

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*

Initial lump sum per investor account	R50 000
Additional lump sum	R1 000
Debit order**	R1 000

*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

Fund information on 31 March 2022

Fund size	R22.9bn
Number of units	266 453 891
Price (net asset value per unit)	R86.03
Class	A

1. FTSE World Index including income (source: Bloomberg), performance as calculated by Allan Gray as at 31 March 2022. Effective 14 May 2020, the Orbis Global Equity Fund's benchmark changed from the FTSE World Index, including income (FTSE World Index), to the MSCI World Index, including income, after withholding taxes (MSCI World Index). For an initial period of time, the Orbis Global Equity Fund will continue to charge its fee with reference to the FTSE World Index. After this period, the benchmark of the Allan Gray-Orbis Global Equity Feeder Fund will change to the MSCI World Index. Please see the Orbis Global Equity Fund's factsheet for more information on this fee transitional period.

2. This is based on the latest available numbers published by IRESS as at 28 February 2022.

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).

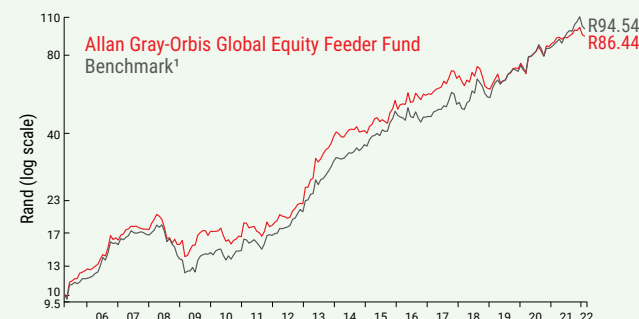
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.

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.

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)	764.4	269.1	845.4	303.7	148.3	47.2
Annualised:						
Since inception (1 April 2005)	13.5	8.0	14.1	8.6	5.5	2.3
Latest 10 years	15.9	8.7	18.3	11.0	5.0	2.2
Latest 5 years	8.7	6.9	14.6	12.7	4.2	3.1
Latest 3 years	10.8	10.6	15.4	15.2	4.4	3.9
Latest 2 years	14.1	26.1	18.2	30.6	4.2	4.8
Latest 1 year	-4.4	-3.1	8.2	9.6	5.7	7.9
Year-to-date (not annualised)	-12.7	-4.6	-12.8	-4.7	1.4	2.0
Risk measures (since inception)						
Maximum drawdown ³	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months ⁴	62.7	59.8	62.3	64.2	n/a	n/a
Annualised monthly volatility ⁵	15.2	17.1	14.1	15.6	n/a	n/a
Highest annual return ⁶	78.2	64.1	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 and over the latest 10- and five-year periods, the Fund 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 2021
Cents per unit	1.5476

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 and prospectus, 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 March 2022	1yr %	3yr %
Total expense ratio	0.85	0.89
Fee for benchmark performance	1.49	1.49
Performance fees	-0.69	-0.65
Other costs excluding transaction costs	0.05	0.05
VAT	0.00	0.00
Transaction costs (including VAT)	0.10	0.09
Total investment charge	0.95	0.98

Top 10 share holdings on 31 March 2022

Company	% of portfolio
British American Tobacco	7.8
FLEETCOR Technologies	3.6
Global Payments	3.6
UnitedHealth Group	3.4
XPO Logistics	3.4
Anthem	3.1
Newcrest Mining	3.0
Howmet Aerospace	2.9
Progressive	2.8
GXO Logistics	2.7
Total	36.2

Asset allocation on 31 March 2022

This fund invests solely into the Orbis Global Equity Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	97.3	41.5	22.6	10.1	13.5	9.5
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	2.7	0.0	0.0	0.0	0.0	2.7
TOTAL	100.0	41.5	22.6	10.1	13.5	12.2

Currency exposure of the Orbis Global Equity Fund

Funds	100.0	46.7	23.7	10.3	8.5	10.9
Index	100.0	67.1	17.2	6.5	5.2	4.0

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

Prior to Russia's invasion of Ukraine on 24 February, the Orbis Global Equity Fund (the Fund) had less than a 2% position in Russia. We were concerned for some time about increasing tensions between the two countries and trimmed our overall exposure to Russia in recent months. With the benefit of hindsight, we should have eliminated the position much sooner. At present, we have little confidence in our ability to recover value from these positions and wrote them down to zero in early March. Our thoughts remain with those in harm's way, and we hope for a prompt and peaceful resolution.

While investors seem to be focused on understanding the immediate impact on markets, we think this misses a much bigger point. While Russian energy exports may come under pressure from explicit sanctions or implicit boycotts, the real question is what happens if there is a more sustained disruption in Russian energy production itself. For example, a ban on the sale of equipment to Russia for oil and gas extraction could impair long-term production capacity. The old adage that "the best cure for high prices is high prices", remains true – other suppliers will happily step in to fill the gap. But so far that supply response has been limited for a variety of reasons, and supply was already very tight prior to the invasion. In fact, it is precisely because fossil fuels have been so deeply out of favour for so long that the supply crunch exists in the first place. In our view, many investors are only beginning to grasp these longer-term implications.

Nor are energy prices the only concern. Other key commodities are in short supply and will almost certainly affect the pricing of many other products. The US Federal Reserve is clinging to the view that inflation will be "transitory", but this does not inspire confidence. In fact, the Fed's limited response thus far probably raises the odds that inflation will persist.

For investors, the resurgence of inflation is a potential game-changer. The market environment in recent years has been characterised by a TINA mentality – There Is No Alternative – in which investors have had little choice but to chase increasingly frothy equity returns rather than sit in cash earning nothing or the "return-free risk" offered by many government bonds.

At Orbis, we don't get along very well with TINA. As value-oriented investors, we struggle to keep pace when equity markets become increasingly expensive, as has been the case in recent years. We prefer TASHA – There Are Some Healthy Alternatives – and that's exactly the mindset that we bring to the opportunity set today.

Commodity producers are one such alternative. Teck Resources, a Canadian mining company, offers a 25% free cash flow yield at current commodity prices. In other words, if you bought the company outright, you could get all of your money back after just four years if today's commodity prices were to persist. Even if they don't, Teck still looks reasonably attractive under more conservative long-term assumptions.

Brazil's Vale is another good example. Vale is one of four iron ore majors globally and is also the world's largest producer of nickel, a critical component for electric vehicle batteries. It has net cash on its balance sheet and trades at just six times our estimate of this year's earnings. At current production levels and iron ore prices of US\$150 per tonne, Vale generates a free cash flow yield of about 25%, but even at US\$80 per tonne it would still deliver about 8-10% free cash flow yield. That tells us that the stock is fairly valued with ore at US\$80 and a steal if current prices persist. Of course, the current levels may be unsustainably high, but high commodity prices provide a reassuring margin of safety. The longer high prices persist, the more cash will flow back to the owners of the business, which in turn provides fundamental support for the share price.

If we are correct that the stockpicking environment is changing, then banks may offer yet another healthy alternative. Interest rates have recently been the lowest in 5 000 years of knowable history and it would be unreasonable to assume that this will persist indefinitely – particularly in light of the sharp uptick in inflation. For banks, rising interest rates should be a positive, as they will be able to take advantage of the difference between the rate that banks pay to customers on their savings, and the rate they can earn through investing those savings.

KB Financial Group, one of the leading lenders in South Korea, is growing at a steady pace, and is paying about a 5% dividend yield – which should rise over time. Despite this, KB currently trades at a 50% discount to its book value. Valuation figures like these might normally be signs of distress or weak fundamentals for a bank, but KB has an impressive track record of profitability and a strong balance sheet.

In our view, there are still plenty of healthy alternatives to choose from in the current environment, particularly as growth rates fade and valuation multiples are squeezed by rising interest rates. While the likes of Teck, Vale and KB are just a few examples, they are representative of the types of new opportunities that we have been focusing on of late.

While the Fund's performance in the first quarter was similar to that of its benchmark, we got there very differently. It has been frustrating that our exposure to Russia and China has hurt performance, but being underweight the most expensive parts of the market in favour of our selection of healthy alternatives has been a tailwind – one we believe has far more room to run.

We trimmed the position in Taiwan Semiconductor Manufacturing Company in light of rising geopolitical risks and exited the position in Meta Platforms (formerly Facebook) due to concerns about increasing competitive pressures.

Adapted from a commentary contributed by Ben Preston, Orbis Portfolio Management (Europe) LLP, London

Fund manager quarterly commentary as at 31 March 2022

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.

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Management Company

Allan Gray Unit Trust Management (RF) (Pty) Ltd (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 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 (Pty) Ltd (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)11 301 6335 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. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

Funds may be closed to new investments at any time in order to be managed according to their mandates. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The funds may borrow up to 10% of their 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, 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, Share Transactions Totally Electronic (STRATE) and FSCA Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are necessary costs 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).

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

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

FTSE Russell Index

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MSCI Index

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