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

31 December 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 31 December 2021

Fund size	R15.4bn
Number of units	294 532 410
Price (net asset value per unit)	R52.37
Class	A

Minimum investment amounts*

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

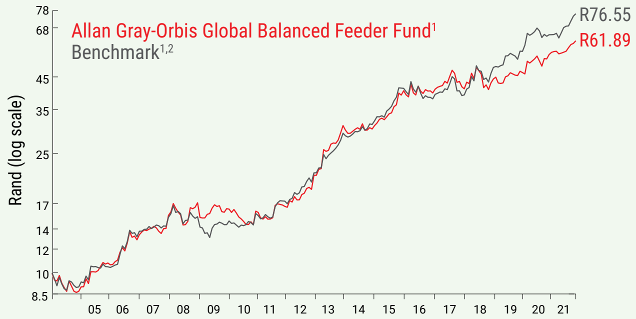
*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

**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 31 December 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 30 November 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)	518.9	173.1	665.5	237.8	155.2	49.7
Annualised:						
Since inception (3 February 2004)	10.7	5.7	12.0	7.0	5.4	2.3
Latest 10 years	13.7	6.3	15.8	8.2	5.0	2.1
Latest 5 years	8.2	4.9	14.0	10.6	4.4	2.9
Latest 3 years	12.2	8.4	18.3	14.3	4.1	3.3
Latest 2 years	14.6	7.5	19.6	12.2	4.3	4.0
Latest 1 year	15.3	6.2	19.3	9.9	5.5	6.9
Year-to-date (not annualised)	15.3	6.2	19.3	9.9	5.5	6.9
Risk measures (since inception)						
Maximum drawdown[4]	-24.0	-37.0	-25.1	-37.5	n/a	n/a
Percentage positive months[5]	58.6	60.0	59.5	64.2	n/a	n/a
Annualised monthly volatility[6]	13.6	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

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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 2021
Cents per unit	**0.1143**

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 31 December 2021	1yr %	3yr %
Total expense ratio	**0.89**	**0.99**
Fee for benchmark performance	1.48	1.46
Performance fees	-0.66	-0.53
Other costs excluding transaction costs	0.07	0.06
VAT	0.00	0.00
Transaction costs (including VAT)	**0.09**	**0.08**
Total investment charge	**0.98**	**1.07**

Top 10 holdings on 31 December 2021

Company	% of portfolio
SPDR Gold Trust	6.7
Samsung Electronics	5.9
BP	3.0
Royal Dutch Shell	2.7
Taiwan Semiconductor Mfg.	2.5
Drax Group	2.4
UnitedHealth Group	2.3
Schlumberger	2.2
ING Groep	2.0
Mitsubishi	1.9
Total (%)	**31.6**

Asset allocation on 31 December 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	62.0	15.4	25.0	8.6	10.4	2.5
Hedged equities	19.8	9.9	5.6	1.3	1.5	1.5
Fixed interest	11.5	8.8	0.5	0.1	0.3	1.8
Commodity-linked	6.7	0.0	0.0	0.0	0.0	6.7
Net current assets	0.0	0.0	0.0	0.0	0.0	0.0
Total	**100.0**	**34.1**	**31.1**	**10.0**	**12.2**	**12.6**
Currency exposure of the Orbis SICAV Global Balanced Fund						
Funds	100.0	37.2	36.1	13.4	10.3	3.1
Index	100.0	62.8	23.4	11.1	0.7	2.0

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

Fund manager quarterly commentary as at 31 December 2021

It has been quite a ride. Coming into COVID-19, the Fund was positioned well for continued economic activity. That, of course, is the opposite of what happened, and the Fund suffered along with the market in the initial crash. At that time, the best thing we could do was dedicate ourselves to taking advantage of the opportunities to upgrade the Fund's upside and quality so that it could outperform in the recovery.

That's what we did, and the Fund outperformed significantly from the March 2020 lows. By the end of May 2021, when the Delta variant was first named, the Fund had recovered all of its underperformance from the initial COVID-19 crash and then some.

With the emergence of new variants since then, popular trends of the past decade have re-emerged – low bond yields, a preference for virtual businesses, and a strong US dollar and stock market. Those have weighed on performance, undoing the Fund's outperformance in the first half of 2021.

As a competitor, I am frustrated by the performance, but as an analyst, I'm more excited about the portfolio than I was a year ago. The businesses we invest in are performing well for us, but for many, their stock prices are not. While in other parts of the market, less profitable or outright money-losing businesses are attracting increasingly bubbly prices.

As a result, the gradient between the bubbly stocks and the other three-quarters or so of the market is the most extreme I've seen in my 35 years of professional investing. That is nirvana for a valuation-focused stockpicker. So as managers of meme-friendly funds feel emboldened to dismiss contrarians as dinosaurs and valuations as a chump's pursuit, we remain committed to and excited about our approach. The most difficult times, as a contrarian, are created when market momentum around a certain group of stocks goes far enough for long enough that we eventually rotate out of the things that have done well into opportunities that are fundamentally more attractive. This usually works well, as momentum typically has a short shelf life, but every once in a while, trends persist to the point of notable extremes. One feature of the recent market momentum regime has been the seeking out of companies that don't have to invest much in physical plant and equipment to produce earnings. An Apple or a Microsoft or a Google doesn't have to buy a lot of plant and equipment to run their business. They've been called virtual companies.

Because virtual companies have so captivated investors, it's become almost religion that you don't own the opposite – you don't own companies that have to invest a lot in capital expenditures to maintain their business. Something like a semiconductor manufacturer sits at this undesirable end of the spectrum, where each plant costs US$15-20 billion and takes five to six years to build, during which time the plant produces no revenues. Similarly, building a copper mine will cost money for years before producing any copper. Same for a polyethylene plant, or a refinery, or a cardboard factory.

These "maker" businesses are perceived as very unattractive and have been punished with very low valuations. Said another way, investors are supplying less capital to businesses that make physical things. The wonderful irony (for us anyway) is that demand for those things is exploding – including from the "virtual" businesses.

We are seeing the results. Supply chains are roiled, and many don't have enough capacity of the basic inputs that these makers make. That's been caused, in part, by years of shareholders yelling at these companies to stop investing.

So we've been able to buy lots of makers, many of which provide support critical to the success of more glamorous companies, at very low prices.

The best example is also the largest equity holding in the Fund – Samsung Electronics, the world's largest maker of memory semiconductors. The company invests a great deal – nearly US$40 billion in the last 12 months alone. But with a long-term return on equity close to 20%, Samsung does make a lot of money on what they invest.

That is the key for us. We share others' dislike for companies that invest heavily in low-return pursuits, but for Samsung that's not the case. The latest manufacturing method employed by Samsung, called extreme ultraviolet lithography, manipulates light with a precision akin to shooting an arrow at the moon and hitting an apple off a person's head. Samsung memory enables everyone from Apple to Microsoft to offer their products. Yet, after accounting for the cash on its balance sheet, Samsung trades at just 10 times earnings. We strongly believe that Samsung's remarkable skill is worth something much closer to 20 times earnings, similar to the multiple afforded the wider stock market today.

We think that kind of perception against makers is going to change, and not just for Samsung. The Fund is now dominated by companies that make things that are important to everyday life, including six of the top 10 positions.

The world is coming to realise that it needs Samsung to produce memory chips, and BP and Schlumberger to produce oil and gas. The UK needs Drax to produce electricity, and Japan needs Mitsubishi to produce and import metals, food, and energy. A third of all natural gas in the world is touched by Royal Dutch Shell, and TSMC is probably the most important company on earth, responsible for producing the brains for most of the world's computers. As that realisation continues to become clearer, we believe each of these companies should be rewarded with materially higher valuations.

Over half of the Orbis SICAV Global Balanced Fund today is invested in the equity or debt of companies that we consider "makers".

Those makers contribute to a portfolio that looks very different from the market as a whole. In aggregate, the equities in the Fund have lower returns on equity and revenue growth than the wider market – but the Fund is fully 45% cheaper than the market on a forward price-earnings basis, and on a free cash flow basis, the discount to the broader market has never been wider.

We tend to feel best about the portfolio just when we feel worst about performance. That is a feature, not a bug, of our approach. We intend to stick with it. Being a contrarian is difficult – until it becomes wonderful.

The largest addition to the Fund during the quarter was a new position in a US energy infrastructure company, which we believe is trading at a deep discount having weathered the headwinds that have plagued the oil & gas industry in recent years. Conversely, the largest sale was a reduction in US pharmaceutical company AbbVie, following a period of outperformance.

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

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)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

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FTSE Russell Index

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J.P. Morgan Index

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