ALLAN GRAY-ORBIS GLOBAL EQUITY FEEDER FUND

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

Fund description and summary of investment policy

The Fund is a feeder fund and invests only in the Orbis Global Equity Fund, managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The Orbis Global Equity Fund invests in shares listed on stock markets around the world and aims to be fully invested at all times. Returns are likely to be volatile, especially over short- and medium-term periods. Although the Fund is fully invested outside South Africa, the units in the Fund are priced and traded daily in rands.

ASISA unit trust category: Global – Equity – General

Fund objective and benchmark

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

How we aim to achieve the Fund's objective

The Fund invests only in the Orbis Global Equity Fund. The Orbis Global Equity Fund is managed to remain fully invested in selected global equities. Orbis uses in-house research to identify companies around the world whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables Orbis to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. This is the same approach as that used by Allan Gray to invest in South African equities, except that Orbis is able to choose from many more shares, listed internationally.

Suitable for those investors who

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

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

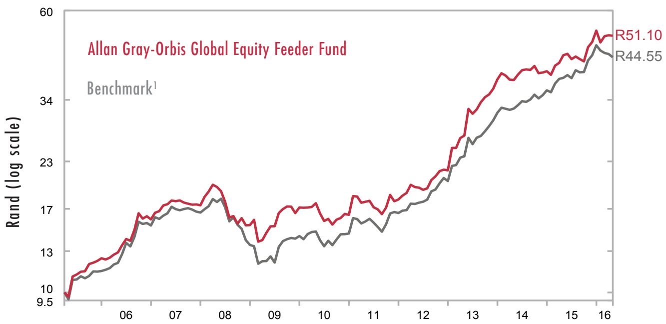
*Only available to investors with a South African bank account.

Fund information on 30 April 2016

Fund size	R15.5bn
Number of units	303 900 520
Price (net asset value per unit)	R50.89
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund		Benchmark[1]		CPI inflation[2]	
	ZAR	US$	ZAR	US$	ZAR	US$
Cumulative:						
Since inception	411.0	124.2	345.5	95.5	91.1	23.2
Annualised:						
Since inception	15.9	7.6	14.4	6.2	6.1	1.9
Latest 10 years	14.8	5.4	14.0	4.7	6.3	1.8
Latest 5 years	23.5	5.9	23.2	5.7	5.7	1.3
Latest 3 years	23.6	6.3	23.3	6.0	5.5	0.8
Latest 2 years	15.1	-0.8	17.7	1.5	5.2	0.4
Latest 1 year	13.2	-4.9	14.0	-4.2	6.3	0.9
Year-to-date (not annualised)	-3.2	6.6	-7.4	2.0	2.9	-0.1
Risk measures (since inception)						
Maximum drawdown[3]	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months[4]	65.4	58.6	64.7	59.4	n/a	n/a
Annualised monthly volatility[5]	15.0	17.6	13.0	16.3	n/a	n/a
Highest annual return[6]	78.2	63.0	54.2	58.4	n/a	n/a
Lowest annual return[6]	-29.7	-44.8	-32.7	-47.3	n/a	n/a

1. FTSE World Index including income (source: Bloomberg), performance as calculated by Allan Gray as at 30 April 2016.
2. This is based on the latest numbers published by INET BFA as at 31 March 2016.
3. Maximum percentage decline over any period. The maximum rand drawdown occurred from 6 June 2008 to 10 March 2009 and maximum benchmark drawdown occurred from 5 June 2008 to 6 March 2009. Drawdown is calculated on the total return of the Fund/ benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 December 2013 and the benchmark's occurred during the 12 months ended 31 December 2013. The Fund's lowest annual return occurred during the 12 months ended 31 March 2009 and the benchmark's occurred during the 12 months ended 31 March 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

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Meeting the Fund objective

Since inception and over the last 10 years and five-year periods the Fund has outperformed its benchmark. The fund has provided returns significantly in excess of CPI inflation for all three periods. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the global stock market. The maximum drawdown and lowest annual return numbers, in the 'Performance net of all fees and expenses' table, show that the Fund has successfully reduced downside risk in periods of negative market returns.

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually.	31 Dec 2015
Cents per unit	**0.2523**

Annual management fee

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

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

Total expense ratio (TER) and Transaction costs

The annual management fee charged by Orbis is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a 3-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

TER and Transaction costs breakdown for the 3-year period ending 31 March 2016	%
Total expense ratio	**2.15**
Fee for benchmark performance	1.49
Performance fees	0.60
Other costs excluding transaction costs	0.06
VAT	0.00
Transaction costs (including VAT)	**0.15**
Total investment charge	**2.30**

Top 10 share holdings on 30 April 2016

Company	% of portfolio
NetEase	5.8
QUALCOMM	4.3
Apache	4.2
Charter Communications	3.7
Motorola Solutions	3.3
Sberbank	3.1
XPO Logistics	2.9
Barrick Gold	2.7
PayPal Holdings	2.5
JD.com	2.5
Total (%)	**35.0**

Asset allocation on 30 April 2016

This fund invests solely into the Orbis Global Equity Fund

	Total	North America	Europe	Japan	Asia ex-Japan	Other
Net equities	96	44	21	6	22	4
Hedged equities	0	0	0	0	0	0
Bonds	0	0	0	0	0	0
Cash/currency hedge	4	8	8	3	-15	0
Total	**100**	**52**	**28**	**9**	**7**	**4**

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

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Fund manager quarterly commentary as at 31 March 2016

Many think of investing as the pursuit of winning investments. Orbis prefers to think of it as controlled aggression: acting with conviction while trying to avoid big mistakes, much as Charles Ellis explained more than 40 years ago in a Financial Analysts' Journal article entitled 'The Loser's Game'. He cited the work of an engineer who examined amateur tennis and found that about 80% of points are decided by mistakes rather than skilled shot-making. As a result, a player's best strategy is not to try to win by hitting winners, but instead to avoid mistakes and let their opponents lose by making more of them. The ability to avoid losers is particularly important when investors seek to produce positive inflation-adjusted returns amid high starting valuations, as Orbis is seeing globally today.

In recent years, as some sectors of the market have trended higher and higher, Orbis' efforts to avoid making mistakes have created a meaningful drag on performance. For example, companies with stable earnings in developed markets are at a relative valuation peak, and not owning them in bulk has been costly. Orbis is more enthusiastic about the ability to outperform in the future as a result of the larger-than-normal disparity in valuations within global stock markets. Put another way, it seems the reward for skillfully avoiding losers has increased as valuation dispersions have widened.

On very rare occasions the market allows investors to play both a 'loser's game' and a 'winner's game' at the same time, presenting extraordinary opportunity. The best example of this in Orbis' history was in the year 2000 at the peak of the technology (TMT) boom, when it could both avoid the mistake of owning technology shares with extraordinarily high valuations and low prospective returns and invest very heavily in shares of excellent businesses with extremely compelling prospective returns and very little risk of permanent capital loss. The results produced were extraordinary, though not before Orbis looked foolish for a painfully long period of time leading up to that peak in 2000.

Today, Orbis finds itself in a similarly uncomfortable position of looking foolish as a result of not owning an increasingly narrow group of market leaders. But unlike the late 1990s, Orbis does not see the opportunity to invest in a group of attractive laggards with high prospective returns and low risk of permanent capital loss.

While some areas of the market such as precious metals, energy and other commodity-related shares have indeed fallen sharply and are then more likely than not to produce attractive returns, Orbis believes the risk of a permanent loss of capital in those shares is also meaningful, even at today's valuations. Commodity shares' intrinsic value is ultimately determined by a single variable—the commodity price—that is outside the control of management and inherently unpredictable. As a result, Orbis believes its aggregate position size should be constrained within the portfolio.

Playing aggressively for winners today would involve taking much larger positions in the commodity/energy areas of the market. For some, that may appear to be most lucrative thing to do, but at Allan Gray and Orbis, we see ourselves as long-term stewards of your capital and, as such, we prefer to continue to focus on avoiding losers. While the opportunity set today is not as extreme as it was in the TMT era, the rewards available for simply avoiding losers appear to be well above average, and that is a distinct and refreshing change from the situation over the past five years.

Over the last quarter, the Fund's exposure to the euro has increased slightly, while its exposure to the US dollar decreased, as Orbis believes the euro's recent weakness has made it a more attractive store of long-term purchasing power, while the dollar's strength has left it appearing fully valued. There have been no material changes to the Fund's geographical exposures or to its individual holdings, with the top-10 holdings unchanged in the quarter.

Adapted from Orbis commentary contributed by William Gray
For the full commentary please see www.orbis.com

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Notes for consideration

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

Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited (the 'Management Company') is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates 10 unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Services Board ('FSB'). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however it is not supervised or licensed in Botswana. Allan Gray Proprietary Limited (the 'Investment Manager'), an authorised financial services provider, is the appointed Investment Manager of the Management Company and is a member of the Association for Savings & Investment South Africa (ASISA). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)87 736 1732 or www.rmb.co.za

Performance

Collective Investment Schemes in Securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its market value to bridge insufficient liquidity.

Unit price

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund including any income accruals and less any permissible deductions from the Fund divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za

Fees

Permissible deductions may include management fees, brokerage, Securities Transfer Tax (STT), auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

Total expense ratio (TER) and Transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past three years. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, Securities Transfer Tax [STT], STRATE and FSB Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are a necessary cost in administering the Fund and impact Fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and Transaction costs is shown as the Total investment charge.

FTSE World Index

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Feeder fund

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

Foreign exposure

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

Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website www.allangray.co.za or via our Client Service Centre on 0860 000 654.