what opportunities may arise when profits invariably come under pressure.

During the quarter, the Fund added to its positions in BHP and Sibanye-Stillwater and reduced its holdings in Glencore and British American Tobacco.

Commentary contributed by Duncan Artus

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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).

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).

Foreign exposure

This fund may invest in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

FTSE/JSE All Share Index

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

MSCI Index

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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 managers: Duncan Artus, Sean Munsie, Tim Acker
(Most foreign assets are invested in Orbis funds) **Inception date:** 1 July 2000

Allan Gray Stable Fund

30 June 2022

Fund description and summary of investment policy

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 40%. The Fund's net equity exposure may be reduced from time to time using exchange-traded derivative contracts on stock market indices. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund or a balanced fund.

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

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited, plus 2%.

How we aim to achieve the Fund's objective

A major portion of the Fund is typically invested in money market instruments. We seek to deploy the Fund's cash by investing in shares when they can be bought at a significant discount to their intrinsic value. 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. If the stock market offers few attractive shares, we may allocate a low weight to shares or partially hedge the Fund's stock market exposure in consideration of the Fund's capital preservation objectives. The Fund may also invest in bonds, property and commodities. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- Are risk-averse and require a high degree of capital stability
- Seek both above-inflation returns over the long term, and capital preservation over any two-year period
- Require some income but also some capital growth
- Wish to invest in a unit trust that complies with retirement fund investment limits

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.

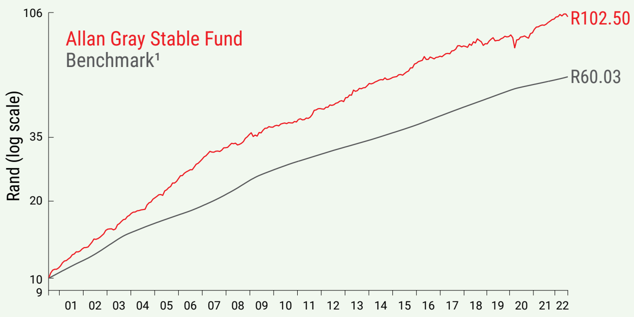
Fund information on 30 June 2022

Fund size	R47.3bn
Number of units	563 944 638
Price (net asset value per unit)	R39.67
Class	A

1. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited plus 2%, performance as calculated by Allan Gray as at 30 June 2022.
2. This is based on the latest available numbers published by IRESS as at 31 May 2022.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 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 April 2006 and the benchmark's occurred during the 12 months ended 30 June 2003. 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 August 2021. 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 July 2000)	925.0	500.3	222.2
Annualised:			
Since inception (1 July 2000)	11.2	8.5	5.5
Latest 10 years	8.2	6.8	5.1
Latest 5 years	6.8	6.5	4.5
Latest 3 years	7.3	5.6	4.6
Latest 2 years	9.4	4.8	5.9
Latest 1 year	7.9	5.0	6.5
Year-to-date (not annualised)	0.2	2.6	3.7
Risk measures (since inception)			
Maximum drawdown[3]	-16.7	n/a	n/a
Percentage positive months[4]	77.7	100.0	n/a
Annualised monthly volatility[5]	5.2	0.7	n/a
Highest annual return[6]	23.3	14.6	n/a
Lowest annual return[6]	-7.4	4.6	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 minimise the risk of loss over any two-year period.

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 quarterly.	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022
Cents per unit	**36.4990**	**25.2260**	**25.7330**	**31.7375**

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years, to that of the benchmark. If the Fund's return over two years is equal to or less than 0%, Allan Gray will not charge a fee.

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

For each percentage of two-year performance above or below the benchmark we add or deduct 0.1%, subject to the following limits:

Maximum fee: 1.50% p.a. excl. VAT
Minimum fee: 0.50% p.a. excl. VAT

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

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are 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 30 June 2022 (SA and Foreign) (updated quarterly)[8]

Company	% of portfolio
British American Tobacco	3.2
Glencore	2.5
Naspers[9]	2.0
Sasol	1.7
Nedbank	1.6
Standard Bank	1.5
Woolworths	1.2
Remgro	1.1
AB InBev	1.1
Sibanye-Stillwater	1.1
Total (%)	**16.9**

7. All credit exposure 1% or more of portfolio.
8. Underlying holdings of Orbis funds are included on a look-through basis.
9. Includes holding in stub certificates or Prosus N.V., if applicable.

Total expense ratio (TER) and transaction costs

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2022	1yr %	3yr %
Total expense ratio	**1.61**	**1.06**
Fee for benchmark performance	1.00	1.03
Performance fees	0.40	-0.11
Other costs excluding transaction costs	0.03	0.03
VAT	0.18	0.11
Transaction costs (including VAT)	**0.05**	**0.06**
Total investment charge	**1.66**	**1.12**

Top credit exposures on 30 June 2022 (SA and Foreign) (updated quarterly)[7,8]

Issuer	% of portfolio
Republic of South Africa	15.8
FirstRand Bank	7.1
Citibank London	1.9
Standard Bank (SA)	6.2
Investec Bank	3.6
Northam Platinum	2.1
Nedbank	1.7
Absa Bank	1.0
Standard Bank Group	1.0
Total (%)	**40.4**

Asset allocation on 30 June 2022[8]

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equities	34.5	25.2	2.3	7.0
Hedged equities	12.6	3.2	0.0	9.4
Property	0.9	0.8	0.0	0.1
Commodity-linked	2.9	2.4	0.0	0.5
Bonds	32.3	25.5	3.2	3.6
Money market and bank deposits	16.8	10.7	0.0	6.2
Total (%)	**100.0**	**67.8**	**5.5**	**26.7[10]**

10. The Fund can invest a maximum of 45% offshore. Market movements periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

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

Minimum	(January 2010) 12.4%[8]
Average	26.5%
Maximum	(December 2018) 39.6%

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

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Fund manager quarterly commentary as at 30 June 2022

If Russia's invasion of Ukraine had the most profound impact on financial markets in the first quarter of the year, the second quarter was in turn defined by coordinated central bank action to combat rising and persistent inflation. The US Federal Reserve hiked rates by the largest margin in almost three decades, the Bank of England delivered its fifth increase in a row and the usually slow-to-react European Central Bank signalled an end to quantitative easing and the beginning of interest rate increases from July onwards. Closer to home, the South African Reserve Bank delivered its steepest increase since 2016.

It is often cited that Russia's actions, together with the ongoing supply chain disruptions and Chinese lockdowns, are the proximate causes for this inflationary impulse, but in reality the seeds were sown prior to these events. Greater protectionism, prolonged underinvestment in traditional energy infrastructure and the massive monetary and fiscal stimulus embarked upon in response to the pandemic are all inflationary by nature. Interest rate increases may well take the steam out of demand but will have little impact on long-standing supply-side imbalances.

The backdrop of rapidly tightening monetary policy has proved a difficult one for the performance of risk assets, with fears that rising rates will curb growth and ultimately spark a recession. Most exposed globally have been the previously high-flying technology shares, whose values sit further out into the future, where higher rates have an outsized impact. Year to date the S&P 500 has returned -20.0%, the MSCI World Index -20.5% and the FTSE World Government Bond Index -14.8%.

Local inflation has lagged that of developed and emerging market peers by virtue of a limited pandemic stimulus response and continued pedestrian economic growth. While South African assets have performed comparatively better than their global counterparts, they have not been immune to global pressures, with the FTSE/JSE All Share Index returning -8.3% (-10.9% in US dollars) and the FTSE/JSE All Bond Index returning -1.9% (-4.7% in US dollars) year to date. The Fund's 0.2% year-to-date return should be viewed in this context. The one-year return of 7.9% remains ahead of the benchmark.

The Fund's asset allocation remains broadly unchanged during the quarter. The Fund retains the relatively high net equity weight that has served it well, with a preference for locally listed shares over offshore stocks. This is informed by valuations that remain attractive, and in some instances underlying company fundamentals have been positively impacted by recent events (e.g. Sasol, via the oil price, and domestic banks, owing to the endowment effect). The largest offshore weight is to hedged equities, which have contributed to overall return year to date. In general, exposure to equities provides greater inflation protection than cash or bonds over longer time periods, particularly when starting valuations are undemanding. It could be argued that local government bonds are in a not dissimilar position, given their high absolute and relative yields, with a risk premium (e.g. from an inflation overshoot) already factored into their price.

During the quarter, the Fund added to its positions in BHP, Gold Fields and Tiger Brands and reduced its exposure to Fortress A and Northam Platinum.

Commentary contributed by Sean Munsie

Information and content

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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.

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Compliance with Regulation 28

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Foreign exposure

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FTSE/JSE All Share Index and FTSE/JSE All Bond Index

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FTSE Russell Index

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MSCI Index

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Important information for investors

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Fund manager: Sean Munsie **Inception date:** 1 October 2002

Allan Gray Optimal Fund

30 June 2022

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.

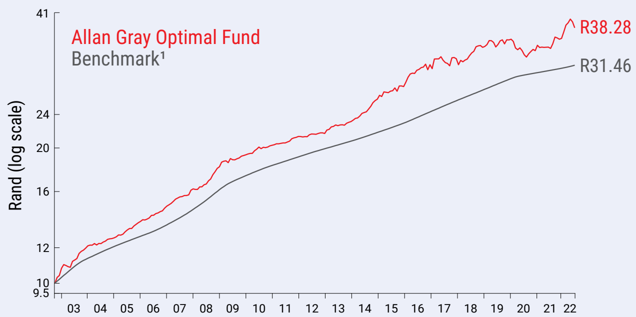
Fund information on 30 June 2022

Fund size	R0.9bn
Number of units	23 569 520
Price (net asset value per unit)	R23.81
Class	A

1. The daily interest rate as supplied by FirstRand Bank Limited (source: FirstRand Bank), performance as calculated by Allan Gray as at 30 June 2022.
2. This is based on the latest available numbers published by IRESS as at 31 May 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.

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)	282.8	214.6	172.8
Annualised:			
Since inception (1 October 2002)	7.0	6.0	5.2
Latest 10 years	5.7	4.7	5.1
Latest 5 years	3.5	4.4	4.5
Latest 3 years	3.4	3.5	4.6
Latest 2 years	6.2	2.7	5.9
Latest 1 year	10.7	2.9	6.5
Year-to-date (not annualised)	5.7	1.6	3.7
Risk measures (since inception)			
Maximum drawdown[3]	-10.2	n/a	n/a
Percentage positive months[4]	75.1	100.0	n/a
Annualised monthly volatility[5]	4.2	0.6	n/a
Highest annual return[6]	18.1	11.9	n/a
Lowest annual return[6]	-8.2	2.5	n/a

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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.	31 Dec 2021	30 Jun 2022
Cents per unit	**35.9602**	**31.2181**

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 30 June 2022 (updated quarterly)

Company	% of portfolio
Sasol	6.5
Glencore	5.6
Standard Bank	4.6
Nedbank	4.5
Sibanye-Stillwater	4.2
Impala Platinum	3.7
Gold Fields	3.4
MTN	3.3
Sappi	3.2
AngloGold Ashanti	3.1
Total (%)	**42.2**

Total expense ratio (TER) and transaction costs

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 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)	**0.18**	**0.12**
Total investment charge	**1.36**	**1.30**

Asset allocation on 30 June 2022

Asset class	Total
Net equities	3.6
Hedged equities	74.2
Property	1.5
Commodity-linked	0.0
Bonds	0.0
Money market and bank deposits	20.8
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 30 June 2022

The Fund had a challenging second quarter, returning -2.6% for the period which, when balanced against a good start to 2022, leaves the year-to-date return at 5.7%. This still compares favourably relative to the performance of the Fund's cash benchmark at 1.6% year to date, as well as competing asset classes, such as fixed income. By way of example, the FTSE/JSE All Bond Index has returned -1.9% so far this year.

If Russia's invasion of Ukraine had the most profound impact on financial markets in the first quarter of the year, the second quarter was in turn defined by coordinated central bank action to combat rising and persistent inflation. The backdrop of rapidly tightening monetary policy has proved a difficult one for the performance of risk assets, with fears that higher rates will curb growth and ultimately spark a recession. Our local equity market has not been immune to these uncertainties with the FTSE/JSE All Share Index reversing all of the gains it posted earlier in 2022 and ending June at -8.3% 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.

The Fund's underweight exposure to Naspers/Prosus, which has added to returns over longer periods, turned to a hindrance late in the second quarter as both share prices recovered. This was despite uninspiring recent results from the company's principal investment holding, Tencent, and the various rump assets relative to the valuation multiples applied to them. Rather, the announcement of an open-ended sell-down of Tencent and buyback of the company's own stock sparked a share price rally and helped narrow the discount at which Naspers/Prosus trades relative to its net asset value. With the discount now closer to historical levels, focus may shift to the execution of the buyback and the performance of the underlying assets. Despite the recent pullback, we still remain cautious on the valuation of global technology stocks.

An overweight exposure to gold shares was another notable detractor for the quarter. Heightened geopolitical uncertainty and rampant inflation – factors normally associated with a healthy environment for gold – are being weighed against rising interest rates and a strong US dollar. Long-term inflation expectations also remain well anchored. The result is a gold price that is down 1% (in US dollars) year to date. The sector is well positioned to outperform should some of the headwinds begin to reverse.

Noteworthy contributors to relative performance over the quarter included our overweight positions in Sasol, Glencore and Pick n Pay, as well as our underweight positions in Anglo American, Discovery and Aspen.

During the quarter, the Fund trimmed its exposure to FirstRand and Standard Bank in favour of Absa and also sold Woolworths. We initiated a new position in Aspen and added to existing holdings in Sappi and AB InBev.

Commentary contributed by Sean Munsie

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Management Company

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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

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 All Bond Index

The FTSE/JSE All Share Index and FTSE/JSE All Bond 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 All Bond 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 All Bond Index vests in FTSE and the JSE jointly. All their rights are reserved.

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Allan Gray Bond Fund

30 June 2022

Fund manager: Londa Nxumalo **Inception date:** 1 October 2004

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.

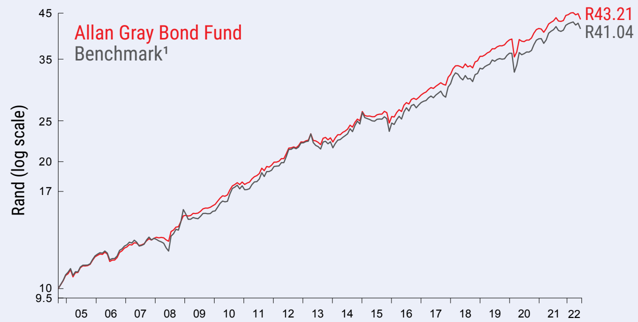
**Only available to investors with a South African bank account.

Fund information on 30 June 2022

Fund size	R6.3bn
Number of units	569 682 724
Price (net asset value per unit)	R10.46
Modified duration	5.7
Gross yield (before fees)	10.7
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 2004)	332.1	310.4	159.0
Annualised:			
Since inception (1 October 2004)	8.6	8.3	5.5
Latest 10 years	7.6	7.2	5.1
Latest 5 years	7.8	7.8	4.5
Latest 3 years	5.5	5.8	4.6
Latest 2 years	6.1	7.3	5.9
Latest 1 year	1.6	1.3	6.5
Year-to-date (not annualised)	-2.1	-1.9	3.7
Risk measures (since inception)			
Maximum drawdown[3]	-18.9	-19.3	n/a
Percentage positive months[4]	71.8	68.5	n/a
Annualised monthly volatility[5]	5.9	7.4	n/a
Highest annual return[6]	18.0	21.2	n/a
Lowest annual return[6]	-2.6	-5.6	n/a

1. FTSE/JSE All Bond Index (source: IRESS), performance as calculated by Allan Gray as at 30 June 2022.
2. This is based on the latest available numbers published by IRESS as at 31 May 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.

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Allan Gray Bond Fund

30 June 2022

Fund manager: Londa Nxumalo **Inception date:** 1 October 2004

Meeting the Fund objective

Since inception and over the latest 10-year period, the Fund has outperformed its benchmark. Over the last five-year period, the Fund has performed in line with 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 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022
Cents per unit	**23.8985**	**24.6430**	**23.9256**	**24.5459**

Annual management fee

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

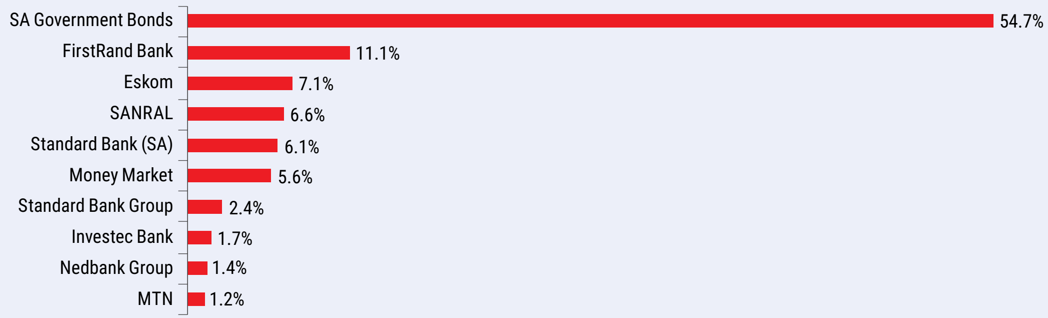
Total expense ratio (TER) and transaction costs

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.

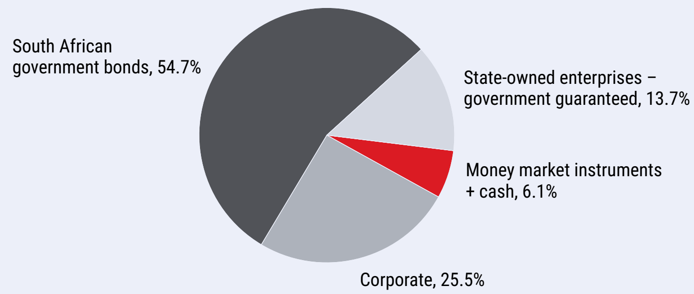
TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2022	1yr %	3yr %
Total expense ratio	**0.47**	**0.46**
Fee for benchmark performance*	0.40	0.30
Performance fees*	0.00	0.09
Other costs excluding transaction costs	0.01	0.01
VAT	0.06	0.06
Transaction costs (including VAT)	**0.00**	**0.00**
Total investment charge	**0.47**	**0.46**

*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.

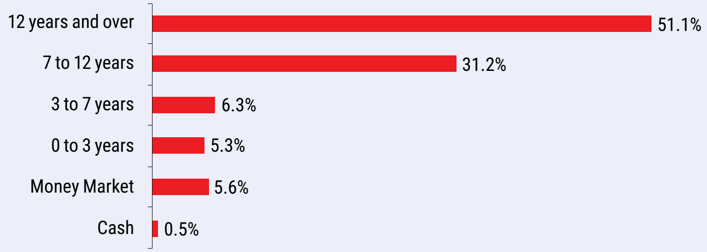
Top 10 credit exposures on 30 June 2022



Asset allocation on 30 June 2022



Maturity profile on 30 June 2022



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Fund manager quarterly commentary as at 30 June 2022

With the ongoing Russia-Ukraine conflict and supply chain disruptions, as a result of both the war and the COVID-19 pandemic, global inflation has continued to rise and spread. As a consequence, the quarter saw a flurry of central bank activity as monetary authorities sought to rein in inflation, which has risen to multi-decade highs in some cases. Not only have central banks sprung into action, but they have actually been accelerating their interventions: The US Federal Reserve stepped up its interest rate hikes from 50 basis points in May to 75 basis points in June; the European Central Bank signalled an end to its bond-buying programme by the end of June and an interest rate hike in July. Not one to be left behind, the South African Reserve Bank stepped up its interest rate increments from 25 basis points earlier in the year to 50 basis points in May. A notable exception was the Bank of Japan, which reiterated its commitment to negative interest rates and further bond buying. Against this backdrop of quickening central bank action, there are valid concerns that developed country policymakers have been too tardy – and that their unavoidable, aggressive actions now may trigger a global recession.

This quarter, South Africa faced its fair share of misfortune, with KwaZulu-Natal being hit by severe flooding in April and again in May. The loss of lives and livelihoods, infrastructure damage, relocation of displaced families, rebuilding costs and port disruptions are all major setbacks for the country, given that the economy has yet to fully recover from the pandemic. South Africans were understandably concerned about flood relief being stolen, given past experience with emergency COVID-19 spending. Disappointingly, this jaundiced view was almost immediately vindicated by reports of municipal officials attempting to appropriate donated relief supplies and a water tanker being diverted to the provincial premier's private residence instead of serving the disaster-stricken community. Interestingly, the eThekwini Municipality held its inaugural bond auction towards the end of May; it was a poor auction, with only one anchor bidder taking up the entire R1 billion on offer.

Attractively priced opportunities remain few and far between in the local credit market, with spreads still tight by longer-term historical standards. During the quarter, we sold inflation-linked bonds after yields compressed to expensive levels. While these instruments may be attractive in a high-inflation environment, they have a higher duration than their nominal equivalents and are more vulnerable to a correction in yields. Nominal bonds are currently offering similar real yields to inflation-linked bonds, but with lower duration risk and better liquidity. The duration of the Fund is 0.5 less than that of the FTSE/JSE All Bond Index.

Commentary contributed by Londa Nxumalo

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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.

Yield

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

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

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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).

FTSE/JSE All Bond Index

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Allan Gray Money Market Fund

30 June 2022

Fund description and summary of investment policy

The Fund invests in South African money market instruments with a term shorter than 13 months. These instruments can be issued by government, parastatals, corporates and banks. The Fund is managed to comply with regulations governing retirement funds.

While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument held by the Fund defaults. In this event losses will be borne by the Fund and its investors.

ASISA unit trust category: South African – Interest Bearing – Money Market

Fund objective and benchmark

The Fund aims to preserve capital, maintain liquidity and generate a sound level of income. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index.

How we aim to achieve the Fund's objective

The Fund invests in selected money market instruments providing an income yield and a high degree of capital stability. We formulate an interest rate outlook, which is influenced by our inflation outlook and expectations of the resulting Reserve Bank policy response. Based on this analysis, we select investments for the Fund. These assets are typically held to maturity. We take a conservative approach to credit risk.

Suitable for those investors who

- Require monthly income distributions
- Are highly risk-averse but seek returns higher than bank deposits
- Need a short-term investment account

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 June 2022

Fund size	R24.5bn
Number of units	22 621 909 770
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.43
Fund weighted average coupon (days)	88.40
Fund weighted average maturity (days)	118.21
Class	A

1. The current benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Since inception to 31 March 2003, the benchmark was the Alexander Forbes 3-Month Deposit Index. From 1 April 2003 to 31 October 2011 the benchmark was the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund, performance as calculated by Allan Gray as at 30 June 2022.
2. This is based on the latest available numbers published by IRESS as at 31 May 2022.
3. 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 July 2003 and the benchmark's occurred during the 12 months ended 31 July 2003. The Fund's lowest annual return occurred during the 12 months ended 31 October 2021 and the benchmark's occurred during the 12 months ended 31 October 2021. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Income distribution for the last 12 months

Actual payout (cents per unit), the Fund distributes monthly

July 2021	Aug 2021	Sept 2021	Oct 2021
0.35	0.36	0.35	0.36
Nov 2021	Dec 2021	Jan 2022	Feb 2022
0.36	0.38	0.38	0.36
Mar 2022	Apr 2022	May 2022	Jun 2022
0.40	0.40	0.43	0.43

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 July 2001)	369.8	353.2	203.2
Annualised:			
Since inception (1 July 2001)	7.6	7.5	5.4
Latest 10 years	6.4	6.1	5.1
Latest 5 years	6.4	5.9	4.5
Latest 3 years	5.5	5.0	4.6
Latest 2 years	4.6	4.1	5.9
Latest 1 year	4.7	4.2	6.5
Year-to-date (not annualised)	2.4	2.2	3.7
Risk measures (since inception)			
Percentage positive months	100.0	100.0	n/a
Annualised monthly volatility	0.6	0.6	n/a
Highest annual return[3]	12.8	13.3	n/a
Lowest annual return[3]	4.3	3.8	n/a

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Meeting the Fund objective

The Fund has preserved capital, maintained liquidity and generated a sound level of income.

Annual management fee

A fixed fee of 0.25% 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 30 June 2022	1yr %	3yr %
Total expense ratio	**0.29**	**0.29**
Fee for benchmark performance	0.25	0.25
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.00	0.00
VAT	0.04	0.04
Transaction costs (including VAT)	**0.00**	**0.00**
Total investment charge	**0.29**	**0.29**

Exposure by issuer on 30 June 2022

	% of portfolio
Corporates	**10.4**
Pick 'n Pay	2.8
Shoprite	2.7
Sanlam	2.4
AVI	1.6
MTN	0.5
Mercedes-Benz	0.4
Banks[4]	**78.2**
Standard Bank	21.1
Nedbank	19.4
Investec Bank	19.1
Absa Bank	12.1
FirstRand Bank	6.4
Government	**11.4**
Republic of South Africa	11.4
Total (%)	**100.0**

4. Banks include negotiable certificates of deposit (NCDs), fixed deposits and call deposits.

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

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Fund manager quarterly commentary as at 30 June 2022

In the first half of this year, global energy, equity and interest rate markets have rapidly repriced. Are we watching an episode from *That '70s Show*? The hallmark events of that decade – namely, energy boycotts, wars and supply chain disruptions – offer tantalising parallels to the present day. During that period, Arab states boycotted the West using oil sanctions as punishment for their Middle East wartime alliances. The 1973 and 1979 energy crises saw US food inflation peak at 20% year-on-year as the cost of transport and manufacturing soared. The tumultuous era also saw the UK withdraw from the Persian Gulf and abandon the long-standing security role it played in the region. This reignited territorial disputes and resulted in the Iran-Iraq War of the 1980s, de-anchoring the security of global trade. Sound familiar? Importantly, this unexpectedly protracted and indecisive conflict precipitated several inflationary shocks throughout the following years.

US producer price inflation in May 2022 of 16.7% year-on-year is just a hair's breadth shy of its 1974 peak at 19.6% year-on-year. If supply chain disruptions were the only driving force, then we should see similarly elevated levels of inflation around the world; but this is not the case. This is because there is another common denominator between now and the period leading up to the 1970s – money supply. The US has increased liquidity for the last few years in a similarly reckless fashion, reaching a 25% year-on-year rise in broad money supply in 2021. US consumer price inflation is not simply due to supply-side factors, but also due to the aggressive stimulation of consumer demand.

The Federal Reserve (the Fed) now faces the unenviable task of raising interest rates and facilitating wealth destruction in order to depress consumer and corporate activity. This should stimulate some form of recession and take a bite out of inflation. In the first half of the year, the Fed has raised interest rates by 1.5% to achieve a 1.75% Federal Funds overnight rate. If US forward markets are to be believed, they will move by a similar quantum in the second half of the year so that the overnight rate rises to around 3.5%. Not only can this crush consumer demand, but it could also raise the interest bill of the US government – who was already spending 14 cents on every dollar of 2021 tax revenue to pay back gross interest on their debt.

In South Africa at end-May 2022, the price of diesel had risen by over 45% year-on-year and the price of petrol by just shy of 27% year-on-year, which has knock-on effects for the prices of manufactured goods, transport and labour. Several local retailers have warned of continued price increases as they run down their food inventory and start to rebuild their supplies at replacement cost. South African Reserve Bank (SARB) Governor Lesetja Kganyago has spoken fervently of living true to the SARB's mandate and protecting the incomes of the working class by raising interest rates. While food and fuel inflation are being driven by global dynamics, there are risks to the exchange rates of countries who do not follow the path of higher rates alongside the developed world. The SARB has begun to deliver what may in part be "credibility hikes" to maintain market-wide confidence that they will protect the value of the rand. This is needed both to contain import inflation and to encourage sorely lacking foreign participation in our local asset markets.

This quarter, the local forward rate market revised the probability of SA rate hikes higher – pricing in increases of 50 basis points at almost every Monetary Policy Committee meeting for the next year. This has raised the attractiveness of longer-dated bank deposits in contrast to government treasury bills. The Fund has reinvested maturing bills into one-year bank paper, most recently at interest rates above 7.4%.

Commentary contributed by Thalia Petousis

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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

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.

The Allan Gray Money Market Fund is not a bank deposit account

The Fund aims to maintain a constant price of 100 cents per unit. The total return an investor receives is made up of interest received and any gain or loss made on instruments held by the Fund. While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument defaults. In this event, investors may lose some of their capital. To maintain a constant price of 100 cents per unit, investors' unit holdings will be reduced to the extent of such losses. The yield is calculated according to applicable ASISA standards. Excessive withdrawals from the Fund may place it under liquidity pressure; if this happens, withdrawals may be ring-fenced and managed over a period of time.

Purchase and redemption requests must be received by the Management Company by 11:00 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).

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).

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 managers: This Fund invests solely into the Orbis Global Equity Fund, managed by Orbis Investment Management Limited **Inception date:** 1 April 2005

Allan Gray-Orbis Global Equity Feeder Fund

30 June 2022

Fund description and summary of investment policy

The Fund is a feeder fund and invests only in the Orbis Global Equity Fund, managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The Orbis Global Equity Fund is designed to be exposed to all of the risks and rewards of selected global shares. Returns are likely to be volatile, especially over short- and medium-term periods. Although the Fund's investment universe is global, the units in the Fund are priced and traded daily in rands.

ASISA unit trust category: Global – Equity – General

Fund objective and benchmark

The Fund aims to outperform global stock markets over the long term, without taking on greater risk. Its benchmark is the FTSE World Index, including income.

How we aim to achieve the Fund's objective

The Fund invests only in the Orbis Global Equity Fund. The Orbis Global Equity Fund is designed to be exposed to all of the risks and rewards of selected global shares. Orbis uses in-house research to identify companies around the world whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables Orbis 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. This is the same approach as that used by Allan Gray to invest in South African equities, except that Orbis is able to choose from many more shares, listed internationally.

Suitable for those investors who

- Seek exposure to diversified international equities to provide long-term capital growth
- Wish to invest in international assets without having to personally expatriate rands
- Are comfortable with global stock market and currency fluctuation and risk of capital loss
- Typically have an investment horizon of more than five years
- Wish to use the Fund as a global 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.

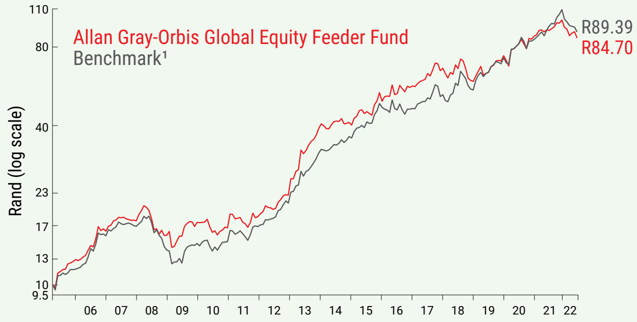
Fund information on 30 June 2022

Fund size	R22.2bn
Number of units	263 549 175
Price (net asset value per unit)	R84.29
Class	A

1. FTSE World Index including income (source: Bloomberg), performance as calculated by Allan Gray as at 30 June 2022. Effective 14 May 2020, the Orbis Global Equity Fund's benchmark changed from the FTSE World Index, including income (FTSE World Index), to the MSCI World Index, including income, after withholding taxes (MSCI World Index). For an initial period of time, the Orbis Global Equity Fund will continue to charge its fee with reference to the FTSE World Index. After this period, the benchmark of the Allan Gray-Orbis Global Equity Feeder Fund will change to the MSCI World Index. Please see the Orbis Global Equity Fund's factsheet for more information on this fee transitional period.
2. This is based on the latest available numbers published by IRESS as at 31 May 2022.
3. Maximum percentage decline over any period. The maximum rand drawdown occurred from 6 June 2008 to 10 March 2009 and maximum benchmark drawdown occurred from 5 June 2008 to 6 March 2009. 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 December 2013 and the benchmark's occurred during the 12 months ended 31 December 2013. The Fund's lowest annual return occurred during the 12 months ended 31 March 2009 and the benchmark's occurred during the 12 months ended 31 March 2009. 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:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (1 April 2005)	747.0	220.7	793.9	238.5	153.9	50.9
Annualised:						
Since inception (1 April 2005)	13.2	7.0	13.5	7.3	5.6	2.4
Latest 10 years	16.0	8.2	17.5	9.6	5.1	2.5
Latest 5 years	7.4	2.7	12.8	7.8	4.5	3.6
Latest 3 years	10.8	5.3	12.7	7.1	4.6	4.5
Latest 2 years	3.6	6.6	6.4	9.5	5.9	6.7
Latest 1 year	-6.8	-19.3	-1.4	-14.6	6.5	8.5
Year-to-date (not annualised)	-14.5	-17.2	-17.6	-20.2	3.7	4.6
Risk measures (since inception)						
Maximum drawdown[3]	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months[4]	62.8	59.4	61.4	63.8	n/a	n/a
Annualised monthly volatility[5]	15.2	17.3	14.0	15.8	n/a	n/a
Highest annual return[6]	78.2	64.1	54.2	58.4	n/a	n/a
Lowest annual return[6]	-29.7	-44.8	-32.7	-47.3	n/a	n/a

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Meeting the Fund objective

Since inception and over the latest 10- and five-year periods, the Fund has underperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the global stock market. 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

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually.	31 Dec 2021
Cents per unit	**1.5476**

Annual management fee

Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis.

Orbis charges an annual management fee within the underlying Orbis Global Equity Fund. The fee rate is calculated based on the Orbis fund's performance relative to its benchmark. For more information please refer to the Orbis Global Equity Fund factsheet and prospectus, which can be found at www.orbis.com.

Total expense ratio (TER) and transaction costs

The annual management fee charged by Orbis 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 30 June 2022	1yr %	3yr %
Total expense ratio	**0.92**	**0.88**
Fee for benchmark performance	1.49	1.49
Performance fees	-0.62	-0.66
Other costs excluding transaction costs	0.05	0.05
VAT	0.00	0.00
Transaction costs (including VAT)	**0.12**	**0.10**
Total investment charge	**1.04**	**0.98**

Top 10 share holdings on 30 June 2022

Company	% of portfolio
British American Tobacco	8.0
FLEETCOR Technologies	3.8
Global Payments	3.5
Progressive	3.0
Howmet Aerospace	2.8
Samsung Electronics	2.8
XPO Logistics	2.6
GXO Logistics	2.6
UnitedHealth Group	2.5
Shell	2.4
Total	**33.9**

Asset allocation on 30 June 2022

This fund invests solely into the Orbis Global Equity Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	97.8	46.2	23.3	9.9	12.9	5.6
Hedged equities	0.0	0.0	0.0	0.0	0.0	0.0
Fixed interest	0.0	0.0	0.0	0.0	0.0	0.0
Commodity-linked	0.0	0.0	0.0	0.0	0.0	0.0
Net current assets	2.2	0.0	0.0	0.0	0.0	2.2
TOTAL	**100.0**	**46.2**	**23.3**	**9.9**	**12.9**	**7.8**
Currency exposure of the Orbis Global Equity Fund						
Funds	100.0	47.0	25.9	12.1	7.4	7.6
Index	100.0	66.9	17.4	6.7	5.2	3.8

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

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Fund manager quarterly commentary as at 30 June 2022

As painful as the first six months of 2022 have been for global stock markets, it's worth keeping the decline in perspective. Since 2009, global equities have returned 12.5% per annum during a time when the yield on safe cash has collapsed to near zero. That stellar performance is largely thanks to unprecedented support from central bank actions. Those actions have led the financial world to a strange and precarious place. Today, we see three giant sources of risk and opportunity in global stock markets. First, and most importantly for us, valuation dislocations are extremely stretched and should unwind. Second, economic conditions may look extremely different from those of the last decade. And third, many industries may face a future that is extremely different from their recent past.

Our job is to search around the world for the most attractively valued individual companies we can find. That leads us fairly naturally to be on the cheap side of valuation dislocations. Today, we are finding that many of the shares that look most attractively priced to us are *also* on the right side of the other two forces.

We will start by touching on the distortions in economic conditions and valuations, then we will walk through the current opportunity in the energy sector to show how the three forces come together.

Duration dislocation

Since 2009, central banks have suppressed interest rates and bond yields, distorting the signals that interest rates usually provide. Normally, cash today should be more valuable than the promise of cash later, and normally one would expect compensation for the "time risk" of locking up money for a long time.

The past decade has not been normal. In this strange world, investors have been unusually happy to pay up for the promise of potential profits in the distant future. We call this the "duration dislocation", and it seems to defy both conventional financial theory and common sense.

Within equities, that has – until the last few months – been fantastic for the valuations of speculative growth companies which lose money now but promise untold riches later, and it has been painful for the valuations of boring old economy companies that make plenty of cash now.

Importantly, these valuation distortions do not just affect the performance of stock prices – they also have a profound impact on how capital is allocated in the real economy, and the energy sector offers a timely illustration.

Underinvesting in an energy crunch

Given the importance of energy in our modern economy, we should expect to see steady capital investment over time to drive further gains in productivity and quality of life. It's striking, therefore, that capital investment in primary energy has *dropped* significantly in recent years.

The current underinvestment is partly due to the duration dislocation. When investors value faraway cash as highly as cash today, they pour capital into startups that burn money to grow quickly, and they drain capital from old economy businesses that make money but grow slowly.

The falling investment in energy has also been driven by increasingly urgent climate concerns. *For the first time in history, we are faced with the challenge of optimising our energy system not just for cost, but also for carbon.*

Consider Shell, a roughly 2% position in the Orbis Global Equity Fund ("the Fund"). Most people see Shell as a fossil fuel company, but we see it more as a diversified energy business that is well positioned to aid the transition by delivering various forms of energy to customers in an efficient and increasingly clean way.

In South Africa, Shell's planned offshore seismic survey is a particular focus. Orbis and Allan Gray analysts engaged with the company about it in December, and we encouraged them to publish a summary of their environmental impact assessment and to share the scientific evidence on which their views are based. The planned survey is currently suspended, and aspects of the project are now being debated in courts.

Globally, Shell has committed to net-zero emissions by 2050, along with interim targets for 2035 – targets that include not only its own emissions but also the impact of the energy products it sells to customers.

A key part of this is through Shell's exposure to natural gas – a fuel that we see as key to facilitate the transition – but also through renewables, infrastructure and retail operations (refuelling stations). Shell's trading arm, which plays a critical role in matching supply and demand for energy around the world, is unique in scale and likely to be increasingly valuable in a volatile and scarce energy environment.

Rather than offering the promise of cash flows in the distant future, Shell is returning hard cash to investors today in the form of dividends and share buybacks, as well as increasing capital expenditures to more sustainable levels. On top of that, it offers longer-term inflation protection and resilience against energy shocks. But like many cash-producing businesses, Shell is still very conservatively priced.

Shell is just one example, but there are other companies in the Fund that we believe will benefit from the unwinding of what, in our view, is a historic valuation dislocation. The current dislocation, coupled with the critical need to reduce carbon emissions, will likely drive higher and more volatile energy prices in the coming decade, improving fundamentals for businesses like Shell. It is also likely that the resulting inflationary environment will force central banks away from manipulating bond yields, providing an additional tailwind as cash today once again becomes more highly valued. In time, we should expect to end up in a world where capital efficiency is restored, bringing things back into balance, but it looks set to be a bumpy ride.

During the quarter, we initiated or added to a number of positions in the energy sector, of which the largest purchase was Shell. We funded these purchases by reducing the position in Swedish Match following the takeover offer by Philip Morris International, as well as some other smaller positions where our conviction level was lower. We also trimmed the positions in UnitedHealth Group and Elevance Health (previously called Anthem) after a period of outperformance reduced the discount to our assessment of intrinsic value.

Adapted from a commentary contributed by Graeme Forster, Orbis Investment Management Limited, Bermuda

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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).

Feeder fund

A feeder fund is a unit trust that invests in another single unit trust, which charges its own fees. Allan Gray does not charge any additional fees in its feeder funds.

Foreign exposure

This fund invests in a foreign fund managed by Orbis Investment Management Limited, our offshore investment partner.

FTSE Russell Index

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2022. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "Russell®", "FTSE Russell®", is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

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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**

Allan Gray-Orbis Global Balanced Feeder Fund

30 June 2022

Fund description and summary of investment policy[1]

The Fund is a feeder fund and invests only in the Orbis SICAV Global Balanced Fund ('Orbis Global Balanced'), managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. Orbis Global Balanced invests in a diversified global portfolio of equities, fixed income, and commodity-linked instruments. The typical net equity exposure of Orbis Global Balanced is between 40% and 75%. Orbis Global Balanced aims to balance investment returns and risk of loss. Returns are likely to be less volatile than those of a global equity-only fund. Although Orbis Global Balanced's investment universe is global, the units of the Fund are priced and traded daily in rands.

ASISA unit trust category: Global – Multi Asset – High Equity

Fund objective and benchmark[1]

The Fund aims to create long-term wealth for investors and to outperform its designated combined equity and bond performance benchmark, which comprises 60% the MSCI World Index with net dividends reinvested and 40% the J.P. Morgan GBI Global Index.

How we aim to achieve the Fund's objective

The Fund invests only in Orbis Global Balanced. Orbis Global Balanced is actively managed and invests in a diversified global portfolio of equities, fixed income, and commodity-linked instruments. Orbis Global Balanced targets an exposure of 40% to 90% of net asset value ('NAV') in equities, 10% to 50% in fixed income and 0% to 10% in commodity-linked instruments. The overall exposure to equities after hedging is intended to be limited to 75% of NAV. The weighting among the asset classes is driven by Orbis' bottom-up approach in selecting securities across asset classes and therefore may deviate substantially compared to the benchmark.

Like Allan Gray, Orbis uses in-house research to identify companies whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables them 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. A similar approach is applied in selecting fixed income instruments, which may consist of cash, cash equivalents, government bonds and investment-grade and high-yield corporate bonds and, at times, distressed corporate bonds. They are selected with the aim of increasing the overall risk-adjusted return.

When Orbis' research suggests that stock or bond markets are overvalued, Orbis may reduce exposure to those asset classes or hedge market risk using exchange-traded derivatives. Hedged equities may also be used as an alternative to holding fixed-income instruments and reduce overall portfolio risks. Commodity-linked instruments are included if Orbis' research identifies certain commodities as being more attractive on a risk-adjusted basis than overall equity or fixed-income opportunities. Currency exposure is actively managed to control exposure to currencies less likely to hold their long-term value in US dollars.

Suitable for those investors who

- Seek to balance investment returns and risk of loss, by investing in a diversified global multi-asset class portfolio
- Wish to invest in international assets without having to personally expatriate rands
- Are comfortable that the investment approach is likely to result in volatility and potential capital loss, but typically less volatility than that of a global equity-only fund
- Typically have an investment horizon of at least three to five years

Fund information on 30 June 2022

Fund size	R14.8bn
Number of units	287 105 889
Price (net asset value per unit)	R51.66
Class	A

Minimum investment amounts*

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

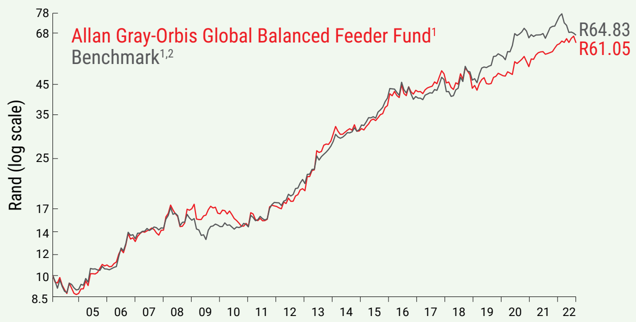
*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

1. The Fund was converted from a fund of funds structure to a feeder fund structure and its name and benchmark were amended on 1 June 2021. For more information, please read 'Ballot underway for Allan Gray-Orbis Global Fund of Funds', available via the Latest insights section of our website.
2. 60% of the MSCI World Index with net dividends reinvested and 40% of the J.P. Morgan GBI Global Index (source: Bloomberg), performance as calculated by Allan Gray as at 30 June 2022. From inception to 31 May 2021, the benchmark was 60% of the FTSE World Index including income and 40% of the J.P. Morgan GBI Global Index.
3. This is based on the latest available numbers published by IRESS as at 31 May 2022.
4. Maximum percentage decline over any period. The maximum rand drawdown occurred from 23 October 2008 to 14 October 2010 and maximum benchmark drawdown ccurred from 23 October 2008 to 30 June 2009. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
5. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
6. 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.
7. 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 December 2013 and the benchmark's occurred during the 12 months ended 31 December 2013. The Fund's lowest annual return occurred during the 12 months ended 31 October 2010 and the benchmark's occurred during the 12 months ended 30 June 2009. 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[1,2]		CPI inflation[3]	
Cumulative:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (3 February 2004)	510.5	161.1	548.3	177.3	164.4	56.5
Annualised:						
Since inception (3 February 2004)	10.3	5.3	10.7	5.7	5.4	2.5
Latest 10 years	13.1	5.5	13.3	5.7	5.1	2.5
Latest 5 years	7.0	2.3	9.4	4.6	4.5	3.6
Latest 3 years	11.3	5.8	8.4	3.0	4.6	4.5
Latest 2 years	7.5	10.6	-0.4	2.5	5.9	6.7
Latest 1 year	8.7	-5.9	-1.6	-14.8	6.5	8.5
Year-to-date (not annualised)	-1.4	-4.5	-15.3	-17.9	3.7	4.6
Risk measures (since inception)						
Maximum drawdown[4]	-24.0	-37.0	-25.1	-37.5	n/a	n/a
Percentage positive months[5]	58.4	60.2	58.4	63.3	n/a	n/a
Annualised monthly volatility[6]	13.6	11.6	12.7	10.1	n/a	n/a
Highest annual return[7]	55.6	43.8	38.8	37.6	n/a	n/a
Lowest annual return[7]	-13.7	-27.3	-17.0	-31.7	n/a	n/a

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Meeting the Fund objective

Since inception and over the latest 10-year and five-year periods, the Fund has underperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than similar funds in the Global – Multi Asset – High Equity sector.

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 annually.	31 Dec 2021
Cents per unit	**0.1143**

Annual management fee

Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis.

Orbis charges an annual management fee within the underlying Orbis SICAV Global Balanced Fund. The fee rate is calculated based on the Orbis fund's performance relative to its benchmark. For more information please refer to the Orbis SICAV Global Balanced Fund factsheet and prospectus, which can be found at www.orbis.com.

Total expense ratio (TER) and transaction costs

The annual management fee charged by Orbis 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 30 June 2022	1yr %	3yr %
Total expense ratio	**1.33**	**1.05**
Fee for benchmark performance	1.49	1.48
Performance fees	-0.22	-0.49
Other costs excluding transaction costs	0.06	0.06
VAT	0.00	0.00
Transaction costs (including VAT)	**0.10**	**0.08**
Total investment charge	**1.43**	**1.13**

Top 10 holdings on 30 June 2022

Company	% of portfolio
SPDR Gold Trust	6.1
Samsung Electronics	4.5
Shell	3.5
Kinder Morgan	3.4
Schlumberger	2.8
Bayer	2.5
Drax Group	2.3
US TIPS 5 - 7 Years	2.2
Barrick Gold	2.0
US TIPS 7 - 10 Years	2.0
Total (%)	**31.2**

Asset allocation on 30 June 2022

This fund invests solely into the Orbis SICAV Global Balanced Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	58.9	13.2	23.2	7.9	8.3	6.4
Hedged equities	20.4	10.6	5.7	1.0	1.8	1.3
Fixed interest	14.9	10.9	0.6	0.1	0.2	3.1
Commodity-linked	6.1	0.0	0.0	0.0	0.0	6.1
Net current assets	-0.3	0.0	0.0	0.0	0.0	-0.3
Total	**100.0**	**34.7**	**29.5**	**9.0**	**10.3**	**16.5**
Currency exposure of the Orbis SICAV Global Balanced Fund						
Funds	100.0	34.0	32.7	15.6	8.8	9.0
Index	100.0	64.2	22.0	10.9	0.8	2.1

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

Fund manager quarterly commentary as at 30 June 2022

Investment professionals will usually define defensive stocks as those with steady and predictable earnings, high barriers to entry, a strong balance sheet, and a relatively stable share price. But in reality, what's considered "defensive" is whatever held up best in the last market sell-off. In behavioural science this is called recency bias. It causes nervous investors to rush for what they wish they owned in the last bear market regardless of whether those companies are well placed for the current one. If market drops are brief enough, the very belief that a company is defensive can help it hold up and bolster its defensive reputation. But when bear markets drag on long enough, actual operating results dictate share price performance, and some defensives of yore prove to be anything but. By the same token, a new crop of companies emerge that demonstrate well the attributes laid out in the first sentence.

As contrarian investors, we are always looking for attractively priced companies with underappreciated defensiveness. Often these are in industries that have inherently defensive characteristics, and used to be considered defensive, but have recently fallen out of favour. Sometimes real negative change has happened, and industries will likely never regain their defensive status. However, sometimes our research suggests that a formerly defensive industry still deserves to trade at a premium defensive valuation, but is trading at a low valuation right now. The Orbis SICAV Global Balanced Fund's ("the Fund's") concentration in defence contractors is one such opportunity.

We started buying the shares of select defence stocks over a year ago, with our interest sparked by two developments. First, it was becoming clear to us that China and Russia's geopolitical assertiveness and military build-up was more secular than cyclical, and that it would spark a similar response from those feeling threatened. Second, shares that were already inexpensive owing to years of dropping defence budgets were, in the case of European companies, being pushed down even harder owing to new regulation that promised to increase the cost of doing business for companies whose activities don't contribute to the social goals of the EU. Defence companies were initially considered among the worst offenders.

After the fall of the Berlin Wall in 1989, defence budgets dropped precipitously as the West sought to cash in the Peace Dividend. Defence spending subsequently settled in at very low levels for many countries, eclipsed by other social priorities. The vast majority of NATO countries are still below the NATO requirement to spend at least 2% of GDP on defence.

With Russia's second invasion of Ukraine and China's increasingly strident stance towards Taiwan, the Peace Dividend is now clearly eliminated. In response, nearly every European country has announced a massive increase in defence spending. Importantly, those increases come in ways that signal a long-term shift in attitude, with military force increases, long-term weapons programmes and, for some countries, historic changes in their war posture.

We do not believe that Wall Street analysts are even close to adequately increasing their earnings estimates to account for the coming torrent of defence spending. After more than 30 years of stagnant industry revenues, it is incredibly difficult for those covering the industry to register the full impact of the change we're seeing today. Or they are assuming what we're currently experiencing is merely a brief spike.

We disagree. We don't see an imminent Russian defeat or Putin disappearing, we don't see China turning away from its regional goals, and we don't see any sort of worldwide consensus to support Western powers' opposition to Russia. In fact, we see it as more likely that the world returns to East and West blocs, plus unaligned nations. This is a recipe for significantly increased defence budgets that then grow steadily off that higher level, not just in Europe, but throughout the world.

That has not gone *completely* unnoticed by the market, and our defence shares Saab AB, BAE Systems, Thales, Rheinmetall and Mitsubishi Heavy Industries are all up 50-170% so far this year, growing from small positions to represent over 5% of the Fund.

Yet we believe they have considerable upside remaining. Products of all five companies are increasingly in high demand, and earnings expectations for 2025 have risen, but only modestly. Following those revisions, the stocks now sell at a discount to the market on forward PE (price/earnings), but we believe both the "P" and the "E" should increase.

On the earnings side, if our assessment of an inflamed and long-lasting Cold War is correct, considerable increases in earnings expectations are likely.

On the price side, we see two compelling cases for higher valuations:

First, Russia's invasion has spurred environmental, social and governance (ESG) commentators to rethink their negativity towards the defence industry. Some ESG advocates now view the industry as providing the means for societies, especially those that are most aligned with ESG principles, to deter and defend against would-be attackers. For free societies, having a healthy advanced defence sector is a need-to-have, not a want-to-have, and recent events have made that obvious even to former critics of the industry. As more clear-eyed views of the sector prevail, this should remove a cloud over the stocks' valuations.

Second, and more importantly, the defence contractors we hold are fundamentally defensive businesses. Most of their contracts are protected against inflation, and all but Rheinmetall have had low correlation to world stock markets over the long term. As those defensive characteristics come to be better appreciated, we believe the defence companies should warrant a premium price. In a volatile and inflationary world, the real "defensives" may be in defence.

During the quarter, we sold out of the Fund's position in US pharmaceutical company AbbVie after a period of strong outperformance. We added to the Fund's exposure to US Treasury Inflation-Protected Securities (TIPS) in order to improve the overall risk-reward profile of the Fund. Following a recent decline in inflation expectations, pricing has become more attractive despite our view that TIPS are one of the few assets which can maintain their value in a stagflationary environment.

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

The availability of the Fund is subject to offshore capacity constraints. Please contact our Client Service Centre for further information about any constraints that may apply.

Information and content

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

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Allan Gray is an authorised financial services provider.

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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.

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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).

Feeder fund

A feeder fund is a unit trust that invests in another single unit trust, which charges its own fees. Allan Gray does not charge any additional fees in its feeder funds.

Foreign exposure

This fund invests in a foreign fund managed by Orbis Investment Management Limited, our offshore investment partner.

MSCI Index

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FTSE Russell Index

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J.P. Morgan Index

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ALLANGRAY

Fund manager: Duncan Artus (The underlying Orbis funds are managed by Orbis)
Inception date: 2 March 2010

Allan Gray-Orbis Global Optimal Fund of Funds

30 June 2022

Fund description and summary of investment policy

The Fund invests in a mix of absolute return funds managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The typical net equity exposure of the Fund is between 0% and 20%. The Orbis Optimal SA funds included in the Fund use exchange-traded derivative contracts on stock market indices to reduce net equity exposure. In these funds, the market exposure of equity portfolios is effectively replaced with cash-like exposure, plus or minus Orbis' skills in delivering returns above or below the market. Returns are likely to be less volatile than those of a foreign equity or balanced fund. Although the Fund's investment universe is global, the units in the Fund are priced and traded daily in rands. When considered in rands, returns of this foreign fund are likely to be more volatile than domestic funds with similar equity constraints.

ASISA unit trust category: Global – Multi Asset – Low Equity

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability (when measured in the foreign currency denominations of the underlying Orbis Funds), while producing long-term returns that are superior to foreign currency bank deposits. The Fund's benchmark is the simple average of the benchmarks of the underlying Orbis funds.

How we aim to achieve the Fund's objective

The Fund invests only in the Optimal SA absolute return funds managed by our offshore investment partner, Orbis Investment Management Limited. Within the Optimal funds, Orbis uses in-house research to identify companies around the world whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables them 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. This is the same approach as that used by Allan Gray to invest in South African equities, except that Orbis is able to choose from many more shares, listed internationally. The Orbis Optimal SA funds reduce most of their stock market risk by the use of exchange-traded derivative futures contracts. The Orbis Optimal SA funds will typically retain a small portion of their exposure to equity markets, but the level of exposure may be varied depending on Orbis' assessment of the potential returns on global stock markets relative to their risk of capital loss. The underlying funds' returns are therefore derived partly from their relatively low exposure to stock markets, partly from Orbis' selected share returns relative to those markets, and partly from foreign currency cash-equivalent returns. The Fund's currency exposure is actively managed both within the underlying Orbis funds and through our selection of Orbis funds.

Suitable for those investors who

- Seek steady absolute returns ahead of those of cash measured in global currencies
- Wish to invest in international assets without having to personally expatriate rands
- Are comfortable with taking on the risk of currency fluctuation, but prefer little exposure to stock market risk
- Wish to use the Fund as a foreign absolute return 'building block' in a diversified multi-asset class portfolio

Fund information on 30 June 2022

Fund size	R1.2bn
Number of units	51 062 923
Price (net asset value per unit)	R22.86
Class	A

Minimum investment amounts*

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

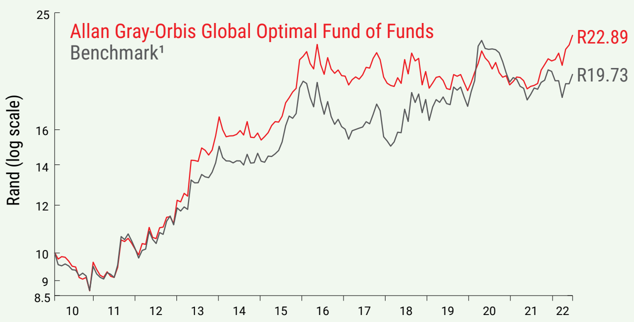
*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

1. The simple average of the benchmarks of the underlying funds, performance as calculated by Allan Gray as at 30 June 2022.
2. This is based on the latest available numbers published by IRESS as at 31 May 2022.
3. Maximum percentage decline over any period. The maximum rand drawdown occurred from 18 May 2016 to 24 March 2017 and maximum benchmark drawdown occurred from 18 January 2016 to 23 February 2018. 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 December 2013 and the benchmark's occurred during the 12 months ended 31 January 2016. The Fund's lowest annual return occurred during the 12 months ended 31 May 2017 and the benchmark's occurred during the 12 months ended 28 February 2017. 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:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (2 March 2010)	128.9	7.0	97.3	-7.8	83.5	34.1
Annualised:						
Since inception (2 March 2010)	6.9	0.5	5.7	-0.7	5.1	2.4
Latest 10 years	8.0	0.7	6.5	-0.7	5.1	2.5
Latest 5 years	3.1	-1.4	4.1	-0.5	4.5	3.6
Latest 3 years	7.0	1.7	3.8	-1.3	4.6	4.5
Latest 2 years	5.2	8.2	-4.6	-1.9	5.9	6.7
Latest 1 year	21.6	5.3	8.1	-6.4	6.5	8.5
Year-to-date (not annualised)	10.4	7.0	-1.0	-4.1	3.7	4.6
Risk measures (since inception)						
Maximum drawdown[3]	-18.9	-31.3	-26.6	-15.1	n/a	n/a
Percentage positive months[4]	51.4	52.7	46.6	47.3	n/a	n/a
Annualised monthly volatility[5]	13.4	7.4	14.1	4.3	n/a	n/a
Highest annual return[6]	39.6	14.4	35.6	9.4	n/a	n/a
Lowest annual return[6]	-12.4	-15.3	-19.1	-11.6	n/a	n/a

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Meeting the Fund objective

Since inception and over the latest 10-year period, the Fund has outperformed its benchmark. Over the latest five-year period, the Fund has underperformed its benchmark. It should be noted that the returns on dollar and euro cash have been low over this period. There has been some volatility in the Fund's returns. The underlying funds' maximum drawdowns to date, in their reporting currencies, are 23% for the Orbis Optimal SA Dollar class and 28% for the Orbis Optimal SA Euro class.

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 annually.	31 Dec 2021
Cents per unit	**0.0000**

Annual management fee

Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis.

Orbis charges annual management fees within the underlying Orbis funds. Each fund's fee rate is calculated based on the fund's performance relative to its own benchmark. For more information please refer to the Orbis Optimal SA Fund factsheets and prospectus, which can be found at www.orbis.com.

Total expense ratio (TER) and transaction costs

The annual management fees charged by Orbis are 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 30 June 2022	1yr %	3yr %
Total expense ratio	**1.07**	**1.07**
Fee for benchmark performance	1.00	1.00
Performance fees	-0.01	-0.01
Other costs excluding transaction costs	0.08	0.08
VAT	0.00	0.00
Transaction costs (including VAT)	**0.14**	**0.14**
Total investment charge	**1.21**	**1.21**

Top 10 share holdings on 30 June 2022

Company	% of portfolio
British American Tobacco	4.2
Shell	3.8
Woodside Energy Group	3.2
Drax Group	2.8
Golar LNG	2.5
Motorola Solutions	2.3
FLEETCOR Technologies	2.2
INPEX	2.0
Mitsubishi	1.7
Tourmaline Oil	1.6
Total (%)	**26.4**

Fund allocation on 30 June 2022

Foreign absolute return funds	%
Orbis Optimal SA (US$)	60.4
Orbis Optimal SA (Euro)	39.6
Total (%)	**100.0**

Asset allocation on 30 June 2022

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	4.5	-1.5	3.3	1.5	0.5	0.8
Hedged equities	79.9	31.0	21.9	16.6	7.0	3.4
Fixed interest	0.0	0.0	0.0	0.0	0.0	0.0
Commodity-linked	0.0	0.0	0.0	0.0	0.0	0.0
Net current assets	15.6	0.0	0.0	0.0	0.0	15.6
Total	**100.0**	**29.4**	**25.2**	**18.1**	**7.5**	**19.8**
Currency exposure of the Orbis funds						
Funds	100.0	58.1	40.2	0.1	1.8	-0.3

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

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Fund manager quarterly commentary as at 30 June 2022

The first half of 2022 has been a difficult time for major asset classes. Global equities are now in bear market territory and bonds are on track for their worst year in decades. Still, asset prices remain near historical highs and valuation dispersions within markets (e.g. value versus growth) remain wide. In this environment, we continue to believe that the Orbis Optimal SA Fund ("the Fund") represents a compelling alternative, offering both protection against broader market declines through stock market hedging as well as exposure to our highest conviction stock selections.

B&M European Value Retail is one such stock. B&M is a low-price retailer in the UK that sits at the intersection of specialist retailers, grocery stores and deep discounters. Customers are attracted to B&M for their branded groceries, which are typically priced at a 15% discount to the mainstream grocers, and for bargain-hunting opportunities in the general merchandise category, which includes toys, gardening, home and do-it-yourself products.

B&M's strategy is to go wide and narrow on its inventory. That means they stock only the fastest-selling items in any given category. This strategy gives them bargaining power with their suppliers due to the high volumes purchased of each product and ensures healthy product margins, since they don't need to unload unpopular items at even steeper discounts. Shelf space is rotated across seasonal products such as gardening and Christmas decorations to ensure a high return on investment. If a certain product is seeing price increases from the supplier, B&M can just choose to stock another product instead. For example, if Kellogg's wants to increase the price of Corn Flakes, B&M can simply buy cereal from another brand. A traditional supermarket like Tesco, on the other hand, needs to keep both brands on the shelf to avoid disappointing its less price-conscious customers. B&M also has decades of experience sourcing cheap goods directly from China, cutting out the distributors such that it can get lower prices and pass on the benefits directly to consumers.

Based in Liverpool, B&M currently has about 700 stores in the UK, with the greatest concentration of stores still in the north and north-west parts of England. This suggests that there is still plenty of room for growth in the south and south-west. Based on our analysis, we believe B&M could add another 400 to 500 stores in the UK without cannibalising its existing stores. As a result, we think it's reasonable to assume that B&M can deliver earnings growth of about 8% per annum over the course of our investment horizon. More importantly, we expect that B&M will be able to return the vast majority of these earnings in the form of dividends because new stores tend to earn back the initial investment quickly. Said differently, growth doesn't require large amounts of capital and a large proportion of earnings are free to be distributed back to shareholders.

"Mr Market" is currently panicking about the state of the UK consumer, providing investment opportunities amid uncertainty. British consumers are under enormous pressure due to rising energy and food costs, and consumer confidence is currently at all-time lows. We believe our position in B&M offers compelling value relative to local stock markets. UK shares in the FTSE 100 trade at a forward earnings multiple of 13 but traded as high as 16 at the start of the year. B&M is not only trading at a more attractive valuation – currently just 11 times our estimate of earnings for the fiscal year that ends in March 2023 – but we think it is in a better position than many businesses in the UK amid this challenging environment.

While the near term is uncertain – and the consumer's pain is very real – discount retailers typically outperform during recessions as customers are more in need of a bargain than usual. Children will still need toys for their birthdays and Christmas presents will continue to need wrapping paper. History also shows that B&M has held up well during past periods of extreme consumer distress. For example, B&M posted like-for-like growth (existing store revenue growth without the impact of new stores opening) of approximately 10% during the global financial crisis in 2008-2009. The vast majority of what B&M sells costs GBP2 to GBP5 per item and only 2-3% of the revenues come from items that cost more than GBP20. B&M provides great value for money irrespective of the macro environment and especially so when budgets are stretched.

We think B&M has a winning retail format with excellent unit economics. While the near term is cloudy, its long-term competitive advantage remains intact and our confidence in the business model remains strong. The quality of the business is much superior to that of the average stock in the local market, and we see it as an attractively priced and hopefully defensive opportunity in a highly uncertain environment.

The Fund's overall net equity exposure rose over the quarter. Among individual positions, the largest buy was FleetCor Technologies, a US payments company, which appears to still be under a COVID-19 cloud. The largest sell was in UnitedHealth Group, a US healthcare company, which we trimmed following a period of outperformance.

Adapted from a commentary contributed by Neha Aggarwal, Orbis Portfolio Management (Europe) LLP

The availability of the Fund is subject to offshore capacity constraints. Please contact our Client Service Centre for further information about any constraints that may apply.

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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).

Fund of funds

A fund of funds is a unit trust that invests in other unit trusts, which charge their own fees. Allan Gray does not charge any additional fees in its funds of funds.

Foreign exposure

This fund invests in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

FTSE Russell Index

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2022. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®", "Russell®", "FTSE Russell®", is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

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**

Allan Gray Tax-Free Balanced Fund

30 June 2022

Fund description and summary of investment policy

The Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts and can only be accessed through these products. The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 45% offshore. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund.

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

Fund objective and benchmark

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund's benchmark is the market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds).

How we aim to achieve the Fund's objective

We seek to buy shares at a discount to their intrinsic value. 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. If the stock market offers few attractive shares we may increase the Fund's weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Fund's stock market exposure. By varying the Fund's exposure to these different asset classes over time, we seek to enhance the Fund's long-term returns and to manage its risk. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- Seek steady long-term capital growth
- Are comfortable with taking on some risk of market fluctuation and potential capital loss, but typically less than that of an equity fund
- Wish to invest in a tax-free investment account
- Typically have an investment horizon of at least three years

Minimum investment amounts*

Initial lump sum per investor account	R36 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.

Maximum investment amounts

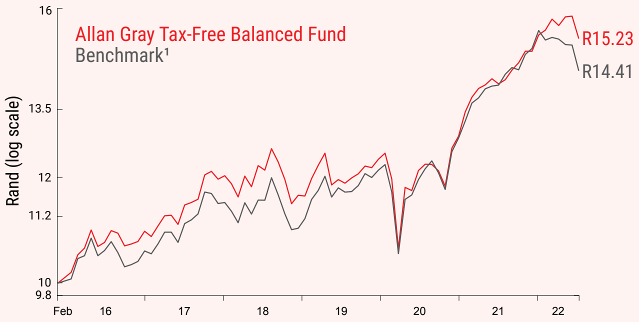
Maximum lump sum per investor account	R36 000
Lifetime maximum	R500 000
Maximum debit order**	R3 000

Fund information on 30 June 2022

Fund size	R1.9bn
Number of units	125 045 492
Price (net asset value per unit)	R13.26
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 February 2016)	52.3	44.1	35.7
Annualised:			
Since inception (1 February 2016)	6.8	5.9	4.9
Latest 5 years	6.6	6.1	4.5
Latest 3 years	8.4	6.9	4.6
Latest 2 years	12.0	9.8	5.9
Latest 1 year	8.1	2.5	6.5
Year-to-date (not annualised)	-0.6	-6.7	3.7
Risk measures (since inception)			
Maximum drawdown[3]	-24.6	-23.3	n/a
Percentage positive months[4]	64.9	63.6	n/a
Annualised monthly volatility[5]	9.8	9.3	n/a
Highest annual return[6]	31.7	30.7	n/a
Lowest annual return[6]	-13.4	-10.3	n/a

1. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 30 June 2022.
2. This is based on the latest available numbers published by IRESS as at 31 May 2022.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 January 2020 to 23 March 2020 and maximum benchmark drawdown occurred from 20 January 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 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.

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Fund history

This Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts. Refer to the Allan Gray Balanced Fund factsheet for a history of the Allan Gray Balanced Fund since its inception on 1 October 1999.

Meeting the Fund objective

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund experiences periods of underperformance in pursuit of this objective. Since inception and over the latest five-year period, the Fund has outperformed 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.	31 Dec 2021	30 Jun 2022
Cents per unit	**14.8998**	**11.9507**

Annual management fee

The fee we charge is fixed at 1.25% excluding VAT.

This fee only applies to the portion of the unit trusts that we manage. The offshore portion of the unit trust is managed by Orbis. Orbis charges fixed fees within these funds. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and transaction costs

The annual management fees charged by both Allan Gray and Orbis are 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 30 June 2022 (SA and Foreign) (updated quarterly)[7]

Company	% of portfolio
British American Tobacco	6.7
Naspers[8]	5.8
Glencore	4.6
Sasol	2.7
Woolworths	2.6
Nedbank	2.6
AB InBev	2.3
Remgro	2.1
Sibanye-Stillwater	1.9
Standard Bank	1.6
Total (%)	**32.8**

Asset allocation on 30 June 2022[7]

Asset class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equities	68.8	49.6	3.0	16.2
Hedged equities	8.5	3.2	0.0	5.3
Property	1.1	0.9	0.0	0.2
Commodity-linked	3.0	2.4	0.0	0.7
Bonds	13.0	9.3	1.6	2.1
Money market and bank deposits	5.7	3.2	-0.1	2.6
Total (%)	**100.0**	**68.4**	**4.6**	**27.0[9]**

7. Underlying holdings of Orbis funds are included on a look-through basis.
8. Includes holding in stub certificates or Prosus N.V., if applicable.
9. The Fund can invest a maximum of 45% offshore. Market movements periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

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

Total expense ratio (TER) and transaction costs

TER and transaction costs breakdown for the 1- and 3-year period ending 30 June 2022	1yr %	3yr %
Total expense ratio	**1.49**	**1.51**
Fee for benchmark performance	1.30	1.32
Performance fees	0.00	0.00
Other costs excluding transaction costs	0.04	0.04
VAT	0.15	0.15
Transaction costs (including VAT)	**0.09**	**0.10**
Total investment charge	**1.58**	**1.61**

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

Minimum	(February 2016) 57.5%
Average	64.1%
Maximum	(May 2021) 72.5%

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Fund manager quarterly commentary as at 30 June 2022

The second quarter of 2022 will not easily be forgotten by many investors owing to significant drawdowns in both equities and fixed income and the strength of the US dollar. Interest rates on both the short and long end of the interest rate curve had sharp upward moves across many developed world markets. This resulted in capital losses for what global investors typically consider "safe" assets, in particular, long-dated developed world sovereign bonds. As most clients are aware, we have been bearish on these assets for several years. A meaningful portion of our offshore exposure was rather invested in hedged equities, which hedge out underlying equity risk by selling index futures. Given the market sell-off, this protected part of the portfolio and added returns as our underlying holdings outperformed the overall market.

The rise in interest rates and the rapid pace thereof also led to the significant decline in long-duration equities, as represented mainly by technology, e-commerce and what we would call "disruptor" stocks. The large declines in the disruptor stocks should not come as a huge surprise when one considers the valuations on which they were trading, often with very little history of generating actual earnings. What took many investors by surprise was the decline in the mega-cap technology shares, which have been leading the market and generating most of the returns for several years. Our colleagues at Orbis have written about the large disparity in valuations on many occasions.

Fortunately, the Fund was relatively well positioned for the above, given our overweight positions in energy and selected shares that stand to benefit from the forecast energy transition, and our significant underweight exposure to the mega-cap technology shares. Many defensive shares have held up well relative to the market, in particular British American Tobacco, given its low valuation.

Locally, we are still finding it tough to identify obvious shares to sell. This gives us reasonable confidence in the prices we are paying relative to the value we are receiving, despite the well-known South Africa-specific risks.

While we are bottom-up investors, we still want to be on the right end of long-term trends. We continue to believe that the future will be characterised by higher realised inflation, higher interest rates and an increasingly geopolitically divided world relative to the recent past. These trends provided performance tailwinds given our relative positioning this year, but it is of some short-term concern that being long commodities and energy has become a more consensus view. Indeed, we have seen a correction in the last two weeks of the quarter: Commodity and energy stocks have come under pressure as the market worries about the potential demand destruction brought about by slower global growth in response to higher interest rates and quantitative tightening.

With the current high levels of cost inflation there is potential for a significant squeeze on the profit margins of many businesses that won't be able to pass price increases on to their customers. We are actively thinking about what opportunities may arise when profits invariably come under pressure.

During the quarter, the Fund added to its positions in BHP and Sibanye-Stillwater and reduced its holdings in Glencore and British American Tobacco.

Commentary contributed by Duncan Artus

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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).

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).

Foreign exposure

This fund may invest in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

Information for investors in the tax-free investment account

The Allan Gray Tax-Free Investment Account is administered by Allan Gray Investment Services (Pty) Ltd, an authorised administrative financial services provider, and underwritten by Allan Gray Life Ltd, also an authorised financial services provider and a registered insurer licensed to provide life insurance products as defined in the Insurance Act 18 of 2017. The underlying investment options of the Allan Gray individual products are portfolios of collective investment schemes in securities (unit trusts or funds).

FTSE/JSE All Share Index

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

MSCI Index

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

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**

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ALLANGRAY

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

Allan Gray SA Equity Fund

30 June 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.

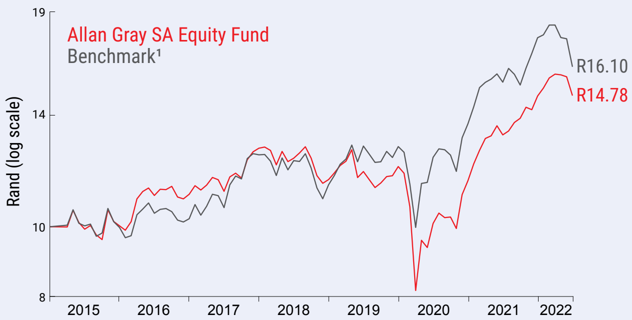
**Only available to investors with a South African bank account.

Fund information on 30 June 2022

Fund size	R4.1bn
Number of units	3 609 724
Price (net asset value per unit)	R402.42
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 (13 March 2015)	47.8	61.0	43.2
Annualised:			
Since inception (13 March 2015)	5.5	6.7	5.1
Latest 5 years	5.9	8.7	4.5
Latest 3 years	7.8	8.2	4.6
Latest 2 years	21.0	14.4	5.9
Latest 1 year	12.4	4.7	6.5
Year-to-date (not annualised)	0.1	-8.3	3.7
Risk measures (since inception)			
Maximum drawdown[3]	-44.3	-35.2	n/a
Percentage positive months[4]	59.1	56.8	n/a
Annualised monthly volatility[5]	15.4	14.4	n/a
Highest annual return[6]	57.3	54.0	n/a
Lowest annual return[6]	-32.0	-18.4	n/a

1. FTSE/JSE All Share Index including income (source: IRESS), performance as calculated by Allan Gray as at 30 June 2022.
2. This is based on the latest available numbers published by IRESS as at 31 May 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.

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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.	31 Dec 2021	30 Jun 2022
Cents per unit	**813.8448**	**330.6436**

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 30 June 2022 (updated quarterly)

Company	% of portfolio
Naspers[7]	9.2
British American Tobacco	9.0
Glencore	8.0
Woolworths	4.4
AB InBev	4.1
Nedbank	4.0
Sasol	3.8
Remgro	3.4
Standard Bank	3.4
Sibanye-Stillwater	2.8
Total (%)	**52.2**

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

Sector allocation on 30 June 2022 (updated quarterly)

Sector	% of Fund	% of ALSI[8]
Energy	0.4	1.2
Basic materials	26.8	27.3
Industrials	5.0	4.2
Consumer staples	17.4	8.9
Healthcare	2.4	2.0
Consumer discretionary	8.4	16.3
Telecommunications	1.6	5.3
Financials	24.6	20.7
Technology	9.4	10.7
Real estate	1.7	3.4
Money market & bank deposits	2.2	0.0
Bonds	0.1	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 30 June 2022	1yr %	3yr %
Total expense ratio	**0.82**	**0.29**
Fee for benchmark performance	1.00	1.00
Performance fees	-0.30	-0.76
Other costs excluding transaction costs	0.01	0.01
VAT	0.11	0.04
Transaction costs (including VAT)	**0.10**	**0.11**
Total investment charge	**0.92**	**0.40**

Asset allocation on 30 June 2022

Asset class	Total
Net equities	96.0
Property	1.7
Bonds	0.1
Money market & bank deposits	2.2
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 30 June 2022

The Fund has returned -6.2% for the quarter, while year-to-date returns have been broadly flat.

Rising inflation has continued to upset global markets. Consumer price inflation hit 8.6% in May in the US. In South Africa, the year-over-year increase was 6.5%. For the US and many other developed market economies, this is the highest inflation they have experienced in four decades. Why has inflation across the world increased so much over the last year? There are some specific and, hopefully temporary, factors including the war in Ukraine and global supply chain issues. But there has also been massive fiscal stimulus by governments everywhere over the last two years in response to the COVID-19 pandemic. And all this has taken place in the context of the extremely loose monetary policy environment of the last decade, i.e. low interest rates and quantitative easing by developed market central banks. Lastly, it is possible that underinvestment in areas like energy has led to shortages that could take many years to resolve.

What does higher inflation mean for the stock market? Shares are often said to be a hedge against inflation, providing some protection, unlike cash and bonds, which provide no protection. This is because businesses can increase their prices to keep up with inflation. Some businesses are better placed than others to pass higher costs on to their customers and defend margins. An example from our portfolio is British American Tobacco, which has a good history of increasing cigarette prices ahead of cost increases. All businesses are struggling with rising costs, from labour and fuel costs to raw materials. Consumers are starting to feel the pinch of the rising cost of living, which translates into lower purchasing power. This is true in rich countries, for example the US, but especially so in emerging markets, like South Africa, where consumers spend a larger percentage of their income on food, transport and other basic necessities. There may be relative winners in this environment, such as providers of necessities rather than luxuries and lower-cost retailers that benefit from downtrading.

A last factor to consider is the reaction of central banks to inflation. Both globally and locally, central banks have started raising interest rates in an attempt to rein in demand and tame inflation. This is a delicate balancing act – raising interest rates quickly may lead to a recession, which would be bad for the real economy and the stock market. However, higher interest rates can benefit some businesses, for example banks, which earn higher interest income. The Fund has an 11.9% exposure to banking shares, such as Nedbank and Standard Bank.

It is hard to predict with high confidence how the current inflationary period will play out. The portfolio is constructed on a bottom-up basis, with a view of doing well in various macroeconomic scenarios and taking the risk of a global recession into account.

During the quarter, the Fund bought Prosus and select miners and sold select financial services shares.

Commentary contributed by Tim Acker

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Information and content

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