



ARC INVESTMENTS

Audited Annual Financial Statements for the year ended 30 June 2023

Incorporated in the Republic of Mauritius

Company number: C148430

JSE share code: AIL

A2X share code: AILJ

ISIN code: MU0553S00000

LEI: 378900F086B090C6FB94

The listed Annual Financial Statements were prepared for
the purposes of the JSE Listings Requirements

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The reports and statements set out below form the Annual Financial Statements of African Rainbow Capital Investments Limited (ARC Investments or the Company) for the year ended 30 June 2023 presented to shareholders. They were prepared under the supervision of Karen Bodenstein, Chief Financial Officer, B Compt (Accounting Science).

The Annual Financial Statements have been prepared in compliance with the applicable requirements of the Mauritius Companies Act 2001.

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STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

For the year ended 30 June 2023

The Directors are responsible for the preparation, integrity and fair presentation of the Annual Financial Statements of the Company including the Audit and Risk Committee report on pages 15 to 16, as well as the appendices on pages 45 to 47. The Annual Financial Statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Mauritius Companies Act 2001, and the Johannesburg Stock Exchange Limited (JSE) Listings Requirements and include amounts based on judgements and estimates made by management.

The Directors consider that having applied IFRS in preparing the Annual Financial Statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS standards that they consider to be applicable have been followed. The Annual Financial Statements fairly present the results of operations for the year and the financial position of the Company at year-end in accordance with IFRS.

ARC Investments operates in an evolving control environment, which is appropriate in terms of the nature, scale and complexity of the Company. It is documented and will be reviewed annually as the business grows. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute assurance that assets are safeguarded and that the risks facing the business are being controlled. These procedures support the operations of the ARC Fund, the primary investment in which the Company is a Limited Partner through the en commandite partnership agreement with UBI GP Co Proprietary Limited (UBI GP/the General Partner). The General Partner establishes governance processes, including through its Board, Investment Committee and Audit and Risk Committee.

The directors of the Company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to the shareholders and Companies and Intellectual Property Commission. The examination of controls over the maintenance and integrity of the website is beyond the scope of the audit of the financial statements.

In the year under review, nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred.

The going concern basis has been adopted in preparing the Annual Financial Statements. The Directors have no reason to believe that the Company would not be considered a going concern for the twelve-month period post approval of the annual financial statements, based on forecasts and available cash resources.

The Annual Financial Statements have been audited by the Company's independent auditors, who were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and committees of the Board, including those of the General Partner. The independent auditors were invited to attend and participate in all the Audit and Risk Committee meetings of the Company and the General Partner during the year under review. The Directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The Annual Financial Statements were approved and authorised for issue by the Company's Board of Directors on 11 September 2023 and are signed on its behalf by:



Mark Cyril Olivier
Chairman of the Board



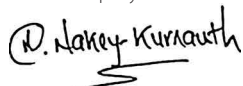
Clive Msipha
Chairman of the Audit and Risk Committee

¹ This information does not form part of the information audited by the Independent Auditor.

CERTIFICATE BY THE COMPANY SECRETARY

For the year ended 30 June 2023

The Company has lodged with the Registrar of Companies all such returns for the year ended 30 June 2023 as are required of the Company under the Mauritius Companies Act.



Toorisha Nakey-Kurnauth

For and on behalf of Intercontinental Trust Limited Company Secretary

11 September 2023

DECLARATION BY THE CHIEF FINANCIAL OFFICER (CFO)

For the year ended 30 June 2023

ARC Investments does not have a CEO, the board has nominated its CFO and CFO of Ubuntu-Botho Investments (Pty) Ltd (UBI) to sign the statement.

The CFO of ARC Investments and the CFO of UBI each hereby confirm that:

- The Company Annual Financial Statements set out on pages 19 to 44 fairly present in all material respects the financial position, financial performance and cash flows of African Rainbow Capital Investments Limited in terms of IFRS;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to ARC Investments has been provided to effectively prepare the financial statements;
- The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as Directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have remediated the deficiencies; and
- We are not aware of any fraud involving Directors.



Karen Bodenstein

Chief Financial Officer
ARC Investments



Refloee Nkadimeng

Chief Financial Officer - UBI and ARC
Non-executive Director - ARC Investments

KEY HIGHLIGHTS

For the year ended 30 June 2023

PORTFOLIO HIGHLIGHTS



Significant advances at several of the large early-stage portfolio companies:

rain

Rain has successfully launched rainone mobile service subsequent to its financial year end 28 February 2023.



Successful capital raise of USD125 million during the year for TymeBank and Tyme Global.

KROPZ

Kropz Plc - Elandsfontein sold 120 000 tonnes of phosphate in the six months ended 30 June 2023.



Conclusion of the ABSA Asset Manager transaction by Sanlam Third Party Asset Manager.

Acquisition of shares by Sanlam in Capital Legacy and acquisition of the Sanlam Trust accounts by Capital Legacy.



Strong profits exceed combined results for past two years.

FINANCIAL PERFORMANCE



Intrinsic net asset value (INAV) increased by 15.8% to R15 328 million

(30 June 2022: R13 242 million)



INAV per share increased by 13.4% to R11.41 per share

(30 June 2022: increase of 14.7%)



Cash in the ARC Fund decreased by 25% to R500 million

(30 June 2022: R669 million)



Debt in the ARC Fund increased by 51% to R1 473 million

(30 June 2022: R974 million)



Major disposals finalised:

- Disposal of remaining Afrimat shares for R486 million, achieving an overall internal rate of return (IRR) of 27.7%
- Disposal of Gemcap's investment in Payprop and Humanstate resulting in ARC Fund receiving cash amounting to R486 million and achieving an IRR of 19.7%
- Disposal of Rand Mutual Holdings (RMH) for R727 million resulting in IRR of 16.8% for ARC FSI.



Major additional investments:

- In total the R664 million investment by ARC Fund in TymeBank and Tyme Global was largely to fund the acquisition of Retail Capital.
- Additional capital advanced to Kropz Plc amounting to R833 million.



New fee structure delivers substantial savings for shareholders

REPORT BY THE BOARD OF DIRECTORS

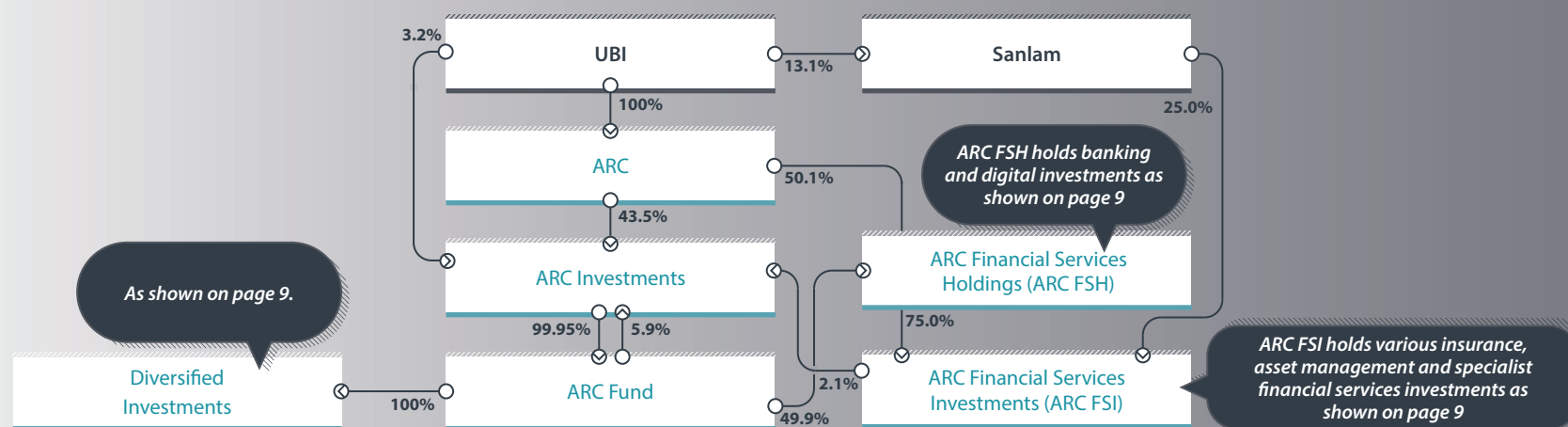
For the year ended 30 June 2023

NATURE OF BUSINESS

ARC Investments is incorporated in the Republic of Mauritius and holds a Global Business Licence under the Mauritian Financial Services Act of 2007. It is regulated by the Mauritian Financial Services Commission and is primary listed on the JSE Limited with a secondary listing on A2X. ARC Investments is an investment holding company and focuses on being a broad-based, Black-controlled investment vehicle of significant scale, offering shareholders the opportunity to indirectly invest in a diversified portfolio of largely unlisted investments.

Group structure

ARC Investments is 43.5% owned by African Rainbow Capital Proprietary Limited (ARC), which in turn is 100% owned by Ubuntu-Botho Investments Proprietary Limited (UBI). UBI effectively owns 53.80% of ARC Investments. ARC Investments is an investment holding entity, that holds 99.95% of the ARC Fund, which in turn makes use of the ARC Fund to invest in various investee entities. These investments are managed by UBI GP as the General Partner of the ARC Fund and earns a management fee. The board of UBI GP consists of seasoned and experienced individuals of whom further details will appear in the integrated report.



The ARC Fund's investment strategy

The ARC Fund's strategic focus is to grow the building blocks in Business Process Outsourcing, Telecoms, Agri and Banking & Fintech sectors through bolt-on acquisition and to work with investment partners to deliver synergies amongst relevant portfolio companies. The General Partner will continue to implement the portfolio rationalisation plans that were identified. Investments that no longer align with the longer-term ARC Fund investment strategy will be exited in the short to medium term.

The ARC Fund's investment portfolio includes a combination of investments from pre-break-even to established businesses. Pre-break-even point businesses contribute 33% of the ARC Fund's Intrinsic Portfolio Value (IPV) and these include businesses such as Kropz, Linebooker, TymeBank and Tyme Global. The ARC Fund invests with a medium- to long-term view in early-stage businesses that it believes will make a significant impact relative to incumbent market players.

Operating environment

Multiple unfavourable factors had an impact on the investment portfolio in the year under review. These included a contracting economy, strained trading conditions, interrupted electricity supply, coupled with increasing interest rates, high inflation and volatile exchange rates. All these factors put pressure on consumers and hampered some of our entities' growth. The diverse investment portfolio has, however, shown remarkable resilience against the persisting challenging macroeconomic environment.

Going concern

The financial statements have been prepared on a going-concern basis. The assets of the company, fairly valued, exceed its liabilities. The directors are of the opinion that the Company will continue as a going concern based on forecasts and available cash and borrowing resources.

Measurements of financial performance

In accordance with paragraph 3.4(b)(vi) of the JSE Listings Requirements, the Company confirms the use of net asset value per share and intrinsic net asset value for trading statement purposes. This is considered an appropriate measure given the nature of the business conducted by the Company and its core strategic objective, which is to grow net asset value per share.

REPORT BY THE BOARD OF DIRECTORS

For the year ended 30 June 2023

Performance highlights

The portfolio value has begun to reflect the benefits of the early-stage investments approaching profitability, as well as the substantial corporate activity that took place during the year to reposition the portfolio. ARC Fund completed disposals of R1 440 million, which included investments in Afrimat, Humanstate, GemCap (Payprop), Capital Appreciation and Mooiplaats Coal Holdings (MCH), a subsidiary of ARC Services. ARC FSI disposed of RMH. Management has convincingly demonstrated the Fund's value creation through the various disposals in the past year.

The internal rate of return (IRR), based on disposal profits as well as dividends for these disposals were: Afrimat (27.7%); Humanstate and Payprop (19.7%); Capital Appreciation (12.0%), MCH (carrying value) and RMH (ARC FSI) (16.8%).

ARC Fund also finalised acquisitions of R1 993 million, as part of its strategy to increase the Financial Services portfolio, particularly focusing on Fintech. These transactions included additional investments in TymeBank, Tyme Global, ARCH Emerging Markets, Upstream, Kropz, and a small mining services acquisition in SMS Holdings. ARC FSI acquired further holding in Capital Legacy, Afrocentric. ARC FSI acquired new minority holdings in Optasia and GoSolr.

The adjustments to the portfolio are aligned with the revised strategy announced by the Company last year. ARC Fund has disposed of smaller and non-core assets in its Diversified Investments portfolio, reduced its exposure to listed shares that can be acquired directly in the market, and increased the weighting of the Financial Services portfolio through bolt-on acquisitions and synergistic transactions, as well as an increased Fintech exposure. As a result of these transactions, Mining, Property and Business Process Outsourcing exposure has decreased, while exposure to future-focused growth areas in Financial Services, Telecommunication, Agriculture and "Other investments", mainly comprising private equity investments has increased notably.

The collective efforts of management and investment partners resulted in excellent progress in early-stage investments in the current year. Ongoing work with investment partners continues to deliver synergy benefits, which will create additional value in underlying businesses.

A variety of initiatives have been implemented to narrow the gap between the intrinsic and market values. These include:

- Efforts to streamline the portfolio and position it in future-focused areas. The top 13 investments now comprise 88% of the value of the portfolio.
- Portfolio valuations have been validated through several disposals at full value.
- The management and performance fees have been substantially reduced.
- The unlisted portion of the ARC Fund (including investments owned by the ARC Fund through ARC FSH) that is only accessible through ARC Investments, has grown to 89% of the portfolio.

The Company's intrinsic investment value in the ARC Fund increased by 15.8 % from R13 242 million at 30 June 2022 to R15 328 million at 30 June 2023. The R2 086 million increase in INAV comprises R2 151 million of net fair value gains, disposals of R1 440 million, acquisitions of R1 993 million, a cash balance decrease of R169 million, a debt increase of R498 million and a R49 million decrease in net other liabilities. During the year under review, the Company's effective share of the invested assets (or the IPV) increased by 19.8%, from R13 659 million at 30 June 2022 to R16 363 million at 30 June 2023. The IFRS Net Asset Value (NAV) per share increased by 13.5% from R10.08 at 30 June 2022 to R11.44 at 30 June 2023 as a result of the increase in the number of shares. The increase in shares was driven by the performance hurdle being met in the prior year.

Performance participation hurdle has been met

The Adjusted Annualised Growth in the Company's share in the IPV of the ARC Fund for the year under review, was 15.8%. The Adjusted Annualised Growth is above the 10% performance participation hurdle. Consequently, a performance participation provision amount has been recognised in terms of IFRS 2.

Management fee

The General Partner fee structure review was finalised and approved at the Annual General Meeting in November 2022 with an effective date of 1 July 2022. The approved fee structure is based on the General Partner charging actual cost plus a 5% markup. The management fee for the year ended 30 June 2023 was R98 million, as compared to R225 million on 30 June 2022.

Performance analysis

For the year ended 30 June 2023

Investment in ARC Fund	Net Asset Value 30 June 22	Net Investment	Net Increase/ (Decrease) in Net Asset Value	Net Asset Value 30 June 23	Percentage change
	R million	R million	R million	R million	
Intrinsic portfolio value	13 659	553	2 151	16 363	19.8%
Cash in the ARC Fund	669	(190)	21	500	(25.3%)
Debt in the ARC Fund	(975)	(363)	(135)	(1 473)	51.1%
Other net assets/(liabilities) in the ARC Fund	(111)	-	49	(62)	(44.1%)
UBI GP fee payable	(110)	-	49	(61)	(44.6%)
Other assets (liabilities) in the ARC Fund	(1)	-	-	(1)	-
Intrinsic Investment in the ARC Fund at FVTPL	13 242	-	2 086	15 328	15.8%

For the year ended 30 June 2022

Investment in ARC Fund	Net Asset Value 30 June 21	Net Investment	Net Increase/ (Decrease) in Net Asset Value	Net Asset Value 30 June 22	Percentage change
	R million	R million	R million	R million	
Intrinsic portfolio value	12 275	(448)	1 832	13 659	11.3%
Cash in the ARC Fund	239	491	(61)	669	179.9%
Debt in the ARC Fund	(869)	(43)	(63)	(975)	12.2%
Other net assets/(liabilities) in the ARC Fund	(104)	-	(7)	(111)	6.7%
UBI GP fee payable	(100)	-	(10)	(110)	10.0%
Other assets (liabilities) in the ARC Fund	(4)	-	3	(1)	(75.0%)
Intrinsic Investment in the ARC Fund at FVTPL	11 541	-	1 701	13 242	14.7%

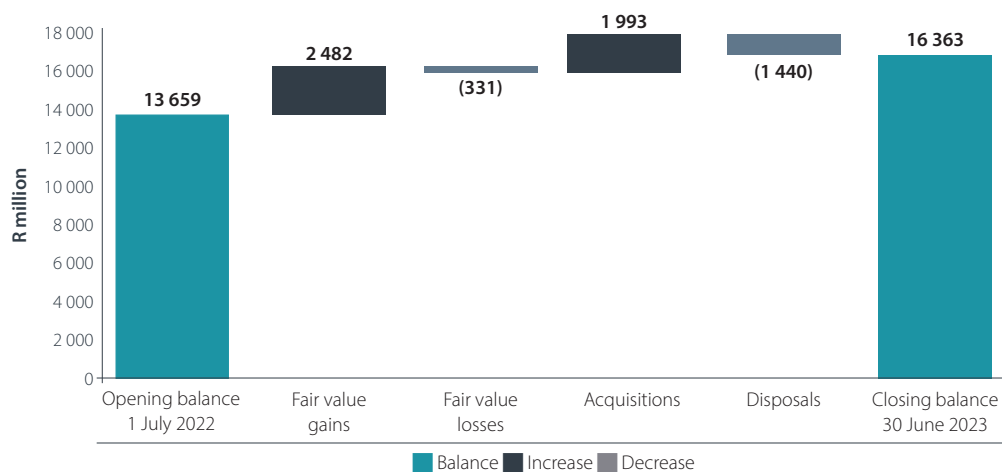
* FVTPL: Fair value through profit or loss

REPORT BY THE BOARD OF DIRECTORS

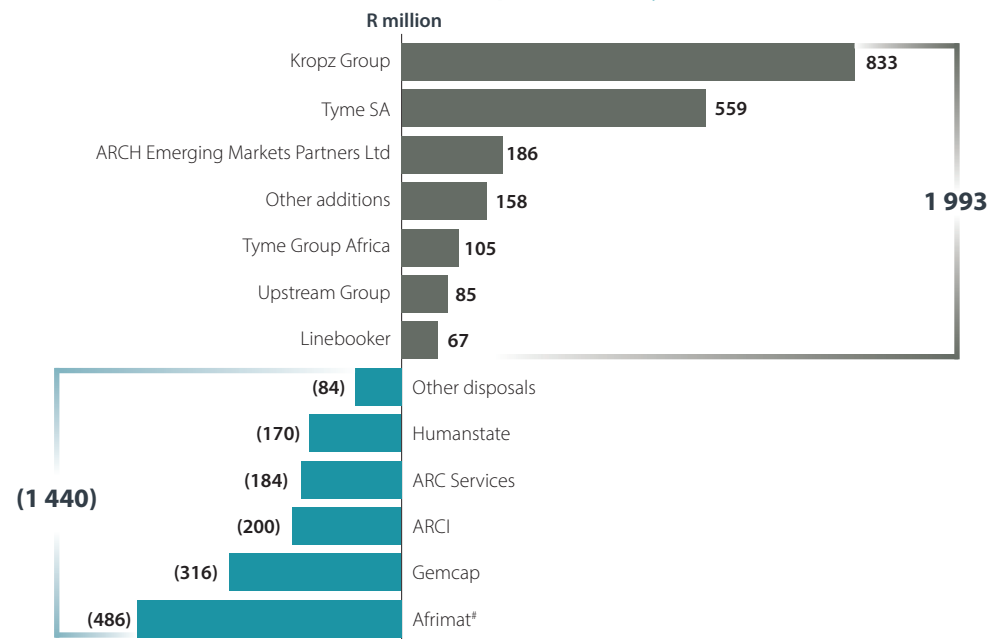
For the year ended 30 June 2023

During the year under review, ARC Investments, through the ARC Fund, effectively made acquisitions and disposals amounting to R1 993 million and R1 440 million respectively.

Intrinsic portfolio value movement from 1 July 2022 to 30 June 2023



ARC Investments' effective additions and disposals for the year ended 30 June 2023



Significant acquisitions and disposals in the Diversified Investments Portfolio (through the ARC Fund)

Afrimat

The ARC Fund disposed of its remaining Afrimat shares for a consideration of R486 million during the current reporting period. ARC Fund achieved an overall IRR of 27.7% on the Afrimat investment in the form of profits on disposals and dividends received.

Humanstate and PayProp

The ARC Fund received unsolicited offers for investments in Humanstate and PayProp (which was held by Gemcap). The disposal was finalised in November 2022. The sale has resulted in ARC Fund receiving a return of capital from Gemcap and proceeds from the Humanstate asset. The total proceeds received amounted to R486 million with a deferred balance of R48 million still receivable.

The IRR achieved on the sale was 19.7% excluding the agterskot which is subject to the achievement of the performance target.

ARCI Limited shares disposal

ARC Fund sold 29 million shares worth R200 million to Sizanani (refer to the [SENS announcement](#) published on 27 June 2023).

ARC Services

ARC Fund through ARC Services sold its shareholding in Mooiplats Coal Mine (MCH) during December 2022. Post the sale, ARC Services returned cash to the value of R184 million to ARC Fund.

Kropz Group

The ARC Fund invested an additional R833 million in the Kropz Group during the year. The capital was largely used to fund an operational cash flow shortfall at Elandsfontein resulting from a delay in the ramp-up of the Elandsfontein phosphate processing plant. At 30 June 2023, R67 million remains undrawn under available facilities.

TymeBank and Tyme Global

During the year ARC Fund invested a total of R664 million in TymeBank and Tyme Global, through Tyme SA Holdings and Tyme Group Africa Pte. The funds invested enabled TymeBank to acquire Retail Capital, a leading fintech funder of small and medium enterprises (SMEs) as well as raise capital for pre-series C. The acquisition will support TymeBank's offering to its business banking clients. It will also see Retail Capital's lending expertise being combined with TymeBank's deposit base and operations to serve a broader customer base. The capital injection into Tyme Global will help fund their growth strategy into other markets including GoTyme in the Philippines.

ARCH Emerging Markets Partners Limited

ARC Fund invested an R186 million into its partnership with ARCH Emerging Markets, which is a joint venture between JCH & Partners LLP and ARC. R179 million was invested in the Cold Chain Solutions East Africa Fund (CCSEAF) and Africa Renewable Power Fund (ARPF). The balance of R7 million was invested in ARC Guernsey, ARCH Emerging Market Asset Manager.

Acquisitions and Disposals in the Financial Services Portfolio

The ARC Fund owns 49.9% of ARC FSH, a portfolio of banking and digital investments. The ARC Fund also owns directly and through its investment in ARC FSH an effective interest of 37.4% of ARC FSI, a portfolio of insurance, asset management and specialist financial services investments.

TymeBank and Tyme Global (moved from the Diversified portfolio)

During the year ARC FSH also invested a total of R475 million in TymeBank and Tyme Global. The ARC Fund's effective investments being R236 million.

REPORT BY THE BOARD OF DIRECTORS

For the year ended 30 June 2023

Optasia

ARC FSI invested R173 million in Optasia (rebranded from Channel VAS in early 2022) through the Chronos Capital vehicle. Optasia is a leading provider of airtime credit service to prepaid mobile subscribers in more than 30 countries with more than 88 million monthly customers.

GoSolr

ARC FSI invested R100 million in GoSolr, a residential solar energy company in South Africa aiming to make solar photovoltaic solutions more accessible to households.

Capital Legacy

ARCFSI advance a loan of R200 million to Capital Legacy in anticipation of a further equity investment in Capital Legacy.

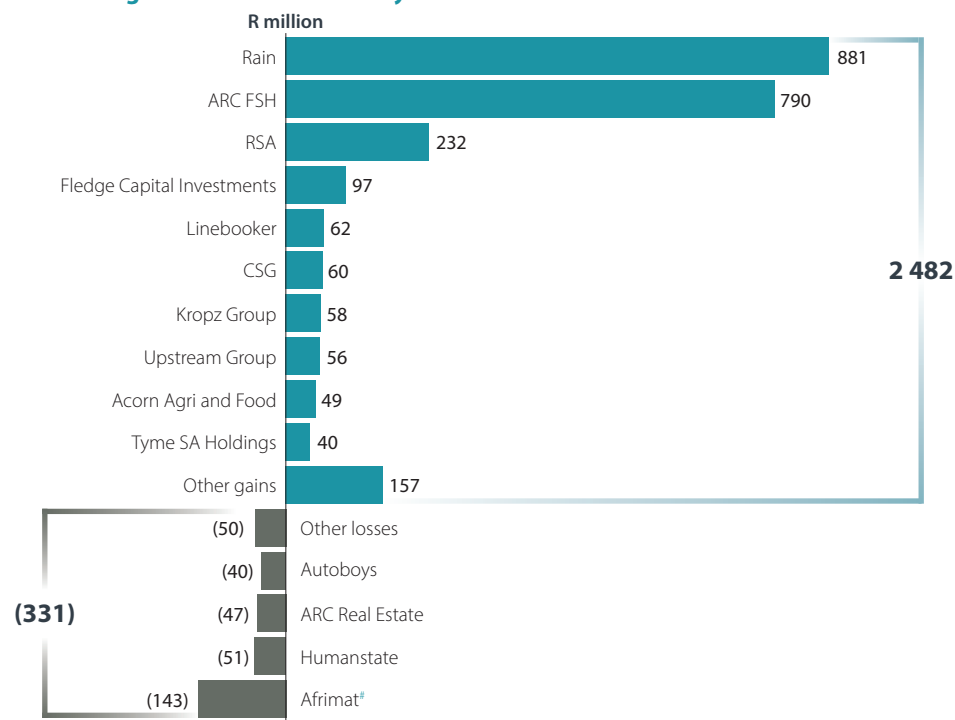
Rand Mutual Holdings

ARC FSI disposed of the 30% of the shares held in RMH for R727 million. The ARC Fund's effective share of the disposal amount is R266 million. The IRR achieved on disposal of RMH is 16.8%.

Performance review for the year

The adjacent graph indicates the gains and losses that occurred during the year under review. Due to the diverse nature of the portfolio, the negative performance of the assets in some sectors was more than offset by the positive performance in other sectors, resulting in a pleasing increase in the value of the INAV over the year.

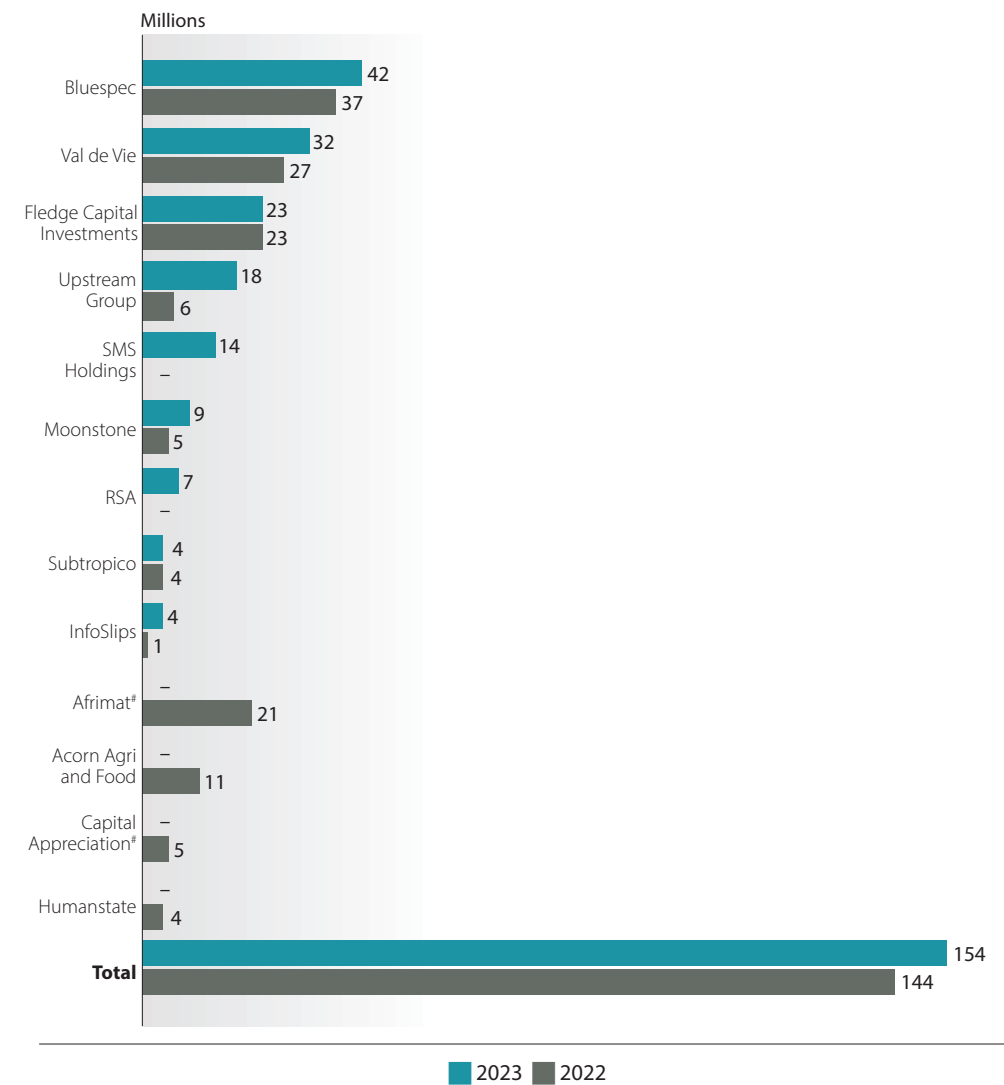
Fair value gains and losses for the year ended 30 June 2023



* Denotes a listed entity classified as level 1 fair value hierarchy.

Dividend income

The Company's effective share in dividend income for the year under review increased by 7% to R154 million (30 June 2022: R144 million) consisting of dividends from:



REPORT BY THE BOARD OF DIRECTORS

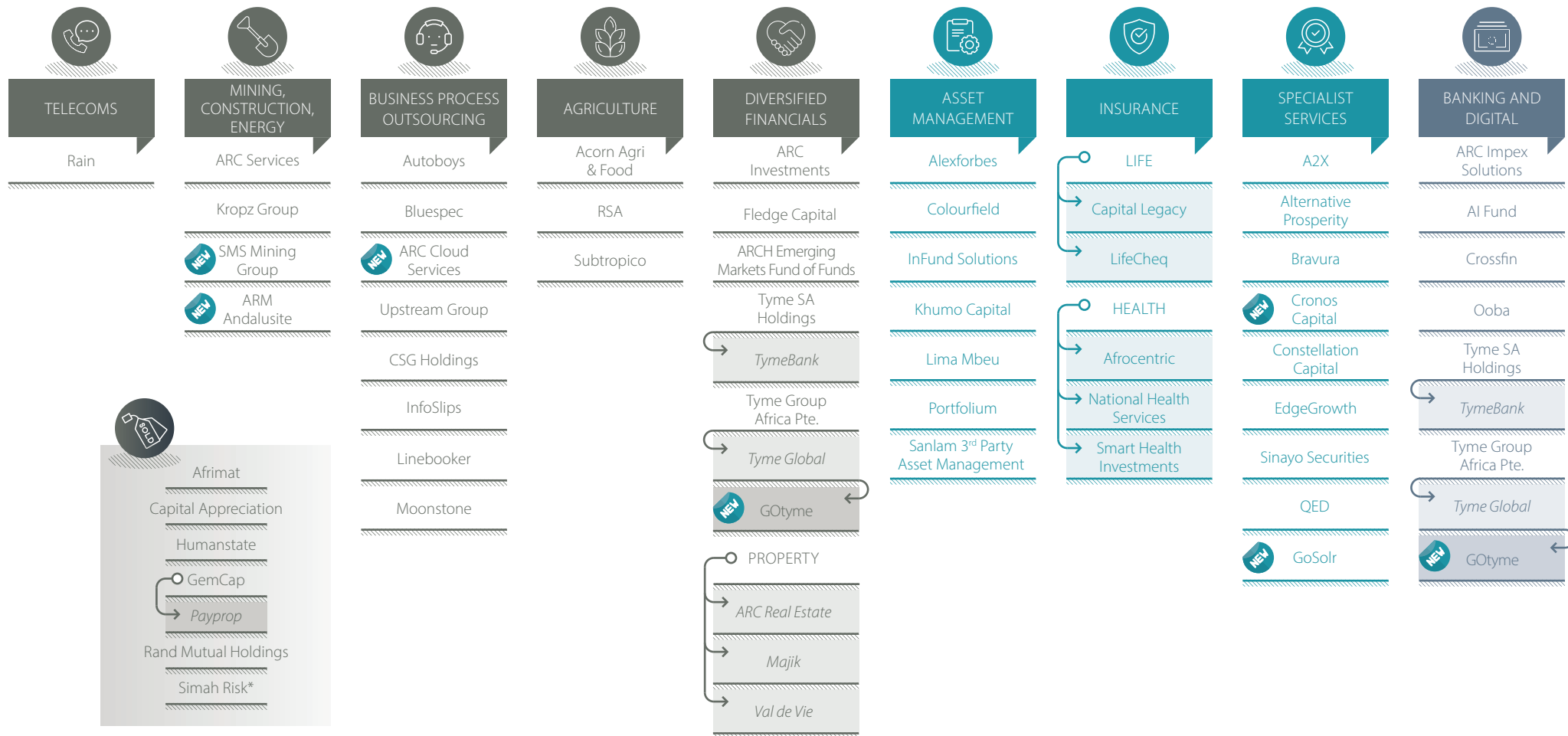
For the year ended 30 June 2023

A more detailed schedule of all the assets within the ARC Fund portfolio, indicating investment and disposal activities, as well as their performance is available on the Company's website at www.arci.mu.

OUR PORTFOLIO

DIVERSIFIED INVESTMENTS

FINANCIAL SERVICES



* Rounded down to zero.

REPORT BY THE BOARD OF DIRECTORS

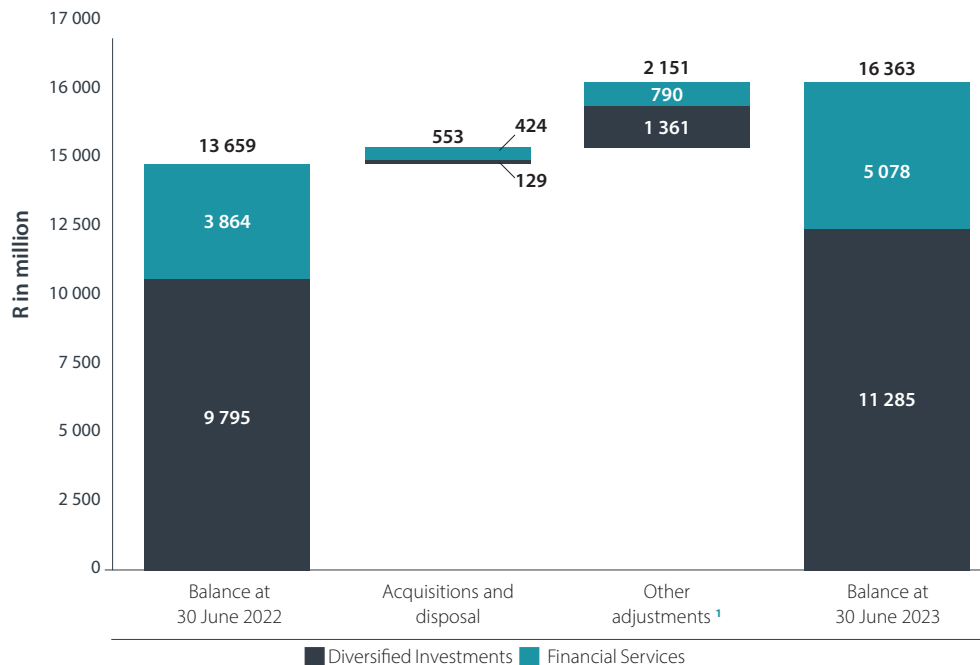
For the year ended 30 June 2023

Growth in IPV

PORTFOLIO DESCRIPTION AND REVIEW

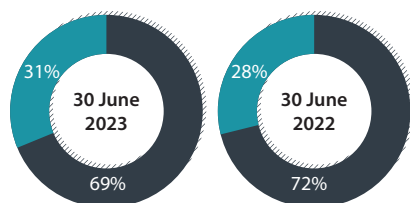
Below is a summarised view of the performance of the significant portfolio assets for Diversified Investments and Financial Services.

Portfolio movement per sector for the year ended 30 June 2023



¹ Fair value net of expected tax, cash flows, interest, forex movements and disposal gain/loss

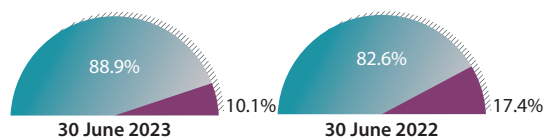
Investment segments



■ Diversified Investments ■ Financial Services

Listed and unlisted investments split

on a look through basis across the segments



■ Unlisted Investments ■ Listed Investments

Diversified Investments Portfolio – 69.0% of Fund Value (30 June 2022: 71.7%)

The Company's effective investment in the IPV of the Diversified Investments portfolio increased from R9 795 million at 30 June 2022 to R11 285 million at 30 June 2023, resulting in a 15.2% increase during the year, as indicated in the table below.

	30 June 2022	30 June 2023	% of Fund value (30 June 2023)	% Increase/(% Decrease)
R million				
Telecommunications	3 635	4 516	27.6%	24.2% ▲
Mining, Construction and Energy	1 948	2 050	12.5%	5.2% ▲
Business Process Outsourcing	1 886	1 691	10.3%	(10.3%) ▼
Agriculture	450	789	4.8%	75.3% ▲
Diversified Financials	1 876	2 239	13.7%	19.4% ▲
Total diversified Investments	9 795	11 285	69.0%	15.2% ▲

Telecommunications – 27.6% of Fund Value (30 June 2022: 26.6%)

The Company's effective interest in the IPV of the investments in Telecommunications increased by 24.2% from R3 635 million at 30 June 2022 to R4 516 million at 30 June 2023.

Rain 27.6% of Fund Value (30 June 2022: 26.6%)

The ARC Fund's share in the value of the investment in Rain increased by R881 million from R3 635 million in June 2022 to R4 516 million in June 2023. This increase in value can largely be attributed to the business progressing beyond the period of significant net-cash outflow as well as the recent acquisition of additional spectrum. Rain launched its 4G mobile voice offering together with its new 5G home product, rainone, during May 2023. Since launch there has been strong interest in rainone and Rain continue to receive positive feedback from new and existing customers.

The business is tracking well against budgets. Rain is budgeted to achieve an EBITDA of over R2.5 billion for the year ending February 2024 after taking into account IFRS 16 adjustments, as is industry practice. Rain continues its ambitious rollout and marketing strategy to cover more towns across the country and will continue densifying coverage in all major metros.

Mining, Construction and Energy - 12.5% of Fund Value (30 June 2022: 14.2%)

The Company's effective investment in the IPV in mining, construction and energy increased by 5.2% from R1 948 million at 30 June 2022 to R2 050 million at 30 June 2023.

Afrimat - Nil% of Fund Value (30 June 2022: 4.6%)

The ARC Fund has disposed of its remaining shareholding in Afrimat for a consideration of R486 million. The Company's effective investment in Afrimat decreased from R629 million at 30 June 2022 to RNil million at 30 June 2023 as a result of a fair value loss of R143 million and disposal proceeds of R486 million. An overall IRR of 27.7% was achieved through capital profit and dividends received over time.

REPORT BY THE BOARD OF DIRECTORS

For the year ended 30 June 2023

Kropz Plc – 11.7% of Fund Value (30 June 2022: 7.5%)

The ARC Fund maintained its financial support of Kropz Elandsfontein operations during its ramp-up phase by extending R833 million during the 2023 financial year. Kropz Elandsfontein continues to make progress towards achieving financial independence and profitability. Although supply chain issues negatively affected production volumes, good progress has been made in improving processing stability and average run times of close to 95% were achieved between December 2022 and June 2023. Elandsfontein has also successfully concluded its 5th bulk sale of 120 000 tonnes. Elandsfontein continues with the process of improving its production efficiency to both lower its average production cost per ton as well as to increase production volumes. Elandsfontein aims to achieve cash break-even within the next 12 months.

Kropz is also in the process of finalising a new mine plan and feasibility study in relation to a reduced-scale starter project at its Cominco resource, in the Republic of Congo. The ARC Fund continues to engage with the Congolese government on the strategic plan for the asset.

The ARC Fund's investment value was valued at R1 919 million at 30 June 2023 (30 June 2022: R1 028 million).

Other mining assets – 0.8% of Fund Value (30 June 2022: 2.1%)

ARC Services successfully concluded the disposal of MCH. The proceeds from the disposal enabled ARC Services to redeem the preference share instruments issued to the ARC Fund amounting to R184 million during the year under assessment. ARC Services' other companies are involved in the supply of bulk commodities mainly for the mining, construction, infrastructure, and engineering sectors. These investments are being supported and incubated for future growth. The Company's effective investment in ARC Services decreased from R291 million at 30 June 2022 to R81 million at 30 June 2023.

The ARC Fund acquired 7.5% of SMS Mining Group (SMS) for R50 million during the year. SMS offers a diverse range of specialised mining services such as primary and secondary support, portal development and support, silo rehabilitation, mining and development, underground construction, opencast mining, grout plants, crushing and screening, logistics and material handling. This acquisition was structured through a joint venture SPV comprising the ARC Fund (7.5%), SMS Management (12%) and Fledge (22.5%). ARC Fund's investment in the SMS is valued at cost as the transaction was completed less than 12 months ago. The ARC Fund has already received dividends of R14.5 million by February 2023, and expect to recover the total investment cost through dividends receipts over the next twelve months.

Business Process Outsourcing (BPO) - 10.3% of Fund Value (30 June 2022: 13.8%)

The Company's effective interest in the IPV of the Business Process Outsourcing investments decreased from R1 886 million at 30 June 2022 to R1 691 million at 30 June 2023, mainly due to the disposal of investments in Payprop, Humanstate and Capital Appreciation.

GemCap – 0.2% of Fund Value (30 June 2022 2.3%)

During the year under review, the ARC Fund, through its wholly-owned subsidiary Gemcap, sold its investment in PayProp SA. The Company's effective investment in GemCap decreased from R318 million at 30 June 2022 to R35 million at 30 June 2023 representing a deferred consideration in relation to the disposal of Payprop.

Bluespec – 3.1% of Fund Value (30 June 2022: 3.5%)

The Company's effective investment in Bluespec increased from R476 million to R515 million at 30 June 2023. The business continues to grow its overall market share, volumes and new clients, while also expanding its national presence and footprint, product offering, and overall operating efficiencies. Bluespec continued to yield healthy revenues, earnings, and cash flows from operations which has facilitated continued strong dividends. The group has a healthy balance sheet and is well positioned with the added advantage of being a level 1 B-BBEE-rated company, which is critical for the company to increase volumes from the insurance sector.

Bluespec continues to invest in new technology platforms across its businesses to better respond to customer demands, improve its service offering and drive new routes to bolster market share while optimising cost structure and overall efficiencies.

Linebooker -2.2% of Fund Value (30 June 2022: 1.7%)

Adoption of the Linebooker's online freight platform has continued on its growth trajectory. During the past 12 months, Linebooker onboarded several large credible customers including Coca-Cola, Sasol, ArcelorMittal, and Montego. Alternative income streams are starting to gain traction and have the potential to become significant in their own right. Revenue increased by more than 99% year-on-year with a 3-year compounded growth rate of more than 130% per annum. Linebooker is aiming to achieve cash breakeven by the end of 2023. During the period the ARC Fund converted its Linebooker loans into equity and injected an additional R67 million of cash to help facilitate Linebooker's accelerated growth strategy, aimed at maximising Linebooker's first mover advantage in the market.

Other BPO investments – 4.8% of Fund Value (30 June 2022: 6.3%)

The Company's effective interest in the IPV of the Other BPO investments decreased from R866 million at 30 June 2022 to R786 million at 30 June 2023 as a result mainly due to the disposal of investments in Humanstate and Capital Appreciation.

Other BPO major investments include Moonstone, CSG, Upstream and Autoboyos.

Agriculture - 4.8% of Fund Value (30 June 2022: 3.3%)

The Company's effective interest in the IPV of the agricultural investments increased from R450 million at 30 June 2022 to R789 million at 30 June 2023, mainly as a result of a net fair value gain of R286 million for the year under review.

RSA - 2.3% of Fund Value (30 June 2022: 0.9%)

The Company's effective investment in RSA increased from R123 million at 30 June 2022 to R373 million at 30 June 2023, as a result of a fair value gain of R232 million. The main driver of the increase in the fair value has been the strong financial performance of the business with profits for 2023 exceeding the combined full-year results for 2022 and 2021. This has been driven by significant improvements in the performance of the municipal and regional markets, as well as ongoing cost optimisation strategies and efforts to increase operational efficiencies. RSA achieved substantial volume and sales growth driven by improved pricing and increased local market share. This was further supported by good growth in export sales volumes. Several innovative strategic initiatives are being pursued to increase the RSA's national footprint and to ensure sustained competitiveness of its operations. During the year, the ARC Fund completed the acquisition of an additional c. 20% stake in RSA.

Acorn Agri and Food (AAF) – 1.3% of Fund Value (30 June 2022: 1.2%)

The Company's effective investment in AAF increased from R166 million at 30 June 2022 to R215 million at 30 June 2023. At 28 Feb 2023, AAF underwent a restructuring, to move away from a consolidated holding company structure towards an investment holding company holding investments at fair value. Along with this change, AAF appointed an asset manager to manage the investment portfolio (AFP Pty Ltd), which is 51% owned by the ARC Fund.

AAF and its underlying group entities have shown remarkable growth in both revenue and net profits during its full-year performance to 28 February 2023. Their significant growth can largely be attributed to the current high commodity cycle, coupled with gains in market share, especially within their energy segment. Although AAF's direct agriculture exposure continues to be a drag on the Group's performance, AAF's recent acquisitions of Bachmus Oil and Fuel and Kyrion contributed significantly to their performance. Considering how thinly the AAF over-the-counter (OTC) shares trade, it was not deemed to be a reasonable indication of fair market value. The ARC Fund's investment in AAF was, therefore valued using a PE market multiple approach.

Subtropico – 1.2% of Fund Value (30 June 2022: 1.2%)

Subtropico operates in the secondary market of the agriculture sector and has interests in entities mainly in the fresh-produce market agents, game and livestock auctions and a food packaging business. The Company's effective investment in Subtropico increased from R161 million at 30 June 2022, to R201 million at 30 June 2023. Subtropico's revenue has steadily increased year-on-year. While increasing costs due to energy outages negatively impacted Subtropico's margin, recurring profits remained flat year-on-year.

REPORT BY THE BOARD OF DIRECTORS

For the year ended 30 June 2023

Diversified Financials – 13.7% of Fund Value (30 June 2022: 13.8%)

The Company's effective interest in the IPV of Diversified Financials increased from R1 876 million at 30 June 2022 to R2 239 million at 30 June 2023. The increase is attributable to an additional investment of R640 million, restructurings of R413 million and net fair value gains of R136 million.

Fledge Capital Investments - 3.6 % of Fund Value (30 June 2022: 3.6%)

The Company's effective investment in Fledge Capital Investments increased from R486 million at 30 June 2022 to R583 million at 30 June 2023 due mostly to the improvement in fair value of Egdelf Investments which holds property investments in Europe. ARC Fund received dividends amounting to R23 million. Fledge is one of the best-performing assets in the ARC Fund to date. The company is currently in an acquisition phase, following the disposal of its remaining investment in We Buy Cars in the prior year, and still has considerable reserves to invest in attractive opportunities. Fledge's recent transactions include USN, Protea Capital, Egdelf European Holdings and SMS Mining (together with the ARC Fund).

ARC Investments – 3.1% of Fund Value (30 June 2022: 5.1%)

During the period under review, the value of the ARC Fund's effective investment in ARC Investments reduced from R700 million at 30 June 2022 to R508 million at 30 June 2023. ARC Fund sold 29 million shares, representing 2.2% of ARC Investments, worth R200 million to Sizanani.

ARCH Emerging Markets Ltd -3.8% of Fund Value (30 June 2022: 3.0%)

The Company's effective investment in ARCH Emerging Markets increased from R408 million at 30 June 2022 to R620 million at 30 June 2023. ARCH currently has three active funds: an Africa Renewable Energy Fund (ARPF), an Africa Cold Chain Fund (CCSEAF) and a Sustainable Resources Fund (SRF).

The ARC Fund has committed in total USD25 million towards the ARCH Funds, R179 million (c.USD9.8 million) of which was contributed during the current year. A further USD16 million of the total commitment remains undrawn at 30 June 2023.

Cold Chain Solutions East Africa Fund (CCSEAF)

CCSEAF completed its first 17 100 sqm facility (15 000 pallets) in Nairobi at the end of June 2023 and customer acquisition is gaining good traction. The land acquisitions for the Mombasa and Rwanda facilities were finalised, and planning has commenced for the construction of the two next 8 000 sqm facilities in these locations.

Africa Renewable Power Fund (ARPF)

The ARPF achieved a final close in July 2021 at USD133 million and as the capital was 80% deployed at the end of the last quarter of 2022, the team will start fundraising for ARPF 2 in the first quarter of 2024. Anchor investors have indicated their intention to invest in the second fund.

ARCH Sustainable Resources Fund (SRF)

The SRF was launched in October 2021 with anchor investors providing the first USD25 million commitments. This is a new kind of fund created to capitalise on the new metals super cycle catalysed by the global transition to a greener economy. The fund made its first investment in a vertically integrated manufacturer of high-value graphite products in Tanzania. The targeted fund size is USD250 million to USD300 million.

Tyme SA Holdings and Tyme Group Africa– 2.0% of Fund Value (30 June 2022: 0.0%)

The acquisition of shares in Tyme SA Holding and Tyme Group Africa was done to retain control of the bank and not dilute the group to below 50%.

Property - 1.3 % of Fund Value (30 June 2022: 2.1%)

The Company's effective share of the IPV of the Property investments decreased from R282 million at 30 June 2022 to R218 million at 30 June 2023, largely due to fair value losses of R54 million.

Val de Vie – 0.7 % of Fund Value (30 June 2022: 1.0%)

The continued favourable demand for Val de Vie and Val de Vie Evergreen's properties has supported the investment value and improved the outlook of the investment over the medium term.

The ARC Fund's investment in Val de Vie has largely remained unchanged since June 2022 even though Val de Vie declared R32.5 million of dividends during the year under review to the ARC Fund. This was largely due to higher-than-expected increases in Val de Vie's property values, increasing the forecast net realisable values of stands to be sold.

As Val de Vie sells its properties and declares dividends to shareholders, the value of the ARC Fund's investment in Val de Vie will be realised over time.

Other Property - 0.6% of Fund Value (30 June 2022: 1.1%)

The portfolio investments include Majik and ARC Real Estate.

Financial Services portfolio - 31.0% of Fund Value (30 June 2022: 28.3%)

The Company's effective interest in the gross IPV of the Financial Services portfolio increased from R4 506 million at 30 June 2022 to R5 738 million at 30 June 2023, which is a 27.3% increase during the year under review as detailed in the table below. The net IPV of the Financial Services portfolio, taking into account ARC Investments' indirect share of the debt funding and other assets and liabilities in the structure, increased by 31.4% from R3 864 million at 30 June 2022 to R5 078 million at 30 June 2023. The increase in the net IPV resulted from ARC Investments' share of acquisitions and the fair value gains in the Financial Services portfolio.

	30 June 2022	30 June 2023	% of Fund value (30 June 2023)	% Increase/(% Decrease)
R million				
Insurance and Asset Management	2 086	2 207	13.5%	5.8% ▲
Banking & Fintech	2 324	3 254	19.9%	40.0% ▲
Specialist Financial Services	96	277	1.7%	188.5% ▲
Total Financial Services Portfolio	4 506	5 738	35.1%	27.3% ▲
Other net assets	92	102	0.6%	10.9% ▲
Other Non-Current Liability	(734)	(762)	(4.7%)	3.8% ▲
Total IPV of the financial service portfolio	3 864	5 078	31.0%	31.4% ▲

Insurance and Asset Management - 13.5% of Fund Value (30 June 2022: 15.3%)

The Company's effective interest in the IPV of the Insurance and Asset Management investments increased from R2 086 million at 30 June 2022 to R2 207 million at 30 June 2023. The increase was mainly attributable to fair value gains relating to Alexforbes, Sanlam Third Party Asset Management and Capital Legacy, which was partially offset by the disposal of RMH. ARC Fund owns 49.9% of ARC FSH, which in turn owns 75% of ARC FSI's investments. ARC FSI holds the assets in the insurance and asset management portfolio.

REPORT BY THE BOARD OF DIRECTORS

For the year ended 30 June 2023

Alexforbes - 7.0% of Fund Value (30 June 2022: 7.1%)

ARC FSI owns 42.3% of the listed company Alexforbes. The Company's effective investment in Alexforbes increased from R963 million at 30 June 2022 to R1 139 million at 30 June 2023. Alexander Forbes Group Holdings Limited's share price performed well during the year under review, which resulted in a net fair value gain of R176 million being recognised.

Capital Legacy - 2.7% of Fund Value (30 June 2022: 2.1%)

Capital Legacy is one of the largest estate administrators in South Africa. Its key differentiator is the insurance product it offers relating to estate administration. The Company's effective investment in Capital Legacy increased from R288 million at 30 June 2022 to R437 million at 30 June 2023. Capital Legacy has continued to show exemplary growth since the investment by ARC. Sanlam's 26% investment in Capital Legacy and the acquisition of 100% of the Sanlam Trust business by Capital Legacy was implemented on 1 August 2023. The investment is aimed at unlocking substantial synergies between Sanlam and Capital Legacy in respect of capital, insurance and distribution opportunities.

Sanlam Third-Party Asset Management Business (SIHH) - 2.2% of Fund Value (30 June 2022: 2.3%)

ARC FSI holds a 25.0% interest in Sanlam Third-Party Asset Management. The Company's effective investment in SIHH increased from R309 million at 30 June 2022 to R364 million at 30 June 2023. The SIHH investment delivered pleasing results during its financial year to 31 December 2022. The Sanlam / ABSA transaction that was announced in the markets during FY21 became effective on 1 December 2022. The consolidation of the two operations will significantly boost AUM and increase economies of scale of operations.

With the transaction now concluded, SIHH's offering to the market is expected to be significantly strengthened through enhanced scale, broadened distribution reach and an increased range of investment solutions. This is likely to increase SIHH's position as one of South Africa's largest black-owned asset managers.

Other Insurance and Asset Management - 1.6% of Fund Value (30 June 2022: 1.9%)

The other portfolio investments include Afrocentric, Colourfield, Smart Health Investments, QED, Khumo Capital, LifeCheq, Infund Solutions, Lima Mbeu and National Health Solutions.

Banking and Digital - 19.9 % of Fund Value (30 June 2022: 17.0%)

The Company's effective interest in the IPV of ARC FSH's investments in Banking and Digital increased by 40.0% from R2 324 million at 30 June 2022 to R3 254 million at 30 June 2023, with TymeBank as the key asset valued at R2 019 million.

Tyme SA Holdings – 12.3% of Fund Value (30 June 2022:10.4%)

ARC FSH sold its shares in Tyme Bank Holdings to Tyme SA Holding in exchange for shares in Tyme SA Holdings during the year. The underlying assets of Tyme SA Holdings are analysed below:

TymeBank

TymeBank remains a leading digital bank, as measured against international peers in terms of its sustained growth in onboarding customers. TymeBank has acquired 7.4 million customers as at 30 June 2023. The operational leverage as the Bank grows is clear, despite increasing net operating income almost threefold year on year, the cost base increased in line with inflation.

TymeBank and The Fochini Group(TFG) launched a partnership resulting in 600 kiosks being installed across 22 TFG brands, almost doubling TymeBank's distribution across SA. This contributed to record levels of new customers being onboarded and is expected to become an important channel partner for TymeBank.

The company also experienced a marked increase in the average customer activity levels. Customer satisfaction is paramount and TymeBank has the highest net promoter score in the banking sector. TymeBank is actively using technology to help unlock potential SASSA general grant recipient customers. Between Pick n Pay, Boxer and TFG, TymeBank has a large cash network.

In the year under review, TymeBank acquired a leading fintech funder of small and medium enterprises, Retail Capital. The transaction will support TymeBank's offering to its business banking clients. In the last 10 years, Retail Capital has provided funding of more than R5.5 billion to more than 43 000 business owners in South Africa, making it the largest SME funder of its kind in the sector.

TymeBank launched a fixed deposit product in April 2023 and this is demonstrating good traction.

The valuation of TymeBank was adjusted at 30 June 2023 to reflect the Series B3 and pre-series C capital raise that was concluded in December 2022 and April 2023 to fund the acquisition of 100% of Retail Capital. ARC contributed USD67.5 million of the USD125 million capital raise, maintaining its shareholding remains at just over 50%. The total value of ARC's investment in TymeBank is R4.2 billion (net of deferred tax across both ARC FSH and the ARC Fund), representing a 45% uplift.

TymeBank is expected to reach profitability by December 2023.

Tyme Group Pte – 4.8% of Fund Value (30 June 2022: 3.7%)

ARC FSH sold its shares in Tyme Global to Tyme Group Pte in exchange for shares in Tyme Group Pte during the year. The underlying assets of Tyme Group Pte are analysed below:

Tyme Global

Singapore-based Tyme Global is the holding company through which the multi-country digital banking proposition will be launched. The first bank is TymeBank in South Africa.

During the year, Tyme Global successfully launched its second digital bank GOtyme in the Philippines with its partners, JG Summit. The launch is the next step in Tyme Global's international growth strategy to have a presence in select markets with the potential for high customer growth. GOtyme is currently exceeding its business plan milestones. The Philippines is the fastest-growing economy in South East Asia with GDP growth in the last five years of 6%, a large unbanked population and a technologically advanced customer base.

GoTyme Bank was launched in November 2022 and hit 1 million customers by mid-August 2023. The customer activity rates are high, deposits are exceeding forecasts and growing exponentially. Merchant Credit Advance product with Retail Capital will be launched in September 2023 through a partnership with an SME acquirer.

During the period the fair value of the Tyme Global investment was adjusted to reflect the post-money value of the recently closed pre-Series C capital raise resulting in a fair value of R1.7 billion (net of deferred tax across both ARC FSH and the ARC Fund) at 30 June 2023. We are very excited about the prospects of Tyme Global and the thesis around building a multi-country digital bank at scale is coming to fruition.

Crossfin – 1.6% of Fund Value (30 June 2022: 1.6%)

Crossfin is a leading independent fintech group operating predominantly in South Africa. Crossfin invests in high growth and cash-generative technology and fintech-type businesses and owns stakes in various fintech businesses including iKhokha, Adumo Payments and GAAP.

ARC FSH has committed in total R600 million to the investment and has deployed a significant amount of that capital as at 30 June 2023. Management is in the process of positioning some of its investments for sale in the medium term to realise value for shareholders. ARC FSH works closely with the management teams across the various Crossfin businesses to assess opportunities for growth, including synergies within the existing ARC portfolio. During FY23, Crossfin disposed of one of its investments, Retail Capital, to TymeBank, in a deal worth R1.5 billion representing a positive IRR for ARC.

Other Banking and Fintech investments - 1.2% of Fund Value (30 June 2022: 1.3%)

The other portfolio investments include Ooba and the Ethos AI Fund.

Specialist Financial Services - 1.7% of Fund Value (30 June 2022: 0.7%)

The Company's effective interest in the IPV of the Specialist Financial Services investments increased from R96 million at 30 June 2022 to R277 million at 30 June 2023, mainly due to the investments in GoSolr, a residential solar energy company and Optasia, an airtime credit service provider to prepaid mobile subscribers. The other investments in this portfolio include Sinayo, Bravura, A2X, Constellation Capital, Edge Growth and Alternative Prosperity.

REPORT BY THE BOARD OF DIRECTORS

For the year ended 30 June 2023

Governance and Leadership

ARC Investments is managed and controlled in Mauritius by an experienced, multi-national Board of Directors (the Board), of which the majority are independent. The Board has final oversight and responsibility in respect of ARC Investments' business, strategy and key policies, including the investment in the ARC Fund. There are no executive directors on the Board of ARC Investments.

ARC Investments is the only Limited Partner in the ARC Fund. It plays no role in the management or investment decisions of the ARC Fund.

The Board of Directors of the Company as at the reporting date comprised (unchanged from the prior year):

Name (age)	Nationality	Function
Mark Cyril Olivier (54)	British	Independent Non-executive Director (Chairperson)
Clive Msipha (41)	Zimbabwean	Independent Non-executive Director (Chairperson of Audit and Risk Committee)
Anil Currimjee (61)	Mauritian	Independent Non-executive Director
Renosi Mokate (65)	South African	Independent Non-executive Director
Mmamodiane Refiloe Nkadameng (42)	South African	Non-executive Director
Smitha Algoo-Bissonauth (39)	Mauritian	Independent Non-executive Director

All the investment decisions of the ARC Fund are taken by the General Partner through the Board or its Investment Committee or, subject to the terms of any delegations in place, its Investment Advisory Committee. The ARC Fund's relationship with the General Partner is governed through a Partnership Agreement. The Company's Investment Guidelines have been adopted by the General Partner's Investment Committee in its charter.

The General Partner Board is responsible for general investment decisions, strategic and financial reviews of the ARC Fund and management of the pipeline and liquidity of the ARC Fund. It will provide representation on the boards of portfolio companies (where appropriate), prepare valuation reports to ARC Investments and provide general feedback to ARC Investments on matters relating to the ARC Fund.

The board reviewed and considered the results of the assessment of the board and the subcommittees.

The Board of Directors of the General Partner as at the reporting date comprised (unchanged from the prior year):

Name (age)	Function
Patrice Motsepe (61)	Non-executive Director (Chairperson)
Alexander Maditsi (60)	Non-executive Director
Michael Arnold (65)	Non-executive Director
Boipelo Lekubo (40)	Non-executive Director
Tsundzukani Mhlanga (41)	Non-executive Director
Johan van der Merwe (58)	Executive Director
Johan van Zyl (67)	Non-executive Director

* Tom Boardman is a standing invitee of the Board of Directors of the General Partner, the Chairman of the Investment Committee and the Audit and Risk Committee.

Events after the reporting period

Kropz Group

During August 2023, the ARC Fund advanced an additional R60 million loan from an existing loan facility to help fund operations at Elandsfontein. Furthermore, in September 2023 the ARC Fund approved an additional R250 million loan facility to Kropz Elandsfontein. This additional facility will be used to fund Elandsfontein's capital expenditure to increase operational capacity and assist Elandsfontein in meeting its creditor obligations and working capital needs.

Rain

ARC Fund made an additional investment of R81 million in Rain during August 2023.

Capital raise – Tyme Group

During September 2023, the ARC Fund approved an additional investment of R75 million in Tyme Group.

BASIS OF PREPARATION

Statement of compliance

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council; the Listings Requirements of the JSE Limited; and the requirements of the Mauritian Companies Act 2001, insofar as applicable to a Global Business Licensed Company under the Mauritian Financial Services Act, 2007, which is regulated by the Mauritian Financial Services Commission.

The statutory financial statements are available for inspection at Level 3 - Alexander House, 35 Cybercity, Ebené, 72201.

The accounting policies applied in the preparation of the Annual Financial Statements are consistent with those applied in the Company's 30 June 2022 Annual Financial Statements.

Any forward-looking statements have not been reviewed nor reported on by the Company's external auditors.

APPROVAL

The Annual Financial Statements for the year ended 30 June 2023 were approved in Mauritius by the Board of Directors of the Company on 11 September 2023.



Mark Cyril Olivier
Chairman of the Board



Clive Msipha
Chairman of the Audit
and Risk Committee



Karen Bodenstern
Chief Financial Officer

REPORT OF THE AUDIT AND RISK COMMITTEE

For the year ended 30 June 2023

ARC Investments has been in existence for six years. The report by the Audit and Risk Committee (A&RC), which is chaired by Mr Clive Msipha, is presented below.

The main objective of the A&RC is to assist the Board in fulfilling its oversight responsibilities, in particular with regard to the evaluation of the adequacy and efficiency of accounting policies, internal controls and financial and corporate reporting processes. In addition, the A&RC assesses the independence and effectiveness of the external auditors. This report aims to provide details on how the A&RC has satisfied its various statutory obligations during the year. It also details some of the significant matters that arose during the year under review and how these have been responded to ensure the integrity of the Company's financial reporting. As indicated in the report by the Board of Directors, the A&RC of the Company leverages the strong and robust governance processes followed by the General Partner in the ARC Fund, whose members are instrumental in the sound functioning of the *en commandite* partnership in which the Company has a 99.95% partnership interest.

COMPOSITION AND GOVERNANCE

Members of the Committee satisfy the requirements to serve as members due to their non-executive and independent designation in the governance structures of the Company, which are in compliance with the principles of the King Report on Corporate Governance for South Africa (King IV). In addition, the members have adequate knowledge and experience to carry out their duties.

The Committee meets three times a year (seven times a year for the General Partner), including the meeting to approve the Integrated Annual Report at the end of September. Its responsibilities are itemised in the sections that follow.

The composition of the Committee and the attendance at the meetings by its members for the activities of the 2023 financial year are set out below:

Name	Attendance*
Clive Msipha (Chairman)	3/3
Anil Currimjee	3/3
Renosi Mokate	3/3
Smitha Algoo-Bissonauth	3/3

* Meeting dates: 28 September 2022, 13 March 2023 and 11 September 2023.

The composition and attendance of meetings of the A&RC at the General Partner is as follows:

Name	Attendance*
Tom Boardman (Chairman)	7/7
Alexander Maditsi	7/7
Michael Arnold	7/7
Boipelo Lekubo	5/7
Tsundzukani Mhlanga	3/7

* Meeting dates: 22 September 2022, 24 November 2022, 23 February 2023, 3 March 2023, 25 May 2023, 28 August 2023 and 4 September 2023.

The executive management and representatives of the external auditors are invited to attend all A&RC meetings of both the Company and General Partner to provide the Committees with greater insight into specific issues or areas. The Chairpersons of the A&RC of the Company and the General Partner regularly engage with management to discuss relevant matters directly, over and above the closed sessions at the interim and year-end reporting periods. The Company and General Partner's external auditors have direct access to the Committees, over and above closed sessions without management at every meeting, on any matter that they regard as relevant to the fulfilment of the Committees' responsibilities.

RESPONSIBILITIES OF THE A&RC

The A&RC of the Company and the General Partner were constituted on 7 September 2017. Their duties and responsibilities have been accordingly delegated to them by the Board of Directors. The charters of the Committees were reviewed during the year under review and necessary amendments were adopted to align to recent changes in regulations stemming from the JSE and the Global Business Licensing conditions as issued by the Mauritian Financial Services Commission, as well as the maturing of the Company and the ARC Fund.

Its functions, inter alia, are as follows:

Governance and Internal Control Environment

- Reviewed and continued to monitor the implementation of the charters of the A&RC as well as governance matters as delegated by the Board of Directors to ensure these were adequately covered in the annual work plan of the Committee during the year;
- Reviewed and continued to monitor the non-audit services policy and the level of non-audit services rendered by the Company and ARC Fund's external auditor to ensure appropriate safeguards are in place where the external auditor performs non-audit services to the Company and its related entities;
- Received assurance that proper and adequate accounting records were maintained and the systems safeguard the assets against unauthorised use or disposal;
- Reviewed an assessment prepared by management of the going concern status of the Company (and the ARC Fund) and made recommendations to the Board. The Committee concurs that the adoption of the going concern premise in the preparation of the Annual Financial Statements is appropriate;
- Reviewed the funding, financial and general covenants applicable to the Company (and the ARC Fund), as well as the current capital structures, which were found to be appropriate and complied with;
- Evaluated and reported to the Board on the effectiveness of risk management controls and governance processes;
- Evaluated the experience and expertise of the Chief Financial Officer and the strength of the skillset of the finance team;
- Evaluated the competence, qualification and experience of the Company Secretary;
- Considered the representation letter from the A&RC of the General Partner on the execution of its duties as the General Partner under the Partnership Agreement and those arising from the A&RC Charter of the General Partner, as well as other reporting matters requested by the A&RC of the Company.
- Reviewed the results of the audit committee assessments and considered the outcomes.

REPORT OF THE AUDIT AND RISK COMMITTEE

For the year ended 30 June 2023

External Auditors

- Determined the terms of engagement and fees to be paid to PricewaterhouseCoopers (for JSE reporting); ensured that the appointment of PricewaterhouseCoopers complied with the legislation relating to the appointment of auditors;
- Considered the tenure of PricewaterhouseCoopers and the engagement partner and deemed it appropriate;
- Understood and assessed the procedures performed by PricewaterhouseCoopers as detailed in their Audit Planning report to the A&RC and further confirmed this in their Final Report to the A&RC;
- Reviewed the external auditors' report on the year-end audit and the key audit matters;
- Monitored the effectiveness of the external auditors in terms of their audit quality, expertise and independence, as well as the content and execution of the audit plan;
- Reviewed the findings and recommendations of the external auditors and confirmed that there were no unresolved matters;
- Confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Financial Reporting Act, 45 of 2004 of Mauritius;
- Reviewed all decision letters and explanations issued by the Independent Regulatory Board for Auditors or any other regulator, and any summaries relating to monitoring procedures or deficiencies (if applicable) issued by the audit firm to confirm the suitability for appointment of the audit firm and the designated individual partner, Mr John Li How Cheong;
- Nominated the re-appointment of PricewaterhouseCoopers for the statutory Mauritius reporting for JSE reporting as the registered independent auditor, after satisfying itself through enquiry that PricewaterhouseCoopers is independent as defined in terms of the Mauritius Companies Act 2001 and Financial Reporting Council in Mauritius; and
- Nominated the appointment of Mr John Li How Cheong, as the engagement partner, after satisfying itself through enquiry that Mr John Li How Cheong is independent as defined in terms of the Mauritius Companies Act 2001 and Financial Reporting Council in Mauritius. The Committee has requested and evaluated the information detailed in paragraph 22.15(h) of the JSE Listing Requirements.

Financial Reporting

- Reviewed the half-year and year-end detailed valuations and Investment Reporting from the General Partner to satisfy itself of the valuation of the Investment Portfolio in the reported results;
- Reviewed and recommended the condensed interim and annual results; short form announcement and advertisement for interim and annual results; and the Annual Financial Statements to the Board for approval;
- Considered the appropriateness of the accounting policies adopted and changes thereto;
- Considered accounting treatments, significant unusual transactions and key accounting judgements;
- Confirmed the existence of appropriate financial reporting procedures and that those procedures are operating; and
- Reviewed and recommended the Integrated Annual Report to the Board for approval.

Based on the above, the Committee formed the opinion that there were no material breakdowns in internal control, including financial control, business risk management and maintenance of effective material control processes. The A&RC is satisfied with the experience and expertise of the Chief Financial Officer; and the competence, qualification and experience of the Company Secretary.

The A&RC reviewed and approved all non-audit services performed by the external auditor, as well as the value and scope of the non-audit services during the year, ensuring that only those non-audit services that do not affect their independence and entail skills and experience that make them the most appropriate suppliers were approved during the year.

In the context of the rule IRBA has issued prescribing that auditors of public interest entities in South Africa must comply with mandatory audit firm rotation with effect from 01 April 2023. The rule has been set aside by the Supreme Court of Appeal. The judgement means that companies are no longer required to appoint new audit firms every ten years.

MATERIAL AUDIT MATTERS

The A&RC has considered the appropriateness of the key audit matters reported in the external audit opinion and the significant audit matters relating to the Annual Financial Statements and how these were addressed by the Committee.

Material Audit Matter	Manner addressed by the Audit and Risk Committee
Valuation of unlisted investments	<p>The investment guidelines that were adopted upon listing of the Company on 7 September 2017 were reviewed in the current year and the A&RC of the Company concluded no further revision was required. In the prior year, these were also adopted by the Investment Committee of the General Partner and guidelines given on the investment portfolio valuation and reporting processes.</p> <p>As discussed above, the A&RC also reviewed the accounting policies of the Company, with a particular focus on the fair value requirements arising from IFRS 13, Fair Value Measurement.</p> <p>Over the course of the financial year, management reported to the A&RC on the valuation models that formed the basis of the half-yearly reporting and supported the valuation of the Intrinsic Portfolio Values arrived at with a detailed valuation report on each portfolio company.</p> <p>The processes, key areas of judgement and outcomes were deemed to be appropriate.</p>

The A&RC has further considered the remaining significant judgements and sources of estimation uncertainty as articulated in the accounting policy note and is satisfied that appropriate judgements have been made and adequate processes followed. The A&RC recommended the Annual Financial Statements for the year ended 30 June 2023 for approval to the Board. The Board has approved the Annual Financial Statements, which will be open for discussion at the forthcoming Annual General Meeting of shareholders.



Clive Msipha

Chairman of the Audit and Risk Committee

11 September 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of African Rainbow Capital Investments Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of African Rainbow Capital Investments Limited (the "Company") as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of African Rainbow Capital Investments Limited set out on pages 19 to 44 comprise:

- the statement of financial position as at 30 June 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Fair value measurement of the unlisted investment in the African Rainbow Capital Fund (ARC Fund)</p> <p>Refer to the following accounting policies and notes to the financial statements for disclosures as they relate to the key audit matter:</p> <ul style="list-style-type: none"> • Note 4.1 to the financial statements which discloses the segmental portfolio movements at 30 June 2023; • Note 3.1 to the financial statements which deals with the valuation methodologies; • Note 5 to the financial statements. <p>The Company holds a 99.95% interest as a single investment in the ARC Fund, an en-commandite partnership established in South Africa, in its capacity as a Limited Partner. The ARC Fund invests in several listed and unlisted investments.</p>	<p>Our audit addressed the key audit matter as follows:</p> <ul style="list-style-type: none"> • We assessed the competence, capabilities and objectivity of management experts by performing the following procedures through obtaining an understanding of their work and media search of their qualifications. • With the assistance of our valuation experts, we evaluated the appropriateness of the valuation methodologies applied against industry available information and IFRS requirements for consistency. • Making use of our valuation experts, we evaluated the significant assumptions used in determining the discounted cash flow, which included an independent comparison to industry norms and evaluation of the discount rates applied based on the markets in which the investee entities operate, and taking into account the nature of the individual entities.

Key audit matter	How our audit addressed the key audit matter
<p>This investment in the ARC Fund is measured at fair value through profit or loss. Fair value is principally derived from the fair value of the underlying listed and unlisted investments held by the ARC Fund and adjusted for the fair value of the components of the other net assets of ARC Fund.</p> <p>As disclosed in note 4.1 to the financial statements, the fair value of the Company's interest in the unlisted investments that are held by the ARC Fund at 30 June 2023 is R15 887 million.</p> <p>The fair values of the unlisted investments, as determined by UBI General Partner (Pty) Ltd (the "General Partner"), are valued primarily using either an income approach (IA) or a market approach (MA) valuation methodology or a combination of the two approaches. The discounted cash flow (DCF) is the preferred income approach methodology applied. In applying a market approach valuation methodology, an appropriate trading multiple or comparable transaction is selected, depending on the specific underlying investment being valued</p> <p>We considered the fair value of the underlying unlisted investments in the ARC Fund to be a matter of most significance to the current year audit due to:</p> <ul style="list-style-type: none"> • the magnitude of the unlisted investments in relation to the financial statements; and • the degree of judgement and estimation applied in determining the fair value of the underlying unlisted investments held by the ARC Fund. 	<ul style="list-style-type: none"> • For a sample of unlisted investments, we independently recalculated the fair values, by utilising the inputs and assumptions referred to above, in accordance with the discounted cash flow approach, and compared management's valuations to the amounts we calculated. • On a sample basis, we evaluated the reasonableness of the terminal growth rates and valuation adjustments applied to the forecasted cash flows with reference to the best available independent market information, taking into account the respective industry benchmarks and inflationary prospects within the country. • We assessed the reasonableness of the forecasted cash flows used in the discounted cash flow model by performing the following procedures: <ul style="list-style-type: none"> - comparing previous budgeted cash flows to the actual results of the respective unlisted entities to assess the reasonability of management's budgeting techniques. - The cash flow forecasts were also compared to investee management's approved budgets and forecasts. • We assessed the reasonableness of the market multiples used in the valuation by leveraging our valuation experts, by independently comparing the market multiples to those of similar entities, which have been adjusted for entity specific factors which include size, diversification and country risk adjustments, amongst others.

Other Information

The directors are responsible for the other information. The other information comprises the Statement of Responsibility by the Board of Directors, the Certificate by the Company Secretary, the Declaration by the Chief Financial Officer, the Key Highlights, the Report by the Board of Directors, the report of the Audit & Risk Committee, the Appendix I - Shareholder analysis, the Appendix II - Shareholders' Diary, the Appendix III - Corporate information, which we have obtained prior to the date of this report, and the document titled "ARC Investments 2023 Integrated Annual Report", which is expected to be made available to us after this date but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the ARC Investments 2023 Integrated Annual Report not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of African Rainbow Capital Investments Limited

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

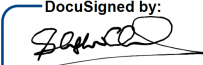
- we have no relationship with or interests in the Company other than in our capacity as auditor;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

OTHER MATTER

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

DocuSigned by:

 00D067C2EA5749A...
 PricewaterhouseCoopers
 11 September 2023

DocuSigned by:

 00D067C2EA5749A...
 John Li How Cheong, licensed by FRC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 R million	30 June 2022 R million
ASSETS			
Non-current assets			
Investment in the ARC Fund at FVTPL*	5	15 364	13 269
Current assets			
Cash and cash equivalents		21	9
Total assets		15 385	13 278
EQUITY			
Stated capital	7.1	9 925	9 653
Accumulated loss		(514)	(385)
Performance Participation reserve		122	273
Fair value reserve		5 850	3 735
Total equity		15 383	13 276
LIABILITIES			
Current liabilities			
Trade and other payables		2	2
Total equity and liabilities		15 385	13 278

* FVTPL: Fair value through profit or loss



Mark Cyril Olivier
Director
11 September 2023



Clive Msipha
Director
11 September 2023

The signatures above are in compliance with Mauritian Companies Act

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Notes	30 June 2023 R million	30 June 2022 R million
Fair value movements on the investment in the ARC Fund at FVTPL*	4.2	2 115	1 619
Other income		1	–
Other expenses	6	(9)	(7)
Performance Participation expense	9	(122)	(273)
Profit before taxation		1 985	1 339
Taxation	10	–	–
Profit for the year		1 985	1 339
Other comprehensive income for the year		–	–
Total comprehensive income for the year		1 985	1 339
Earnings per share:			
Basic earnings per ordinary share (cents)	7.1	148	102
Diluted earnings per ordinary share (cents)	7.1	146	100

* FVTPL: Fair value through profit or loss

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

Notes	Stated Capital R million	Accumulated Loss R million	Performance Participation Reserve R million	Fair Value Reserve R million	Total Equity R million
Balance at 30 June 2021	9 653	(105)	–	2 116	11 664
Total comprehensive income for the year	–	1 339	–	–	1 339
Transfer to fair value reserve *	–	(1 619)	–	1 619	–
Shares issued	–	–	–	–	–
Performance Participation	–	–	273	–	273
Balance at 30 June 2022	9 653	(385)	273	3 735	13 276
Total comprehensive income for the year	–	1 985	–	–	1 985
Transfer to fair value reserve *	–	(2 115)	–	2 115	–
Shares issued 7.1	272	1	(273)	–	–
Performance Participation 9	–	–	122	–	122
Balance at 30 June 2023	9 925	(514)	122	5 850	15 383

* The unrealised fair value adjustments on investments are transferred to the fair value reserve. On disposal of the investment, the related cumulative fair value adjustments are released to retained earnings.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

Notes	30 June 2023 R million	30 June 2022 R million
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash utilised in operations before investment activities 11	(8)	(6)
Net cash outflows from operating activities	(8)	(6)
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of capital by ARC Fund 5	20	–
Net cash inflows from investing activities	20	–
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash inflows from financing activities	–	–
Net increase/(decrease) in cash and cash equivalents	12	(6)
Cash and cash equivalents at the beginning of the year	9	15
Total cash and cash equivalents	21	9

* FVTPL: Fair value through profit or loss

ACCOUNTING POLICIES

For the year ended 30 June 2023

1. DEFINITIONS

The following definitions are key to the understanding of the Company's Annual Financial Statements:

1.1 International Financial Reporting Standards (IFRS) portfolio value

Investments in the ARC Fund are reported using IFRS fair value principles.

1.2 Intrinsic portfolio value (IPV)

The intrinsic portfolio value is determined by the Directors at every reporting period. The IPV is the IFRS portfolio value adjusted for non-IFRS measures as set out in the Segmental Report. The significant non-IFRS measurement differences comprise:

- valuing underlying listed investments on a 30-day volume weighted average price (VWAP) basis (compared to closing spot price), net after expected taxation cash flows; and
- valuing underlying listed investments after recognising B-BBEE discounts on a 30-day VWAP basis (compared to closing spot price), net after expected taxation cash flows.

1.3 Intrinsic Net Asset Value (INAV)

Intrinsic portfolio value of ARC Investments plus cash and other net assets, less debt.

1.4 NAV

IFRS portfolio value of ARC Investments plus cash and other net assets, less debt. NAV per share is reported in note 4.3.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council; the Listings Requirements of the JSE Limited; and the requirements of the Mauritian Companies Act 2001, insofar as applicable to a Global Business Licensed Company under the Mauritian Financial Services Act, 2007 which is regulated by the Mauritian Financial Services Commission.

The statutory financial statements are available for inspection at Level 3 - Alexander House, 35 Cybercity, Ebené, 72201

The accounting policies applied in the preparation of the Annual Financial Statements are consistent with those applied in the Company's 30 June 2022 Audited Annual Financial Statements.

2.2 Functional currency and presentation currency

The Company's Annual Financial Statements are presented in South African Rand (Rand), which is the Company's functional and presentation currency. All financial information presented in Rand has been rounded to the nearest million (R million).

2.3 Basis of measurement

The Annual Financial Statements have been prepared on the historical-cost basis, except for the measurement of financial instruments at fair value.

The going-concern basis has been used in preparing the Annual Financial Statements as the Directors have a reasonable expectation that the Company will continue as a going concern for the foreseeable future.

3. KEY AREAS OF JUDGEMENT

3.1 Fair value measurement of the investment in the ARC Fund

The basis of valuation of the Investment is dependent on the valuation of all investments in the ARC Fund portfolio. The basis of valuation of all investments in the ARC Fund portfolio, and consequently the Company's investment in the ARC Fund at fair value through profit or loss (FVTPL), is fair value. Fair value is determined half-yearly. All investments are valued in accordance with the valuation policy outlined below.

The sum of the individual instruments plus the cash and net assets in the ARC Fund make up the investment in the ARC Fund. The valuation of the individual assets is in line with IFRS 13, therefore the sum of these represents the IFRS 13 fair value of the investment in the ARC Fund. A minority discount was considered as a result of the Company not controlling the ARC Fund; however, this did not impact the value as a result of the strength of the protective rights in the respective shareholder and other agreements.

The General Partner values the investment portfolio in accordance with its valuation policy. The valuation policy considers the International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines) and is consistent with the valuation approach detailed below, which will be consistent year on year except where there have been changes in circumstances in relation to an investment, and therefore the impact of such change would be disclosed.

3.1.1 Basis of valuation and approach

The fair value of the underlying investments in the ARC Fund at measurement date is in accordance with the principles of IFRS 13, Fair Value Measurement. Fair value is defined as the price that would be received for an asset in an orderly transaction between willing market participants at the measurement date. A fair value measurement assumes that a hypothetical transaction to sell an asset takes place in the principal market or in its absence, the most advantageous market for the asset.

For **listed investments** that are suitably liquid investments, the available market prices (calculated at the spot rate at the measurement date) will be the basis for the measurement of the IFRS portfolio value for identical instruments.

Where investments in listed assets are thinly traded, due consideration needs to be given to the fact that the price at which the share trades may not be representative of the fair value of these investments. As such the General Partner may duly consider whether the cost of the investment or the fair value as determined by another valuation approach may not be a better representation of the fair value than the quoted market price on the exchange.

Unlisted investments are valued primarily using either an income approach (IA) or a market approach (MA) valuation methodology or a combination of the two approaches. The discounted cash flow (DCF) is the preferred income approach methodology applied. In applying a market approach valuation methodology an appropriate trading multiple or comparable transaction is selected, or a recent transaction used, depending on the specific underlying investment being valued.

ACCOUNTING POLICIES

For the year ended 30 June 2023

The General Partner uses its judgement to select the valuation technique most appropriate for an investment. On a specific investment, a single valuation technique or approach may be more appropriate (e.g. when valuing an asset using quoted prices in an active market for identical assets); however, the use of multiple valuation approaches on an investment is encouraged.

If multiple valuation techniques or approaches are used to measure fair value, the results of the various valuation methods are evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

In determining the fair value of an investment, the General Partner uses its judgement. This includes consideration of those specific terms of the investment that may impact its fair value. In this regard, the General Partner would consider the economic substance of the investment, which may take precedence over the strict legal form. The General Partner would take the results of each of the valuation methods applied into account in determining the final value of an investment.

The valuations of the investments are presented to the Board of the Company.

Foreign investments are those considered to be in jurisdictions outside of South Africa. These are valued in the local currency of the country of investment and translated to Rand at the spot rate at the valuation date.

Lack of control/minority interest: To the extent that an investment is a minority interest and cannot be easily realised, an appropriate minority discount would be considered. However, to the extent that the ARC Fund has certain rights in respect of an investment (such as minority protections or Board representations) these rights would be considered.

Restriction on trading/lack of marketability: To the extent that the ARC Fund is restricted or prevented from disposing of the investment for a period of time, this restriction would be considered in the IFRS portfolio value of the investment in arriving at an appropriate discount adjustment for lack of marketability. This will include and consider any lock-ins agreed as part of an investment.

3.1.2 Income approach methodology

When applying the income approach, the General Partner will consider the appropriateness of any sensitivity and/or scenario analyses.

3.1.3 Discounted cash-flow methodology

The discounted cash-flow method is used to derive the enterprise value of the investment using reasonable assumptions on the estimations of expected future post-taxation cash flows. The forecast cash flows (free cash flows to the firm) and the terminal value (if applicable to the investment) are discounted to the present value using an appropriate risk-adjusted weighted average cost of capital (WACC) as the discount rate. To arrive at the estimate equity value, an adjustment is made for net indebtedness. Where appropriate, an adjustment to the valuation would be made for non-operating assets and liabilities and any surplus or deficit working capital in the investment.

In some valuations (for example, insurance and banking valuations), the use of free cash flow to equity might be preferred. Free cash flows to equity are discounted using an appropriate cost of equity discount rate.

The length of the period for which it would remain appropriate to use this valuation technique will depend on the specific circumstances of the investment and is subject to the judgement of the General Partner.

3.1.4 Market approach methodology

Multiple approach

If a multiple approach is used, where appropriate, the General Partner would apply an Enterprise Value (EV)/earnings before interest, taxation, depreciation and amortisation (EBITDA) or price/earnings (P/E) multiple that is appropriate and reasonable, based on comparable companies and taking account of the size, risk profile, country risk and earnings prospects of the underlying company. In other cases, where appropriate, EV/EBITDA and price/book value may also be considered.

Comparable transaction approach

Where comparable transaction data is available and deemed appropriate to use for valuation purposes the comparable transaction approach is considered. The comparable transaction approach looks at recent similar or comparable transactions of the company being valued or a company with similar business model to inform the basis of the valuation. The value of a business is determined by using a similar multiple that was achieved in past completed transactions after adjusting for any lack of marketability, minority or control premiums where appropriate.

The General Partner as the fund manager of the portfolio assets is contractually bound to perform half-yearly valuations of the investment portfolio and to report half-yearly to the partners of the ARC Fund. The half-yearly valuation reports are approved by the Audit and Risk Committee of the General Partner with the support and guidance of the Investment Committee. While due professional judgement is exercised in determining the fair value of these investments, there are inherent limitations in any valuation technique involving securities of the type in which the ARC Fund invests. Therefore, the fair values presented herein may not be indicative of the amount the ARC Fund could realise in a current transaction.

3.2 Control over the ARC Fund

The General Partner directs all the relevant activities of the ARC Fund and is therefore considered to have power over the Fund. The Company does not have a currently exercisable right to remove the General Partner other than for a reasonable cause. The reasonable cause is deemed to be protective in nature and is, therefore, not substantive in nature and does not affect the assessment of control. Therefore, the Company does not control the ARC Fund. ARC Investments does not have the power to participate in the financial and operating policy decisions of the ARC Fund. Therefore, ARC Investments does not have significant influence over the ARC Fund. The Company may remove the General Partner at the first annual general meeting after the seven-year term from the Listing Date, or at the first annual general meeting following each fifth anniversary thereafter.

SEGMENTAL INFORMATION

For the year ended 30 June 2023

4. SEGMENTAL INFORMATION

Accounting policy

The Company has determined its operating segments based on investments held. Since the Company held one investment at the end of the reporting year (the investment in the ARC Fund), only one operating segment is defined in terms of IFRS 8, Operating Segments. The chief operating decision makers (CODMs), being the Board of Directors, evaluate the investment in the ARC Fund based on intrinsic portfolio value. The fair value movement, as evaluated by the CODMs, represents the measure of the segment performance. The IFRS values and intrinsic values are reconciled in the tables below.

Information on the underlying investment held by ARC Fund is also reported to the CODMs for the purpose of assessing segment performance. The Investment Committee of the General Partner in the ARC Fund reports to the CODMs in terms of the guidelines on the investment portfolio valuation and reporting processes as set out in the ARC Investments Limited Investment Guidelines.

Company context in application of accounting policy

Diversified Investments

These are the non-financial services investments acquired by the ARC Fund for purposes of demonstrated growth potential and the ability to deliver returns above the target return of 16%. They are a combination of growth assets and businesses about to reach steady state. The key factor with regard to the Diversified Investments' strategy is that the ARC Fund partners with industry leaders to ensure the right level of monitoring and oversight is achieved with individuals with the requisite knowledge and experience of the relevant industry. The Diversified Investments' portfolio is further categorised as follows:

- Telecommunications;
- Mining, Construction and Energy;
- Business Process Outsourcing;
- Agriculture; and
- Diversified Financials.

Financial Services

This is the core industry experience of the executive team within the ARC Fund. The investment strategy is to assemble a portfolio of assets that lends itself to synergistical benefits within its ecosystem. To this end, the portfolio is organised into the following categories:

- Insurance and Asset Management;
- Specialist Financial Services; and
- Banking and Fintech.

SEGMENTAL INFORMATION

For the year ended 30 June 2023

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS

Investment	INTRINSIC ¹										
	30 JUNE 2023					30 JUNE 2022					
	Net Balance at 30 June 2022 R million	Acquisition or (Disposal) R million	Restructure R million	Fair Value, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 30 June 2023 R million	Percentage of Fund R million	Net Balance at 30 June 2021 R million	Acquisition or (Disposal) R million	Fair Value, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 30 June 2022 R million	Percentage of Fund R million
Diversified Investments											
Telecommunications	3 635	-	-	881	4 516	27.6%	3 582	(216)	269	3 635	26.6%
Rain	3 635	-	-	881	4 516	27.6%	3 314	56	265	3 635	26.6%
MetroFibre	-	-	-	-	-	-	268	(272)	4	-	0.0%
Mining Construction and Energy	1 948	213	-	(111)	2 050	12.5%	2 428	(375)	(105)	1 948	14.2%
Afrimat ⁴	629	(486)	-	(143)	-	0.0%	1 231	(740)	138	629	4.6%
Kropz Group	1 028	833	-	58	1 919	11.7%	1 092	362	(426)	1 028	7.5%
Other Mining, Construction and Energy	291	(134)	-	(26)	131	0.8%	105	3	183	291	2.1%
Business Process Outsourcing	1 886	(364)	-	169	1 691	10.3%	1 322	51	513	1 886	13.8%
GemCap	318	(316)	-	33	35	0.2%	651	(380)	47	318	2.3%
Bluespec	476	-	-	39	515	3.1%	304	-	172	476	3.5%
Linebooker ²	226	67	-	62	355	2.2%	-	67	159	226	1.7%
Other Business Process Outsourcing	866	(115)	-	35	786	4.8%	367	364	135	866	6.3%
Agriculture	450	53	-	286	789	4.8%	376	24	50	450	3.3%
RSA ²	123	18	-	232	373	2.3%	88	15	20	123	0.9%
Other Agriculture	327	35	-	54	416	2.5%	288	9	30	327	2.4%
Diversified Financials	1 876	640	(413)	136	2 239	13.7%	1 475	1	400	1 876	13.8%
Fledge Capital	486	-	-	97	583	3.6%	371	-	115	486	3.6%
African Rainbow Capital Investments ³	700	(200)	-	8	508	3.1%	386	93	221	700	5.1%
ARCH Emerging Markets	408	186	-	26	620	3.8%	246	66	96	408	3.0%
Tyme SA Holdings (TymeBank) ⁴	-	559	(413)	40	186	1.1%	-	-	-	-	-
Tyme Group Africa (TymeGlobal) ⁴	-	105	-	19	124	0.8%	-	-	-	-	-
Property ⁵	282	(10)	-	(54)	218	1.3%	472	(158)	(32)	282	2.1%
Total Company share of Fund's Diversified Investments	9 795	542	(413)	1 361	11 285	69.0%	9 183	(515)	1 127	9 795	71.7%
Financial Services	3 864	11	413	790	5 078	31.0%	3 092	67	705	3 864	28.3%
ARC Financial Services Holdings (Refer to note 4.1.1)	3 864	11	413	790	5 078	31.0%	3 092	67	705	3 864	28.3%
Total Company's share of Fund's IPV	13 659	553	-	2 151	16 363	100.0%	12 275	(448)	1 832	13 659	100.0%

¹ The intrinsic numbers are equivalent to IFRS numbers for unlisted investments.

² Disclosed separately as it became material in the current year.

³ Denotes a listed entity classified as level 1 fair value hierarchy.

⁴ Investments in Tyme SA Holdings and Tyme Group Africa Pte are held directly by the ARC Fund and through ARC Financial Services. During the current reporting period, the investments in TymeBank and Tyme Global were transferred to Tyme SA Holdings and Tyme Group Africa Pte respectively to enable the acquisition of Retail Capital and to provide further funding into the business. The ARC Fund also subscribed for shares in Tyme SA Holdings.

⁵ The property segment has been disclosed as one line under Diversified Financials in the current year and the comparatives have been adjusted. In the prior year it was disclosed separately.

SEGMENTAL INFORMATION

For the year ended 30 June 2023

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS

	Reconciliation of the share of ARC Fund's INTRINSIC net asset value to IFRS Value							
	30 June 2023				30 June 2022			
	Intrinsic Value 30 June 2023	Spot vs 30-day VWAP	Control Premium	IFRS Value 30 June 2023	Intrinsic Value 30 June 2022	Spot vs 30-day VWAP	Control Premium	IFRS Value 30 June 2022
Listed	508	4	–	512	1 418	(27)	–	1 391
Unlisted	15 855	122	(90)	15 887	12 241	129	(75)	12 295
Total Fund IPV	16 363	126	(90)	16 399	13 659	102	(75)	13 686
UBI GP fee payable by ARC Fund*	(61)	–	–	(61)	(110)	–	–	(110)
Other non-current liabilities in ARC Fund*	(1 473)	–	–	(1 473)	(975)	–	–	(975)
Total portfolio net of liabilities	14 829	126	(90)	14 865	12 574	102	(75)	12 601
Cash in ARC Fund*	500	–	–	500	669	–	–	669
Other assets/(liabilities) in ARC Fund*	(1)	–	–	(1)	(1)	–	–	(1)
Total investment in ARC Fund at FVTPL	15 328	126	(90)	15 364	13 242	102	(75)	13 269

* Measured at fair value. Where an instrument is not short-term in nature, a discounted cash flow method with a market related interest rate was used to value the instruments.

SEGMENTAL INFORMATION

For the year ended 30 June 2023

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS

4.1.1. THE COMPANY'S EFFECTIVE INTEREST IN ARC FINANCIAL SERVICES HOLDINGS

The value of ARC Fund's effective interest in ARC Financial Services Holdings is as follows:

Investment	INTRINSIC										
	30 JUNE 2023					30 JUNE 2022					
	Net Balance at 30 June 2022 R million	Acquisition or (Disposal) R million	Restructure R million	Fair Value, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 30 June 2023 R million	Dividend Income	Net Balance at 30 June 2021 R million	Acquisition or (Disposal) R million	Fair Value, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 30 June 2022 R million	Dividend Income
Financial Services											
Insurance and Asset Management	2 086	(167)	–	288	2 207	101	1 775	182	129	2 086	110
Alexander Forbes Group Holdings ¹	963	–	–	176	1 139	74	767	121	75	963	41
Sanlam Third Party Asset Management	309	4	–	51	364	–	306	–	3	309	31
Capital Legacy	288	75	–	74	437	10	141	107	40	288	–
Rand Mutual Holdings	259	(266)	–	7	–	11	245	–	14	259	19
Other Insurance and Asset Management	267	20	–	(20)	267	6	316	(46)	(3)	267	19
Banking & Digital	2 324	285	206	439	3 254	13	1 454	364	506	2 324	14
TymeBank	1 417	–	(1 413)	1	5	–	1 173	126	118	1 417	–
Tyme Global	500	–	(500)	–	–	–	90	25	385	500	–
Tyme SA Holdings (TymeBank) ²	–	167	1 619	228	2 014	–	–	–	–	–	–
Tyme Group Africa (TymeGlobal) ²	–	70	500	208	778	–	–	–	–	–	–
CrossFin	213	45	–	5	263	–	–	207	6	213	–
Other Banking	194	3	–	(3)	194	13	191	6	(3)	194	14
Specialist Financial Services	96	178	–	3	277	1	117	(6)	(15)	96	19
Total Company share of Financial Services portfolio value	4 506	296	206	730	5 738	115	3 346	540	620	4 506	143

¹ Denotes a listed entity classified as level 1 fair value hierarchy.

² Investments in Tyme SA Holdings and Tyme Group Africa Pte are held directly by the ARC Fund and through ARC Financial Services. During the current reporting period, the investments in TymeBank and Tyme Global were transferred to Tyme SA Holdings and Tyme Group Africa Pte respectively to enable the acquisition of Retail Capital and to provide further funding into the business.

Investment	30 JUNE 2023				30 JUNE 2022			
	Net Asset Value 30 June 2022 R million	Net Investment R million	Net increase in Net Asset Value R million	Net Asset Value 30 June 2023 R million	Net Asset Value 30 June 2021 R million	Net Investment R million	Net increase in Net Asset Value R million	Net Asset Value 30 June 2022 R million
IPV	4 506	502	730	5 738	3 346	540	620	4 506
Deferred consideration*	(2)	–	–	(2)	(28)	26	–	(2)
Other non-current liabilities*	(734)	–	(28)	(762)	(734)	–	–	(734)
Total liabilities	(736)	–	(28)	(764)	(762)	26	–	(736)
Total portfolio net of liabilities	3 770	502	702	4 974	2 584	566	620	3 770
Cash*	100	–	2	102	443	100	(443)	100
Other net assets /(liabilities)*	(6)	–	8	2	65	–	(71)	(6)
Total Company share of investment in ARC Financial Services Portfolio	3 864	502	712	5 078	3 092	666	106	3 864

* Measured at fair value. Where an instrument is not short-term in nature, a discounted cash flow method with a market related interest rate was used to value the instruments.

SEGMENTAL INFORMATION

For the year ended 30 June 2023

4.2 SEGMENTAL PORTFOLIO RETURNS

Investment (R million)	30 June 2023				30 June 2022			
	Dividend Income ¹	Fair Value Adjustment	Other Income ²	Total Intrinsic Income	Dividend Income ¹	Fair Value Adjustment	Other Income ²	Total Intrinsic Income
Diversified Investments								
Telecommunications	–	881	–	881	–	269	–	269
Rain	–	881	–	881	–	265	–	265
MetroFibre	–	–	–	–	–	4	–	4
Mining, Construction and Energy	14	(234)	123	(97)	21	(117)	12	(84)
Afrimat ³	–	(143)	–	(143)	21	138	–	159
Kropz Group	–	(65)	123	58	–	(438)	12	(426)
Other Mining, Construction and Energy	14	(26)	–	(12)	–	183	–	183
Business Process Outsourcing	74	154	15	243	58	522	(9)	571
Gemcap	–	25	8	33	–	59	(12)	47
Bluespec	42	39	–	81	37	172	–	209
Linebooker ⁴	–	55	7	62	–	156	3	159
Other Business Process Outsourcing	32	35	–	67	21	135	–	156
Agriculture	11	286	–	297	15	50	–	65
RSA ⁴	7	232	–	239	–	20	–	20
Other Agriculture	4	54	–	58	15	30	–	45
Diversified Financials	55	97	39	191	50	382	18	450
Fledge Capital	23	97	–	120	23	115	–	138
African Rainbow Capital Investments ³	–	8	–	8	–	221	–	221
Tyme SA Holdings (TymeBank)	–	32	8	40	–	–	–	–
Tyme Group Africa (Tyme Global)	–	19	–	19	–	–	–	–
ARCH Emerging Markets	–	26	–	26	–	96	–	96
Property ⁵	32	(85)	31	(22)	27	(50)	18	(5)
Total Company share of Fund's Diversified Investments Portfolio returns	154	1 184	177	1 515	144	1 106	21	1 271
Financial Services	–	790	–	790	–	705	–	705
ARC Financial Services Holdings	–	790	–	790	–	705	–	705
Total Company share of Fund's Portfolio returns	154	1 974	177	2 305	144	1 811	21	1 976

¹ Dividend income represents cash dividend receipts.

² Other income includes Directors' fees, interest income on loans and foreign exchange gains and losses on portfolio entities.

³ Denotes a listed entity classified as level 1 fair value hierarchy.

⁴ Disclosed separately as it became material in the current year.

⁵ The property segment has been disclosed as one line under Diversified Financials in the current year and the comparatives have been adjusted. In the prior year it was disclosed separately.

SEGMENTAL INFORMATION

For the year ended 30 June 2023

4.2 SEGMENTAL PORTFOLIO RETURNS

	Reconciliation of the share of ARC Fund's INTRINSIC to IFRS portfolio returns							
	30 JUNE 2023				30 JUNE 2022			
	Total Intrinsic Income 30 June 2023	Change resulting from Spot vs 30 day VWAP	Change resulting from Control Premium	Total IFRS Income 30 June 2023	Total Intrinsic Income 30 June 2022	Change resulting from Spot vs 30 day VWAP	Change resulting from Control Premium	Total IFRS Income 30 June 2022
Total Company share of Fund's Invested Portfolio returns	2 305	26	(15)	2 316	1 976	(65)	(17)	1 894
Fund management fee				(98)				(225)
Interest income on cash and cash equivalents				56				22
Finance costs in the ARC Fund				(135)				(63)
Other net expenses in the Fund				(24)				(9)
IFRS fair value movements on the investment in the ARC Fund at FVTPL				2 115				1 619

SEGMENTAL INFORMATION

For the year ended 30 June 2023

4.3 SEGMENTAL PORTFOLIO NET ASSET VALUE MOVEMENTS - OTHER DISCLOSURE

	INTRINSIC									
	30 June 2023					30 JUNE 2022				
	Net Balance 30 June 2022 R million	Acquisition or (Disposal) R million	Net Interest Capitalised R million	Fair Value, Forex & Disposal Gain/Loss R million	Net Balance 30 June 2023 R million	Net Balance 30 June 2021 R million	Acquisition or (Disposal) R million	Net Interest Capitalised R million	Fair Value, Forex & Disposal Gain/Loss R million	Net Balance 30 June 2022 R million
Investment										
Nature classification of investments										
Listed	1 418	(761)	–	(149)	508	1 676	(667)	–	409	1 418
Unlisted	12 241	1 314	136	2 164	15 855	10 599	219	19	1 404	12 241
Total Nature classification	13 659	553	136	2 015	16 363	12 275	(448)	19	1 813	13 659
Geographic classification of investments										
South Africa	11 991	(171)	11	2 328	14 159	10 773	(768)	(3)	1 989	11 991
Rest of Africa	408	179	–	26	613	247	66	–	95	408
International	1 260	545	125	(339)	1 591	1 255	254	22	(271)	1 260
Total Geographic Classification	13 659	553	136	2 015	16 363	12 275	(448)	19	1 813	13 659
Investment instrument type										
Equity	13 291	(326)	–	1 571	14 536	11 681	(619)	(12)	2 241	13 291
Loans	368	854	136	444	1 802	401	285	29	(347)	368
Preference Shares	–	25	–	–	25	193	(114)	2	(81)	–
Total Instrument Type Classification	13 659	553	136	2 015	16 363	12 275	(448)	19	1 813	13 659

	NET ASSET VALUE PER SHARE							
	30 JUNE 2023				30 JUNE 2022			
	30 June 2023	30 June 2022	Per share change	% change	30 June 2022	30 June 2021	Per share change	% change
Net Asset Value – IFRS								
Net Asset Value per shares (cents) - IFRS	1 144	1 008	136	13.5%	1 008	885	123	13.9%
Diluted Net Asset Value per share (cents) - IFRS	1 134	988	146	14.8%	988	885	103	11.6%

	30 JUNE 2023				30 JUNE 2022			
	30 June 2023	30 June 2022	Per share change	% change	30 June 2022	30 June 2021	Per share change	% change
	Net Asset Value - INTRINSIC							
Net Asset Value per shares (cents) - Intrinsic	1 141	1 006	135	13.4%	1 006	877	129	14.7%
Diluted Net Asset Value per share (cents) - Intrinsic	1 131	986	145	14.7%	986	877	109	12.4%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5. INVESTMENT IN THE ARC FUND AT FVTPL

Accounting policy

The business model applied by the Board of Directors of the Company in its management of the investment in the ARC Fund is the Intrinsic Fair Value of the Fund Portfolio as it is held primarily for capital appreciation. The investment in the ARC Fund is managed and performance evaluated on a fair value basis and is therefore a financial asset measured at fair value through profit or loss (default). The investment in the ARC Fund is thus a financial instrument mandatory at fair value through profit or loss as recognised and measured in accordance with the principles in IFRS 9, Financial Instruments, with associated disclosures presented in accordance with IFRS 7, Financial Instruments Disclosure, and IFRS 13, Fair Value Measurements.

Key judgements relate to the fair value measurement as well as control over the ARC Fund. These are discussed in more detail under Accounting Policies in note 3 above.

The investment in the ARC Fund at FVTPL and the underlying portfolio (which is compiled on a look-through basis in the ARC Fund), need to be classified at the appropriate level of hierarchy on which their fair values are based. Fair Value classification within these Annual Financial Statements is as follows:

Level 1 fair value hierarchy – Investments that trade in active markets and derive their fair value from quoted market prices of identical assets are classified within level 1. The quoted market prices provide the most reliable fair value classification and the Company does not need to adjust the quoted prices to measure the fair value of investments. The quoted market price used for investments held by the Company is the current bid price.

Level 2 fair value hierarchy – Investments that trade in markets not considered to be active and derive their fair value from observable inputs other than quoted prices included within level 1 above. These inputs need to be directly or indirectly observable for the investment and can include quoted market prices for similar assets in active or non-active markets; observable inputs other than quoted prices; and inputs derived from or corroborated by observable market data.

Level 3 fair value hierarchy – Investments where observable inputs are not available for the asset to determine its fair value. Unobservable inputs are used to measure fair value where relevant observable inputs are not available. The unlisted investments, shareholder loans and derivatives in the ARC Fund are typically classified as level 3.

Company context in application of accounting policy choices

The Company obtains exposure to and has indirect interests in a diversified pool of listed and unlisted investments (Portfolio Companies) by investing as a Limited Partner into an *en commandite* partnership established in South Africa known as the ARC Fund. The Fund is managed by a Black-owned and -controlled Fund Manager, UBI GP Co Proprietary Limited (UBI GP), as the General Partner.

	Notes	30 June 2023 R million	30 June 2022 R million
The movement of the investment in the ARC Fund at FVTPL* are as follows:			
Opening balance		13 269	11 650
Return of Capital by ARC Fund**		(20)	–
Fair value movements on the investment in the ARC Fund at FVTPL*	4.2	2 115	1 619
Total		15 364	13 269
Valuation information:			
IFRS 13 fair value hierarchy		Level 3	Level 3
Valuation methodology		Sum of the parts	Sum of the parts

* FVTPL: Fair value through profit or loss.

** The amount was paid out of the contributed capital and it was treated as a reduction in the investment.

REALISATION AND DERECOGNITION

Accounting policies

The Company applies the derecognition principles in IFRS 9, Financial Instruments, and derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a secured borrowing for the proceeds received.

Company context in application of accounting policies

The strategic objective of the Company is to not declare any dividends in the short to medium term (refer to Note 8).

The Company's partnership profit share in the ARC Fund for the financial period is not as a result of a return of capital but rather the fair value movements of the Portfolio Companies in the ARC Fund and is thus unrealised. The Company has therefore adopted a policy whereby unrealised profits of this nature are transferred to the fair value reserve. In the event of a return of capital by the ARC Fund, these would be realised and accordingly transferred from the fair value reserve to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	MINING, CONSTRUCTION AND ENERGY		BUSINESS PROCESS OUTSOURCING	
Details of valuation inputs	Afrimat *		Bluespec	
R million	30 June 2023	30 June 2022	30 June 2023	30 June 2022
% equity held by Fund	-	7.3%	24.8%	24.8%
% equity held by ARC Group	-	7.3%	24.8%	24.8%
30-day VWAP	-	59.12	-	-
Spot price	-	56.50	-	-
Gross investment	-	629	699	579
Minority discount	-	n/a	14.05%	14.1%
Marketability discount (considers BEE where applicable)	-	-	14.2%	15.1%
Net investment	-	629	515	476
Loans and other investments	-	-	-	-
Total intrinsic value of investment	-	629	515	476
Fair value adjustment	(143)	138	39	172
Valuation information:				
IFRS 13 fair value hierarchy	Level 1	Level 1	Level 3	Level 3
Valuation methodology	JSE-listed share price	JSE-listed share price	PE Multiple	PE Multiple
Portfolio entity disclosures:				
Sector grouping	Mining, Construction and Energy		Business Process Outsourcing	
Listed/Unlisted	Listed		Unlisted	
BEE lock-in period	None		Not applicable	Five years from September 2017. Three months remaining at 30 June 2022.
Assumptions and sensitivities				
Key inputs:	Not applicable			
Input 1				
Input variable				
Input 2				
Sensitivity of key inputs:				
Input 1 variable			An increase of 1x in the PE multiple results in a R95 million increase in the fair value (post the discounts) and 1x decrease in the PE multiple results in a R16 million decrease in the fair values (post the discounts).	1.0x increase in PE multiple will result in an increase of R52 million in fair value. 1.0x decrease in PE multiple will result in a decrease of R52 million in fair value.
Input 2 variable			An increase of 10% in the net earnings level results in a R84 million increase in the fair value (post the discounts) and decrease of 10% in the net earnings level results in a R5 million decrease in the fair value (post the discounts)	10% increase in earnings will result in a fair value increase of R45 million. 10% decrease in earnings will result in a fair value decrease of R45 million.

* The ARC Fund sold all of its Afrimat shares during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	BUSINESS PROCESS OUTSOURCING				
Details of valuation inputs	GemCap *		Linebooker		
	R million	30 June 2023	30 June 2022	30 June 2023	30 June 2022
% equity held by Fund		100%	100%	74.9%	75.7%
% equity held by ARC Group		100%	100%	74.9%	75.7%
30-day VWAP		-	-	-	-
Spot price		-	-	-	-
Gross investment		35	318	395	193
Minority discount		-	Considered at individual investment level	-	-
Marketability discount (considers BEE where applicable)		-	Considered at individual investment level	10%	13%
Net investment		35	318	355	168
Loans and other investments		-	-	-	58
Total intrinsic value of investment		35	318	355	226
Fair value adjustment		33	47	62	159
Valuation information:					
IFRS 13 fair value hierarchy		Level 3	Level 3	Level 3	Level 3
Valuation methodology		Deferred consideration receivable	EBITDA multiple	Ten-year discounted cash flow with terminal value	
Portfolio entity disclosures:					
Sector grouping		Business Process Outsourcing		Business Process Outsourcing	
Listed/Unlisted		Unlisted		Unlisted	
BEE lock-in period		Not applicable		Not applicable	
Assumptions and sensitivities					
Key inputs:					
Input 1		-	EBITDA multiple	WACC	
Input 1 variable		-	10x	22.8%	24.3%
Input 2		-	Earnings	Terminal growth rate	
Input 2 variable		-		5.5%	5.1%
Sensitivity of key inputs:					
Input 1 variable		-	1.0x increase (decrease) in EBITDA multiple will result in a R33 million increase (decrease) in fair value	1% increase in WACC will result in a fair value decrease of R27 million, while a 1% decrease will result in a fair value increase of R32 million.	1% increase in WACC will result in a fair value decrease of R17 million, while a 1% decrease will result in a fair value increase of R19 million.
Input 2 variable		-	10% increase in earnings will result in a fair value increase of R33 million.	R11 million increase per 1% increase in terminal growth rate and R9 million decrease per 1% decrease in terminal growth rate.	R6 million increase per 1% increase in terminal growth rate and R6 million decrease per 1% decrease in terminal growth rate.

* The investment was sold. The remaining value is the value of the deferred balance.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	AGRICULTURE	
Details of valuation inputs	RSA	
R million	30 June 2023	30 June 2022
% equity held by Fund	56.6%	56.6%
% equity held by ARC Group	56.6%	56.6%
30-day VWAP	-	-
Spot price	-	-
Gross investment	432	167
Minority discount	14.6%	4.2%
Marketability discount (considers BEE where applicable)	14.2%	9.6%
Net investment	373	123
Loans and other investments	-	-
Total intrinsic value of investment	373	123
Fair value adjustment	232	20
Valuation information:		
IFRS 13 fair value hierarchy	Level 3	
Valuation methodology	PE Multiple	
Portfolio entity disclosures:		
Sector grouping	Agriculture	
Listed/Unlisted	Unlisted	
BEE lock-in period	None	
Assumptions and sensitivities	Assumptions and sensitivities	
Key inputs:		
Input 1	PE Multiple	PE Multiple
Input 1 variable	7.0x	7.5x
Input 2	Earnings	Earnings
Input 2 variable	-	-
Sensitivity of key inputs:		
Input 1 variable	An increase of 1x in the PE multiple results in a R52 million increase in the fair value of ARC equity investment (post the discounts) and 1x decrease in the PE multiple results in a R52 million decrease in the fair value of ARC equity investment (post the discounts).	An increase of 1x in the PE multiple results in a R19 million increase in the fair value of ARC equity investment (post the discounts) and 1x decrease in the PE multiple results in a R19 million decrease in the fair value of ARC equity investment (post the discounts).
Input 2 variable	An increase of 10% in the net earnings level results in a R37 million increase in the fair value of ARC equity investment (post the discounts) and decrease of 10% in the net earnings level results in a R37 million decrease in the fair value of ARC equity investment (post the discounts)	An increase of 10% in the net earnings level results in a R14 million increase in the fair value of ARC equity investment (post the discounts) and decrease of 10% in the net earnings level results in a R14 million decrease in the fair value of ARC equity investment (post the discounts)

DIVERSIFIED FINANCIALS	
ARCI Limited shares	
30 June 2023	30 June 2022
5.9%	8.2%
5.9%	8.2%
6.45	6.47
6.50	6.50
508	700
-	-
-	-
508	700
-	-
508	700
8	221
	Level 1
	Listed share prices
	Diversified Financials
	Listed
	None
	Assumptions and sensitivities
	Not applicable

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

Details of valuation inputs	DIVERSIFIED FINANCIALS			
	ARCH Emerging Markets Fund of Funds		Fledge Capital Investments *	
R million	30 June 2023	30 June 2022	30 June 2023	30 June 2022
% equity held by Fund	49.0%	49.0%	51.0%	51.0%
51.0% equity held by ARC Group	49.0%	49.0%	51.0%	51.0%
Gross equity investment	528	408	583	486
Minority discount	–	–	–	–
Marketability discount (considers BEE where applicable)	–	–	Considered at individual investment level	Considered at individual investment level
Net equity investment	528	408	583	486
Loans and other investments	92	–	–	–
Total intrinsic value of investment	620	408	583	486
Fair value adjustment	26	96	97	115
Valuation information:				
IFRS 13 fair value hierarchy	Level 3	Level 3	Level 3	Level 3
Valuation methodology	Net Asset Value	Net Asset Value	Sum of the parts/ Underwritten value	
Portfolio entity disclosures:				
Sector grouping	Diversified Financials		Diversified Financials	
Listed/Unlisted	Unlisted		Unlisted	
BEE lock-in period	None		None	
Assumptions and sensitivities				
Key inputs:				
Input 1	USD: ZAR rate	USD: ZAR rate	–	EBITDA Multiple (avg)
Input 1 variable	R/\$ spot 18.92	R/\$ spot 16.25	–	5.0 x
Sensitivity of key inputs:	Sensitivity of key inputs: 1% change in USD will result in 1% change in value	Sensitivity of key inputs: 1% change in USD will result in 1% change in value	–	10% increase in EBITDA multiple will result in an increase of R3.5 million in fair value. 10% decrease in EBITDA multiple will result in a decrease of R3.5 million in fair value.

* No material sensitivities as the majority of the investments within Fledge Capital Investments are currently valued at cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5.2 FINANCIAL SERVICES PORTFOLIO VALUATION INPUTS

The significant investment portfolio companies, being those that contribute 2% to the ARC Fund's value are presented below along with the key valuation inputs and other relevant information. The tables below are presented in IFRS and Intrinsic for unlisted companies and Intrinsic for listed companies. Key inputs that drive the ARC Fund valuation of the portfolio assets were identified and sensitivities tested as demonstrated below.

	INSURANCE AND ASSET MANAGEMENT			
Details of valuation inputs R million	Alexforbes		Sanlam Third-party Asset Management (Pty) Ltd	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
% equity held by Fund	15.83%	15.5%	9.4%	9.4%
% equity held by ARC Group	42.30%	41.5%	25.0%	25.0%
30-day VWAP	5.35	4.39	-	-
Spot price	5.66	4.77	-	-
Gross equity investment	1 130	923	381	357
Control premium	20%	20%	20%	20%
Marketability discount (considers BEE where applicable)	-	-	15%	15%
Minority	10%	10%	15%	15%
Net equity investment	1 139	963	364	309
Loans and other investments	-	-	-	-
Total intrinsic value of investment	1 139	963	364 *	309
Fair value adjustment (net of deferred tax)	176	75	51	3
Valuation information:				
IFRS 13 fair value hierarchy	Level 1	Level 1	Level 3	Level 3
Valuation methodology	Listed share prices	Listed share prices	PE multiple	PE multiple
Portfolio entity disclosures:				
Sector grouping	Insurance and Asset Management		Insurance and Asset Management	
Listed/Unlisted	Listed		Unlisted	
BEE lock-in period	None		None	
Assumptions and sensitivities				
Key inputs:	Not applicable			
Input 1				
Input variable				
Sensitivity of key inputs:				
Input 1 variable			10% increase in PE multiple will result in an increase of R34 million in fair value. 10% decrease in PE multiple will result in a decrease of R34 million in fair value.	10% increase in PE multiple will result in an increase of R31 million in fair value. 10% decrease in PE multiple will result in a decrease of R31 million in fair value.

* The value includes dividends declared before the financial year end but paid after the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5.2 FINANCIAL SERVICES PORTFOLIO VALUATION INPUTS *continued*

Details of valuation inputs	INSURANCE AND ASSET MANAGEMENT		INSURANCE AND ASSET MANAGEMENT	
	Rand Mutual Holdings *		Capital Legacy	
R million	30 June 2023	30 June 2022	30 June 2023	30 June 2022
% equity held by Fund	-	11.2%	10.91%	11.0%
% equity held by ARC Group	-	30.0%	29.14%	29.4%
Gross equity investment	-	341	482	370
Minority discount	-	10.7%	10%	10.0%
Marketability discount (considers BEE where applicable)	-	13.6%	10%	10.0%
Net equity investment	-	259	363	288
Loans and other investments	-	-	75	-
Total intrinsic value of investment	-	259	437	288
Fair value adjustment	13	14	74	40
Valuation information:				
IFRS 13 fair value hierarchy	Level 3	Level 3	Level 3	Level 3
Valuation methodology	-	Embedded value and PE multiples	Embedded value	Embedded value and DCF
Portfolio entity disclosures:				
Sector grouping	Insurance and Asset Management		Insurance and Asset Management	
Listed/Unlisted	Unlisted		Unlisted	
BEE lock-in period	None		None	
Assumptions and sensitivities				
Key inputs:	-	Embedded value	Embedded value	Embedded value
Input 1	-	Embedded value (EV) changes	VNB multiple	VNB multiple
Input variable 1	-	EV for various businesses within RMH	+1%	+1%
Input 2	-	PE Multiple	-	-
Input variable 2	-	7.0x	-	-
Sensitivity of key inputs:				
Input 1	-	Embedded value changes	VNB multiple	VNB multiple
Input variable 1	-	R11 million increase (decrease) in fair value per 5% increase (decrease) in embedded value.	R2.6 million increase (decrease) in fair value per 1% increase in VNB multiple	R2 million increase (decrease) in fair value per 1% increase (decrease) in VNB multiple
Input 2	-	PE Multiple	-	-
Input variable 2	-	R1 million increase (decrease) in fair value per 0.5 increase (decrease) in PE multiple.	-	-

* ARC FSI sold all of its shares in Rand Mutual Holdings during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5.3 TYME SA HOLDINGS AND TYME GROUP AFRICA PTE

Investments in Tyme SA Holdings and Tyme Group Africa Pte are held directly by the ARC Fund and through ARC Financial Services. During the current reporting period, the investments in TymeBank and Tyme Global were transferred to Tyme SA Holdings and Tyme Group Africa Pte respectively to enable the acquisition of Retail Capital and to provide further funding into the business. The Company's effective investment in TymeBank and Tyme Global, is R2 200 million and R902 million respectively.

		BANKING			
		2023	2022	2023	2022
Details of valuation inputs		Tyme SA Holdings (TymeBank)	TymeBank	Tyme Group Africa Pte (Tyme Global)	Tyme Global
R million		30 June 2023	30 June 2022	30 June 2023	30 June 2022
% of effective equity held by Fund in TymeBank/Tyme Global		25.10%	24.96%	25.10%	24.96%
% of effective equity held by ARC Group in TymeBank /Tyme Global		50.21%	50.02%	50.21%	50.02%
Gross equity investment		2 200	1 417	902	500
Minority discount		Already considered in recent transaction value	Already considered in recent transaction value	Already considered in recent transaction value	Already considered in recent transaction value
Marketability discount (considers BEE where applicable)		n/a	n/a	n/a	n/a
Net equity investment		2 200	1 417	902	500
Loans and other investments		-	-	-	-
Total intrinsic value of investment		2 200	1 417	902	500
Fair value adjustment (net of deferred tax)		269	118	227	385
Valuation information:					
IFRS 13 fair value hierarchy		Level 3	Level 3	Level 3	Level 3
Valuation methodology		Recent transaction*	Recent transaction*	Recent transaction*	Recent transaction*
Portfolio entity disclosures:					
Sector grouping		Banking		Banking	
Listed/Unlisted		Unlisted		Unlisted	
BEE lock-in period		None		None	
Other details					
Assumptions and sensitivities					
Key inputs:					
Input 1		Not applicable		Not applicable	
Input variable 1					
Input 2					
Input variable 2					
Sensitivity of key inputs					
Input 1					
Input variable					
Input 2					
Input variable 2					

* The valuation was based on the recently closed series B3 and pre-series C capital raise.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

6. OTHER EXPENSES

	Notes	30 June 2023 R million	30 June 2022 R million
Details of other expenses are as follows:			
Listing costs		1	1
Audit fees		1	2
Directors fees	13	2	1
Other expenses		5	3
		9	7

7. CAPITAL

7.1 Stated capital

Accounting Policy		Notes	30 June 2023 R million	30 June 2022 R million
Ordinary shares are classified as equity				
Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.				
ARC Investments has the following categories of share capital:				
Category	Rights			
Ordinary shares	Participating share with voting rights.			
B shares	Non-participating non-voting share except if as at any ordinary shareholder record date an appointed B-BBEE Rating Agent determines that ownership of ordinary shares by Black People as defined in the B-BBEE Codes, as determined using the flow-through principle in accordance with the B-BBEE Codes, is less than 51%; and that ARC as the holder of the B share holds at least 26.1% of the ordinary shares of the Company and, since the issue of these shares, the holding percentage has never dropped below 26.1%.			
C shares	Non-participating, non-voting shares with automatic conversion based on the terms of the Performance Participation (refer note 9 below).			
In terms of the Mauritius Companies Act 2001, as amended, the Company is not required to have authorised share capital. All the Company's classes of shares are of no par value and, accordingly, the Company does not have a share premium account.				

7. CAPITAL continued

7.1 Stated capital continued

	Notes	30 June 2023 R million	30 June 2022 R million
Issued (fully paid up) share capital			
Ordinary shares			
- 100 Ordinary shares of no-par value issued at incorporation at USD1 per share (translated at R12.91) ¹ .		-	-
- 526 588 235 shares issued to ARC Proprietary Limited under an asset-for-share sale transaction.		4 563	4 563
- 505 882 353 shares issued at listing date at R8.50 per share.		4 300	4 300
- Share issue costs.		(31)	(31)
- Conversion of 12 577 126 C shares for financial year ended 2018 Performance Participation	9	71	71
- 272 727 273 shares issued at R2.75		750	750
- Conversion of 27 059 992 C shares for financial year ended 30 June 2022 Performance Participation		272	-
Total issued share capital at the end of the year		9 925	9 653
B share			
1 share issued to ARC Proprietary Limited at a nominal value of R1. B shares are not listed.		-	-
C shares			
5 billion shares were issued to UBI Proprietary Limited (UBI) at listing at a nominal value of R1 for the Performance Participation. On 11 December 2018, 12 577 126 were converted into ordinary shares. On 9 December 2022, 27 059 992 were converted into A ordinary shares, thus 4 960 362 882 C shares were outstanding at 30 June 2023. C shares are not listed. 10 694 573 Performance Participation shares will be issued to UBI after the approval of the fee.		-	-
Basic earnings per ordinary share (cents)		148	102
Diluted earnings per ordinary share (cents)		146	100
Headline earnings per ordinary share (cents)		148	102
Diluted headline earnings per ordinary share (cents)		146	100

¹ The amount is less than R1 million and is rounded to Rnil.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

7. CAPITAL continued

7.2 Earnings per share

	Notes	30 June 2023 R million	30 June 2022 R million
7.2.1 Reconciliation of reported earnings to headline earnings			
Earnings/Headline earnings of the Company (R million)		1 985	1 339
There were no items that require adjustment from the reported earnings in terms of SAICA Circular 1/2023, Headline Earnings.			
7.2.2 Number of ordinary shares			
Number of ordinary shares (million):			
Number of shares in issue at the end of the year (million)		1 345	1 318
Weighted average number of shares in issue during the year (million)		1 333	1 318
Diluted weighted average number of shares in issue during the year (million)		1 345	1 318
Diluted number of shares at the end of the year (million)		1 357	1 345
Shares issued at listing: 1 032 470 588			
Additional shares issued 11 December 2018: 12 577 126			
Additional shares issued in October 2020: 272 727 273			
Additional shares issued in December 2022: 27 059 992			

8. DIVIDENDS AND DIVIDEND POLICY

Accounting Policy

Company strategic objective

The Company is a capital-pooling and investment holding company structured to offer its shareholders long-term capital appreciation through the growth in the NAV of its underlying investment in the ARC Fund. As such, ARC Investments does not currently intend to pay dividends on the ordinary shares but may choose to pay dividends, including special dividends, at some point in the future when it is appropriate to do so.

Dividends

The Company's ability to pay dividends is a function of the return of capital by the ARC Fund, which is not anticipated in the short term and over which the Company has no control. Furthermore, the current intention of the General Partner is that cash raised by the ARC Fund through realisations and distributions received from Portfolio Companies will generally be utilised for new investment opportunities.

If the Company receives the proceeds of realisations or distributions by underlying Portfolio Companies from the ARC Fund and chooses to pay dividends, the Board anticipates declaring and paying a final dividend only. The Board may, however, resolve to declare and pay interim dividends on the ordinary shares. The payment of a dividend will be subject to the Company's constitutional documents and applicable laws and regulations and the reasonably foreseeable obligations of the Company and will require the approval of the Board. The dividends that are envisaged would primarily be paid from distributions received by the ARC Fund from the Portfolio Companies and proceeds arising from the disposal of underlying investments by the ARC Fund, which are distributed to the Company as returns of capital by the ARC Fund.

9. PERFORMANCE PARTICIPATION EXPENSE

Accounting Policy

The Performance Participation is an equity-settled share-based payment accounted for in accordance with the provisions of IFRS 2, Share-based Payments. The share-based payment expense is recognised in profit or loss and the reserve in the statement of changes in equity as a separate reserve.

Company Context in Application of Accounting Policy

As detailed in Note 7.1, the Company has issued 5 billion C shares to UBI through a subscription agreement signed on 14 August 2017 for purposes of the Performance Participation, which in accordance with their rights and terms, are convertible into ordinary shares at no consideration.

Grant date:	14 August 2017
Grant price:	R1 for the full 5 billion shares
Performance hurdle:	10% hurdle return on intrinsic portfolio value
Participation percentage:	The C shareholders will share in 16% of the growth in ARCI NAV above the 10% hurdle.
Performance period:	Each annual financial year of the Company commencing 1 July and ending 30 June.
Conversion date:	No more than 10 business days (excluding weekends) from the date the Board approves the calculation of the Performance Participation, which will normally be the date of approval of the Audited Annual Financial Statements of the Company.
C shares conversion formula:	The holders are entitled to convert their C shares, each financial year if the performance hurdle is achieved for a particular year.

	30 June 2023 R million	30 June 2022 R million
The Performance Participation relates to the investment services rendered by UBI GP, a wholly owned subsidiary of UBI, to the ARC Fund which drives the IPV. The Adjusted Annualised Growth in IPV for the year ended 30 June 2023 amounted to 15.8%, which is above the 10% Performance Participation hurdle. Consequently, an amount of R122 million has been recognised for the issue of 10 694 573 Performance Participation shares.	122	273
Five billion shares were issued to UBI at listing at a nominal value of R1 for the Performance Participation. On 11 December 2018 and 9 December 2022, 12 577 126 and 27 059 992 C shares were converted into A ordinary shares. At 30 June 2023, 4 960 362 882 C shares were outstanding.		
The Performance participation is based on non-market conditions		
Total Performance Participation expense	122	273

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

10. TAXATION

Accounting Policy

Normal income taxation and deferred taxation are recognised using the taxation rates and taxation laws that have been enacted or substantively enacted by the end of the year in accordance with the recognition and measurement principles in *IAS 12, Taxes*.

Company Context in Application of Accounting Policies

The Company holds a Global Business Licence for the purpose of the Mauritian Financial Services Act 2007. It was registered in Mauritius as a private Company limited by shares on 30 June 2017 and converted to a public Company on 2 August 2017. The Company received its Global Business Licence ("GBL1") before 16 October 2017 and was grandfathered up to 30 June 2021. As from 1 July 2021 the Company's GBL1 Licence was automatically converted to a Global Business Licence.

During the grandfathered period, it was liable for income taxation at a rate of 15%. However, the Company was entitled to a taxation credit equivalent to the higher of the actual foreign taxation incurred and 80% of the Mauritian taxation on its foreign source income. The maximum effective tax rate was 3%.

On 1 July 2021, under the new regime, the Company is now able to claim an 80% exemption on specified income (including foreign dividends and interest), subject to meeting predefined substance conditions. Other types of income not falling within the categories of income benefiting from the exemption are taxed at 15%.

The foregoing is based on current interpretation and practice and is subject to any future changes in Mauritian taxation laws.

	30 June 2023 R million	30 June 2022 R million
Losses carried forward amounting to R101 million at 30 June 2023 (30 June 2022: R203 million). Mauritian taxation regulations permit the carry-forward of unused taxation losses for a maximum period of 5 years from the date they arose. The accumulated taxation losses are available for set-off against future taxable income as follows:		
Arising in Financial year 2020, carried forward up to 2025 financial year	43	43
Arising in Financial year 2021, carried forward up to 2026 financial year	57	57
Arising in Financial year 2022, carried forward up to 2027 financial year	121	121
Opening balance of losses at the end of the year	203	203
Losses utilised during the current financial year	(96)	–
Overprovision of losses in the prior financial year	(6)	–
Losses carried forward at the end of the reporting year	101	203
The taxation is reflected at a statutory rate of 15%		
Profit before taxation	1 985	1 339
Taxation at a statutory effective rate of 15% before foreign taxation credit	298	201
Tax reconciled	(298)	(201)
Income not subject to tax	(256)	(220)
Withholding tax gross up	1	1
Partial exemption on income	(55)	–
Expenses attributable to exempt income	26	–
Tax losses utilised	(14)	–
Tax losses for which no deferred tax asset was recognised	–	18
Effective income tax	–	–

No deferred tax asset was realised in respect of the tax losses incurred up to 30 June 2022, as the Directors had determined that it was not probable that the Company would generate sufficient taxable profits in the foreseeable future. However, the Company has made a profit during the current year which has resulted in the utilisation of the carried forward losses of R96 million against these profits.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. RECONCILIATION OF CASH UTILISED IN OPERATIONS BEFORE INVESTMENTS MADE

	Notes	30 June 2023 R million	30 June 2022 R million
Profit before taxation		1 986	1 339
Adjustment for non-cash items		(1 993)	(1 346)
Fair value movements on the investment in the ARC Fund at FVTPL*	4.2	(2 115)	(1 619)
Performance Participation expense		122	273
Working capital movements		-	1
Increase/(decrease) in trade and other payables		-	1
Cash utilised in operations before investment activities		(8)	(6)

* FVTPL: Fair value through profit or loss

12. FINANCIAL INSTRUMENTS

12.1 Financial instruments in the Company are categorised as follows:

R million	30 June 2023			
	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets	15 364	21	-	15 385
Investment in the ARC Fund at FVTPL	15 364	-	-	15 364
Cash and cash equivalents *	-	21	-	21
Financial liabilities	-	-	2	2
Trade and other payables *	-	-	2	2
R million	30 June 2022			
	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets	13 269	9	-	13 278
Investment in the ARC Fund at FVTPL	13 269	-	-	13 269
Cash and cash equivalents *	-	9	-	9
Financial liabilities	-	-	2	2
Trade and other payables *	-	-	2	2

* The carrying amount is a reasonable approximation of fair value

12.2 Risk management

The Company's exposure to market risks is predominantly through its investment in the ARC Fund. The Board of the General Partner, through its Investment Committee, reviews the ARC Fund policies for managing all market risks that the financial instruments within the ARC Fund are exposed to. The Directors of the Company manage the Company's exposure to market risks as indicated below.

12.2.1 Market risks

Equity price risk

The Company's interest in the ARC Fund is deployed in equity instruments which comprises (89% at 30 June 2023; 97% at 30 June 2022) of the total net asset value. The Company is exposed to equity price risk through the valuation of the underlying Portfolio Investments held by the ARC Fund. The fair value of these investments is derived through the valuations disclosed in the Segmental information. The valuations of the underlying portfolio companies are done half-yearly, and the Company's Board has access to the valuation information to monitor and review the fair value of the investments.

	30 June 2023 R million	30 June 2022 R million
Change in portfolio equity prices		
+5%	15 301	13 982
Equity component being 88% (30 June 2022: 97%) of Reported IFRS Portfolio Value	14 572	13 316
-5%	13 843	12 650
Interest rate risk		
The Company is mainly exposed to interest rate risk through its investment in the ARC Fund which has interest-bearing loan assets, cash, preference shares and debts. The interest rate risk exposure to the Company's own cash is immaterial. The Board of the General Partner, through its Investment Committee, reviews the ARC Fund policies for managing interest rate risk that the financial instruments within the ARC Fund are exposed to.		
Cash, preference shares and loans in the Fund amounted to R2 176 million (30 June 2022: R1 012 million).		
Change in interest rates		
+ 100 basis points	2 197	1 022
Interest-bearing loan assets and cash	2 176	1 012
- 100 basis points	2 154	1 002
Portfolio debt amounted to R1 473 million (30 June 2022: R975 million)		
Change in interest rates - annualised		
+ 100 basis points	(1 488)	(985)
Interest-bearing loan assets and cash	(1 473)	(975)
- 100 basis points	(1 458)	(965)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

12.2.2 Other risks

Currency risk

The Company's exposure to currency risk is primarily through its investment in the ARC Fund. The portfolio interests of the ARC Fund are predominantly denominated in ZAR, with 15.9% (30 June 2022: 12.2%) denominated in foreign currency. The largest exposure to currency risk results from the British Pound (GBP) and United States Dollar (USD) mainly through investments in Kropz Group, Majik and ARCH Emerging markets. The Board of the General Partner continually monitors the exposure to currency risk through the Investment Committee of the Fund Manager.

The Company's exposure to foreign currency is shown in the table below:

	30 June 2023		30 June 2022	
	Currency value million	SA Rand R million	Currency value million	SA Rand R million
British Pound	3	70	4	85
United States Dollar	134	2 666	88	1 450
		2 736		1 535
Impact of 5% (2022: 1%) change in GBP rate*		3		1
Impact of 5% (2022: 1%) change in USD rate*		127		15

* Changed from 1% to 5% to improve the disclosure due to the fluctuation of exchange rates in the current year.

Credit risk

The Company is exposed to credit risk through the ARC Fund portfolio and the counterparties of the financial instruments in the portfolio. 13% of the ARC Fund portfolio is exposed to credit risk. The diversity of the portfolio mitigates concentration of credit risk. The Fund Manager assessed each of the investments against the investment guidelines, reviews and due diligence. The Investment Committee, which consists of highly experienced members, ensures the Company effectively manages exposure to credit risk. On a half-yearly basis, the Board of the General Partner receives detailed reports and updates from the Fund Manager to enable it to monitor the performance of the underlying investments.

The impact of expected credit losses on assets held at amortised cost is immaterial since it relates to cash, and cash equivalents held at reputable financial institutions with a lowest credit rating of Ba2 resulting in the probability of default being minimal. In addition, trade and other receivables are immaterial.

Liquidity risk

The Company is exposed to liquidity risk through the ARC Fund's portfolio debt.

The ARC Fund raised a R1 billion revolving credit facility from RMB during January 2020. The facility was amended and increased to R1 500 million during June 2023. The Credit Facility with RMB bears interest at three-month JIBAR plus 3.25% and matures during June 2026. An amount of R1 250 million was drawn from the facility as at the end of the current financial year. During the year under review, the ARC Fund complied with the relevant covenants of the facility.

In terms of the Security Cession and Pledge agreement concluded with RMB, the ARC Fund investments in the following companies have been pledged:

Investee company	Fair value at 30 June 2023 R million	Net Balance at 30 June 2022 R million
Acorn Agri and Food	215	166
Fledge Capital Investments	583	486
Rain	4 516	3 635
ARC FSH	5 078	3 864
	10 392	8 151

12.2.2 Other risks continued

Liquidity risk continued

The financial covenants related to the RMB credit facility require that the Net Asset Value, after the limitation of the value of Rain to 30% of the aggregate Intrinsic Value of the Investments, of the ARC Fund is greater than R7 500 million. The Net Asset Value of the ARC Fund at 30 June 2023 amounted to R15 336 million.

The Company is also exposed to the risk relating to the payment of trade and other payables, which at the reporting date were not significant. The adequacy of the working capital of the Company is assessed by the Board biannually.

13. RELATED PARTY DISCLOSURES

Accounting Policies

Related party transactions are transfers of resources, services or obligations between the Company and a related party (as identified below), regardless of whether a price is charged or not. They include commitments to do something if a particular event occurs (or does not occur) in the future and executory contracts (recognised or unrecognised). The Company has complied with the provisions of IAS 24, *Related Party Transactions*, in identifying, quantifying, and disclosing the information below.

Company Context in Application of Accounting Policies

The Company is listed on the JSE Limited and is 43.5% owned by African Rainbow Capital Proprietary Limited (ARC), which in turn is 100% owned by UBI. UBI effectively owns 53.80% of the Company. The ultimate majority shareholder of UBI is Ubuntu-Ubuntu Commercial Enterprises (Pty) Ltd, the shares of which are held by trusts, all of which, except The Motsepe Foundation, own those shares for the benefit of Dr PT Motsepe and his immediate family. The Motsepe Foundation applies the benefits of its indirect shareholding in ARC for philanthropic purposes. The Company has identified the following related party relationships and transactional terms that are relevant to the current year's financial statements and that are in the course of ordinary business:

Name	Relationship	Nature of transaction/terms
Companies:		
UBI	Intermediate holding company	- None
	Holder of the C shares for the Performance Participation	- Issue of the C shares (Note 7.1) - The Performance Participation (Note 9) - Conversion of 12 577 126 C shares into ordinary shares (Note 7.1)
ARC	Major shareholder	- Asset-for-share transaction prior to listing (Note 7.1)
	Holder of the B share	- Issue of the B share (Note 7.1)
The ARC Fund	South African <i>en commandite</i> Partnership at a partnership interest of 99.95%	- Contribution of Portfolio Assets (Note 5) - Cash capital contribution (Note 5)
General Partner	General Partner in the ARC Fund	- 0.05% in the ARC Fund Capital and partnership profit share - Fund management fees (Note 4.2)

Name	Relationship	Nature of transaction/terms
Key management personnel:		
MC Olivier	Independent Non-executive Director and Chairman	Directors fees
A Currimjee	Independent Non-executive Director	Directors fees
C Msipha	Independent Non-executive Director	Directors fees
S Algoo-Bissonauth	Independent Non-executive Director	Rnil
R Mokate	Independent Non-executive Director	Directors fees
MR Nkadameng	Non-executive Director	Rnil
K Bodenstien	Chief Financial Officer	Executive salary

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

13. RELATED PARTY DISCLOSURES *continued*

	30 June 2023		30 June 2022	
	Transactions during the year R million	Balance due from/(to) as at 30 June 2023 R million	Transactions during the year R million	Balance due from/(to) as at 30 June 2022 R million
UBI				
Issue of A shares (Note 7.1) ¹	–	–	–	–
The ARC Fund		15 364		13 269
Investment in ARC Fund at FVTPL (Note 4.1)	–	15 364	–	13 269
General Partner	(98)	(61)	(225)	(110)
Fund management fees accrued for the year (Note 4.2)	(98)	(61)	(225)	(110)
Directors' interest ²				
Total Directors' interest - 365 882 (June 2021: 365 882) shares in the Company at a 0.028%				
MC Olivier - 305 882 (June 2022: 305 882) shares in the Company at a 0.023% interest	n/a	n/a	n/a	n/a
MR Nkadimeng – 60 000 (June 2022: 60 000) shares in the Company at a 0.005% interest	n/a	n/a	n/a	n/a
Key management personnel	(0.8)	(0.8)	(0.4)	(0.4)
MC Olivier fees accrued	(0.4)	(0.4)	(0.4)	(0.4)
– fees paid to MC Olivier	0.2	0.2	0.3	0.3
C Msipha fees accrued	(0.4)	(0.4)	(0.4)	(0.4)
– fees paid to C Msipha	0.2	0.2	0.3	0.3
R Mokate fees accrued	(0.4)	(0.4)	(0.4)	(0.4)
– fees paid to R Mokate	0.2	0.2	0.3	0.3
A Currimjee fees accrued	(0.4)	(0.4)	(0.4)	(0.4)
– fees paid to A Currimjee	0.2	0.2	0.3	0.3
MIR Nkadimeng (paid by the holding company, ARC)	5	5	5	5
– Salary	(3)	(3)	(3)	(3)
– Bonus	(2)	(2)	(2)	(2)
K Bodenstein executive salary accrued	(0.5)	(0.5)	(0.5)	(0.5)
– salary paid to K Bodenstein	0.5	0.5	0.5	0.5

¹ The amount is less than R 1 million and is rounded to Rnil. The amounts are disclosed as they are material in nature.

² The interest of the Directors remained unchanged from the end of the financial year to the date of this report.

14. COMMITMENTS

As at the year ended 30 June 2023, the Company did not have any commitments.

ARC Fund commitments:

ARC Real Estate:

The ARC Fund has committed R500 million to ARC Real Estate to fund the acquisition of properties. No funds had been drawn at the reporting date. Any contributions are subject to approval by the UBI General Partner.

ARCH Emerging Markets Partners

The ARC Fund has committed USD50 million in emerging markets focused themes, including renewable energy power and cold chain storage solutions. At 30 June 2023, the ARC Fund had contributed USD34 million with a remaining commitment balance of USD16 million.

15. SUBSEQUENT EVENTS

Kropz Group

During August 2023, the ARC Fund advanced an additional R60 million loan from an existing loan facility to help fund operations at Elandsfontein. Furthermore, in September 2023 the ARC Fund approved an additional R250 million loan facility to Kropz Elandsfontein. This additional facility will be used to fund Elandsfontein's capital expenditure to increase operational capacity and assist Elandsfontein in meeting its creditor obligations and working capital needs.

Rain

ARC Fund made an additional investment of R81 million in Rain during August 2023.

Capital raise – Tyme Group

During September 2023, the ARC Fund approved an additional investment of R75 million in Tyme Group.

16. GOING CONCERN

The financial statements were prepared on the going-concern basis. The assets of the Company, fairly valued, exceed its liabilities. The Directors are of the opinion that the Company will continue as a going concern based on forecasts and available cash and borrowing resources.

17. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

No standards that were effective during the year had an impact on the Company.

New standards issued but not yet effective or early adopted:

The following amendments to standards have been published and are deemed relevant to the Company, but are not yet effective and have also not been early adopted:

Standard, amendment or interpretation	Summary of expected impact	Effective for financial periods beginning on or after
Amendments to IAS 1, Presentation of financial statements on classification of liabilities.	Summary of amendment	1 January 2024
	These narrow-scope amendments to IAS 1 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	
	Summary impact on the Company	
	The Directors anticipate that these amendments will be applied in the financial statements for the period beginning 1 July 2024. It is expected that this amendment will have minimal impact.	

I - SHAREHOLDER ANALYSIS

The Company complies with the minimum shareholder spread requirements as set out in the JSE Listings Requirements paragraphs 3.37 and 4.28(e) as 39.4% of the A Ordinary shares disclosed below are held by the public at 30 June 2023.

	For the year ended 30 June 2023				For the year ended 30 June 2022			
	Number of shareholders	% of total shareholders	Number of shares	% of total issued shares	Number of shareholders	% of total shareholders	Number of shares	% of total issued shares
DISTRIBUTION OF SHAREHOLDERS								
Shareholder type								
Entities in the UBI Group	5	0.01	809 061 630	60.16	5	0.01	781 985 287	59.34
Banks	3	0.00	4 028	0.00	3	0.00	30 216	0.00
Brokers	17	0.02	1 219 560	0.09	13	0.02	1 204 144	0.09
Close Corporations	30	0.04	838 524	0.06	35	0.04	996 887	0.08
Endowment Funds	11	0.02	339 328	0.03	15	0.02	466 288	0.04
Individuals	76 193	98.74	71 583 148	5.32	79 341	97.47	80 345 568	6.10
Insurance Companies	20	0.03	14 960 907	1.11	17	0.02	14 780 846	1.12
Investment Companies	15	0.02	858 285	0.06	19	0.02	3 819 316	0.29
Key Management & Employee- Related	33	0.04	186 630 154	13.88	29	0.04	157 204 291	11.93
Medical Aid Scheme	2	0.00	290 653	0.02	1	0.00	159 198	0.01
Mutual Funds	74	0.10	42 584 152	3.17	64	0.08	47 818 295	3.63
Nominees and Trusts	346	0.45	13 578 665	1.01	405	0.50	16 424 913	1.25
Other Corporations	111	0.14	3 164 666	0.24	113	0.14	4 258 445	0.32
Pension Funds	66	0.09	185 407 281	13.79	1 072	1.32	197 387 462	14.98
Private Companies	235	0.30	14 278 939	1.06	258	0.32	10 858 772	0.82
Public Companies	2	0.00	35 059	0.00	2	0.00	35 059	0.00
Total	77 163	100	1 344 834 979	100	81 392	100.00	1 317 774 987	100.00
DISTRIBUTION OF SHAREHOLDERS								
1 - 50 000 shares	76 787	99.51	41 740 420	3.10	80 976	99.49	48 557 445	3.68
50 001 - 100 000 shares	170	0.22	12 303 447	0.92	190	0.23	13 643 915	1.04
100 001 - 1 000 000 shares	172	0.22	46 147 248	3.43	190	0.23	45 086 424	3.42
1 000 001 shares and over	34	0.05	1 244 643 864	92.55	36	0.05	1 210 487 203	91.86
Total	77 163	100	1 344 834 979	100	81 392	100.00	1 317 774 987	100.00
PUBLIC/NON-PUBLIC SHAREHOLDERS								
Key Management & Board	33	0.04	186 630 154	13.88	29	0.04	157 204 291	11.93
Non - Public Shareholders (Company related)	5	0.01	809 061 630	60.16	5	-	781 985 287	59.34
Public Shareholders	77 125	99.95	349 143 195	25.96	81 358	99.96	378 585 409	28.73
Total	77 163	100	1 344 834 979	100	81 392	100.00	1 317 774 987	100.00

I - SHAREHOLDER ANALYSIS

	For the year ended 30 June 2023		For the year ended 30 June 2022	
	Number of shares	% of total issued shares	Number of shares	% of total issued shares
NON - PUBLIC SHAREHOLDERS (Company related)				
African Rainbow Capital (Pty) Ltd	584 530 305	43.46	538 619 713	40.87
UBI General Partner (Pty) Ltd	78 823 621	5.86	107 420 820	8.15
K2017386337 (Pty) Ltd	74 174 770	5.52	74 174 770	5.63
Ubuntu-Botho Investments (Pty) Ltd	42 919 384	3.19	15 859 392	3.48
ARC Financial Services Investments Pty Ltd.	28 613 550	2.13	–	–
SA Issuer SPV No2 (RF) Proprietary	–	–	45 910 592	3.48
Total	809 061 630	60.16	781 985 287	59.34
BENEFICIAL SHAREHOLDERS HOLDING OF 5% OR MORE				
African Rainbow Capital	584 530 305	43.46	584 530 305	44.36
Public Investment Corporation (SOC) Limited	180 310 381	13.41	193 783 361	14.71
UBI General Partner (Pty) Ltd	78 823 621	5.86	107 420 820	8.15
Ubuntu-Botho & Sanlam Community Development Trusts	74 174 770	5.52	74 174 770	5.63
Total	917 839 077	68.25	959 909 256	72.85

II - SHAREHOLDERS' DIARY

The key dates to be noted by shareholders are as follows:

Details	Date
Annual General Meeting	15 November 2023
Interim results announcement	March 2024
Financial year end	30 June 2024
Year-end results announcement	September 2024
Integrated Annual Report published	October 2024
Annual General Meeting	November 2024

III - CORPORATE INFORMATION

Contact Information	African Rainbow Capital Investments Limited (A Company registered and domiciled in the Republic of Mauritius) www.arci.mu
Registration number	C148430
JSE share code	AIL
A2X share code	AILJ
ISIN code	MU0553500000
Directors	Mark Cyril Olivier (Chairperson) Clive Msipha Dr Renosi Mokate Mmamodiane Refiloe Nkadimeng Anil Currimjee Smitha Algoo-Bissonauth
Executive Management	Karen Bodenstein (Chief Financial Officer)
Registered Address	Level 3, Alexander House, 35 Cybercity, Ebène, 72201, Mauritius Registered and incorporated as a private Company in Mauritius on 30 June 2017 and converted to a public Company on 2 August 2017.
Company Secretary	Intercontinental Trust Limited Company number: C23546 Level 3, Alexander House, 35 Cybercity, Ebène, 72201, Mauritius
Investor Relations	investors@arci.mu +230 (403) 0800 +27 (21) 180 0100 +27 (10) 900 0200
Sponsor	Deloitte & Touche Sponsor Services Proprietary Limited Registration number: 1996/000034/07 5 Magwa Crescent, Waterfall City, Gauteng, 2090
Transfer Secretaries	Computershare Investor Services Proprietary Limited Registration number 2004/003647/07) Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) South Africa
Independent Auditors	PricewaterhouseCoopers PwC Centre, Avenue de Telfair, 80829, Moka, Republic of Mauritius PricewaterhouseCoopers Inc. Waterfall City, 4 Lisbon Lane, Jukskei View, Midrand, 2090, South Africa
Investor Relations	investors@arci.mu +230 (403) 0800 +27 (21) 180 0100 +27 (10) 900 0200
Integrated Annual Report Compilation	Compilation of the ARC Investments Integrated Report – Investorsense Design of the ARC Investments Integrated Report – Idea Exchange



www.arci.mu