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 2023

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 Global Government Bond 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

Note: 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.

Fund information on 30 September 2023

Fund size	R16.3bn
Number of units	247 735 111
Price (net asset value per unit)	R65.93
Class	A

Minimum investment amounts*

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

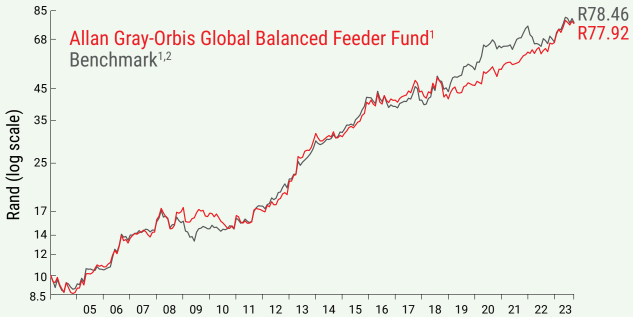
*Lower minimum investment amounts apply for investments in the name of an investor younger than 18. Please refer to our website for more information.

**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 Global Government Bond Index (source: Bloomberg), performance as calculated by Allan Gray as at 30 September 2023. From inception to 31 May 2021, the benchmark was 60% of the FTSE World Index including income and 40% of the J.P. Morgan Global Government Bond Index.
3. This data reflects the latest available inflation numbers for South Africa and the United States of America, as published by IRESS as of 31 August 2023.
4. Maximum percentage decline over any period. The maximum rand drawdown occurred from 23 October 2008 to 14 October 2010 and maximum benchmark drawdown occurred 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)	679.2	190.9	684.6	192.9	184.9	64.4
Annualised:						
Since inception (3 February 2004)	11.0	5.6	11.0	5.6	5.5	2.6
Latest 10 years	10.9	4.1	11.6	4.8	5.1	2.8
Latest 5 years	9.7	3.7	9.9	3.9	4.9	4.0
Latest 3 years	13.9	9.6	5.4	1.4	5.8	5.7
Latest 2 years	15.3	3.2	6.2	-4.9	6.2	5.9
Latest 1 year	25.5	19.9	18.3	13.0	4.8	3.7
Year-to-date (not annualised)	16.6	5.1	16.6	5.1	4.0	2.6
Risk measures (since inception)						
Maximum drawdown[4]	-24.0	-37.0	-25.1	-37.5	n/a	n/a
Percentage positive months[5]	58.5	60.2	57.6	62.7	n/a	n/a
Annualised monthly volatility[6]	13.5	11.7	12.8	10.4	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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Allan Gray-Orbis Global Balanced Feeder Fund

30 September 2023

Meeting the Fund objective

Since inception, the Fund has performed in line with its benchmark. Over the latest 10- and five-year periods, the Fund has underperformed its benchmark. The Fund has provided rand returns in excess of South African 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 2022
Cents per unit	**0.3579**

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 (updated quarterly)

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 2023	1yr %	3yr %
Total expense ratio	**2.91**	**1.83**
Fee for benchmark performance	1.10	1.35
Performance fees	1.75	0.42
Other costs excluding transaction costs	0.06	0.06
VAT	0.00	0.00
Transaction costs (including VAT)	**0.07**	**0.08**
Total investment charge	**2.98**	**1.91**

Top 10 holdings on 30 September 2023

Company	% of portfolio
SPDR Gold Trust	4.9
Samsung Electronics	4.4
Kinder Morgan	3.4
US TIPS 5 - 7 Years	3.0
Taiwan Semiconductor Mfg.	2.7
Burford Capital	2.4
US TIPS 3 - 5 Years	2.2
FLEETCOR Technologies	1.9
Mitsubishi Heavy Industries	1.8
Sumitomo Mitsui Fin.	1.8
Total (%)	**28.5**

Asset allocation on 30 September 2023

This fund invests solely into the Orbis SICAV Global Balanced Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equities	57.6	12.8	20.1	9.1	12.0	3.6
Hedged equities	19.3	10.8	5.4	0.7	1.3	1.1
Fixed interest	17.9	14.6	3.0	0.1	0.0	0.2
Commodity-linked	4.9	0.0	0.0	0.0	0.0	4.9
Net current assets	0.3	0.0	0.0	0.0	0.0	0.3
Total	**100.0**	**38.1**	**28.5**	**9.9**	**13.4**	**10.1**
Currency exposure						
Fund	100.0	30.4	36.0	17.5	9.5	6.6
Benchmark	100.0	64.5	22.0	10.9	0.6	2.0

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

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Fund manager quarterly commentary as at 30 September 2023

It is not a comfortable time for global investors. While we can find plenty to invest in, stock markets in aggregate are not attractively valued, economic uncertainty is high and geopolitical uncertainty is even higher. At times like this, it is wonderful when we can find companies whose success or failure is determined by factors specific to that business rather than the broader economic and interest rate cycle. We like companies that march to the beat of their own drum, and we call them "idiosyncratics".

Of course, almost every investment has idiosyncratic parts. Yet few are insulated from big macroeconomic and market factors like stock market bubbles and bursts, economic booms and recessions, and interest rate hikes and cuts. Idiosyncratic investments are always nice to have in portfolios, but they are most valuable when markets are expensive and the environment uncertain. Therefore, we are really keen on them now.

The Fund has plenty of idiosyncratic holdings, few of which make headlines, and none of which sit in the top positions of major indices. Drax's share price moves day-to-day on perceptions around the acceptance of biomass energy. Shares such as Bayer (pharmaceuticals), Incitec Pivot (chemicals, fertilisers and explosives) and Nufarm (agricultural chemicals) are significantly driven by weather patterns. Our defence holdings take their cue from global conflicts. But perhaps the purest example of an idiosyncratic in the Fund today is a company we first discovered through a short-seller report.

In August 2019, a report came across our desks discussing a company we had never heard of. The report made some provocative claims about abuses of fair value accounting and weak governance. Some of the criticism seemed valid, but after doing our own work, most of it struck us as nonsense. That company was Burford Capital.

Burford Capital specialises in litigation funding. Hiring a law firm was historically a self-financed endeavour, with the client typically paying a lawyer a fee in exchange for the lawyer's services. A litigation funder is a third-party firm which provides an alternative financing arrangement for clients pursuing claims. This funding arrangement often involves the financier taking a share of the ultimate recovery of the claim in exchange for paying the legal costs. Essentially, Burford invests in legal claims, with a strong focus on commercial claims. In some situations, Burford, leveraging its deep expertise, takes over management of the proceedings. Most claims settle, sometimes they lose and sometimes they win big. Burford has done this successfully for over 13 years – they basically created the litigation finance industry and have been trailblazers in providing new financing solutions to clients.

Apart from this interesting operating model, Burford has a lot of appealing hallmarks. It is owner-operated, and its leaders have a large percentage of their wealth invested in the company.

It has a deep moat from being the first, largest and most recognisable name in the space, giving it first pick on many claims and a data advantage in assessing those claims. It is an income stream uncorrelated to the rest of our Fund – legal claims won't go down when macro trends weaken. It relies on a rigorous research process similar to our own. And lastly, Burford offers optionality – a potentially meaningful claim against Argentina and its state oil company.

Burford's most prominent investment relates to the Argentine government expropriating the oil company YPF. For years, the case moved back and forth between the New York district court and the appeals court. Analysing the legal arguments made by both sides gave us confidence that Burford would prevail. So far, they have: In late March 2023, the judge granted summary judgement and subsequently awarded the plaintiffs a meaningful award. Argentina can appeal, but these were important milestones.

Despite these positive developments – and the share price rally that has accompanied them – we remain enthusiastic owners of the business. While discussion of the company has been dominated by the Argentine case, courts have also started catching up on their COVID-19 backlogs, and Burford's underlying business has had a great 2023. Using what we consider to be conservative assumptions about the future, we believe a discount to intrinsic value remains, even without a big payoff from that case. Argentina has been combative in past spats with sovereign bondholders and the market is bearish about Burford's chances of extracting the YPF-related claim. But enforcement proceedings against sovereigns present unique challenges that do not apply to those against private entities, and Burford has historically shown an amazing ability to deliver what its clients are owed from the most recalcitrant defendants. The road to resolution will be bumpy and could take time, but recovering even half the claim would mean we are getting the rest of Burford's business for free at today's price.

As contrarians, we are drawn to companies that other investors hate, neglect or misunderstand. Idiosyncratics fit that description perfectly. And if, in an uncertain environment, they can also improve the Fund's diversification, so much the better.

We added to the Fund's exposure to US Treasury Inflation Protected Securities (TIPS), as we believe the exposure offers low risk, real yield and inflation protection at an attractive price. This was funded through sales of some smaller holdings in the Fund where the discount to intrinsic value had narrowed.

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

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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. For more information about our annual management fees, refer to the frequently asked questions, available via the Allan Gray website.

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.

MSCI Index

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FTSE Russell Index

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J.P. Morgan Index

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