



ARC INVESTMENTS

Unaudited Interim Results
for the six-month period ended
31 December 2022

Incorporated in the Republic of Mauritius
Company number: C148430
JSE share code: AIL
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The reports and statements set out below comprise the condensed Unaudited Financial Statements of African Rainbow Capital Investments Limited (ARC Investments or the Company) for the six-month period ended 31 December 2022 as presented to the shareholders. They were prepared under the supervision of Karen Bodenstein, Chief Financial Officer, B Compt (Accounting Science).

These Unaudited Interim Financial Statements have been prepared in compliance with the applicable requirements of the Mauritius Companies Act 2001.

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KEY HIGHLIGHTS

For the six-month period ended 31 December 2022



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

-  Rain - on course for more than R2 billion EBITDA for financial year ended February 2023
-  TymeBank - substantial organic growth, acquisition of Retail Capital and expansion into SME banking
-  Tyme Global - successful launch of GOtyme in the Philippines
-  Kropz Plc - Elandsfontein plant achieved its first bulk sales in January 2023 of c. 30 000 tonnes of phosphate



Intrinsic net asset value (INAV) was stable at R13 272 million

(30 June 2022: R13 242 million)



INAV per share decreased marginally by 1.7% to R9.88 per share

(31 December 2021: increase of 16.8%)



Cash in the ARC Fund increased by 57% to R1 051 million

(30 June 2022: R669 million)

Debt in the ARC Fund increased by 43% to R1 396 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 PayProp and Humanstate resulting in ARC Fund receiving cash amounting to R486 million and achieving an IRR of 19.7%



Major additional investments:

-  R490 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 R472 million



New fee structure implemented for the ARC Fund

COMMENTARY

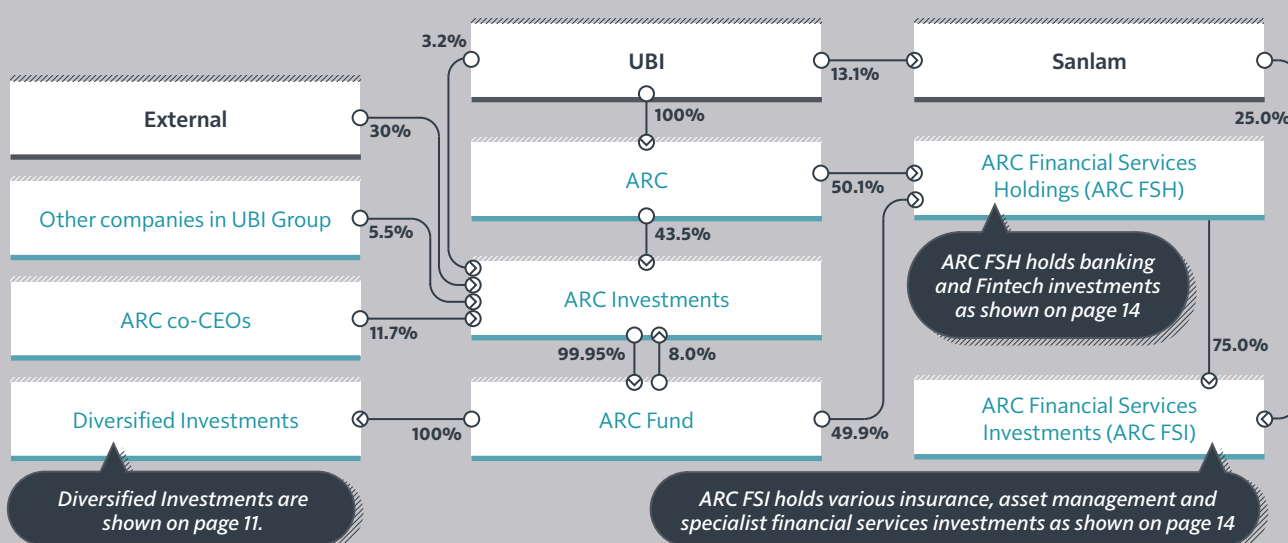
For the six-month period ended 31 December 2022

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 listed on the Johannesburg Stock Exchange (JSE Exchange) 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 listed and 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). Through its investment in ARC and various other subsidiaries, UBI effectively owns 56.74% of ARC Investments. ARC Investments holds 99.95% in the ARC Fund, which in turn invests in various investee entities. These investments are managed by UBI General Partner Proprietary Limited (UBI GP) as the General Partner of the ARC Fund.



The ARC Fund's investment strategy

The ARC Fund's strategic focus continues to be on the consolidation of capital in specific businesses and working with investment partners to deliver synergies amongst relevant portfolio companies. The General Partner will continue to implement the portfolio rationalisation plans that were identified in the prior reporting period. Investments which no longer align with the longer-term ARC Fund investment strategy will be exited of in the short to medium term.

The ARC Fund's investment portfolio includes a combination of investments in from pre-break-even to established businesses. Pre-break-even point businesses contribute 31% of the ARC Fund's Intrinsic Portfolio Value (IPV) and these includes 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

The period under review has been characterised by strained trading conditions which had a notable impact on the investment portfolio. The contracting economy, the continuous implementation of various stages of load-shedding coupled with the ever-increasing pressure on consumers have negatively impacted business performance in some of our entities as well as growth expectations. The diverse investment portfolio has, however, shown remarkable resilience against the persisting challenging macroeconomic environment.

Going concern

The financial statements have been 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.

Measurements of financial performance

In accordance with paragraph 3.4(b)(vi) of the JSE Listings Requirements, the Company uses net asset value per share 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.

Performance highlights

Through the collective efforts of management and investment partners, the Company continues to action its strategic objectives. Significant progress was made towards profitability at several of the ARC Fund's early-stage portfolio companies. The ARC Fund has also made progress in its efforts in consolidating the portfolio. In total four investments have been exited in the last six months with another investment being disposed of after the reporting period. Furthermore, the ARC Fund is increasing its investment in strategically aligned portfolio companies.

The Company's intrinsic investment value in the ARC Fund increased by 0.2% from R13 242 million at 30 June 2022 to R13 272 million at 31 December 2022. The R30 million increase in INAV comprises R33 million of net fair value gains, disposals of R1 132 million, acquisitions of R1 096 million, cash balance increase of R382 million, debt increase of R421 million and R72 million decrease in net other liabilities. During the period under review, the Company's effective share of the invested assets (or the IPV) decreased marginally by 0.02% from R13 659 million at 30 June 2022 to R13 656 million at 31 December 2022.

The IFRS Net Asset Value (NAV) per share decreased by 1.1% from R10.08 at 30 June 2022 to R9.97 at 31 December 2022 as a result of the increase in the number of shares. The Intrinsic Net Asset Value (INAV) per share at 31 December 2021 was R10.31. The increase in shares was driven by the performance hurdle being met in the prior year. The diluted net asset value per share remained constant as compared to 30 June 2022.

Performance participation hurdle not met

The Adjusted Annualised Growth in the Company's share in the IPV of the ARC Fund for the six-month period under review, was 0.5%. The Adjusted Annualised Growth is below the 10% performance participation hurdle. Consequently, no 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 during 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 six-month period ended 31 December 2022 was R37 million, as compared to R115 million on 31 December 2021.

Performance analysis

For six-month period ended 31 December 2022

Investment in ARC Fund	Net Asset Value 30 June 22 R million	Net Investment R million	Net Increase/ (Decrease) in Net Asset Value R million	Net Asset Value 31 December 22 R million	Percentage change
Intrinsic portfolio value	13 659	(36)	33	13 656	(0.02%)
Cash in the ARC Fund	669	399	(17)	1 051	57.10%
Debt in the ARC Fund	(975)	(363)	(58)	(1 396)	43.18%
Other net assets/(liabilities) in the ARC Fund	(111)	-	72	(39)	(64.86%)
UBI GP fee payable	(110)	-	73	(37)	(66.36%)
Other liabilities in the ARC Fund	(1)	-	(1)	(2)	100.00%
Intrinsic Investment in the ARC Fund at FVTPL*	13 242	-	30	13 272	0.23%

For six-month period ended 31 December 2021

Investment in ARC Fund	Net Asset Value 30 June 21 R million	Net Investment R million	Net Increase/ (Decrease) in Net Asset Value R million	Net Asset Value 31 December 21 R million	Percentage change
Intrinsic portfolio value	12 275	(296)	2 022	14 001	14.1%
Cash in the ARC Fund	239	339	(40)	538	125.1%
Debt in the ARC Fund	(869)	(43)	(32)	(944)	8.6%
Other net liabilities in the ARC Fund	(104)	-	(7)	(111)	6.7%
UBI GP fee payable	(100)	-	(15)	(115)	15.0%
Other assets/(liabilities) in the ARC Fund	(4)	-	8	4	(200%)
Intrinsic Investment in the ARC Fund at FVTPL*	11 541	-	1 943	13 484	16.8%

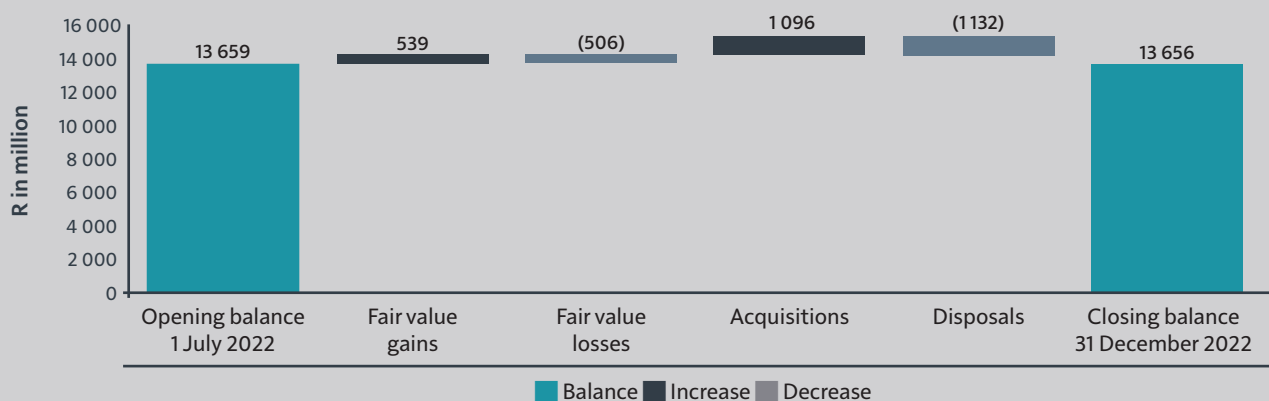
* FVTPL: Fair value through profit or loss

COMMENTARY

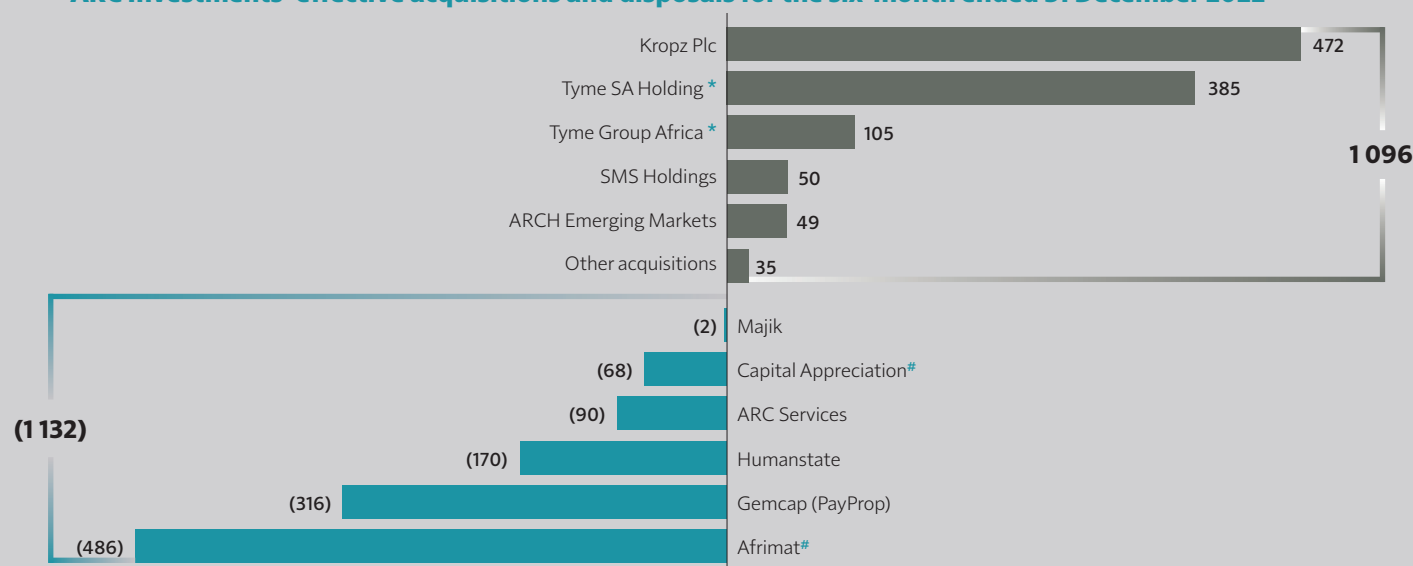
For the six-month period ended 31 December 2022

During the period under review, ARC Investments, through the ARC Fund, effectively made acquisitions and disposals amounting to R1 096 million and R1 132 million, respectively.

Intrinsic portfolio value movement for the six-month period ended 31 December 2022



ARC Investments' effective acquisitions and disposals for the six-month ended 31 December 2022



Denotes a listed entity classified as level 1 fair value hierarchy

* ARC Fund invested in TymeBank through Tyme SA Holdings and in Tyme Global through Tyme Group Africa Pte

ACQUISITIONS AND DISPOSALS

Significant effective 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 the 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.

Kropz Plc

The ARC Fund invested an additional R472 million in Kropz Plc during the period. The capital was largely used to fund an operational cash shortfall at Elandsfontein resulting from a delay in the ramp-up of the Elandsfontein phosphate processing plant situated on the West Coast of South Africa. At 31 December 2022, R406.5 million of the R550 million facility had been drawn.

TymeBank and Tyme Global

ARC Fund invested R490 million in TymeBank and Tyme Global, through Tyme SA Holdings and Tyme Group Africa Pte, during the reporting period. The funds invested enabled TymeBank to acquire Retail Capital, a leading fintech funder of small and medium enterprises (SMEs). 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.

ARCH Emerging Markets Partners Limited (ARCH Emerging Markets)

ARC Fund invested an additional R49 million in the Cold Chain Solutions East Africa Fund (CCSEAF). ARCH Emerging Markets, which is a joint venture between JCH & Partners LLP and ARC, manages CCSEAF and Africa Renewable Power Fund (ARPF).

Capital Appreciation

ARC Fund sold all its shares in Capital Appreciation for R68 million resulting in an IRR of 12%.

Acquisitions and disposals in the Financial Services Portfolio

During the six-month period ended 31 December 2022, ARC Fund did not make any investments in ARC FSH.

Optasia

ARC FSI acquired 1.47% of Optasia (rebranded from Channel VAS in early 2022) for R173 million through a Chronos Capital vehicle, resulting in the ARC Fund's indirect interest of 0.55%. 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.

Performance review for the reporting period

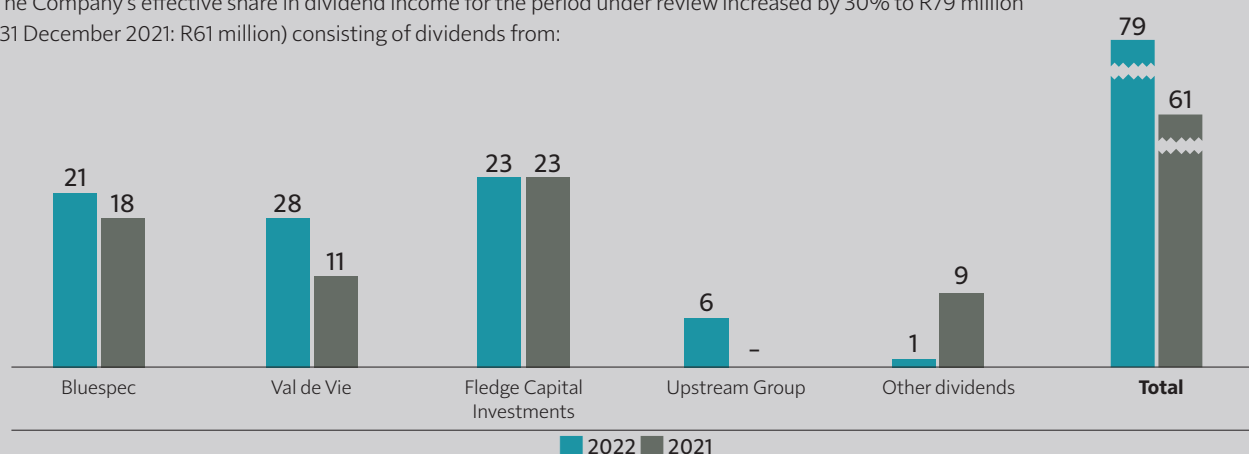
The graph below shows the gains and losses that occurred during the period under review. Due to the diverse nature of the portfolio, the negative performance of the assets in some sectors was partly set-off against the positive performance in other sectors, resulting in only a marginal decrease in value of the INAV over the six-month period.

Fair value gains and losses for the six-month period ended 31 December 2022



Dividend income

The Company's effective share in dividend income for the period under review increased by 30% to R79 million (31 December 2021: R61 million) consisting of dividends from:



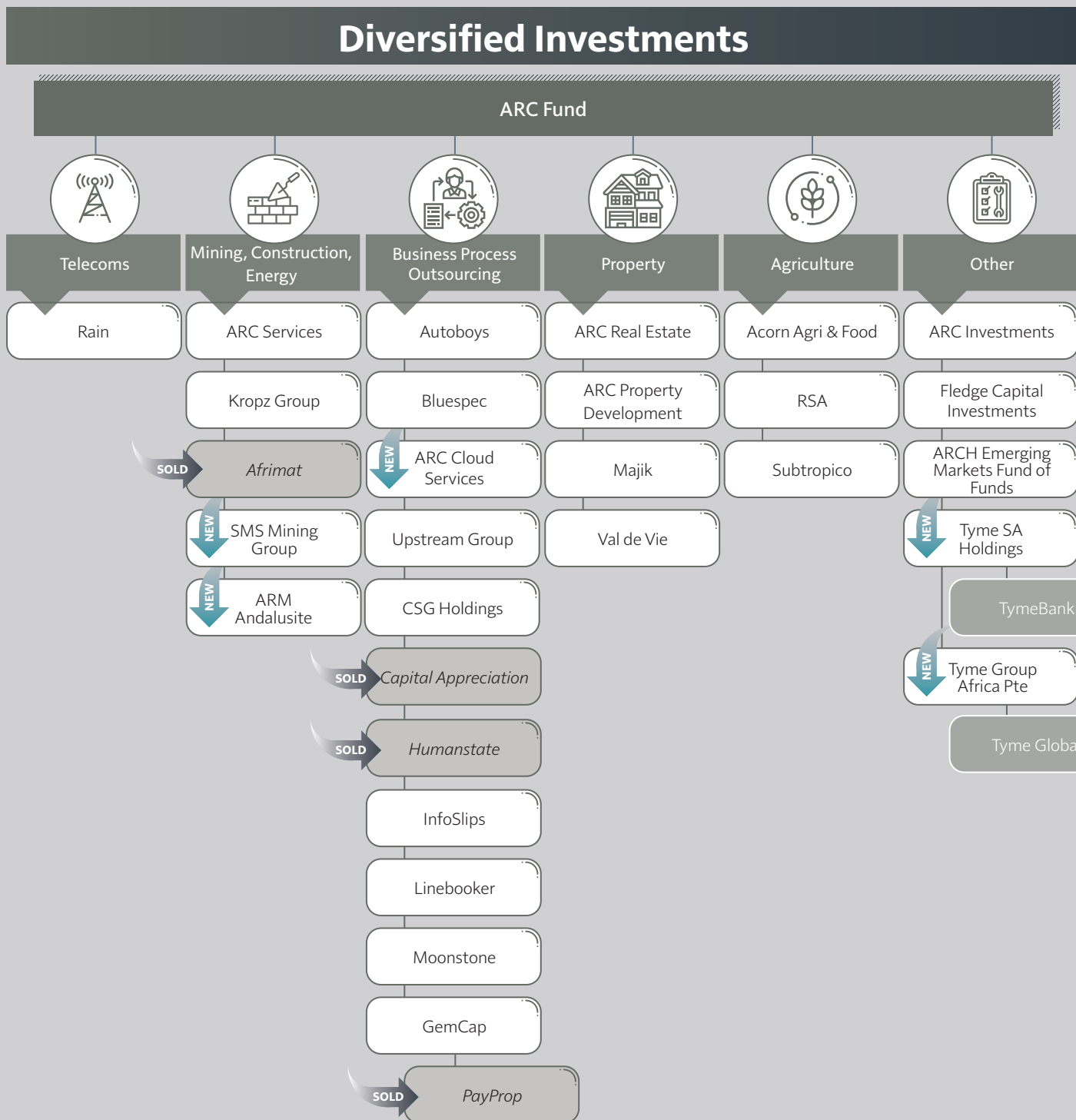
[#] Denotes a listed entity classified as level 1 fair value hierarchy.

COMMENTARY

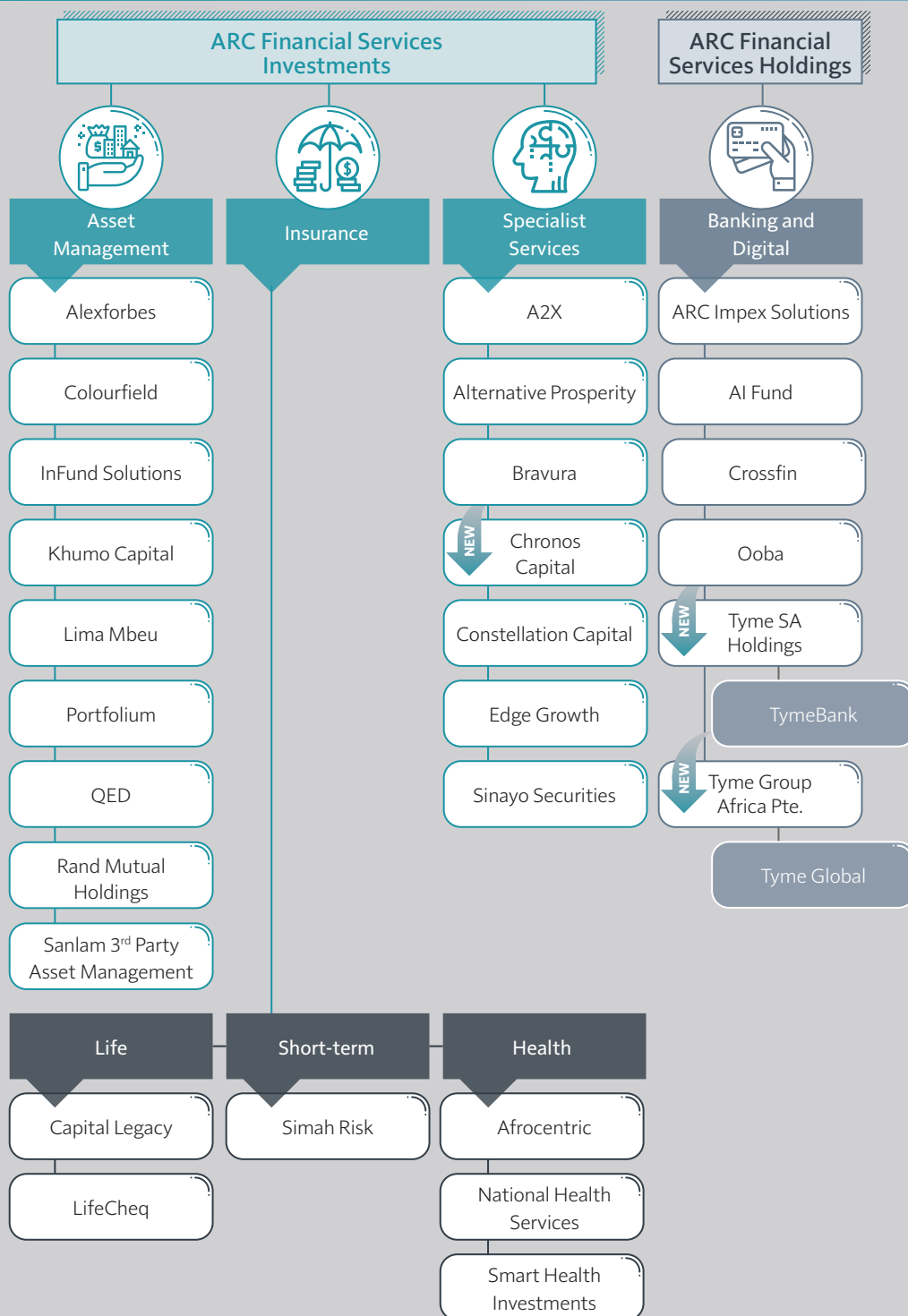
For the six-month period ended 31 December 2022

PORTFOLIO COMPONENTS

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.



Financial Services



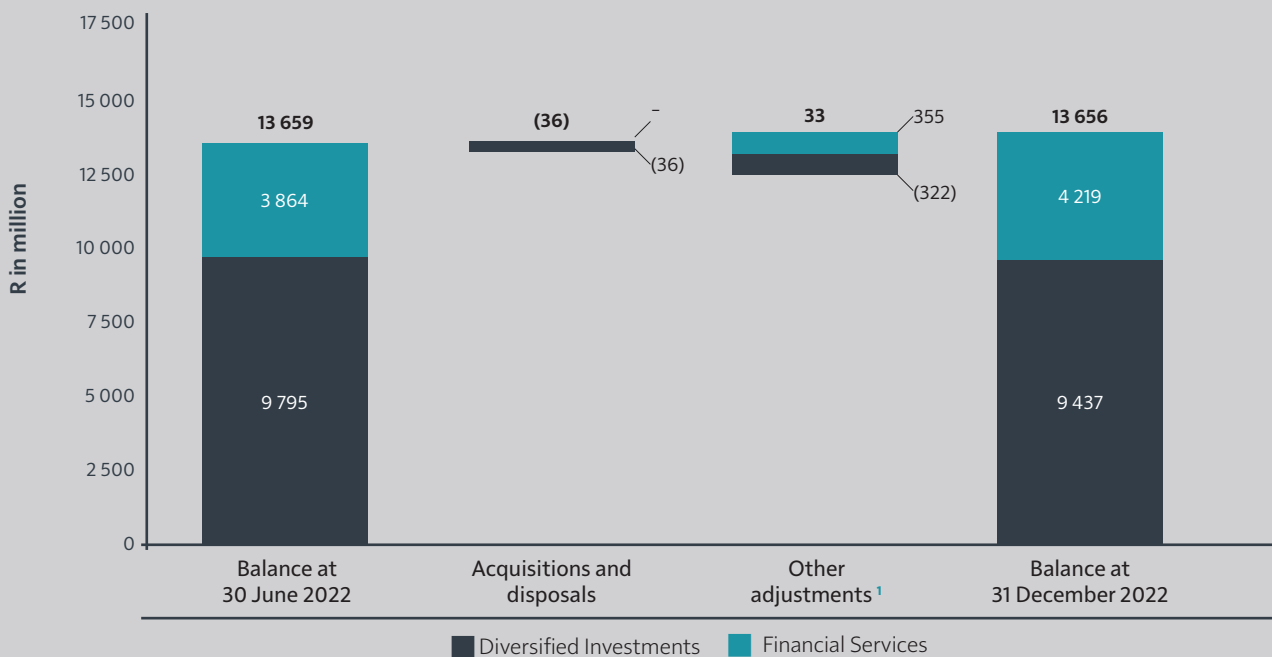
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For the six-month period ended 31 December 2022

GROWTH IN IPV

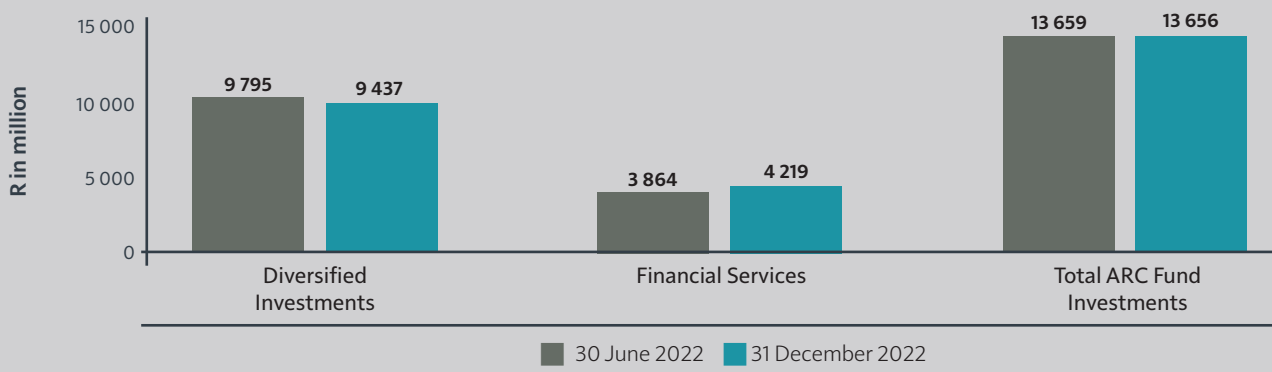
Below is a summarised view of the performance of the significant portfolio assets for Diversified Investments and Financial Services.

Portfolio movement per sector for the six-month period ended 31 December 2022



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








Investment per sector



PORTFOLIO REVIEW

Diversified Investments Portfolio - 69.1% of Fund Value (30 June 2022: 71.7%)

The Company's effective investment in the IPV of the Diversified Investments portfolio decreased from R9 795 million at 30 June 2022 to R9 437 million at 31 December 2022, resulting in a 3.7% decrease during the period as shown in the table below.

R million	30 June 2022	31 December 2022	% of Fund value (31 December 2022)	% Increase/(% Decrease)
Telecommunications	3 635	3 635	26.6%	0.0% 
Mining, Construction and Energy	1 948	1 602	11.7%	(17.8%) 
Business Process Outsourcing	1 886	1 385	10.1%	(26.6%) 
Property	282	275	2.0%	(2.5%) 
Agriculture	450	530	3.9%	17.8% 
Other	1 594	2 010	14.7%	26.1% 
Total Diversified Investments	9 795	9 437	69.1%	(3.7%) 

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

The Company's effective interest in the IPV of the investments in Telecommunications remained unchanged from 30 June 2022.

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

The value of the Company's interest in Rain has remained unchanged at R3 635 million for the period under review.

The sector outlook remains positive after the successful spectrum auction and potential consolidation of market players. Rain is well positioned as a low-cost data provider that already has spectrum in the contested areas. The acquired spectrum will also allow Rain to improve its coverage at a comparatively low cost. Rain also plans to launch a mobile service in the near future, using the newly acquired spectrum.

The industry has been affected by the ongoing load-shedding and battery theft which led to a corresponding increased cost. This is expected to remain a challenge in the short term. Demand has however remained robust and Rain continued to deliver well on both 4G and 5G sales during the period. Rain is already delivering strong profits, which will continue to accelerate if current trends persist. Rain is on course to achieve an EBITDA of over R2 billion for the year ended February 2023, after considering IFRS 16 adjustments as is industry practice.

Mining, Construction and Energy - 11.7% of Fund Value (30 June 2022: 14.2%)

The Company's effective investment in Mining, Construction and Energy decreased by 17.8% from R1 948 million at 30 June 2022 to R1 602 million at 31 December 2022.

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

The ARC Fund has disposed of its remaining shareholding in Afrimat. The Company's effective investment in Afrimat decreased from R629 million at 30 June 2022 to RNil at 31 December 2022 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.

Kropz Plc - 10.1% of Fund Value (30 June 2022: 7.5%)

Kropz Plc is an emerging African phosphate developer that owns two phosphate assets, namely Elandsfontein on the West Coast of South Africa and Cominco in the Republic of Congo. The value of Elandsfontein and Cominco at 31 December 2022 was determined using a discounted cash flow model. Using the latest available phosphate price forecasts from CRU Group (CRU) and updated production cost estimates for Elandsfontein and Cominco (as provided by DRA Global Limited (DRA) and Hatch Limited (Hatch) respectively), the ARC Fund's investment value amounted to R1 374 million at 31 December 2022 (30 June 2022: R1 028 million). The ARC Fund's remaining undrawn committed capital at 31 December 2022 amounted to R143.5 million.

Elandsfontein project update

After several setbacks in the commissioning of Elandsfontein, the plant achieved its first bulk sales in January 2023 of c. 30 000 tonnes of phosphate, with a second delivery expected in the second week of March 2023. Plant throughput and quality continue to show a steady improvement. Ongoing discussions are being held with various potential customers and investigations continue into the development of additional value-add products.

Substantial work has been done to gain a better understanding of the ore body and variability. Based on current conditions and on-site learnings, not only from the mining, but also from the revised geological interpretations, it was considered prudent that the resource model be reclassified. The estimate needed to be brought in line with the level of confidence that reflected grade, physical properties, and continuity (mining output and plant performance), as these aspects play a role in economic viability, and therefore associated reserve determination. According to the updated Mineral Resource Estimate, total phosphate resources at Elandsfontein increased to 106.58 million tonnes. However, the updated total Measured and Indicated resource tonnage reduced by approximately 76%.

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For the six-month period ended 31 December 2022

Kropz Plc indicated that while the downgrade of the Measured and Indicated resource is disappointing, the increased level of confidence will allow for accurate and efficient mine planning. In addition, the increase in total resources and in grade, supported by the additional drilling programme, is very positive. Continued drilling planned for the year ahead will further increase confidence and support an increase in reserve tonnes.

Cominco project update

A potential project is being investigated to prove the concept and mitigate country risk. A new mine plan is expected to be finalised by April 2023. The ARC Fund continues to engage with the Congolese government on the strategic plan for the asset.

Other mining assets - 1.6% of Fund Value (30 June 2022: 2.1%)

ARC Services successfully completed the disposal of its investment in the Mooiplaats Coal Holdings Group (a coal mining company), as well as in Stahl Cranes and Hoists during the last 12 months. This, together with other strategic initiatives, has improved the financial position and liquidity of ARC Services.

The remaining investments of ARC Services are involved in the supply of bulk commodities in the mining, construction, infrastructure, and engineering space. These investments are performing well and 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 R178 million at 31 December 2022 as a result of payment of R90 million preference shares dividend and a net decrease in fair value of R23 million.

The ARC Fund acquired 7.5% of SMS Mining Group (SMS) for R50 million during the six-month period. 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.

Business Process Outsourcing (BPO) - 10.1% of Fund Value (30 June 2022: 13.8%)

The Company's effective interest in Business Process Outsourcing investments decreased from R1 886 million at 30 June 2022 to R1 385 million at 31 December 2022, 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 six-month period 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 R34 million at 31 December 2022.

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

The Company's effective investment in Bluespec remained unchanged at R476 million at 31 December 2022. Bluespec has increased sales volumes and new clients, expanded its national footprint, and improved its statement of financial position over the period under review. Bluespec continued to generate healthy revenues, earnings, and cash from operations, which has allowed for continued strong dividends.

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% of Fund Value (30 June 2022: 1.7%)

During the last 12 months, Linebooker onboarded several large credible customers including Coca-Cola, Sasol, and ArcelorMittal. Furthermore, ARC Fund advanced a loan of R18 million to Linebooker to help fund an accelerated growth strategy. This has resulted in Linebooker taking significant steps towards achieving break-even over the short term. Alternative income streams are starting to gain traction and have the potential to become significant in their own right.

Other BPO investments - 4.4% of Fund Value (30 June 2022: 6.3%)

The Company's effective interest in the other BPO investments decreased from R866 million at 30 June 2022 to R604 million at 31 December 2022, mainly due to the disposal of investments in Humanstate and Capital Appreciation.

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

Agriculture - 3.9% of Fund Value (30 June 2022: 3.3%)

The Company's effective interest in the Agriculture investments increased from R450 million at 30 June 2022 to R530 million at 31 December 2022 as a result of a net fair value gain of R80 million for the six-month period under review.

Acorn Agri and Food - 1.2% of Fund Value (30 June 2022: 1.2%)

The Company's effective investment in Acorn Agri and Food (AAF) marginally reduced in value from R166 million at 30 June 2022 to R158 million at 31 December 2022. AAF's over the counter (OTC) share price remains muted and trading at a significant discount to its net asset value per share. The ARC Fund valued its investment in AAF using the 30-day volume weighted average price (VWAP) OTC price of R10.69 per share at 31 December 2022. However, AAF managed to maintain momentum and showed strong growth in both revenue and net profits during its half-year performance period ended 31 August 2022. The significant growth can largely be attributed to the current high commodity cycle, coupled with gains in market share, especially within the energy segment.

Subtropico - 1.2% of Fund Value (30 June 2022: 0.9%)

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 the food packaging business. The Company's effective investment in Subtropico is valued at R162 million at 31 December 2022, which is slightly higher than the 30 June 2022 value of R161 million. Subtropico's revenue has steadily increased year-on-year. While increasing costs due to energy outages negatively impacted Subtropico's margin, recurring profits remained consistent.

RSA - 1.5% of Fund Value (30 June 2022: 0.9%)

The Company's effective investment in RSA increased by 71% from R123 million at 30 June 2022 to R210 million at 31 December 2022, as a result of a fair value gain of R87 million. The main driver of the increase in the fair value has been the strong financial performance of the business with first half year profits for 2023 exceeding full year results for 2022 and 2021, following the results of various cost cutting and operations optimisation strategies. RSA grew its local market share in the period, resulting in substantial volume and sales growth. This was further supported by export sales volumes, which increased by 32%. Several innovative strategic initiatives are being pursued to increase the RSA's national footprint and to ensure sustained competitiveness of its operations.

Property - 2.0% of Fund Value (30 June 2022: 2.1%)

The Company's effective interest in Property investments decreased from R282 million at 30 June 2022 to R275 million at 31 December 2022, largely due to fair value loss of R7 million.

Val de Vie - 0.9% 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 R28 million of dividends to the ARC Fund during the period under review. As Val de Vie sells its finite number of 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 investments - 1.1% of Fund Value (30 June 2022: 1.1%)

Other Property investments include Majik and ARC Real Estate.

Other Diversified Investments - 14.8% of Fund Value (30 June 2022: 11.7%)

The Company's effective interest in Other Diversified Investments increased from R1 594 million at 30 June 2022 to R2 010 million at 31 December 2022. The increase is attributable to additional investments of R539 million and fair value reductions of R123 million. The additional investments relate to the acquisition of shares in Tyme SA Holdings and Tyme Group Africa with the aim of retaining control of the banking group.

Fledge Capital Investments - 3.5 % of Fund Value (30 June 2022: 3.6%)

The Company's effective investment in Fledge Capital Investments decreased from R486 million at 30 June 2022 to R472 million at 31 December 2022 after receiving dividends of R24 million. Fledge Capital continues to be a standout investment in the portfolio. The company is currently in an acquisition phase, following the disposal of its remaining investment in We Buy Cars in the prior year. Recent acquisitions include USN, Protea Capital and SMS (together with the ARC Fund).

ARC Investments - 4.3% 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 R587 million at 31 December 2022. The decrease is due to a reduction in the share price.

COMMENTARY

For the six-month period ended 31 December 2022

ARCH Emerging Markets - 3.4% 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 R459.3 million at 31 December 2022. ARCH Emerging Markets currently has three active funds: the ARPF, the CCSEAF and the Sustainable Resources Fund (SRF). The ARC Fund has committed a total of USD51 million towards ARCH Emerging Markets, R49 million (c. USD2.7 million) of which was contributed during the six-month period under review. A further USD20.2 million of the total commitment remains undrawn at 31 December 2022.

CCSEAF

The Fund achieved a final close with total commitments of USD81 million on 13 May 2022. The first 17 100 square meter cold storage facility (15 000 pallets) is under construction in Nairobi and is targeted for completion in May 2023. Land acquisition for the Mombasa facility was finalised, and planning has started for the construction of an 8 000 square meter facility.

ARPF

The ARPF achieved a final close in July 2021 at USD133 million, with 80% of the capital deployed by the last quarter of 2022. The team will start fundraising for the second fund, ARPF-2, in the first quarter of 2023. Anchor investors have indicated their intention to invest in ARPF-2.

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 USD400 million.

Tyme SA Holdings and Tyme Group Africa - 3.6% of Fund Value (30 June 2022: 0.0%)

The acquisition of shares in Tyme SA Holding and Tyme Group Africa was done with the aim of retaining control of the bank and not diluting the group to below 50%.

Financial Services portfolio - 30.9% 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 R4 917 million at 31 December 2022, which presents a 9.1% increase over the six-months 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 9.2% from R3 864 million at 30 June 2022 to R4 219 million at 31 December 2022. The increase in the net IPV resulted mainly from ARC Investments' share of the fair value gains in the Financial Services portfolio.

R million	30 June 2022	31 December 2022	% of Fund value (31 December 2022)	% Increase/(% Decrease)
Insurance and Asset Management	2 086	2 197	16.1%	5.3% ▲
Banking & Fintech	2 324	2 565	18.8%	10.4% ▲
Specialist Financial Services	96	155	1.1%	61.5% ▲
Total Financial Services portfolio value	4 506	4 917	36.0%	9.1% ▲
Debt	(734)	(758)	(5.6%)	3.3% ▲
Other net assets	92	60	0.5%	(34.8%) ▼
Total Company share of investment in ARC Financial Services portfolio	3 864	4 219	30.9%	9.2% ▲

Insurance and Asset Management - 16.1 % of Fund Value (30 June 2022: 15.3%)

The Company's effective interest in the Insurance and Asset Management investments increased from R2 086 million at 30 June 2022 to R2 197 million at 31 December 2022. This was mainly attributable to fair value gains relating to Alexforbes and Capital Legacy. 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 and specialised financial services.

Alexforbes - 7.5% 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 029 million at 31 December 2022. Alexforbes' share price performed well during the period under review, which resulted in a net fair value gain of R66 million being recognised.

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

ARC FSI holds a 25.0% interest in SIH. The Company's effective investment in SIH increased from R309 million at 30 June 2022 to R318 million at 31 December 2022. The SIH investment delivered solid results during its financial year ended 31 December 2022. The Sanlam/ ABSA transaction became effective on 1 December 2022. The consolidation of the two operations is expected to significantly boost assets under management (AUM) and increase economies of scale of operations.

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

Capital Legacy - 2.3% 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 R313 million at 31 December 2022. Capital Legacy has continued to show exemplary growth.

Other Insurance and Asset Management - 2.0% of Fund Value (30 June 2022: 1.9%)

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

Banking and Fintech - 18.8 % of Fund Value (30 June 2022: 17.0%)

The Company's effective interest in the ARC FSH's investments in Banking and Fintech increased by 10.4% from R2 324 million at 30 June 2022 to R2 565 million at 31 December 2022, with TymeBank as the key asset valued at R1 538 million.

TymeBank - 11.3% of Fund Value (30 June 2022: 10.4%)

TymeBank remains a leading digital bank, as measured against international peers in terms of its sustained growth in onboarding customers. TymeBank has acquired 6.2 million customers as at 31 December 2022.

TymeBank and TFG launched a partnership which installed 600 kiosks across 22 TFG brands for an initial five-year period, almost doubling TymeBank's distribution across South Africa. This contributed to record levels of more than 200 000 new customers being onboarded per month in the last quarter of 2022, relative to an average rate of 130 000 to 140 000 customers onboarded per month in the first half of 2022. The company also experienced a marked increase in the average customer activity levels.

In the period under review, TymeBank acquired a leading fintech funder of SME, Retail Capital. The transaction will support TymeBank's offering to its business banking clients. In the last ten 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.

The valuation of TymeBank was adjusted at 31 December 2022 to reflect the Series B3 capital raise that was concluded to fund the acquisition of 100% of Retail Capital. ARC Fund contributed USD30 million of the USD60 million capital raise, hence the Group's effective shareholding still exceeds 50%.

Tyme Global - 4.3% of Fund Value (30 June 2022: 3.7%)

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

During the six-month period, Tyme Global successfully launched its 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 and is currently exceeding its business plan milestones.

The fair value of the Tyme Global investment was adjusted to reflect the post-money value of the recently closed capital raise, resulting in a 27% increase in fair value to R1 288 million at 31 December 2022 in ARC FSH, from 30 June 2022, which in itself was a 457% uplift from 12 months prior (30 June 2021). The prospects of Tyme Global and the thesis around building a multi-country digital bank at scale are coming to fruition.

COMMENTARY

For the six-month period ended 31 December 2022

Crossfin - 1.7% of Fund Value (30 June 2022: 1.6%)

ARC FSH acquired a 37.33% share in Crossfin in November 2021. Crossfin is a leading independent fintech group operating predominantly in South Africa. Crossfin invests in high growth, cash generative technology and fintech type businesses and owns stakes in various fintech businesses including Ikhokha, Adumo Payments and GAAP.

All the shareholders of Crossfin have committed capital which will support the pipeline of investments that management has identified in the short to medium term. The General Partner works closely with the management teams across the various Crossfin businesses to assess opportunities for growth, including synergies within the existing ARC portfolio.

During the six-month period under review, 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 - 1.5% of Fund Value (30 June 2022: 1.3%)

The other Banking and Fintech investments include Ooba and the Ethos AI Fund.

Specialist Financial Services - 1.1% of Fund Value (30 June 2022: 0.7%)

The Company's effective interest in the Specialist Financial Services investments increased from R96 million at 30 June 2022 to R155 million at 31 December 2022. The investments in this portfolio include Optasia, Sinayo, Bravura, A2X, Constellation Capital, Edge Growth and Alternative Prosperity.

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 period/year):

Name (age)	Nationality	Function
Mark Cyril Olivier (54)	British	Independent Non-executive Director (Chairperson)
Clive Msipha (40)	Zimbabwean	Independent Non-executive Director (Chairperson of Audit and Risk Committee)
Anil Currimjee (60)	Mauritian	Independent Non-executive Director
Renosi Mokate (64)	South African	Independent Non-executive Director
Mmamodiane Refiloe Nkadimeng (41)	South African	Non-executive Director
Smitha Algoo-Bissonauth (38)	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, as well as 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 of Directors of the General Partner as at the reporting date comprised (unchanged from the prior period/year):

Name (age)	Function	Name (age)	Function
Patrice Motsepe (60)	Non-executive Director (Chairperson)	Boipelo Lekubo (39)	Non-executive Director
		Tsundzukani Mhlanga (40)	Non-executive Director
Alexander Maditsi (60)	Non-executive Director	Johan van der Merwe (57)	Executive Director
Michael Arnold (65)	Non-executive Director	Johan van Zyl (66)	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 Plc

The ARC Fund advanced an additional R126 million loan to fund operating cash shortfalls at Elandsfontein.

ARC Services

ARC Services paid R94 million preference share dividends, subsequent to the end of the current reporting period under review.

Rand Mutual Holdings

ARC FSI has concluded an agreement with Rand Mutual Holdings to dispose of its shareholding of 30% for a consideration that, taken together with cumulative dividends received, represents an IRR of 16.8%. The proceeds amounting to R726 million in relation to this sale were received after the reporting period.

Capital Legacy

Sanlam's investment in Capital Legacy was recently announced. The transaction is still subject to regulatory approvals, including Competition Commission approval. The investment is aimed at unlocking substantial synergies between Sanlam and Capital Legacy in respect of capital, insurance, and distribution opportunities.

BASIS OF PREPARATION

Statement of compliance

The Condensed Unaudited Interim 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 Category One Global Business Licensed Company under the Mauritian Financial Services Act, 2007, which is regulated by the Mauritian Financial Services Commission.

In terms of the JSE Listings Requirements, condensed interim results must be prepared in accordance with the framework, concepts, the measurement and recognition requirements of the International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial pronouncements as issued by the Financial Reporting Standards Council and must also, as a minimum, contain the information required by IAS 34 "Interim Financial Reporting".

The accounting policies applied in the preparation of the condensed interim results 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

Financial Statements for the six-month ended 31 December 2022 were approved in Mauritius by the Board of Directors of the Company on 13 March 2023.



Mark Cyril Olivier

Chairman of the Board



Clive Msipha

*Chairman of the Audit
and Risk Committee*



Karen Bodenstein

Chief Financial Officer

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

R million	Notes	Unaudited 31 December 2022	Unaudited 31 December 2021	Audited 30 June 2022
ASSETS				
Non-current assets				
Investment in the ARC Fund at FVTPL*	5	13 387	13 572	13 269
Current assets				
Trade and other receivables		-	-	-
Cash and cash equivalents		24	12	9
Total assets		13 411	13 584	13 278
EQUITY				
Stated capital	7.1	9 925	9 653	9 653
Accumulated loss		(388)	(419)	(385)
Performance Participation reserve	9	-	311	273
Fair value reserve		3 873	4 038	3 735
Total equity		13 410	13 583	13 276
LIABILITIES				
Current liabilities				
Trade and other payables		1	1	2
Total equity and liabilities		13 411	13 584	13 278

* FVTPL: Fair value through profit or loss

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 31 December 2022

R million	Notes	Unaudited 31 December 2022	Unaudited 31 December 2021	Audited 30 June 2022
Fair value movements on the investment in the ARC Fund at FVTPL*	4.3	138	1 922	1 619
Other expenses	6	(4)	(3)	(7)
Performance Participation expense	9	-	(311)	(273)
Profit before taxation		134	1 608	1 339
Taxation	10	-	-	-
Profit for the period/year		134	1 608	1 339
Other comprehensive income for the period/year		-	-	-
Total comprehensive income for the period/year		134	1 608	1 339
Earnings per share:				
Weighted average number of shares at the end of the period/year (million)	7.2	1 345	1 318	1 318
Basic earnings per ordinary share (cents)	7.2	10	122	102
Diluted weighted average number of shares at the end of the period/year (million)	7.2	1 345	1 348	1 345
Diluted earnings per ordinary share (cents)	7.2	10	119	100

* FVTPL: Fair value through profit or loss

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 31 December 2022

Notes	Stated Capital R million	Accumulated Loss R million	Performance Participation Reserve R million	Fair Value Reserve R million	Total Equity R million
Audited balance at 30 June 2021	9 653	(105)	-	2 116	11 664
Total comprehensive income for the year	-	1 608	-	-	1 608
Transfer to fair value reserve*	-	(1 922)	-	1 922	-
Performance Participation 9	-	-	311	-	311
Unaudited balance at 31 December 2021	9 653	(419)	311	4 038	13 583
Total comprehensive income for the year	-	(269)	-	-	(269)
Transfer to fair value reserve*	-	303	-	(303)	-
Performance Participation 9	-	-	(38)	-	(38)
Audited balance at 30 June 2022	9 653	(385)	273	3 735	13 276
Total comprehensive income for the year	-	134	-	-	134
Transfer to fair value reserve*	-	(138)	-	138	-
Shares issued 7.1	272	1	(273)	-	-
Performance Participation 9	-	-	-	-	-
Unaudited balance at 31 December 2022	9 925	(388)	-	3 873	13 410

* FVTPL: Fair value through profit or loss

CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 31 December 2022

R million	Notes	Unaudited 31 December 2022	Unaudited 31 December 2021	Audited 30 June 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash utilised in operations before investment activities	11	(5)	(3)	(6)
Net cash outflows from operating activities		(5)	(3)	(6)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash capital contribution to the investment in ARC Fund at FVTPL*	5	-	-	-
Return of capital by ARC Fund		20	-	-
<i>Net cash inflows/(outflows) from investing activities</i>		20	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of shares	7.1	-	-	-
Net cash inflows from financing activities		-	-	-
Net increase/(decrease) in cash and cash equivalents		15	(3)	(6)
Cash and cash equivalents at the beginning of the year		9	15	15
Total cash and cash equivalents		24	12	9

* FVTPL: Fair value through profit or loss

ACCOUNTING POLICIES

For the six-month period ended 31 December 2022

1. DEFINITIONS

The following definitions are key to the understanding of the Company's Condensed Unaudited Interim 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 African Rainbow Capital Investments (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 Unaudited Interim 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 Category One Global Business Licensed Company under the Mauritian Financial Services Act, 2007, which is regulated by the Mauritian Financial Services Commission.

In terms of the JSE Listings Requirements, condensed interim results must be prepared in accordance with the framework, concepts, the measurement and recognition requirements of the International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial pronouncements as issued by the Financial Reporting Standards Council and must also, as a minimum, contain the information required by IAS 34 "Interim Financial Reporting".

The accounting policies applied in the preparation of the condensed interim results 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 Unaudited Interim 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 Unaudited Interim Financial Statements have been prepared on a historical-cost basis, except for the measurement of financial instruments at fair value.

The going-concern basis has been used in preparing the Unaudited Interim 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. All the investments in the ARC Fund portfolio are measured at fair value through profit or loss (FVTPL), and consequently the investment in the ARC Fund at 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, depending on the specific underlying investment being valued.

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.

ACCOUNTING POLICIES

For the six-month period ended 31 December 2022

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, 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, 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. 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.

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2022

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 period (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 that 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;
- Property; and
- Other Diversified Investments.

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.

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2022

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS

Investment	INTRINSIC				% of Fund
	Net Balance at 30 June 2022 R million	Acquisition or (Disposal) R million	Fair Value, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 31 December 2022 R million	
Diversified Investments					
Telecommunications	3 635	-	-	3 635	26.6%
Rain	3 635	-	-	3 635	26.6%
MetroFibre	-	-	-	-	0.0%
Mining Construction and Energy	1 948	(54)	(292)	1 602	11.7%
Afrimat [#]	629	(486)	(143)	-	0.0%
Kropz Group	1 028	472	(126)	1 374	10.1%
Other Mining, Construction and Energy	291	(40)	(23)	228	1.6%
Business Process Outsourcing	1 886	(519)	18	1 385	10.1%
GemCap	318	(316)	32	34	0.2%
Bluespec	476	-	-	476	3.5%
Linebooker	226	18	27	271	2.0%
Other Business Process Outsourcing	866	(221)	(41)	604	4.4%
Property	282	(2)	(5)	275	2.0%
Agriculture	450	-	80	530	3.9%
Other	1 594	539	(123)	2 010	14.8%
Fledge Capital	486	-	(14)	472	3.5%
ARC Investments [#]	700	-	(113)	587	4.3%
ARCH Emerging Markets	408	49	2	459	3.4%
Tyme SA Holdings	-	385	1	386	2.8%
Tyme Group Africa	-	105	1	106	0.8%
Total Company share of Fund's Diversified Investments	9 795	(36)	(322)	9 437	69.1%
Financial Services *	3 864	-	355	4 219	30.9%
ARC Financial Services Holdings (ARC FSH)	3 864	-	355	4 219	30.9%
Total Company's share of Fund's IPV	13 659	(36)	33	13 656	100.0%

[#] Denotes a listed entity classified as level 1 fair value hierarchy

* Refer to note 4.1.1 for further detailed investments disclosure

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS *continued**

Investment	INTRINSIC				
	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	3 582	(216)	269	3 635	26.6%
Rain	3 314	56	265	3 635	26.6%
MetroFibre	268	(272)	4	-	0.0%
Mining Construction and Energy	2 428	(375)	(105)	1 948	14.2%
Afrimat [#]	1 231	(740)	138	629	4.6%
Kropz Group	1 092	362	(426)	1,028	7.5%
Other Mining, Construction and Energy	105	3	183	291	2.1%
Business Process Outsourcing	1 322	51	513	1 886	13.8%
GemCap	651	(380)	47	318	2.3%
Bluespec	304	-	172	476	3.5%
Linebooker	-	67	159	226	1.7%
Other Business Process Outsourcing	367	364	135	866	6.3%
Property	472	(158)	(32)	282	2.1%
Agriculture	376	24	50	450	3.3%
Other	1 003	159	432	1 594	11.7%
Fledge Capital Investments	371	-	115	486	3.6%
ARC Investments [#]	386	93	221	700	5.1%
ARCH Emerging Markets	246	66	96	408	3.0%
Total Company share of Fund's Diversified Investments	9 183	(515)	1 127	9 795	71.7%
Financial Services *	3 092	67	705	3 864	28.3%
ARC FSH	3 092	67	705	3 864	28.3%
Total Company's share of Fund's IPV	12 275	(448)	1 832	13 659	100.0%

[#] Denotes a listed entity classified as level 1 fair value hierarchy

* Refer to note 4.1.1 for further detailed investments disclosure

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2022

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS *continued*

Investment	INTRINSIC				
	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 31 December 2021 R million	Percentage of Fund R million
Diversified Investments					
Telecommunications	3 582	56	9	3 647	26.1%
Rain	3 314	56	2	3 372	24.1%
MetroFibre	268	-	7	275	2.0%
Mining Construction and Energy	2 428	(311)	910	3 027	21.6%
Afrimat [#]	1 231	(496)	50	785	5.6%
Kropz Group	1 092	182	860	2 134	15.2%
Other Mining, Construction and Energy	105	3	-	108	0.8%
Business Process Outsourcing	1 322	13	123	1 458	10.4%
Gemcap	651	(380)	14	285	2.0%
Bluespec	304	-	-	304	2.2%
Other Business Process Outsourcing	367	393	109	869	6.2%
Property	472	(127)	13	358	2.6%
Majik	224	(115)	14	123	0.9%
Other	248	(12)	(1)	235	1.7%
Agriculture	376	-	35	411	2.9%
Other	1 003	68	289	1 360	9.7%
Fledge Capital	371	-	90	461	3.3%
ARC Investments [#]	386	4	179	569	4.1%
ARCH Emerging Markets	246	64	20	330	2.3%
Total Company share of Fund's Diversified Investments	9 183	(301)	1 379	10 261	73.3%
Financial Services *	3 092	5	643	3 740	26.7%
ARC FSH	3 092	5	643	3 740	26.7%
Total Company share of Fund's Invested Portfolio value	12 275	(296)	2 022	14 001	100.0%

[#] Denotes a listed entity classified as level 1 fair value hierarchy

* Refer to note 4.1.1 for further detailed investments disclosure

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS *continued*

Reconciliation		31 December 2022			
		Share of ARC Fund's INTRINSIC net asset value to IFRS Value			
		Intrinsic Value 31 December 2022	Spot vs 30-day VWAP	Control Premium	IFRS Value 31 December 2022
Listed		587	85	-	672
Unlisted		13 069	110	(80)	13 099
Total Fund IPV		13 656	195	(80)	13 771
UBI GP fee payable		(37)	-	-	(37)
Other non-current liability		(1 396)	-	-	(1 396)
Total portfolio net of liabilities		12 223	195	(80)	12 338
Cash*		1 051	-	-	1 051
Other assets/(liabilities)*		(2)	-	-	(2)
Total investment in ARC Fund at FVTPL		13 272	195	(80)	13 387

Reconciliation		30 June 2022			
		Share of ARC Fund's INTRINSIC net asset value to IFRS Value			
		Intrinsic Value 30 June 2022	Spot vs 30-day VWAP	Control Premium	IFRS Value 30 June 2022
Listed		1 418	(27)	-	1 391
Unlisted		12 241	129	(75)	12 295
Total Fund IPV		13 659	102	(75)	13 686
UBI GP fee payable*		(110)	-	-	(110)
Other non-current liability*		(975)	-	-	(975)
Total portfolio net of liabilities		12 574	102	(75)	12 601
Cash*		669	-	-	669
Other assets/(liabilities)*		(1)	-	-	(1)
Total investment in ARC Fund at FVTPL		13 242	102	(75)	13 269

Reconciliation		31 December 2021				
		Share of ARC Fund's INTRINSIC net asset value to IFRS Value				
		Intrinsic Value 31 December 2021	Spot vs 30-day VWAP	Minority Discount	Control Premium	IFRS Value 31 December 2021
Listed		1 431	139	-	-	1 570
Unlisted		12 570	21	108	(180)	12 519
Total Fund Invested Portfolio value		14 001	160	108	(180)	14 089
UBI GP fee payable		(115)	-	-	-	(115)
Other non-current liability		(944)	-	-	-	(944)
Total Portfolio net of liabilities		12 942	160	108	(180)	13 030
Cash		538	-	-	-	538
Other assets/(liabilities)		4	-	-	-	4
Total investment in ARC Fund at FVTPL		13 484	160	108	(180)	13 572

* 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.

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2022

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS *continued*

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

The value of ARC Fund's effective interest in ARC FSH is as follows:

Investment	INTRINSIC				
	Net Balance at 30 June 2022 R million	Acquisition or (Disposal) R million	Fair Value Net of Expected Tax Cash Flows, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 31 December 2022 R million	Dividend Income
Financial Services					
Insurance and Asset Management	2 086	-	111	2 197	68
Alexander Forbes Group Holdings [#]	963	-	66	1 029	42
Sanlam Third Party Asset Management	309	-	9	318	-
Capital Legacy	288	-	25	313	10
Rand Mutual Holdings	259	-	7	266	11
Other Insurance and Asset Management	267	-	4	271	5
Banking & Digital	2 324	37	204	2 565	6
TymeBank	1 417	(1 413)	-	4	-
Tyme Global	500	(500)	-	-	-
Tyme SA Holdings	-	1 434	104	1 538	-
Tyme Group Africa	-	500	90	590	-
Crossfin	213	19	2	234	-
Other Banking	194	(3)	8	199	6
Specialist Financial Services	96	69	(10)	155	-
Total Company share of Financial Services portfolio value	4 506	106	305	4 917	74

[#] Denotes a listed entity classified as level 1 fair value hierarchy

Investment	Net Asset Value 30 June 2022 R million	Net Investment R million	Net increase in Net Asset Value R million	Net Asset Value 31 December 2022 R million
IPV	4 506	106	305	4 917
Deferred consideration*	(2)	-	-	(2)
Other non-current liability*	(734)	7	(31)	(758)
Total liabilities	(736)	7	(31)	(760)
Total portfolio net of liabilities	3 770	113	274	4 157
Cash*	100	(113)	81	68
Other net assets/(liabilities)*	(6)	-	-	(6)
Total Company share of investment in ARC Financial Services Portfolio	3 864	-	355	4 219

* 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.

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS *continued*

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

The value of ARC Fund's effective interest in ARC FSH is as follows:

Investment	INTRINSIC				
	Net Balance at 30 June 2021 R million	Acquisition or (Disposal) R million	Fair Value Net of Expected Tax Cash Flows, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 30 June 2022 R million	Dividend Income
Financial Services					
Insurance and Asset Management	1 775	182	129	2 086	110
Alexander Forbes Group Holdings [#]	767	121	75	963	41
Sanlam Third Party Asset Management	306	-	3	309	31
Capital Legacy	141	107	40	288	-
Rand Mutual Holdings	245	-	14	259	19
Other Insurance and Asset Management	316	(46)	(3)	267	19
Banking & Digital	1 454	364	506	2 324	14
TymeBank	1 173	126	118	1 417	-
Tyme Global	90	25	385	500	-
Crossfin	-	207	6	213	-
Other Banking	191	6	(3)	194	14
Specialist Financial Services	117	(6)	(15)	96	19
Total Company share of Financial Services portfolio value	3 346	540	620	4 506	143

[#] Denotes a listed entity classified as level 1 fair value hierarchy

Investment	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	3 346	540	620	4 506
Deferred consideration*	(28)	26	-	(2)
Other non-current liability*	(734)	-	-	(734)
Total liabilities	(762)	26	-	(736)
Total portfolio net of liabilities	2 584	566	620	3 770
Cash*	443	100	(443)	100
Other net assets /(liabilities)*	65	-	(71)	(6)
Total Company share of investment in ARC Financial Services Portfolio	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.

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2022

4.1 SEGMENTAL PORTFOLIO VALUE MOVEMENTS *continued*

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

The value of ARC Fund's effective interest in ARC FSH is as follows:

Investment	INTRINSIC			
	Net Balance at 30 June 2021 R million	Acquisition or (Disposal) R million	Fair Value net of expected tax cash flows, Interest, Forex & Disposal Gain/Loss R million	Net Balance at 31 December 2021 R million
Financial Services				
Insurance and Asset Management	1 775	128	115	2 018
Alexander Forbes Group Holdings [#]	767	83	86	936
Sanlam Third-Party Asset Management	306	-	-	306
Rand Mutual Holdings	245	-	14	259
Other Insurance and Asset Management	457	45	15	517
Banking & Fintech	1 454	340	528	2 322
TymeBank	1173	122	117	1412
Tyme Global	90	7	403	500
Crossfin	-	207	2	209
Other Banking and Digital	191	4	6	201
Specialist Financial Services	117	-	(9)	108
Total Company share of Financial Services Portfolio value	3 346	468	634	4 448

* The investment in ARC Financial Services has been disclosed as a one-line item in the ARC Fund segment tables, with additional notes, as shown in the above table, detailing the breakdown of the ARC Financial Services Portfolio.

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

Investment	Net Asset Value 30 June 2021 R million	Net Investment R million	Net increase in Net Asset Value R million	Net Asset Value 31 December 2021 R million
Intrinsic Portfolio Value	3 346	468	634	4 448
Deferred Consideration	(28)	-	-	(28)
Portfolio Company Liabilities	-	(61)	-	(61)
Other Non-Current Liability	(734)	-	(17)	(751)
Total Liabilities	(762)	(61)	(17)	(840)
Total Portfolio net of Liabilities	2 584	407	617	3 608
Cash	443	(407)	35	71
Other assets	65	-	(4)	61
Total Company's share of investment in ARC Financial Services Portfolio	3 092	-	648	3 740

4.2 SEGMENTAL PORTFOLIO RETURNS

Investment (R million)	31 December 2022			
	Dividend Income ¹	Fair Value Adjustment	Other Income ²	Total Intrinsic Income
Diversified Investments				
Telecommunications	-	-	-	-
Rain	-	-	-	-
MetroFibre	-	-	-	-
Mining, Construction and Energy	-	(332)	40	(292)
Afrimat [#]	-	(143)	-	(143)
Kropz Group	-	(166)	40	(126)
Other Mining, Construction and Energy	-	(23)	-	(23)
Business Process Outsourcing	28	6	19	53
GemCap	-	24	8	32
Bluespec	21	-	-	21
Linebooker	-	23	4	27
Other Business Process Outsourcing	7	(41)	7	(27)
Property	28	(14)	9	23
Agriculture	-	80	-	80
Other	23	(123)	8	(92)
Fledge Capital	23	(14)	-	9
ARC Investments [#]	-	(113)	-	(113)
Tyme SA Holdings	-	1	8	9
Tyme Group Africa	-	1	-	1
ARCH Emerging Markets	-	2	-	2
Total Company share of Fund's Diversified Investments Portfolio returns	79	(383)	76	(228)
Financial Services	-	355	-	355
ARC FSH		355		355
Total Company share of Fund's Portfolio returns	79	(28)	76	127

[#] Denotes a listed entity classified as level 1 fair value hierarchy

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

	31 December 2022			
	Intrinsic Value FV movement 31 December 2022	Change resulting from Spot vs 30-day VWAP	Change resulting from Control Premium	IFRS FV movement 31 December 2022
Total Company share of Fund's Invested Portfolio returns	127	95	(5)	217
Fund management fee				(37)
Interest income on cash and cash equivalents				20
Other net expenses in the Fund				(62)
IFRS fair value movements on the investment in the ARC Fund at FVTPL				138

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2022

4.2 SEGMENTAL PORTFOLIO RETURNS *continued*

Investment (R million)	31 December 2021			
	Dividend Income ¹	Fair Value Adjustment	Other Income ²	Intrinsic Total
Diversified Investments				
Telecommunications	-	9	-	9
Rain	-	2	-	2
MetroFibre	-	7	-	7
Mining, Construction and Energy	-	908	2	910
Afrimat [#]	-	50	-	50
Kropz Group	-	858	2	860
Other Mining, Construction and Energy	-	-	-	-
Business Process Outsourcing	23	119	4	146
Gemcap	-	14	-	14
Bluespec	18	-	-	18
Other Business Process Outsourcing	5	105	4	114
Property	11	(7)	20	24
Majik	-	(5)	19	14
Other property	11	(2)	1	10
Agriculture	4	35	-	39
Other	23	289	-	312
Fledge Capital	23	90	-	113
ARC Investments [#]	-	179	-	179
ARCH Emerging Markets	-	20	-	20
Total Company share of Fund's Diversified Investments Portfolio returns	61	1 353	26	1 440
Financial Services	-	643	-	643
ARC FSH	-	643	-	643
Total Company share of Fund's Portfolio returns	61	1 996	26	2 083

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

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

	31 December 2021				
	Intrinsic Value FV movement 31 December 2021	Change resulting from Spot vs 30-day VWAP	Change resulting from BEE Discounts	Change resulting from Control Premium	IFRS FV movement 31 December 2021
Total Company share of Fund's Invested Portfolio returns	2 083	(7)	108	(122)	2 062
Fund management fee					(115)
Interest income on cash and cash equivalents					15
Other net expenses in the Fund					(40)
IFRS fair value movements on the investment in the ARC Fund at FVTPL					1 922

4.3 SEGMENTAL PORTFOLIO NET ASSET VALUE MOVEMENTS - OTHER DISCLOSURE

Investment (R million)	31 December 2022				
	INTRINSIC				
	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 December 2022 R million
Nature classification of investments					
Listed	1 418	(554)	-	(277)	587
Unlisted	12 241	518	47	263	13 069
Total Nature classification	13 659	(36)	47	(14)	13 656
Geographic classification of investments					
South Africa	11 991	(493)	4	290	11 792
Rest of Africa	408	154	-	3	565
International	1 260	303	43	(307)	1 299
Total Geographic Classification	13 659	(36)	47	(14)	13 656
Investment instrument type					
Equity	13 291	(433)	-	(366)	12 492
Loans	368	471	47	262	1 148
Preference Shares	-	(74)	-	90	16
Total Instrument Type Classification	13 659	(36)	47	(14)	13 656

	31 December 2022			
	Net Asset Value per share			
Net Asset Value - IFRS	31 December 2022	30 June 2022	Per share change	% change
Net Asset Value per share (cents) - IFRS	997	1 008	(11)	(1.10%)
Diluted Net Asset Value per share (cents) - IFRS	997	988	9	0.90%
	Net Asset Value per share			
Net Asset Value - INTRINSIC	31 December 2022	30 June 2022	Per share change	% change
Net Asset Value per share (cents) - Intrinsic	988	1 006	(18)	(1.82%)
Diluted Net Asset Value per share (cents) - Intrinsic	988	986	2	0.20%

CONDENSED SEGMENTAL INFORMATION

For the six-month period ended 31 December 2022

4.3 SEGMENTAL PORTFOLIO NET ASSET VALUE MOVEMENTS - OTHER DISCLOSURE *continued*

Investment (R million)	30 June 2022				
	INTRINSIC				
	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
Nature classification of investments					
Listed	1 676	(667)	-	409	1 418
Unlisted	10 599	219	19	1 404	12 241
Total Nature classification	12 275	(448)	19	1 813	13 659
Geographic classification of investments					
South Africa	10 773	(768)	(3)	1 989	11 991
Rest of Africa	247	66	-	95	408
International	1 255	254	22	(271)	1 260
Total Geographic Classification	12 275	(448)	19	1 813	13 659
Investment instrument type					
Equity	11 681	(619)	(12)	2 241	13 291
Loans	401	285	29	(347)	368
Preference Shares	193	(114)	2	(81)	-
Total Instrument Type Classification	12 275	(448)	19	1 813	13 659

	30 June 2022			
	Net Asset Value per share			
Net Asset Value - IFRS	30 June 2022	30 June 2021	Per share change	% change
Net Asset Value per shares (cents) - IFRS	1 008	885	123	13.9%
Diluted Net Asset Value per share (cents) - IFRS	988	885	103	11.6%
	Net Asset Value per share			
Net Asset Value - INTRINSIC	30 June 2022	30 June 2021	Per share change	% change
Net Asset Value per shares (cents) - Intrinsic	1 006	877	129	14.7%
Diluted Net Asset Value per share (cents) - Intrinsic	986	877	109	12.4%

4.3 SEGMENTAL PORTFOLIO NET ASSET VALUE MOVEMENTS - OTHER DISCLOSURE *continued*

Investment (R million)	31 December 2021				
	INTRINSIC				
	Net Balance 30 June 2021	Acquisition or (Disposal) R million	Net Interest Capitalised R million	Fair Value, Forex & Disposal Gain/ Loss R million	Net Balance 31 December 2021
Nature classification of investments					
Listed	1 676	(492)	-	247	1 431
Unlisted	10 599	196	13	1 762	12 570
Total Nature Classification	12 275	(296)	13	2 009	14 001
Geographic classification of investments					
South Africa	10 773	(439)	4	1 237	11 575
Rest of Africa	247	64	-	19	330
International	1 255	79	9	753	2 096
Total Geographic Classification	12 275	(296)	13	2 009	14 001
Investment instrument type					
Equity	11 681	(307)	-	1 915	13 289
Loans	401	126	11	90	628
Preference Shares	193	(115)	2	4	84
Total Instrument Type Classification	12 275	(296)	13	2 009	14 001

	31 December 2021			
	Net Asset Value per share			
	31 December 2021	30 June 2021	Per share change	% change
Net Asset Value - IFRS				
Net Asset Value per shares (cents) - IFRS	1 031	885	146	16.5%
Diluted Net Asset Value per share (cents) - IFRS	1 008	885	119	13.9%
	Net Asset Value per share			
Net Asset Value - INTRINSIC	31 December 2021	30 June 2021	Per share change	% change
Net Asset Value per shares (cents) - Intrinsic	1 024	877	147	16.8%
Diluted Net Asset Value per share (cents) - Intrinsic	1 001	877	120	14.2%

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

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 Unaudited Interim 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.

5. INVESTMENT IN THE ARC FUND AT FVTPL

	Notes	Unaudited 31 December 2022 R million	Unaudited 31 December 2021 R million	Audited 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	11 650
Return of capital by ARC Fund		(20)	-	-
Fair value movements on the investment in the ARC Fund at FVTPL	4.2	138	1 922	1 619
Total		13 387	13 572	13 269
Valuation information:				
IFRS 13 fair value hierarchy		Level 3	Level 3	Level 3
Valuation methodology		Sum of the parts	Sum of the parts	Sum of the parts

* FVTPL: Fair value through profit or loss

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, the Company 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, the company 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 CONDENSED FINANCIAL STATEMENTS

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The significant investment portfolio companies, being those that contribute 2% to the ARC Fund's value, are considered to be qualitatively significant in a particular period 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.

	Telecommunications	
Details of valuation inputs	Rain	
R million	31 December 2022	30 June 2022
% equity held by Fund	20.24%	20.25%
% equity held by ARC Group	20.24%	20.25%
Gross equity investment	4 745	4 745
Minority discount	12.5%	12.5%
Marketability discount (*considers BEE where applicable)	12.5%	12.5%
Net investment	3 635	3 635
Loans and other investments	-	-
Total intrinsic value of investment	3 635	3 635
Fair value adjustment	-	265
Valuation information:		
IFRS 13 fair value hierarchy	Level 3	Level 3
Valuation methodology	Five-year discounted cash flow with terminal value	Five-year discounted cash flow with terminal value
Portfolio entity disclosures:		
Sector grouping	Telecommunications	
Listed/Unlisted	Unlisted	
BEE lock-in period	Transfer restrictions and pre-emptive rights apply to the ARC Fund's interest which is considered part of the marketability discount above.	
Assumptions and sensitivities		
Key inputs:		
Input 1	WACC	
Input variable	17.26%	17.29%
Input 2	Terminal growth rate	
Input 2 variable	3.5%	3.5%
Input 3	Target debt/equity ratio	
Input 3 variable	33%	33%
Input 4	Recurring revenue	
Input 4 variable	Various	Various
Sensitivity of key inputs:		
Input 1 variable	1% increase in WACC will result in a fair value decrease of R330 million, while a 1% decrease will result in a fair value increase of R385 million.	1% increase in WACC will result in a fair value decrease of R335 million, while a 1% decrease will result in a fair value increase of R390 million.
Input 2 variable	R268 million per 1% increase in terminal growth rate and R231 million decrease per 1% decrease in terminal growth rate.	R272 million per 1% increase in terminal growth rate and R234 million decrease per 1% decrease in terminal growth rate.
Input 3 variable	R58 million increase per 1% increase in debt/equity target and R56 million decrease per 1% decrease in debt/equity target.	R59 million increase per 1% increase in debt/equity target and R57 million decrease per 1% decrease in debt/equity target.
Input 4 variable	1% increase in recurring revenue will result in fair value increase of R152 million while a 1% decrease will result in R152 million decrease.	1% increase in recurring revenue will result in fair value increase of R157 million while a 1% decrease will result in R155 million decrease.

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	Business Process Outsourcing				
Details of valuation inputs	Bluespec		GemCap		
	R million	31 December 2022	30 June 2022	31 December 2022	30 June 2022
% equity held by Fund		20.8%	24.8%	100%	100%
% equity held by ARC Group		20.8%	24.8%	100%	100%
Gross investment		579	579	34	318
Minority discount		14.1%	14.1%	-	Considered at individual investment level
Marketability discount (considers BEE where applicable)		15.1%	15.1%	-	Considered at individual investment level
Net investment		476	476	34	318
Loans and other investments		-	-	-	-
Total intrinsic value of investment		476	476	34	318
Fair value adjustment		-	172	32	47
Valuation information:					
IFRS 13 fair value hierarchy		Level 3	Level 3	Level 3	Level 3
Valuation methodology		PE Multiple	PE Multiple	Net Asset Value	EBITDA multiple
Portfolio entity disclosures:					
Sector grouping		Business Process Outsourcing		Business Process Outsourcing	
Listed/Unlisted		Unlisted		Unlisted	
BEE lock-in period		Not applicable	Five years from September 2017. Three months remaining at 30 June 2022.	Not applicable	
Assumptions and sensitivities				Assumptions and sensitivities*	
Key inputs:					
Input 1		PE Multiple	PE Multiple	-	EBITDA multiple
Input variable		8x	8x	-	10x
Input 2		Earnings	Earnings	-	Earnings
Sensitivity of key inputs:					
Input 1 variable		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.	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.	-	1.0x increase (decrease) in EBITDA multiple will result in a R33 million increase (decrease) in fair value
Input 2 variable		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.	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.	-	10% increase in earnings will result in a fair value increase of R33 million.

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	Business Process Outsourcing		Mining, Construction and Energy	
Details of valuation inputs	Linebooker		Afrimat*	
R million	31 December 2022	30 June 2022	31 December 2022	30 June 2022
% equity held by Fund	66.8%	75.7%	-	7.3%
% equity held by ARC Group	66.8%	75.7%	-	7.3%
30-day VWAP	-	-	-	59.12
Spot price	-	-	-	56.50
Gross investment	240	193	-	629
Minority discount	-	-	-	n/a
Marketability discount (considers BEE where applicable)	13%	13%	-	-
Net investment	209	168	-	629
Loans and other investments	62	58	-	-
Total intrinsic value of investment	271	226	-	629
Fair value adjustment	27	159	(143)	138
Valuation information:				
IFRS 13 fair value hierarchy	Level 3	Level 3	Level 1	Level 1
Valuation methodology	Ten-year discounted cash flow with terminal value	Ten-year discounted cash flow with terminal value	JSE-listed share price	JSE-listed share price
Portfolio entity disclosures:				
Sector grouping	Business Process Outsourcing		Mining, Construction and Energy	
Listed/Unlisted	Unlisted		Listed	
BEE lock-in period	Not applicable		None	
Assumptions and sensitivities			Assumptions and sensitivities*	
Key inputs:			Not applicable	
Input 1	WACC			
Input 1 variable	25.0%	24.3%		
Input 2	Terminal growth rate			
Input 2 variable	5.5%	5.1%		
Sensitivity of key inputs:				
Input 1 variable	1% increase in WACC will result in a fair value decrease of R18 million, while a 1% decrease will result in a fair value increase of R20 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	R6 million increase per 1% increase in terminal growth rate and R5 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 ARC Fund sold all of its Afrimat shares during the current reporting period.

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

	Mining, Construction and Energy	
Details of valuation inputs	Kropz Group	
R million	31 December 2022	30 June 2022
% equity held by Fund	83.2%	83.2%
% equity held by ARC Group	83.2%	83.2%
Gross equity investment	453	1 253
Minority discount	-	-
Marketability discount (considers BEE where applicable)	Various between 10% - 20%	Various between 12% - 30%
Net equity investment	404	853
Loans and other investments	970	175
Total intrinsic value of investment	1 374	1 028
Fair value adjustment	(126)	(426)
Valuation information:		
IFRS 13 fair value hierarchy	Level 3	Level 3
Valuation methodology	Sum of the parts - 83.2% of Kropz Plc; 26% of Kropz Elandsfontein; 30% of Elandsfontein Land Holdings	Sum of the parts - 83.2% of Kropz Plc; 26% of Kropz Elandsfontein; 30% of Elandsfontein Land Holdings
Portfolio entity disclosures:	Listed (trade on this entity has very low volumes and thus it has been classified as level 3 instead of level 1)	Listed (trade on this entity has very low volumes and thus it has been classified as level 3 instead of level 1)
Sector grouping	Mining, Construction and Energy	
Listed/unlisted	Listed (trade on this entity has very low volumes and thus it has been classified as level 3 instead of level 1)	
BEE lock-in period	Implied BEE lock-in in Kropz Elandsfontein as part of the current mining licence equates to 10 years	
Assumptions and sensitivities		
Key inputs:		
Input 1	Commodity price	Commodity price
Input 1 variable	\$/t FOB 153 (weighted average life of mine)	\$/t FOB 153 (weighted average life of mine)
Input 2	USD: ZAR rate	USD: ZAR rate
Input 2 variable	R/\$ spot 16.98 and forward rate based on 1.44% inflation differential	R/\$ spot 16.25 and forward rate based on 2.25% inflation differential
Input 3	WACC	WACC
Input 3 variable	21.8%	23.0%
Sensitivity of key inputs:		
Input 1 variable	R1 374 million decrease in fair value per 10% reduction in commodity prices and RNil fair value increase per 10% increase in commodity prices.	R1 028 million decrease in fair value per 10% reduction in commodity prices and R1 489 million fair value increase per 10% increase in commodity prices.
Input 2 variable	R131 million decrease in fair value per 5% strengthening of the rand and R292 million increase in fair value per 5% weakening of the Rand.	R222 million decrease in fair value per 5% strengthening of the rand and R327 million increase in fair value per 5% weakening of the Rand.
Input 3 variable	A 1% increase in WACC will result in a decrease in fair value of R304 million. A 1% decrease in WACC will result in an increase in fair value of R367 million.	A 1% increase in WACC will result in a decrease in fair value of R333 million. A 1% decrease in WACC will result in an increase in fair value of R378 million.

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For the six-month period ended 31 December 2022

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

Details of valuation inputs	Other Diversified Investments	
	ARCI Limited shares	
R million	31 December 2022	30 June 2022
% equity held by Fund	8.0%	8.2%
% equity held by ARC Group	8.0%	8.2%
Gross equity investment	587	700
Minority discount	-	-
Marketability discount (considers BEE where applicable)	-	-
Net equity investment	587	700
Loans and other investments	-	-
Total intrinsic value of investment	587	700
Fair value adjustment	(113)	221
Valuation information:		
IFRS 13 fair value hierarchy	Level 1	Level 1
Valuation methodology		
Portfolio entity disclosures:		
Sector grouping	Other Diversified Investments	
Listed/Unlisted	Listed	
BEE lock-in period	None	
Assumptions and sensitivities		
Key inputs:	Not applicable	
Input 1		
Input 1 variable		
Sensitivity of key inputs:		
Input 1 variable		

5.1 DIVERSIFIED INVESTMENTS PORTFOLIO VALUATION INPUTS *continued*

Other Diversified Investments					
Details of valuation inputs		ARCH Emerging Markets Fund of Funds		Fledge Capital Investments	
R million	31 December 2022	30 June 2022	31 December 2022	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	459	408	472	486	
Minority discount	-	-	-	-	
Marketability discount (considers BEE where applicable)	-	-	Considered at individual investment level	Considered at individual investment level	
Net equity investment	459	408	472	486	
Loans and other investments	-	-	-	-	
Total intrinsic value of investment	459	408	472	486	
Fair value adjustment	2	96	(14)	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	Sum of the parts/ Underwritten value	
Portfolio entity disclosures:					
Sector grouping	Other Diversified Investments		Other Diversified Investments		
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)	EBITDA Multiple (avg)	
Input 1 variable	R/\$ spot 16.98	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	No material sensitivities*	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 CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

5.2 FINANCIAL SERVICES PORTFOLIO VALUATION INPUTS

The significant investment portfolio companies, being those that contribute 2% to the ARC Fund's value, are considered to be qualitatively significant in a particular period 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	Alexforbes		Sanlam Third-party Asset Management (Pty) Ltd		
	R million	31 December 2022	30 June 2022	31 December 2022	30 June 2022
% equity held by Fund		15.8%	15.5%	9.4 %	9.4%
% equity held by ARC Group		42.3%	41.5%	25.0%	25.0%
30-day VWAP		4.76	4.39	-	-
Spot price		5.25	4.77	-	-
Gross equity investment		1 035	923	351	357
Control premium		20%	20%	20%	20%
Marketability discount (considers BEE where applicable)		-	-	15%	15%
Minority		10%	10%	15%	15%
Net equity investment		1 029	963	318	309
Loans and other investments		-	-	-	-
Total intrinsic value of investment		1 029	963	318	309
Fair value adjustment (net of deferred tax)		66	75	9	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					
				PE Multiple	PE Multiple
				8.00	9.16
				10% increase in PE multiple will result in an increase of R30 million in fair value. 10% decrease in PE multiple will result in a decrease of R30 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.

5.2 FINANCIAL SERVICES PORTFOLIO VALUATION INPUTS *continued*

	Insurance and Asset Management				
Details of valuation inputs	Rand Mutual Holdings		Capital Legacy		
	R million	31 December 2022	30 June 2022	31 December 2022	30 June 2022
% equity held by Fund		11.2%	11.2%	11.0%	11.0%
% equity held by ARC Group		30.0%	30.0%	29.4%	29.4%
Gross equity investment		266	341	332	370
Minority discount		-	10.7%	10.0%	10.0%
Marketability discount (considers BEE where applicable)		-	13.6%	10.0%	10.0%
Net equity investment		266	259	313	288
Loans and other investments		-	-	-	-
Total intrinsic value of investment		266	259	313	288
Fair value adjustment		7	14	25	40
Valuation information:					
IFRS 13 fair value hierarchy		Level 3	Level 3	Level 3	Level 3
Valuation methodology		Pending Transaction	Embedded value and PE multiples	Embedded value and DCF	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 million increase (decrease) in fair value per 1% increase (decrease) 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.	-	-

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

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 R1 924 million and R696 million respectively.

Details of valuation inputs	Banking			
	TymeBank		Tyme Global	
R million	31 December 2022	30 June 2022	31 December 2022	30 June 2022
% equity held by Fund	27.6%	24.96%	26.6%	24.96%
% equity held by ARC Group	50.22%	50.02%	50.23%	50.02%
Gross equity investment	1 924	1 417	696	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	1 924	1 417	696	500
Loans and other investments	-	-	-	-
Total intrinsic value of investment	1 924	1 417	696	500
Fair value adjustment (net of deferred tax)	105	118	91	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:	Not applicable		Not applicable	
Input 1				
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 capital raise.

6. OTHER EXPENSES

	Notes	Unaudited 31 December 2022 R million	Unaudited 31 December 2021 R million	Audited 30 June 2022 R million
Details of other expenses are as follows:				
Listing costs		-	-	1
Audit fees		-	-	2
Directors fees	13	1	1	1
Other expenses		3	2	3
		4	3	7

7. CAPITAL

7.1 Stated capital

Accounting Policy				
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.				
	Notes	Unaudited 31 December 2022 R million	Unaudited 31 December 2021 R million	Audited 30 June 2022 R million
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.				

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

7. CAPITAL continued

7.1 Stated capital continued

	Notes	Unaudited 31 December 2022 R million	Unaudited 31 December 2021 R million	Audited 30 June 2022 R million
Issued 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	4 563
- 505 882 353 shares issued at listing date at R8.50 per share.		4 300	4 300	4 300
- Share issue costs.		(31)	(31)	(31)
- Conversion of 12 577 126 C shares for financial period ended 2018 Performance Participation	9	71	71	71
- 272 727 273 shares issued at R2.75		750	750	750
- Conversion of 27 059 992 C shares for financial period ended 30 June 2022 Performance Participation		272	-	-
Total issued share capital at the end of the period/year		9 925	9 653	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 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 31 December 2022. C shares are not listed.		-	-	-

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

7. CAPITAL *continued*

7.2 Earnings per share

	Notes	Unaudited 31 December 2022 R million	Unaudited 31 December 2021 R million	Audited 30 June 2022 R million
Basic earnings per ordinary share (cents)		10	122	102
Diluted earnings per ordinary share (cents)		10	119	100
Headline earnings per ordinary share (cents)		10	122	102
Diluted headline earnings per ordinary share (cents)		10	119	100
7.2.1 Reconciliation of reported earnings to headline earnings				
Earnings/Headline earnings of the Company (R million)		134	1 608	1 339
There were no items that require adjustment from the reported earnings in terms of SAICA Circular 1/2021, Headline Earnings.				
7.2.2 Number of ordinary shares				
Number of ordinary shares (million):				
Number of shares in issue at the end of the period/year (million)		1 345	1 318	1 318
Weighted average number of shares in issue during the period/year (million)		1 345	1 308	1 318
Diluted weighted average number of shares in issue during the period/year (million)		1 345	1 348	1 318
Diluted number of shares at the end of the period/year (million)		1 345	1 348	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 October 2020: 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.

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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: As per the updated performance arrangement, the holders are entitled to convert their C shares, each financial year if the performance hurdle is achieved for a particular year.

	Unaudited 31 December 2022 R million	Unaudited 31 December 2021 R million	Audited 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 six-month period ended 31 December 2022 amounted to 0.5%, which is below the 10% Performance Participation hurdle. Consequently, no provision for Performance Participation shares was recognised.	-	311	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 31 December 2022, 4 960 362 882 C shares were outstanding.			
The Performance participation is based on non-market conditions			
Total Performance Participation expense	-	311	273

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 is 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.

	Unaudited 31 December 2022 R million	Unaudited 31 December 2021 R million	Audited 30 June 2022 R million
Losses carried forward amounting to R160 million at 31 December 2022 (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:			
Opening balance of losses at the end of the period/year	203	100	128
Losses arising in financial period/year	-	28	75
Losses utilised during the period	(37)	-	-
Overprovision of losses in the prior financial year	(6)	-	-
Losses carried forward at the end of the reporting period/year	160	128	203
The taxation is reflected at a statutory rate of 15%			
Profit before taxation	134	1 608	1 339
Taxation at a statutory effective rate of 15% before foreign taxation credit	20	241	201
Tax reconciled	(14)	(241)	(201)
Income not subject to tax	2	(247)	(220)
Withholding tax gross up	-	-	1
Partial exemption on revenue and expenses	(16)	-	-
Tax losses for which no deferred tax asset was recognised	-	6	18
No deferred tax asset was realised at 31 December 2022 and 30 June 2022 in respect of tax losses 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 period which has resulted in the utilisation of the carried forward losses of R37 million against these profits.			

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

11. RECONCILIATION OF CASH UTILISED IN OPERATIONS BEFORE INVESTMENTS MADE

	Notes	Unaudited 31 December 2022 R million	Unaudited 31 December 2021 R million	Audited 30 June 2022 R million
Profit before taxation		134	1 608	1 339
Adjustment for non-cash items		(138)	(1 611)	(1 346)
Fair value movements on the investment in the ARC Fund at FVTPL *	4.2	(138)	1 922	(1 619)
Performance Participation expense		-	311	273
Working capital movements		(1)	-	1
Increase/(decrease) in trade and other payables		(1)	-	1
Cash utilised in operations before investment activities		(5)	(3)	(6)

* FVTPL: Fair value through profit or loss

12. FINANCIAL INSTRUMENTS

12.1 Financial instruments in the Company are categorised as follows:

R million	31 December 2022			
	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets	13 387	24	-	13 411
Investment in the ARC Fund at FVTPL	13 387	-	-	13 387
Cash and cash equivalents	-	24	-	24
Financial liabilities	-	-	1	1
Trade and other payables	-	-	1	1

R million	31 December 2021			
	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets	13 572	12	-	13 584
Investment in the ARC Fund at FVTPL	13 572	-	-	13 572
Cash and cash equivalents	-	12	-	12
Financial liabilities	-	-	1	1
Trade and other payables	-	-	1	1

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

12. FINANCIAL INSTRUMENTS

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 (92% at 31 December 2022; 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.

	Unaudited 31 December 2022 R million	Unaudited 31 December 2021 R million	Audited 30 June 2022 R million
Change in portfolio equity prices			
+5%	13 239	14 006	13 982
Equity component being 92% (30 June 2022: 97%) of Reported IFRS Portfolio Value	12 608	13 339	13 316
- 5%	11 978	12 673	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.			
Cash, preference shares and loans in the Fund amounted to R2 160 million (30 June 2022: R1 012 million).			
Change in interest rates			
+ 100 basis points	2 181	1 263	1 022
Interest-bearing loan assets and cash	2 160	1 250	1 012
- 100 basis points	2 138	1 238	1 002
Portfolio debt amounted to R1 396 million (30 June 2022: R975 million)			
Change in interest rates			
+ 100 basis points	(1 410)	(953)	(985)
Interest-bearing loan assets and cash	(1 396)	(944)	(975)
- 100 basis points	(1 382)	(953)	(965)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

12. FINANCIAL INSTRUMENTS *continued*

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 13.9% (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 Plc, Majik and ARCH Emerging Markets. The Board of the General Partner continually monitors the exposure to currency risk through the Investment Committee of UBI GP as the Fund Manager.

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

	31 December 2022		30 June 2022	
	Currency value million	SA Rand R million	Currency value million	SA Rand R million
British Pound	4	77	4	85
United States Dollar	108	1 833	88	1 450
		1 910		1 535
Impact of 1% change in GBP rate		1		1
Impact of 1% change in USD rate		18		15

Credit risk

The Company is exposed to credit risk through the ARC Fund portfolio and the counterparties of the financial instruments in the portfolio. Only 15.7% 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 December 2021. The facility was increased to R1 250 million during September 2022. The Credit Facility with RMB bears interest at three-month JIBAR plus 3.25% and matures during October 2025. An amount of R1 250 million was drawn from the facility as at the end of the current reporting period. During the period 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 31 December 2022 R million	Net Balance at 30 June 2022 R million
Acorn Agri and Food	158	166
Fledge Capital Investments	472	486
Rain	3 635	3 635
ARC FSH	4 219	3 864
	8 484	8 151

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 31 December 2022 amounted to R13 279 million.

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

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. Through its investment in ARC and various other subsidiaries, UBI effectively owns 56.74% of ARC Investments. The ultimate majority shareholder of UBI is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited, 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 reporting period'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) - Conversion of 27 059 992 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 Nkadimeng	Non-executive Director	Rnil
K Bodenstein	Chief Financial Officer	Executive salary

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

13. RELATED PARTY DISCLOSURES *continued*

	31 December 2022		31 December 2021		30 June 2022	
	Transactions during the period R million	Balance due from/(to) as at 31 December 2022 R million	Transactions during the period R million	Balance due from/(to) as at 31 December 2021 R million	Transactions during the period R million	Balance due from/(to) as at 30 June 2022 R million
UBI						
Issue of A shares (Note 7.1) ¹	272	-	-	-	-	-
The ARC Fund			1 922	13 572	-	13 269
Investment in ARC Fund at FVTPL (Note 4.1)	138	13 387	1 922	13 572	-	13 269
General Partner			(115)	(115)	(225)	(110)
Fund management fees accrued for the period (Note 4.2)	(37)	(37)	(115)	(115)	(225)	(110)
Directors' interest ²						
Total Directors' interest - 365 882 (June 2022: 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	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	n/a	n/a
Key management personnel	(0.8)	(0.8)	(0.8)	(0.8)	(0.4)	(0.4)
MC Olivier fees accrued	(0.2)	(0.4)	(0.2)	(0.2)	(0.4)	(0.4)
- fees paid to MC Olivier	-	0.2	-	-	0.3	0.3
C Msipha fees accrued	(0.2)	(0.4)	(0.2)	(0.2)	(0.4)	(0.4)
- fees paid to C Msipha	-	0.2	-	-	0.3	0.3
R Mokate fees accrued	(0.2)	(0.4)	(0.2)	(0.2)	(0.4)	(0.4)
- fees paid to R Mokate	-	0.2	-	-	0.3	0.3
A Currimjee fees accrued	(0.2)	(0.4)	(0.2)	(0.2)	(0.4)	(0.4)
- fees paid to A Currimjee	-	0.2	-	-	0.3	0.3
MR Nkadimeng (paid by the holding company, ARC)	3.4	3.4	(3.5)	(3.5)	5.0	5.0
- Salary	(1.6)	(1.6)	(1.5)	(1.5)	(3.0)	(3.0)
- Bonus	(1.8)	(1.8)	(2.0)	(2.0)	(2.0)	(2.0)
K Bodenstein executive salary accrued	(0.2)	(0.2)	(0.3)	(0.3)	(0.5)	(0.5)
- salary paid to K Bodenstein	0.2	0.2	0.3	0.3	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 period to the date of this report.

14. COMMITMENTS

As at the six-month period ended 31 December 2022, 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 USD51 million in emerging markets focused themes, including renewable energy power and cold chain storage solutions. At 31 December 2022, the ARC Fund had contributed USD27 million with a remaining commitment balance of USD24 million.

15. SUBSEQUENT EVENTS

Kropz Plc

The ARC Fund advanced an additional R126 million loan to fund operations at Elandsfontein.

ARC Services

ARC Services paid R94 million preference share dividends, subsequent to the end of the current reporting period under review.

Rand Mutual Holdings

ARC FSI has concluded an agreement with Rand Mutual Holdings to dispose of its shareholding of 30% for a consideration that, taken together with cumulative dividends received, represents an IRR of 16.8%. The proceeds amounting to R726 million in relation to this sale were received after the reporting period.

Capital Legacy

Sanlam's investment in Capital Legacy was recently announced. The transaction is still subject to regulatory approvals, including Competition Commission approval. The investment is aimed at unlocking substantial synergies between Sanlam and Capital Legacy in respect of capital, insurance, and distribution opportunities.

16. GOING CONCERN

The financial statements have been 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 31 December 2022

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

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 2023
	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 2023. It is expected that this amendment will have minimal impact.	
Narrow-scope amendments to IAS 1, Practice statement 2 and IAS 8.	Summary of amendment	1 January 2023
	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	
	Summary impact on the Company	
	The Directors anticipate that these amendments will be applied in the financial statements for the period beginning 1 July 2023. It is expected that this amendment will have minimal impact.	

I - SHAREHOLDERS' DIARY

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

Details	Date
Interim results announcement	16 March 2023
Financial year end	30 June 2023
Year-end results announcement	13 September 2023
Integrated Annual Report published	06 October 2023
Annual General Meeting	15 November 2023

II - 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	MU0553S00000
Directors	Mark Cyril Olivier (Chairman) Clive Msipha Renosi Mokate Anil Currimjee Mmamodiane Refiloe Nkadameng 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
Sponsor	Deloitte & Touche Sponsor Services Proprietary Limited (Registration number: 1996/000034/07) 5 Magwa Crescent Waterfall Crescent Waterfall 2090 (Private Bag X6, Gallo Manor, 2052) South Africa
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



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