Fund managers: This Fund invests solely into the Orbis SICAV Global Balanced Fund, managed by Orbis Investment Management Limited. **Inception date:** 3 February 2004

Allan Gray-Orbis Global Balanced Feeder Fund

30 September 2021

Fund description and summary of investment policy[1]

The Fund is a feeder fund and invests only in the Orbis SICAV Global Balanced Fund ('Orbis Global Balanced'), managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. Orbis Global Balanced invests in a diversified global portfolio of equities, fixed income, and commodity-linked instruments. The typical net equity exposure of Orbis Global Balanced is between 40% and 75%. Orbis Global Balanced aims to balance investment returns and risk of loss. Returns are likely to be less volatile than those of a global equity-only fund. Although Orbis Global Balanced's investment universe is global, the units of the Fund are priced and traded daily in rands.

ASISA unit trust category: Global – Multi Asset – High Equity

Fund objective and benchmark[1]

The Fund aims to create long-term wealth for investors and to outperform its designated combined equity and bond performance benchmark, which comprises 60% the MSCI World Index with net dividends reinvested and 40% the J.P. Morgan GBI Global Index.

How we aim to achieve the Fund's objective

The Fund invests only in Orbis Global Balanced. Orbis Global Balanced is actively managed and invests in a diversified global portfolio of equities, fixed income, and commodity-linked instruments. Orbis Global Balanced targets an exposure of 40% to 90% of net asset value ('NAV') in equities, 10% to 50% in fixed income and 0% to 10% in commodity-linked instruments. The overall exposure to equities after hedging is intended to be limited to 75% of NAV. The weighting among the asset classes is driven by Orbis' bottom-up approach in selecting securities across asset classes and therefore may deviate substantially compared to the benchmark.

Like Allan Gray, Orbis uses in-house research to identify companies whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables them 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. A similar approach is applied in selecting fixed income instruments, which may consist of cash, cash equivalents, government bonds and investment-grade and high-yield corporate bonds and, at times, distressed corporate bonds. They are selected with the aim of increasing the overall risk-adjusted return.

When Orbis' research suggests that stock or bond markets are overvalued, Orbis may reduce exposure to those asset classes or hedge market risk using exchange-traded derivatives. Hedged equities may also be used as an alternative to holding fixed-income instruments and reduce overall portfolio risks. Commodity-linked instruments are included if Orbis' research identifies certain commodities as being more attractive on a risk-adjusted basis than overall equity or fixed-income opportunities. Currency exposure is actively managed to control exposure to currencies less likely to hold their long-term value in US dollars.

Suitable for those investors who

- Seek to balance investment returns and risk of loss, by investing in a diversified global multi-asset class portfolio
- Wish to invest in international assets without having to personally expatriate rands
- Are comfortable that the investment approach is likely to result in volatility and potential capital loss, but typically less volatility than that of a global equity-only fund
- Typically have an investment horizon of at least three to five years

Fund information on 30 September 2021

Fund size	R14.9bn
Number of units	300 723 825
Price (net asset value per unit)	R49.61
Class	A

Minimum investment amounts*

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

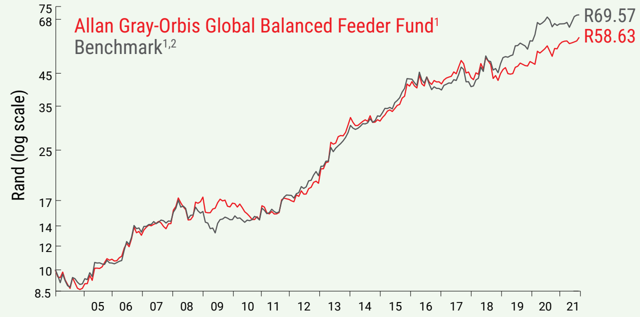
*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

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

1. The Fund was converted from a fund of funds structure to a feeder fund structure and its name and benchmark were amended on 1 June 2021. For more information, please read 'Ballot underway for Allan Gray-Orbis Global Fund of Funds', available via the Latest insights section of our website.
2. 60% of the MSCI World Index with net dividends reinvested and 40% of the J.P. Morgan GBI Global Index (source: Bloomberg), performance as calculated by Allan Gray as at 30 September 2021. From inception to 31 May 2021, the benchmark was 60% of the FTSE World Index including income and 40% of the J.P. Morgan GBI Global Index.
3. This is based on the latest available numbers published by IRESS as at 31 August 2021.
4. Maximum percentage decline over any period. The maximum rand drawdown occurred from 23 October 2008 to 14 October 2010 and maximum benchmark drawdown ccurred from 23 October 2008 to 30 June 2009. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
5. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
6. 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.
7. 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 October 2010 and the benchmark's occurred during the 12 months ended 30 June 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[1,2]		CPI inflation[3]	
Cumulative:	ZAR	US$	ZAR	US$	ZAR	US$
Since inception (3 February 2004)	486.3	173.1	595.7	224.0	152.7	46.5
Annualised:						
Since inception (3 February 2004)	10.5	5.8	11.6	6.9	5.4	2.2
Latest 10 years	13.1	6.3	15.2	8.3	5.0	1.9
Latest 5 years	7.0	5.1	11.1	9.1	4.4	2.6
Latest 3 years	6.2	4.0	12.4	10.1	4.1	2.7
Latest 2 years	11.6	11.8	12.4	12.6	4.0	3.2
Latest 1 year	11.1	23.7	4.0	15.8	4.9	5.2
Year-to-date (not annualised)	9.2	6.1	8.4	5.3	4.4	4.6
Risk measures (since inception)						
Maximum drawdown[4]	-24.0	-37.0	-25.1	-37.5	n/a	n/a
Percentage positive months[5]	58.0	59.9	59.0	64.2	n/a	n/a
Annualised monthly volatility[6]	13.7	11.5	12.7	9.9	n/a	n/a
Highest annual return[7]	55.6	43.8	38.8	37.6	n/a	n/a
Lowest annual return[7]	-13.7	-27.3	-17.0	-31.7	n/a	n/a

Tel 0860 000 654 or +27 (0)21 415 2301 **Fax** 0860 000 655 or +27 (0)21 415 2492 **Email** info@allangray.co.za **www.allangray.co.za**

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 similar funds in the Global – Multi Asset – High Equity sector.

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	**0.0000**

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 SICAV Global Balanced 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 SICAV Global Balanced 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 30 September 2021	1yr %	3yr %
Total expense ratio	**0.84**	**1.06**
Fee for benchmark performance	1.47	1.45
Performance fees	-0.70	-0.45
Other costs excluding transaction costs	0.07	0.06
VAT	0.00	0.00
Transaction costs (including VAT)	**0.10**	**0.09**
Total investment charge	**0.94**	**1.15**

Top 10 holdings on 30 September 2021

Company	% of portfolio
SPDR Gold Trust	6.2
Samsung Electronics	5.2
BP	3.2
Royal Dutch Shell	2.7
ING Groep	2.6
AbbVie	2.5
Taiwan Semiconductor Mfg.	2.2
Schlumberger	2.0
Drax Group	2.0
Mitsubishi	2.0
Total (%)	**30.6**

Asset allocation on 30 September 2021

This fund invests solely into the Orbis SICAV Global Balanced Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	61.6	14.7	26.0	9.1	9.8	2.0
Hedged equities	18.9	9.9	5.1	1.0	1.5	1.4
Fixed interest	13.2	10.9	0.5	0.0	0.2	1.6
Commodity-linked	6.2	0.0	0.0	0.0	0.0	6.2
Net current assets	0.1	0.0	0.0	0.0	0.0	0.1
Total	**100.0**	**35.4**	**31.6**	**10.1**	**11.5**	**11.4**
Currency exposure of the Orbis SICAV Global Balanced Fund						
Funds	100.0	38.0	36.4	13.5	9.1	2.9
Index	100.0	61.6	23.9	11.8	0.7	2.1

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

Tel 0860 000 654 or +27 (0)21 415 2301 **Fax** 0860 000 655 or +27 (0)21 415 2492 **Email** info@allangray.co.za **www.allangray.co.za**

Fund manager quarterly commentary as at 30 September 2021

As investors, precious few things are within our control. We can do the research to find great opportunities, we can choose which ones we buy, we can monitor them closely, and we can work with management teams to enhance value. But we cannot force the market to buy.

At times this is frustrating. Now is one of those times.

As we look out at markets, the major asset classes look broadly expensive. Bond yields are near 700-year lows, negative in Europe and Japan, and negative in real terms in the US and UK. Corporate bonds do not generally offer enough extra yield to even cover inflation. Global stock markets are at elevated valuations on almost any metric you choose. All this leaves the combined valuation of a passive 60/40 portfolio at worse levels than the eve of the global financial crisis in 2007, the peak of the tech bubble in 2000, or the Japan bubble in 1990.

And yet, there are still wonderful opportunities to be had in the shares of individual neglected companies. We can find great opportunities where we believe the market is undervaluing a company and its future prospects. But if the market doesn't see what we see, there is little we can do about it, other than wait for the penny to drop.

There is, however, something companies can do: control the cash flows they deliver to shareholders. Here, we have learned a lesson from credit investing.

We have set up our multi-asset team to encourage analysts to look at the equity and debt of companies. Today we see scant opportunities in credit, so we are focused on equities. But we have found one joy in credit investing: if your analysis is right, ultimately it doesn't matter what the market thinks. Your return is determined by cash flows agreed between you and the company, not by the opinions of other investors. If the market comes to see what you see, great – you get an accelerated return. But it's a bonus, not a requirement.

It is less clear-cut in equity markets, but well-managed companies can do well for shareholders by paying dividends and growing those dividends. Such companies can deliver attractive returns through growth and yield alone, even if the market resists putting a higher multiple on the shares.

This, at its heart, is what it means to invest like a business owner, and as we look around the world today, we see plenty of businesses offering exactly this sort of proposition. Most of these companies are not outright hated but have simply been neglected as markets focus on big popular themes like AI or e-commerce, and exogenous factors like COVID-19 stats, the US Federal Reserve's next move, the next emerging tech theme, or the next crypto boom.

Neglected shares like AbbVie, BP, Shell, ING, Bank of Ireland, BMW, Simon Property, Mitsubishi, and Samsung Electronics are all excellent examples of this sort of opportunity, and together they represent over 20% of the Orbis SICAV Global Balanced Fund. Each offers ample return potential through growth and dividend yield alone – without any crazy assumptions about the companies taking over the world, or their valuations going to the moon.

Of course, we also firmly believe that each of these shares is undervalued. AbbVie, a traditionally defensive pharmaceutical company with above-average returns on capital, trades at just nine times earnings. Shell and BP are producing record and near-record levels of cash flow, respectively, yet their share prices are a third lower than they were two years ago. ING and Bank of Ireland both have plenty of excess capital and are coming out of a period of intense regulatory scrutiny and pressure on lending margins, yet they are priced as if this pressure will never relent. BMW trades near a record low valuation, even as it demonstrates that it can transition to electric vehicles. Mitsubishi has grown dividends per share by 20% p.a. over the last five years and has earned better long-term returns on equity than the average Japanese stock, yet trades at a 30% discount. Simon Property's high-end retail malls are outperforming pre-COVID-19 profit levels, yet the shares continue to trade at valuations well below those of 2019. And Samsung, the undisputed leader of the increasingly essential and recently consolidated memory chip industry, has languished at a price-earnings multiple of just 11 times (excluding its cash).

Many also have additional upside. BP and Shell could thrive if oil and gas prices rise further due to limited supply, and the companies could attract admirers if they deliver decent returns on their renewable investments. Mitsubishi could surpass its record of long-term 7% p.a. growth as it reaps the rewards of renewed investment discipline. Simon Property could see a windfall should the venerable brands like Brooks Brothers, that it bought for cents on the dollar during the COVID-19 lockdown, continue their strong recoveries. Samsung's growth could exceed our expectations as memory chips pervade everything from refrigerators to cars, and as ever fewer companies are able to keep up with the latest manufacturing methods.

Should the market come to share our views of these businesses, holding the shares would be very rewarding. But, as we consider the cash flows as a business owner would, we think they offer good value even if they don't attract a richer valuation – so long as our analysis is correct.

Of course, we know some of these won't work out. This is why we watch each company like hawks and reassess if we see fundamentals falling behind our thesis. Currently, many are tracking or even surpassing our expectations. While some are being recognised by the market, a higher than usual proportion are continuing to be ignored, ultimately providing even greater opportunity. That is a bit frustrating now, but it bodes well for long-term returns.

The largest addition to the portfolio during the quarter was a new position in a US cinema chain, where we felt COVID-19 and disintermediation concerns were excessive, leaving the shares trading at a healthy discount to our assessment of the business' intrinsic value. We significantly reduced the position in Taiwan Semiconductor Manufacturing following strong share price appreciation. While we reduced the position size, we continue to retain conviction in the thesis and the stock remained a top 10 holding at 30 September 2021.

Adapted from a commentary contributed by Alec Cutler, Orbis Investment Management Limited, Bermuda

Tel 0860 000 654 or +27 (0)21 415 2301 **Fax** 0860 000 655 or +27 (0)21 415 2492 **Email** info@allangray.co.za **www.allangray.co.za**

Important information for investors

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.

Information and content

The information in and content of this publication are provided by Allan Gray as general information about the company and its products and services. Allan Gray does not guarantee the suitability or potential value of any information or particular investment source. The information provided is not intended to, nor does it constitute financial, tax, legal, investment or other advice. Before making any decision or taking any action regarding your finances, you should consult a qualified financial adviser. Nothing contained in this publication constitutes a solicitation, recommendation, endorsement or offer by Allan Gray; it is merely an invitation to do business.

Allan Gray has taken and will continue to take care that all information provided, in so far as this is under its control, is true and correct. However, Allan Gray shall not be responsible for and therefore disclaims any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance on any information provided.

Allan Gray is an authorised financial services provider.

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)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. 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.

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.

FTSE Russell Index

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2021. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "Russell®", "FTSE Russell®", is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

J.P. Morgan Index

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2021, J.P. Morgan Chase & Co. All rights reserved.

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**