

Fund description and summary of investment policy

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

ASISA unit trust category: Global – Equity – General

Fund objective and benchmark

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

How we aim to achieve the Fund's objective

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

Suitable for those investors who

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

Minimum investment amounts

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

*Effective 14 May 2020, the Orbis Global Equity Fund's benchmark changed to the MSCI World Index, including income, after withholding taxes. However, for an initial period of time, the Orbis Global Equity Fund is continuing to charge its fee with reference to the FTSE World Index, including income. See the Orbis Global Equity Fund's factsheet for more information. After this initial period of time, the benchmark of the Allan Gray-Orbis Global Equity Feeder Fund will change to the MSCI World Index, including income, after withholding taxes.

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

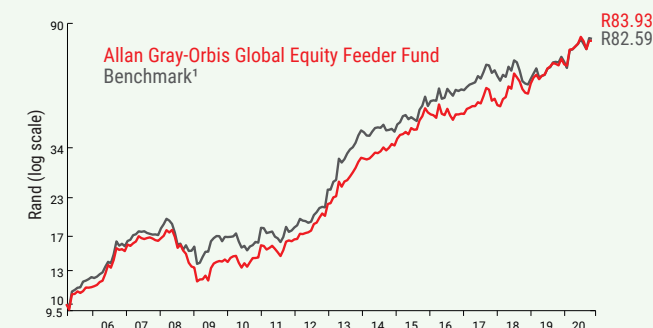
Fund information on 31 December 2020

Fund size	R22.2bn
Number of units	265 701 898
Price (net asset value per unit)	R83.56
Class	A

- FTSE World Index including income (source: Bloomberg), performance as calculated by Allan Gray as at 31 December 2020.
- This is based on the latest available numbers published by IRESS as at 30 November 2020.
- 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).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- 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.
- These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 December 2013 and the benchmark's occurred during the 12 months ended 31 December 2013. The Fund's lowest annual return occurred during the 12 months ended 31 March 2009 and the benchmark's occurred during the 12 months ended 31 March 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund		Benchmark ¹		CPI inflation ²	
Cumulative:	ZAR	US\$	ZAR	US\$	ZAR	US\$
Since inception (1 April 2005)	739.3	256.1	725.9	250.4	132.3	35.1
Annualised:						
Since inception (1 April 2005)	14.5	8.4	14.3	8.2	5.5	1.9
Latest 10 years	17.8	8.9	19.0	10.0	5.1	1.7
Latest 5 years	9.7	11.0	11.4	12.8	4.6	1.8
Latest 3 years	9.5	3.3	17.4	10.8	4.0	1.8
Latest 2 years	19.6	18.4	23.1	21.9	3.4	1.6
Latest 1 year	20.9	15.6	21.7	16.3	3.2	1.2
Year-to-date (not annualised)	20.9	15.6	21.7	16.3	3.2	1.2
Risk measures (since inception)						
Maximum drawdown ³	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months ⁴	63.0	59.8	61.9	64.0	n/a	n/a
Annualised monthly volatility ⁵	15.5	17.6	14.2	15.9	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

Meeting the Fund objective

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

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually.	31 Dec 2020
Cents per unit	0.6366

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.orbis.com.

Total expense ratio (TER) and Transaction costs

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

TER and Transaction costs breakdown for the 1- and 3-year period ending 31 December 2020	1yr %	3yr %
Total expense ratio	0.89	1.43
Fee for benchmark performance	1.49	1.49
Performance fees	-0.66	-0.11
Other costs excluding transaction costs	0.06	0.05
VAT	0.00	0.00
Transaction costs (including VAT)	0.13	0.09
Total investment charge	1.02	1.52

Top 10 share holdings on 31 December 2020

Company	% of portfolio
British American Tobacco	7.4
NetEase	6.4
XPO Logistics	6.0
Naspers	5.0
Bayerische Motoren Werke	4.5
Anthem	3.3
Taiwan Semiconductor Mfg.	3.3
Comcast	3.1
Howmet Aerospace (was Arconic)	3.1
AbbVie	2.9
Total	45.0

Asset allocation on 31 December 2020

This fund invests solely into the Orbis Global Equity Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	99.0	31.2	31.9	10.6	16.8	8.3
Hedged equities	0.0	0.0	0.0	0.0	0.0	0.0
Fixed interest	0.0	0.0	0.0	0.0	0.0	0.0
Commodity-linked	0.0	0.0	0.0	0.0	0.0	0.0
Net current assets	1.0	0.0	0.0	0.0	0.0	1.0
TOTAL	100.0	31.2	31.9	10.6	16.8	9.4

Currency exposure of the Orbis Global Equity Fund

Funds	100.0	41.7	30.0	10.7	9.2	8.3
Index	100.0	63.5	18.8	8.0	5.8	3.9

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

In life and in markets, 2020 was a year painted with lines on charts. In daily life, the pandemic made some charts indispensable, while in markets, charts of stock prices captured the full spectrum of investor emotions.

February and March were portraits of panic. In the steepest crash ever, global stock markets fell 34%. Then, on 23 March, the US Federal Reserve announced that it would print as much money as necessary to support smooth market functioning. The market began to chart the steepest recovery ever. Sitting in March, it would be hard to imagine that both the stock market and the Fund would produce a 16% return in 2020. More important now is the outlook from here.

In short, the relative value on offer in stock markets today looks exceptional, but we are cautious about the absolute valuations of stock markets in aggregate.

On almost any metric, headline indices like the S&P 500 trade at or near their most expensive valuations ever. But looking at headline averages masks the gap between fundamentally cheap and expensive shares. Since 2014, this gap has widened from a narrow crack to a yawning gulf. We thought the gap was wide coming into 2020, but over the course of the year, valuations only got more extreme.

From here, the Fund's relative return potential could be unusually rewarding. Our approach struggles when cheap stocks get cheaper and expensive stocks get more expensive, but it has thrived when share prices converge back towards fundamental value.

The current valuation spread has two sides. On the expensive side is a mixture of excellent businesses at full prices and overhyped businesses at what look to us to be ridiculous prices.

In the first group are Facebook, Amazon, Netflix, Google, Apple, and Microsoft. But it is the latter group that trades at truly scary valuations – think of Tesla and its clones, lockdown beneficiaries like Zoom, and the flock of young companies promising such-and-such “aaS” (as a service).

These parts of the market are portraits of greed, where the fear of losing money has taken a back seat to the fear of missing out. We remain focused on the risk of losing money, and we believe the best way to mitigate that risk is to buy shares at a steep discount to what they are worth. As a result, we have been avoiding the frothiest areas of the market. That does not mean that we have blindly gone the other way, as many companies that have struggled recently face too much debt or disruption and are cheap for good reason. Today, however, we are increasingly excited about the opportunities we are finding on the cheaper side of that valuation spread, particularly in markets outside the US. Two excellent examples are BMW in Europe and the trading companies such as Mitsubishi in Japan.

BMW has a long history of compounding at attractive returns, driven by the strength of its premium brands. Investors now question whether that history is at an end due to the transition to electric vehicles. We think BMW has every chance of success. The company has been preparing for the transition to electric vehicles for over a decade. In 2021, it will have 20 battery and plug-in hybrid models available, and those models sell well – BMW today has a higher market share in electrified vehicles than in the overall market.

While uncertainty remains, we believe we are more than compensated for leaning into it. Today BMW trades at valuations last seen during the global financial crisis.

In Japan, Mitsubishi and its fellow trading companies are best thought of as ever-evolving industrial conglomerates. Mitsubishi generates ample cash flows backed by its low-cost resource and industrial assets, and in recent years, management has imposed greater discipline on new investments to free up cash for shareholder returns. Over our holding period, Mitsubishi has grown dividends per share by 12% per annum.

Despite this improvement, Mitsubishi trades at a discount not just to the average Japanese stock, but also to its own book value. With a 5% dividend yield, we are happy to wait for the market to see the value in Mitsubishi as we do.

Pulling all of our ideas together produces a portfolio that is very different to the wider market – and in our view, much more attractive. On an absolute basis, valuations are plainly not as attractive as they were at the market bottom in March. Our shares are now about as cheap as the market was then, and the market is now expensive. But if we focus on the current gap between the Orbis Global Equity Fund and the market, we see that our shares trade at a 30% discount, despite growing more quickly. That is an unusually big discount.

We can never know what path our performance will take, but from these valuation levels, the relative opportunity we see in the portfolio looks exceptional. Accordingly, our relief at seeing 2020 behind us is matched only by our hopeful anticipation of the years ahead.

Over the quarter, most of the concentrations in the portfolio were unchanged. We established just one new significant position – in a bank in Continental Europe. We also trimmed the positions in some US shares which had outperformed of late, including XPO Logistics.

Adapted from commentary contributed by Rob Perrone, Orbis Investment Advisory Limited, Michael Heap, and Alex Bowles, Orbis Portfolio Management (Europe) LLP, London

For the full commentary please see www.orbis.com

Fund manager quarterly commentary as at 31 December 2020

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 11 unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority ('FSCA'). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however it is not supervised or licensed in Botswana. Allan Gray 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 one and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, Securities Transfer Tax [STT], STRATE and 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 does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and Transaction costs is shown as the Total investment charge ('TIC').

FTSE Russell Indices

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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.

MSCI Index

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

Important information for investors

Need more information?

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