



Sector: Foreign - Equity - General
 Inception Date: 1 April 2005
 Fund Manager: Stephen Mildenhall
 Qualification: B Com(Hons), CA(SA), CFA

The central objective is to provide investors with the opportunity for offshore diversification, a hedge against Rand depreciation and steady capital growth over time at no greater than average risk of loss.

Fund Details

Price: 1221.82 cents
Size: R 255 259 893
Minimum lump sum: R 25 000
Debit order: None
Subsequent lump sums: R 2 500

Annual Management Fee: No fee. The underlying fund, however has its own fee structure.

Status of the fund: Currently open

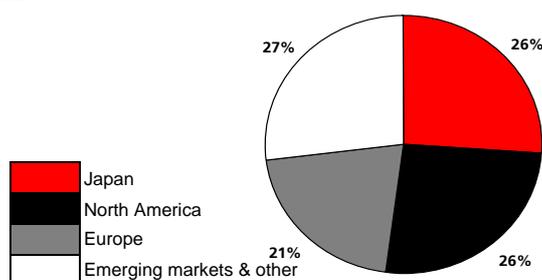
Commentary

In November, two of the Fund's US stocks provided another reminder that undervalued stocks rarely return to fair value in a straight line. Although the Fund's holdings in US electricity providers NRG and Reliant Energy have added significant value to date, Reliant reported disappointing results in November and the stock price declined over 25%. This and other short-term concerns also led to a decline in industry-counterpart NRG Energy's stock price. After re-examining the intrinsic value of both companies, we concluded that Reliant's long-term value was only moderately impaired by the developments and that NRG's was unaffected. Having reduced the Fund's combined weighting in them earlier in the year, and with both stocks trading at normalised free cash yields of well over 10% per annum, we responded by adding to the Fund's positions. Of course, only time will tell if we are right in this latest judgment.

Allocation of offshore funds - Orbis Global Equity Fund

The Fund invests solely into the Orbis Global Equity Fund.

Region	% exposure to equities
Japan	26
United States	27
Canada	0
North America	26
United Kingdom	6
Continental Europe	15
Europe	21
Emerging markets & other	27
Total	100

**Performance***

Fund return in Rands (%)	AGOE**	B/Mark***
Since Inception (unannualised)	22.2	14.1
Latest 1 year	-	-

Fund return in Dollars (%)	AGOE**	B/Mark***
Since Inception (unannualised)	17.5	9.7
Latest 1 year	-	-

* Performance will only be available after a six-month track record

** Allan Gray-Orbis Global Equity Feeder Fund

*** Benchmark: FTSE World Index

Target Market

The Allan Gray-Orbis Global Equity Feeder Fund is suitable for those investors:

- seeking to invest locally in Rands and benefit from offshore exposure;
- wanting to gain exposure to markets and industries that are not available locally;
- who desire to hedge their investments against Rand depreciation;
- that do not have the minimum to invest in the Orbis Global Equity Fund.

Allan Gray Unit Trust Management Limited

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