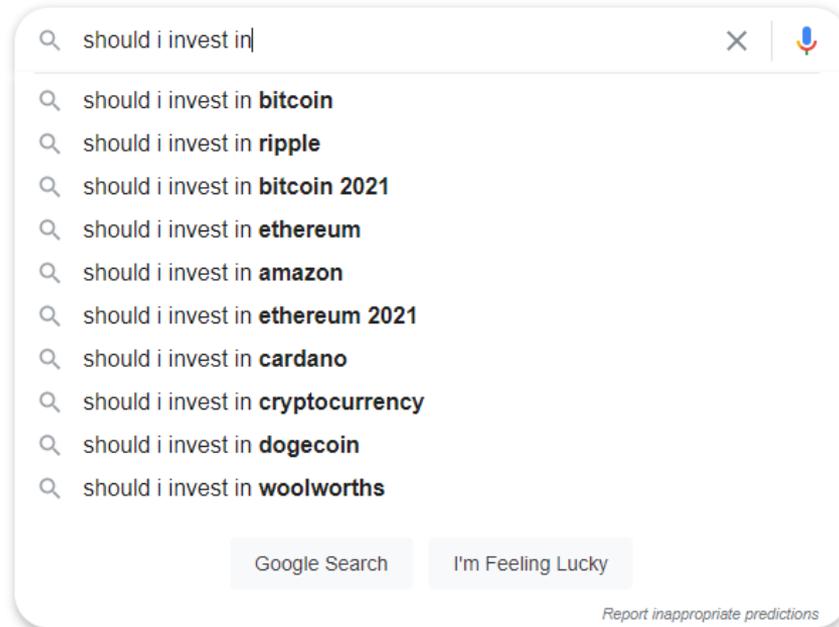


Allan Gray and Orbis investment update

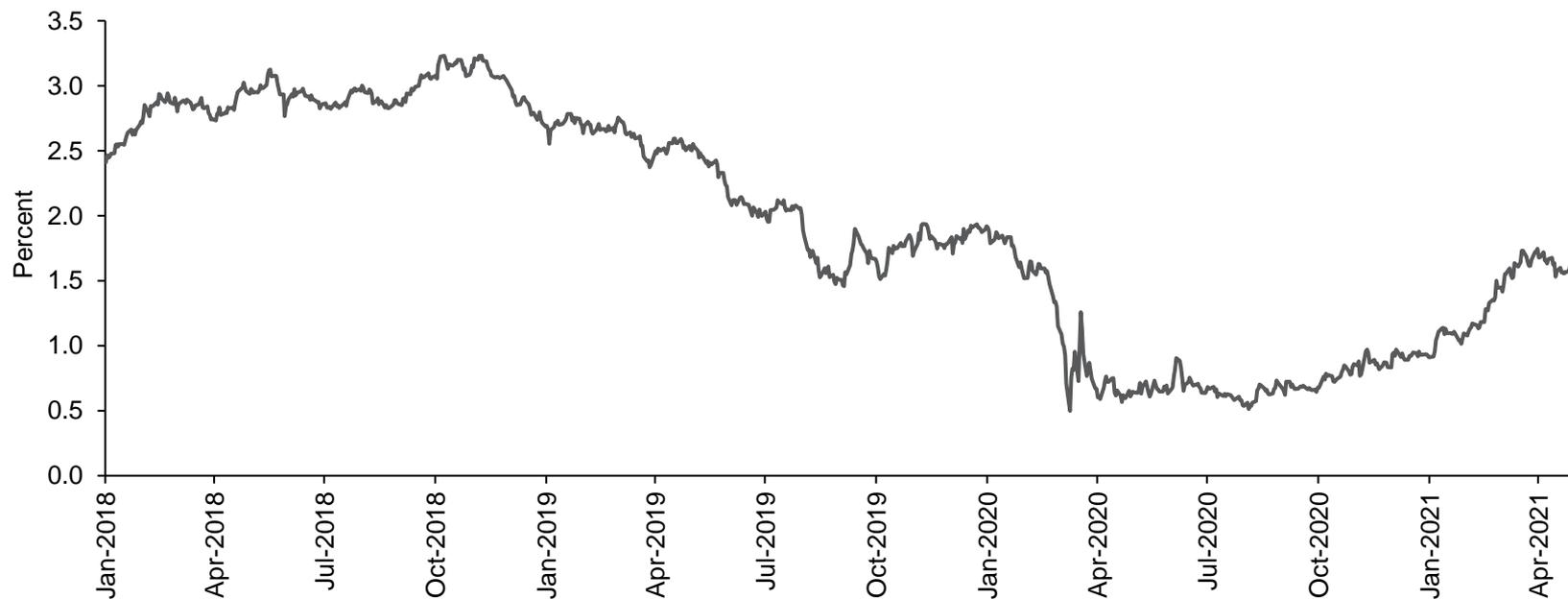
Jacques Plaut





US 10-year government bond yield

What if...

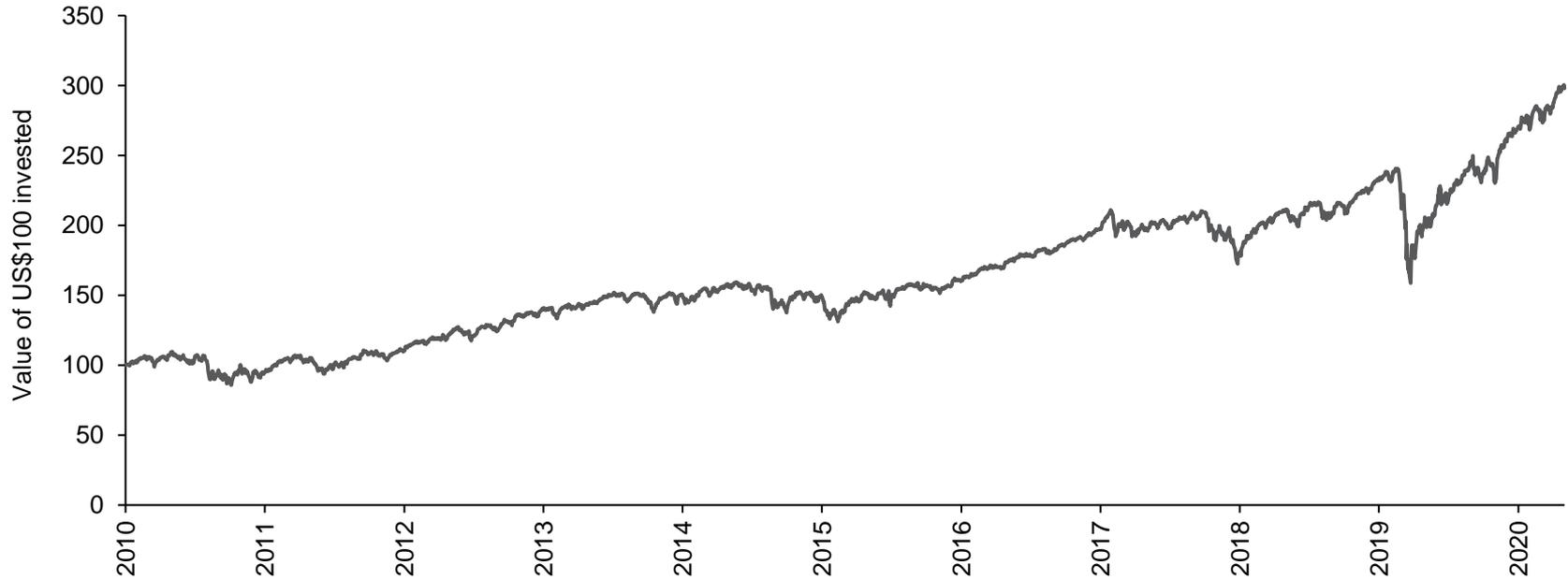


Source: Thomson Reuters



MSCI World Index

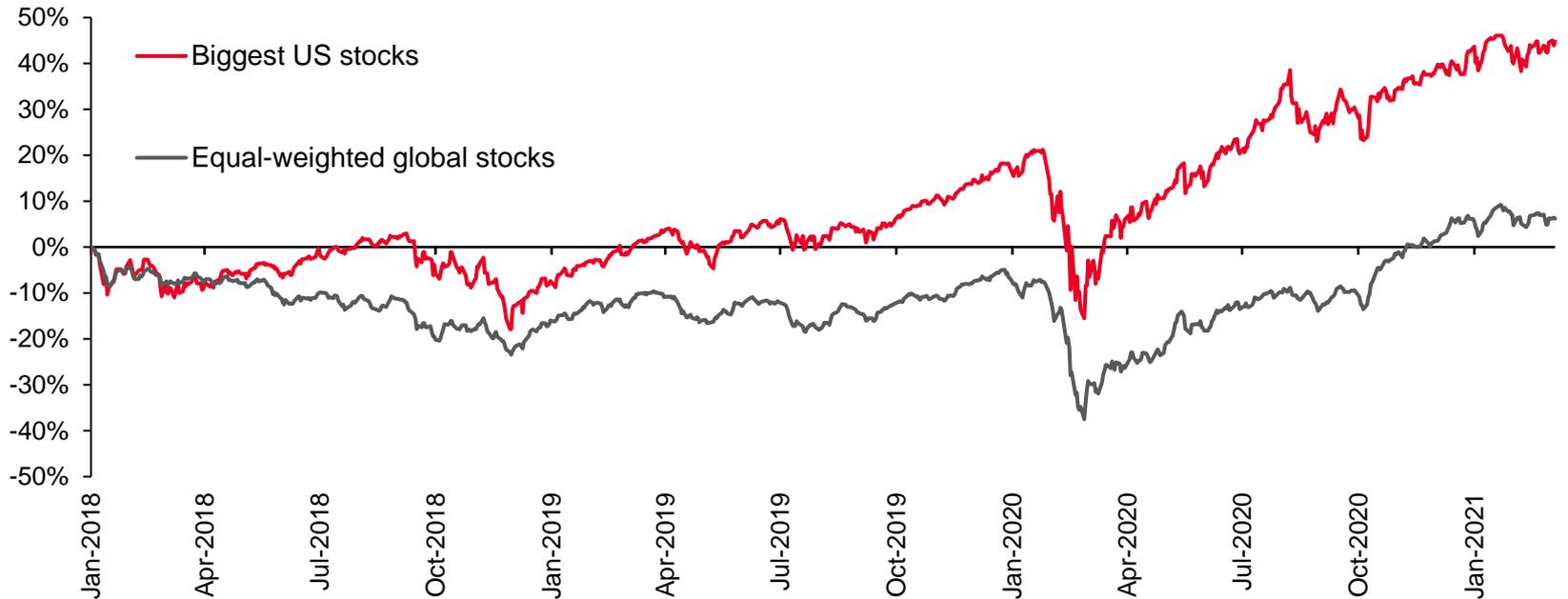
In US dollars



Source: Thomson Reuters

US vs everywhere else: performance

The typical global stock has only just emerged from a bear market that started in Jan 2018

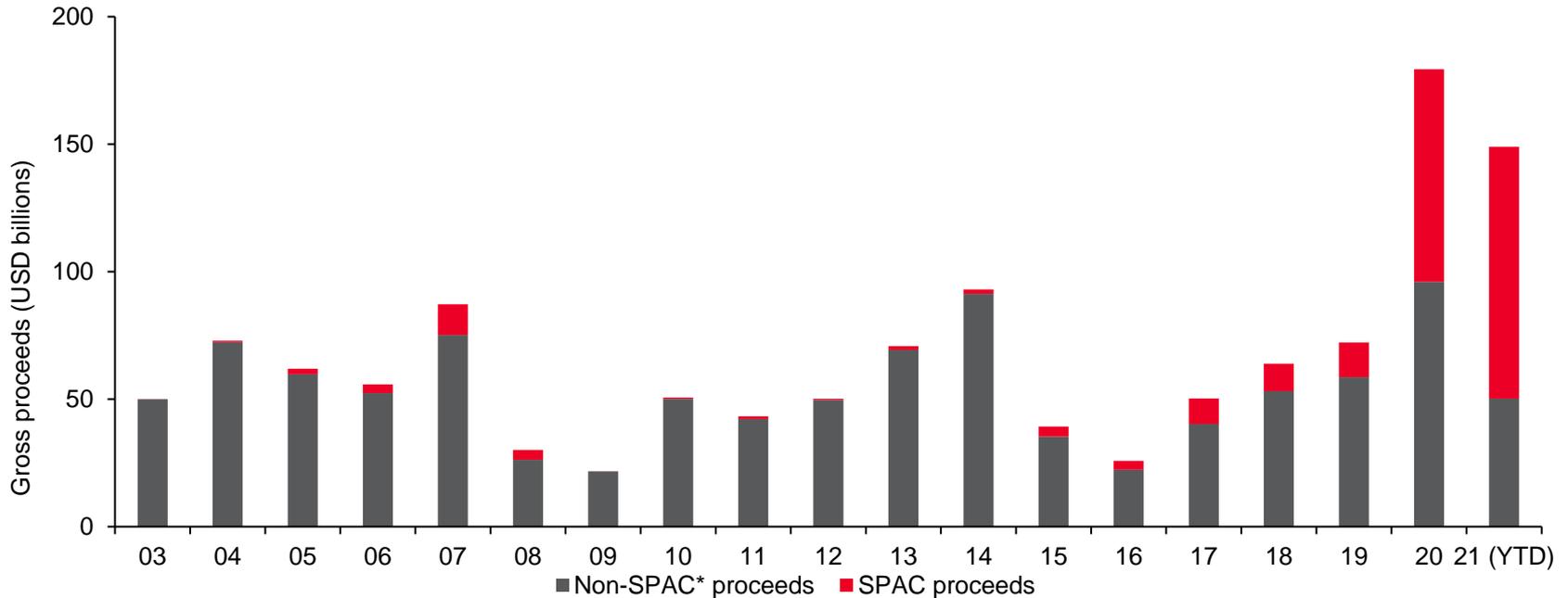


Source: 31 Mar 2021 | Bloomberg, Orbis. The Biggest US stocks series is the S&P 500 Top 50 Index, and the equal-weighted global stocks series is the MSCI ACWI Equal Weighted Index. US\$ price returns from 26 Jan 2018.



Frothy US market: IPOs and SPACs have accelerated since 2020

Total funds raised by initial public offerings[^]

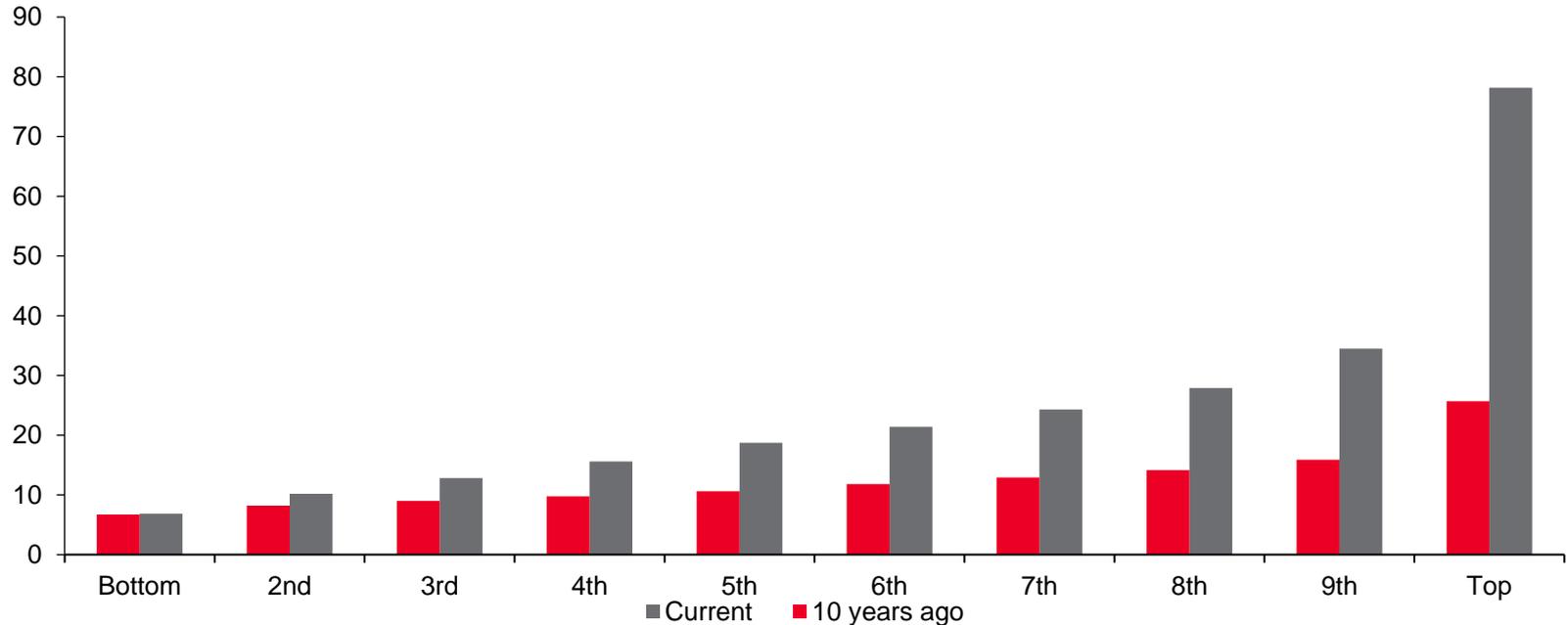


Source: 31 Mar 2021 | SPAC Analytics. *SPAC: Special purpose acquisition company. ^IPOs greater than \$40m, excluding direct listings.



Valuations for the most richly priced shares have ballooned

Forward price-earnings ratio for FTSE World Index constituents, median by decile

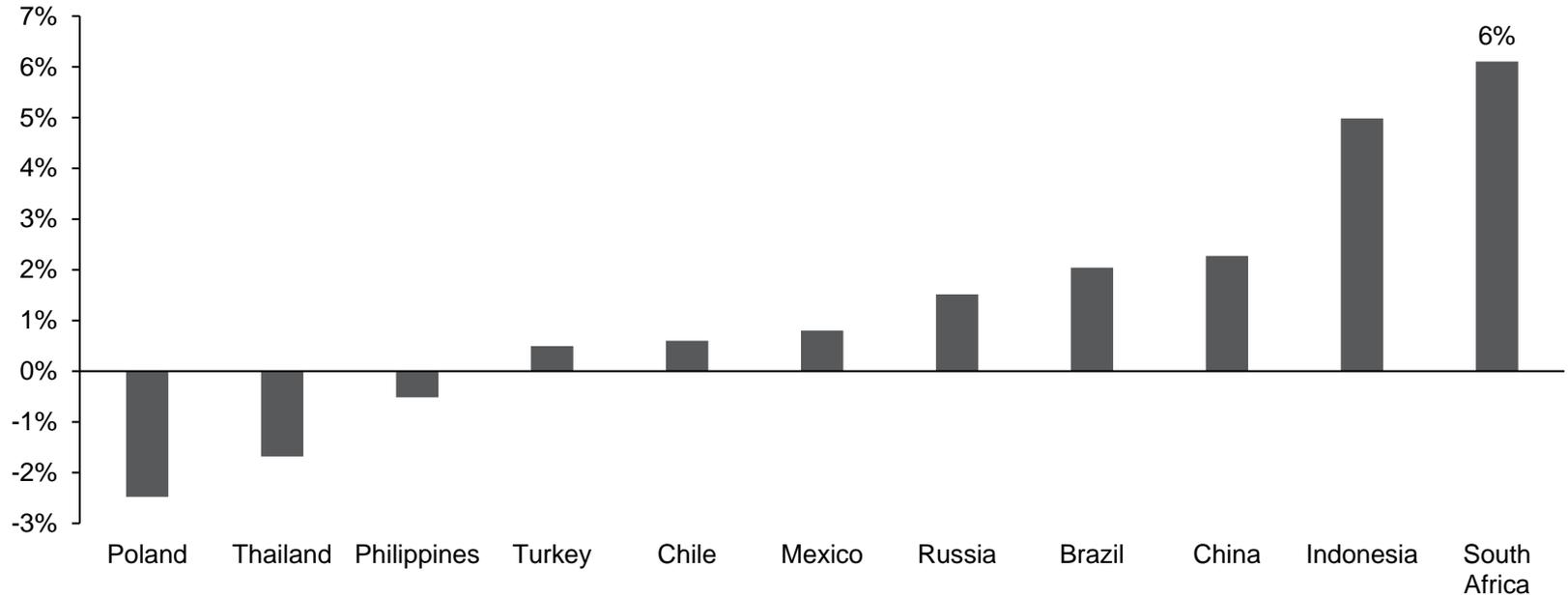


Source: Capital IQ, Orbis. Each decile represents 10% of the market capitalisation of the FTSE World Index. Valuation uses Capital IQ estimates for two-year forward earnings. Series for 10 years ago calculated using 31 March 2021 market capitalisations and valuations for the current FTSE World Index constituents.



Real yield

10-year bond yields net of inflation

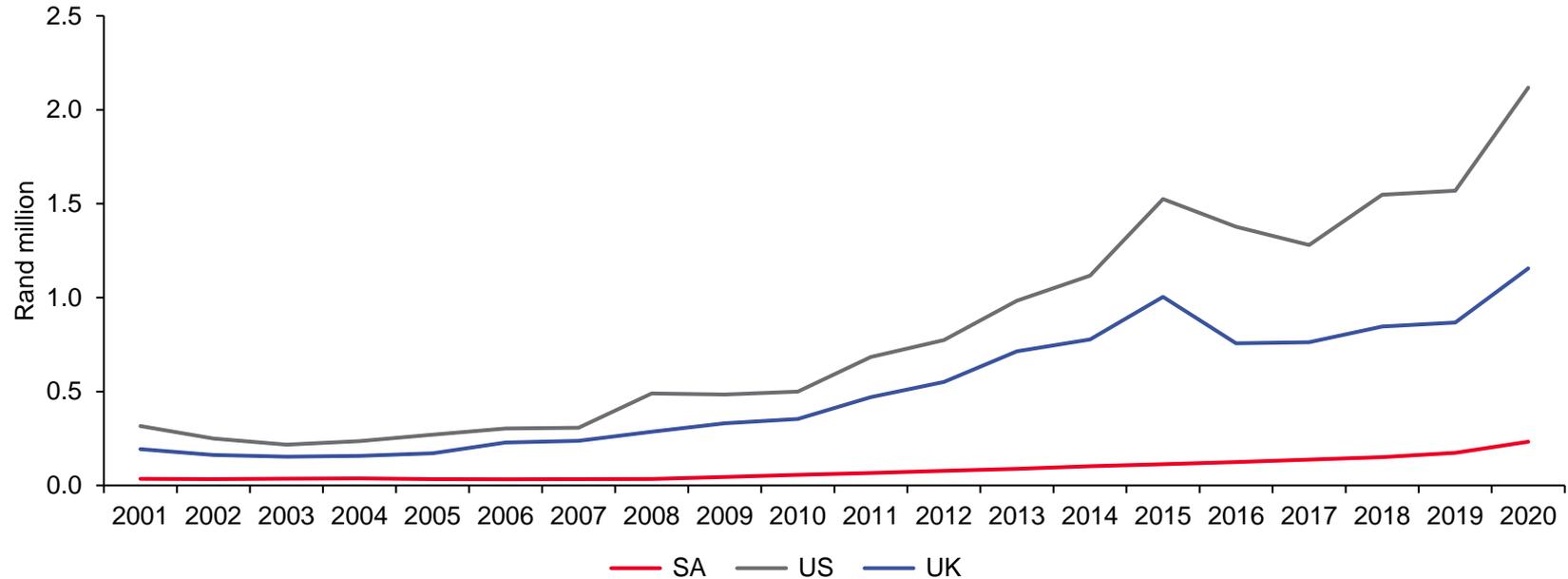


Source: Bloomberg



Net debt per employed person

South Africa is not unique

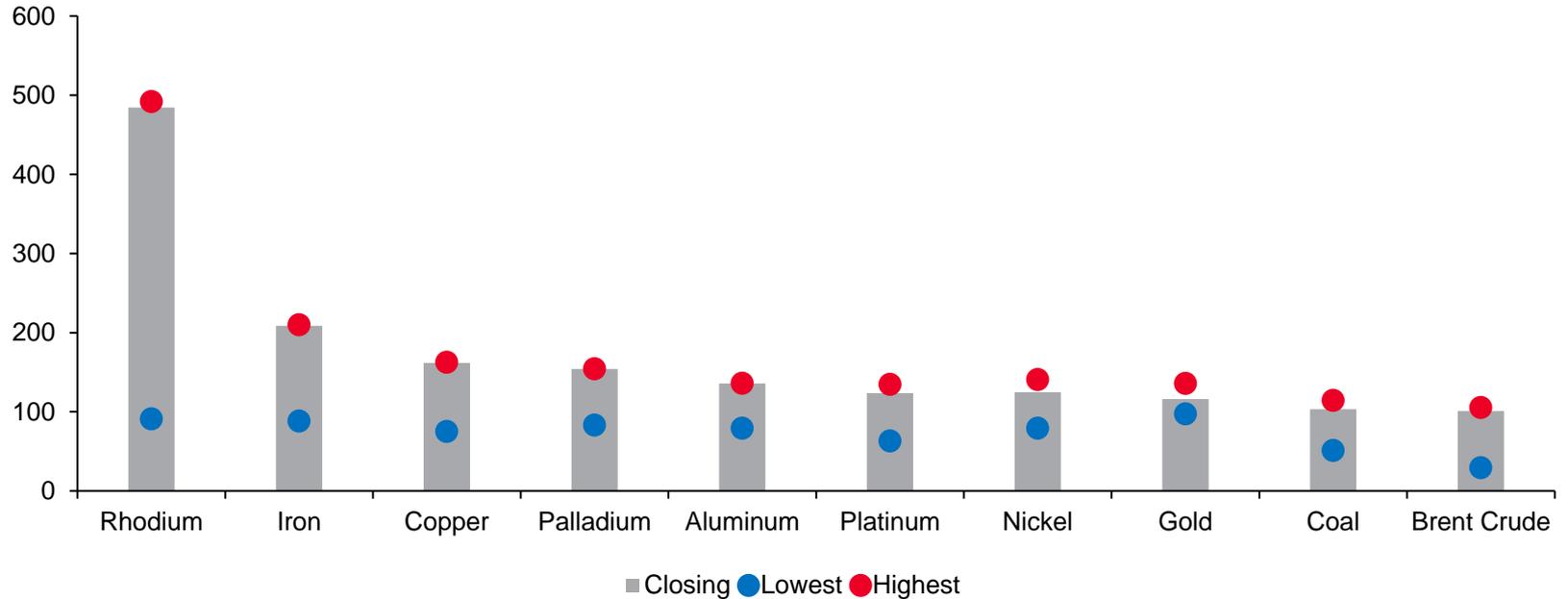


Source: Refinitiv Datastream



Commodity prices

Relative price movements

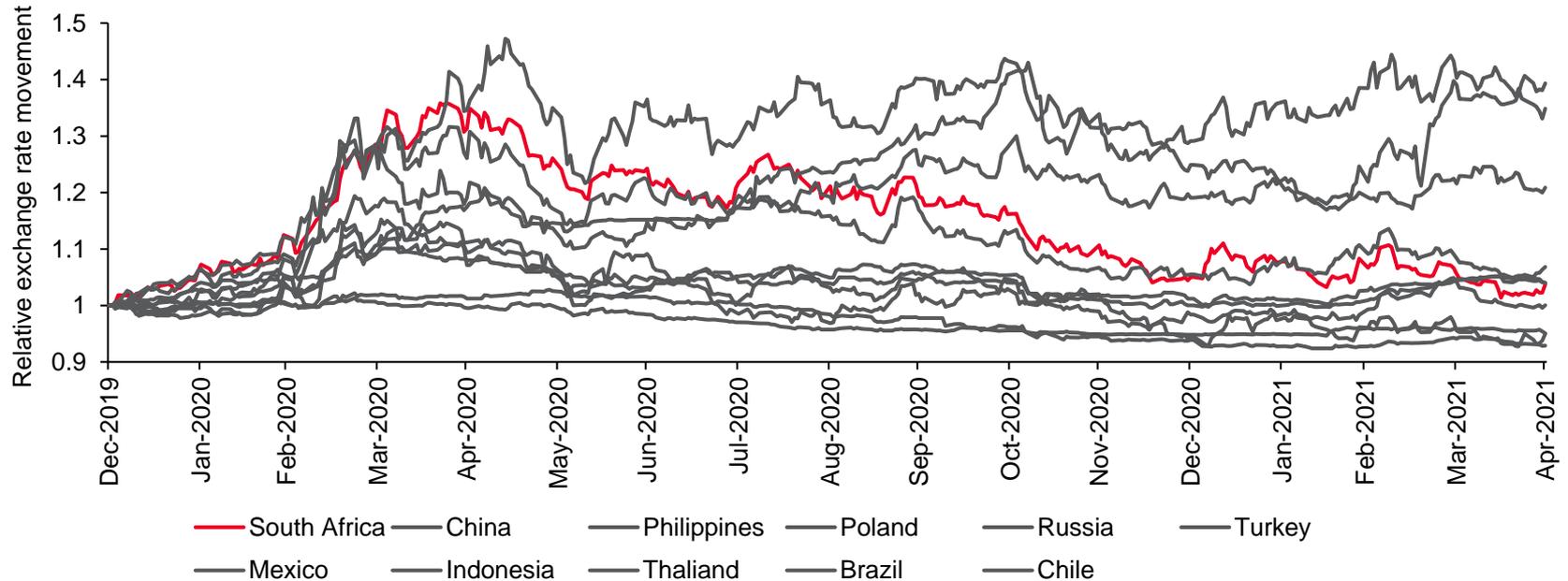


Source: Iress, data from 31 December 2019 to 30 April 2021



Exchange rates

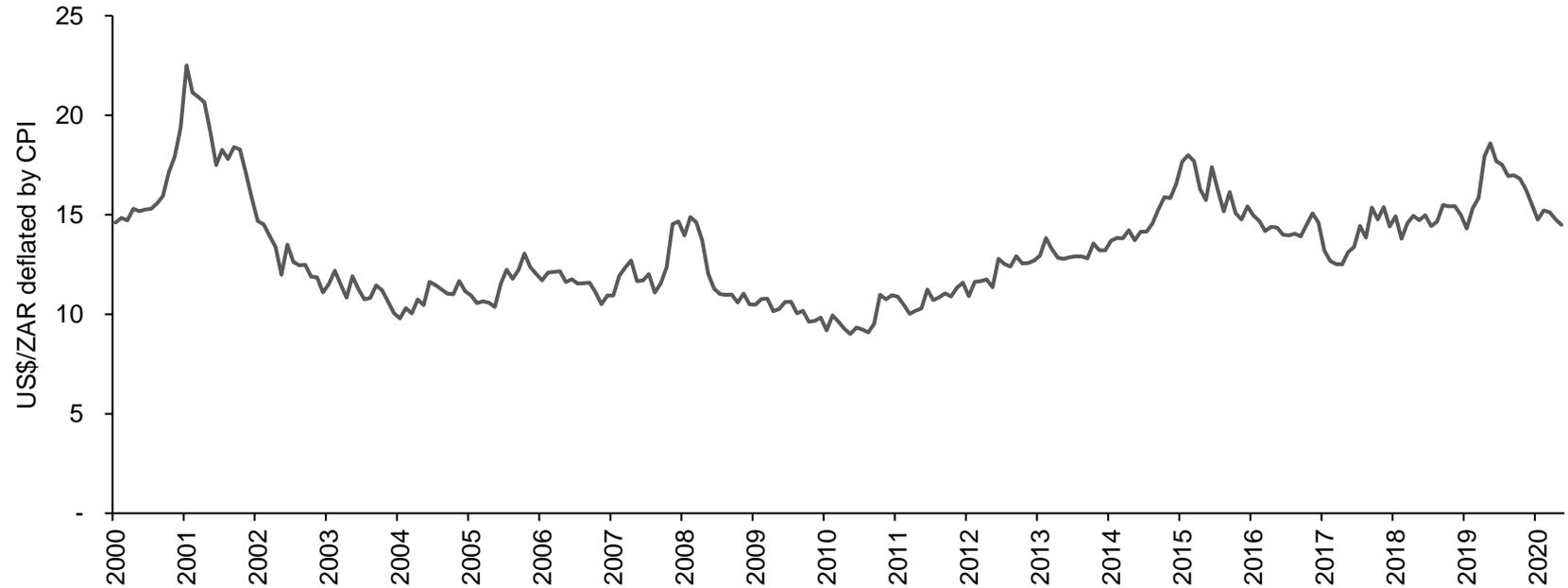
Movement relative to the US\$



Source: Refinitiv Datastream



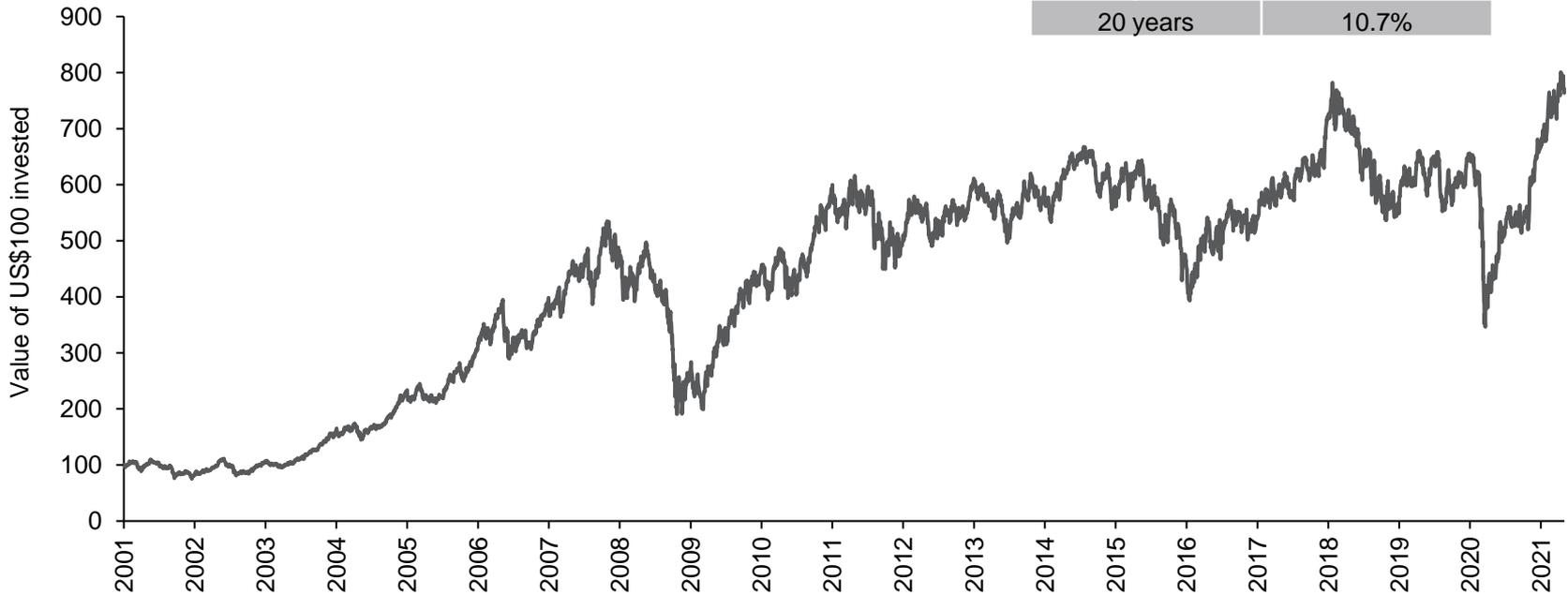
Real US\$/ZAR



Source: Iress

FTSE/JSE All Share Index

In US dollars

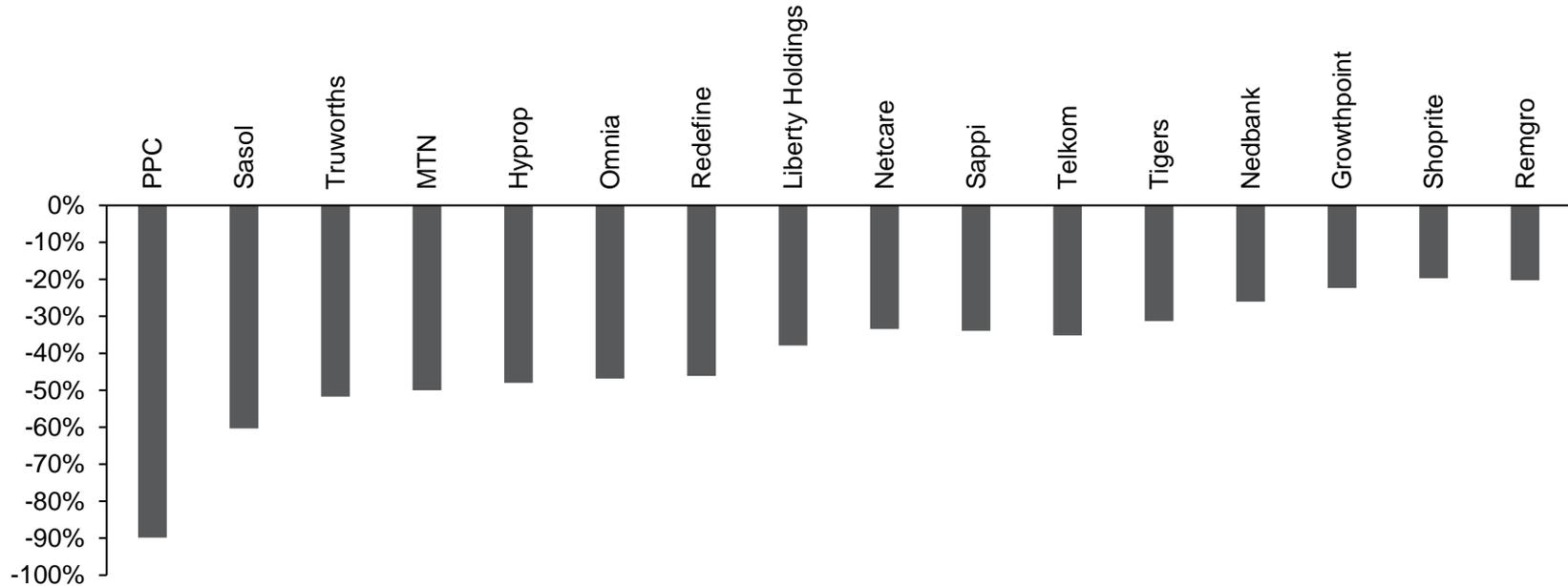


Source: Iress



10-year US\$ performance

Cumulative return

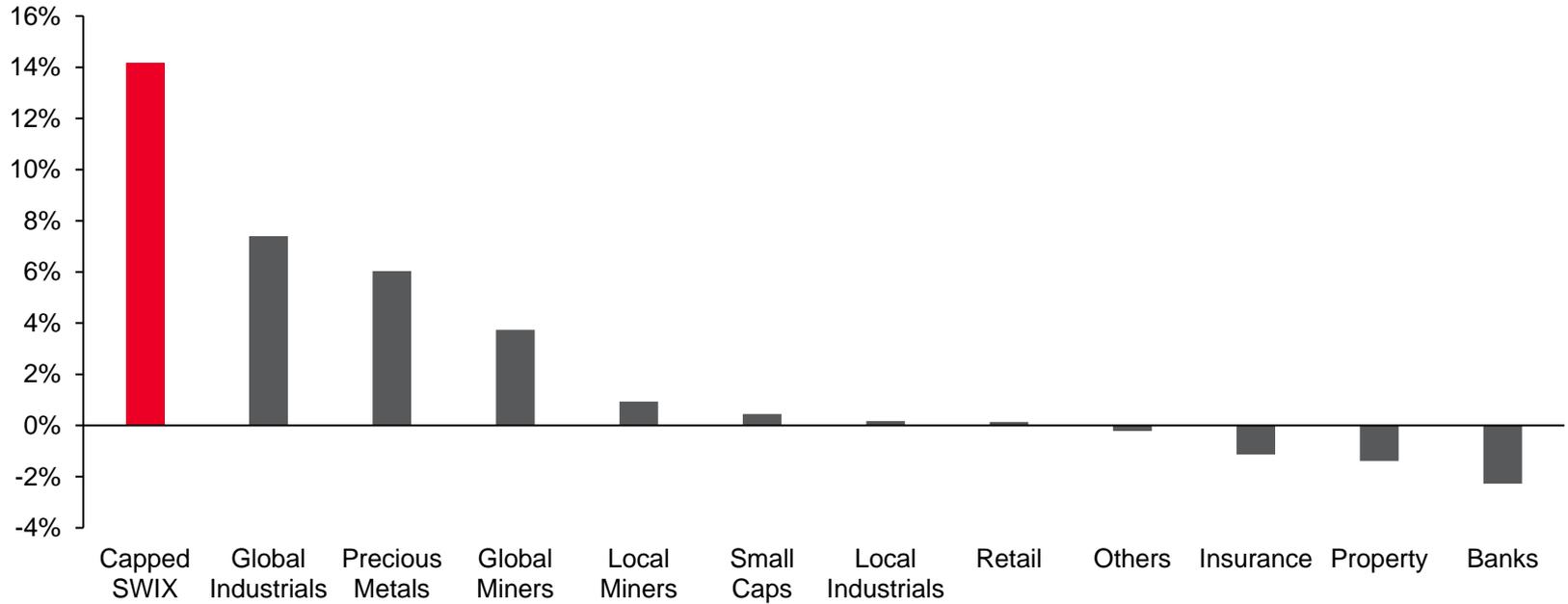


Source: Bloomberg, Iress



Sector performance

Contribution to Capped SWIX

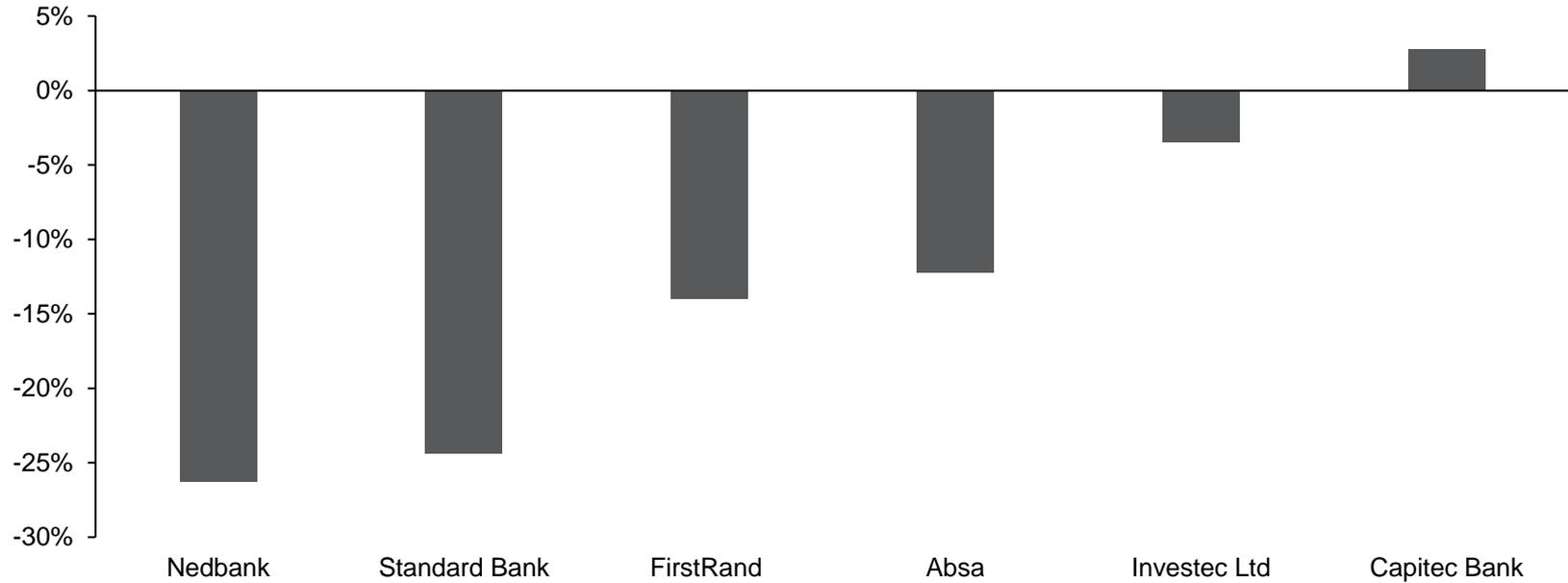


Source: Iress, data from 31 December 2019 to 30 April 2021



South African banks

Total return from the start of 2020

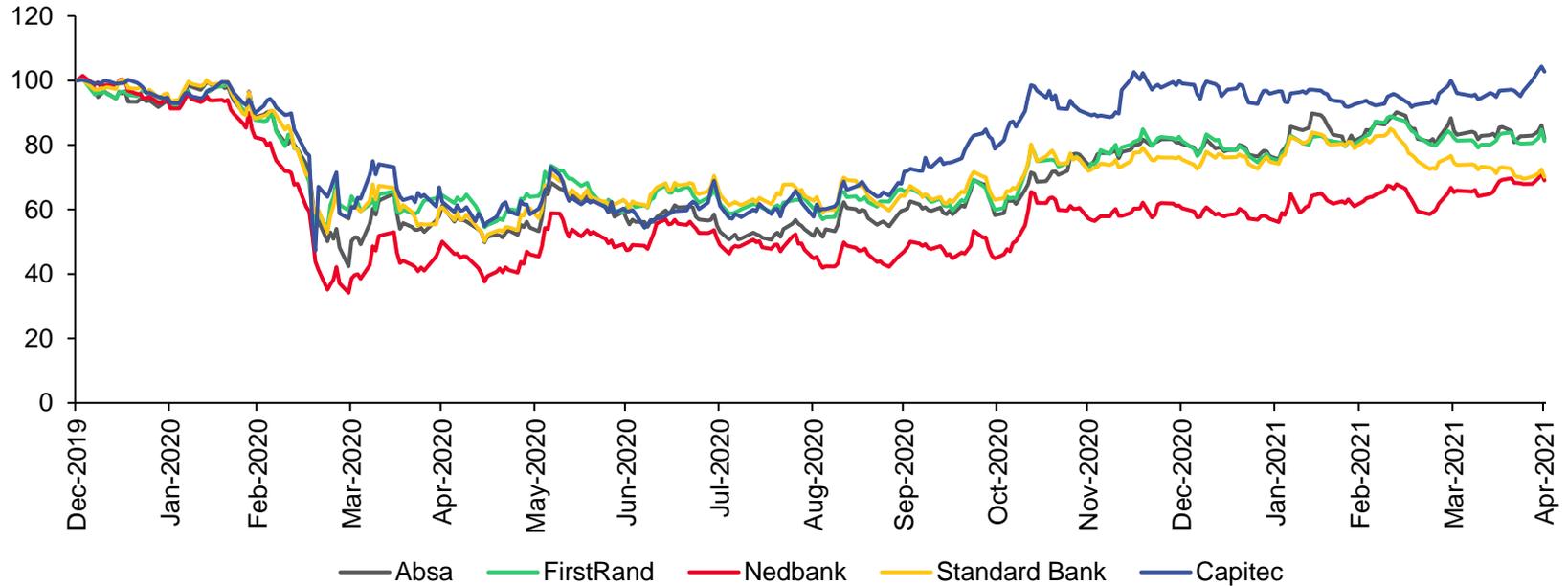


Source: Bloomberg, data from 31 December 2019 to 30 April 2021



South African banks

Share price performance

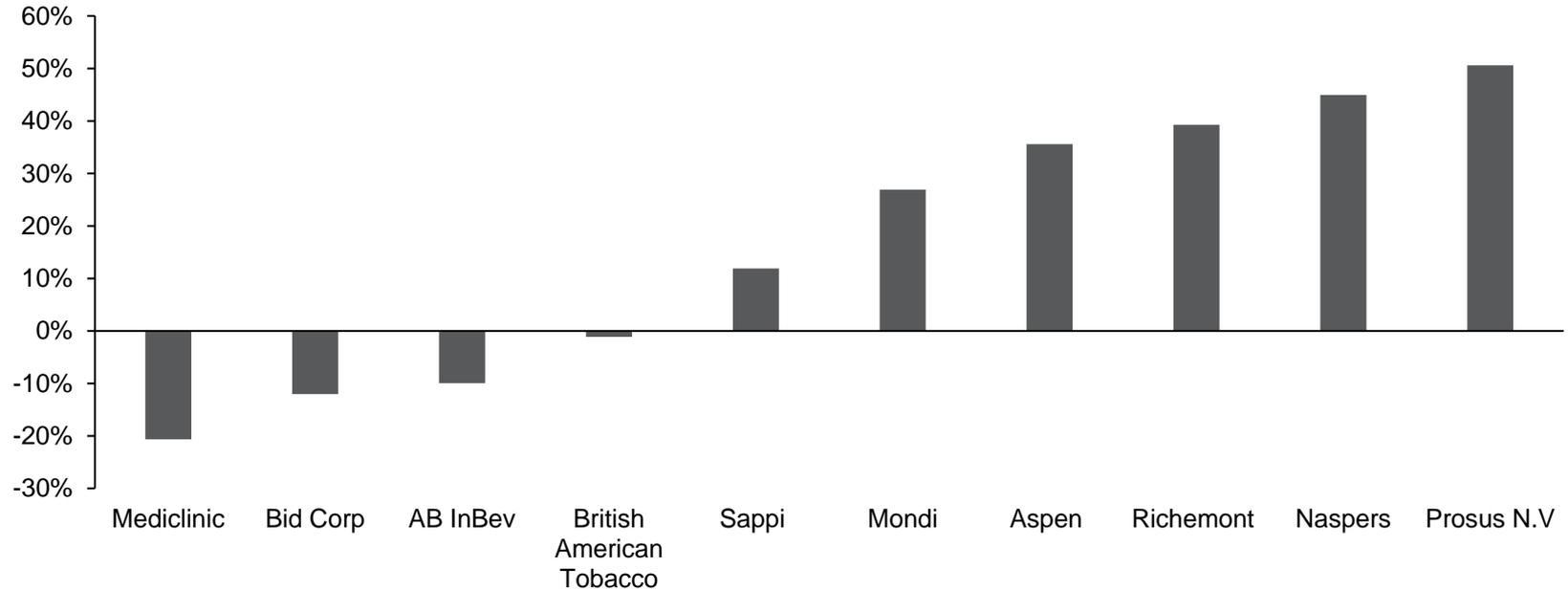


Source: Iress



Global industrials

Total return from the start of 2020

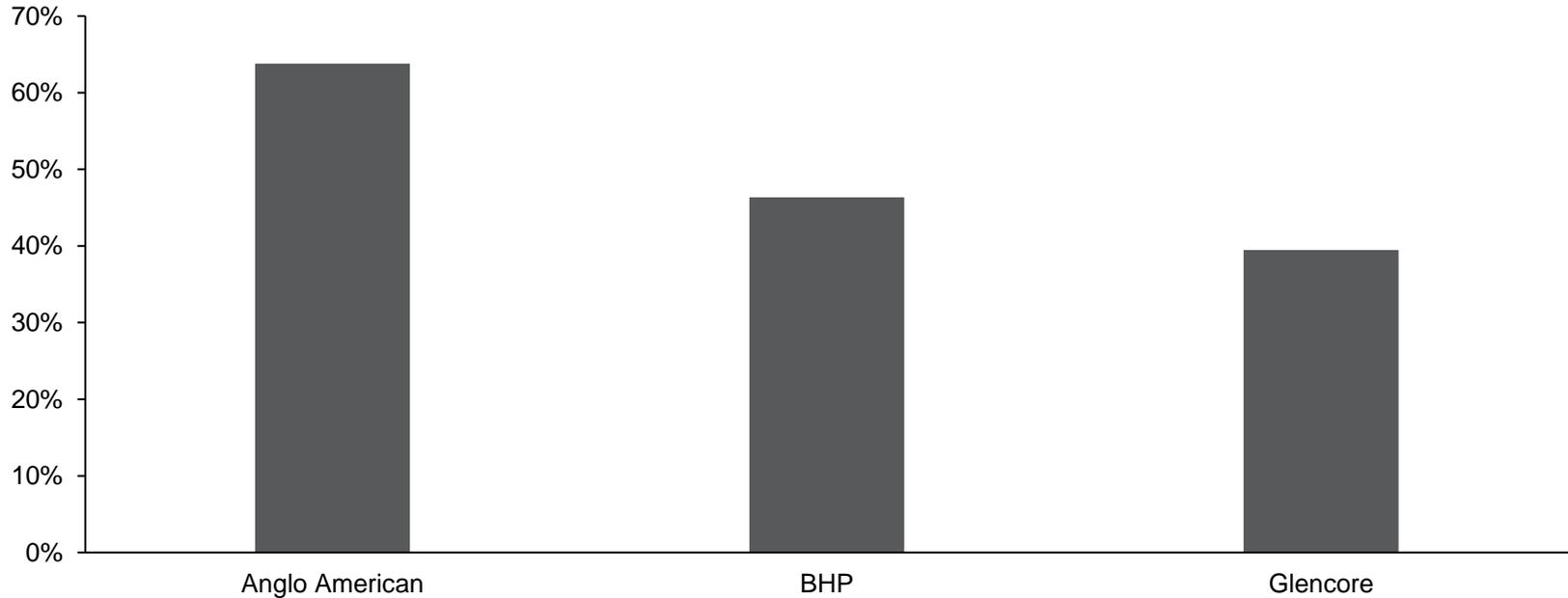


Source: Bloomberg, data from 31 December 2019 to 30 April 2021



Global miners

Total return from the start of 2020

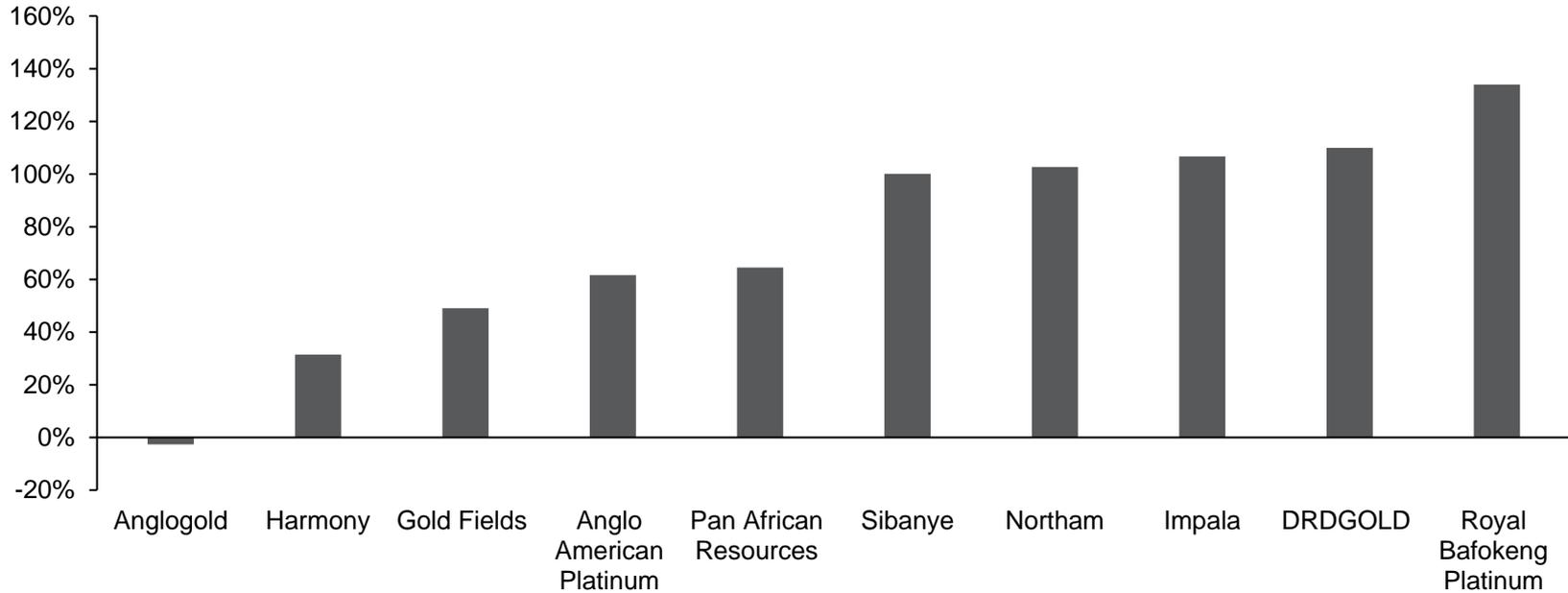


Source: Bloomberg, data from 31 December 2019 to 30 April 2021



Precious metal miners

Total return from the start of 2020

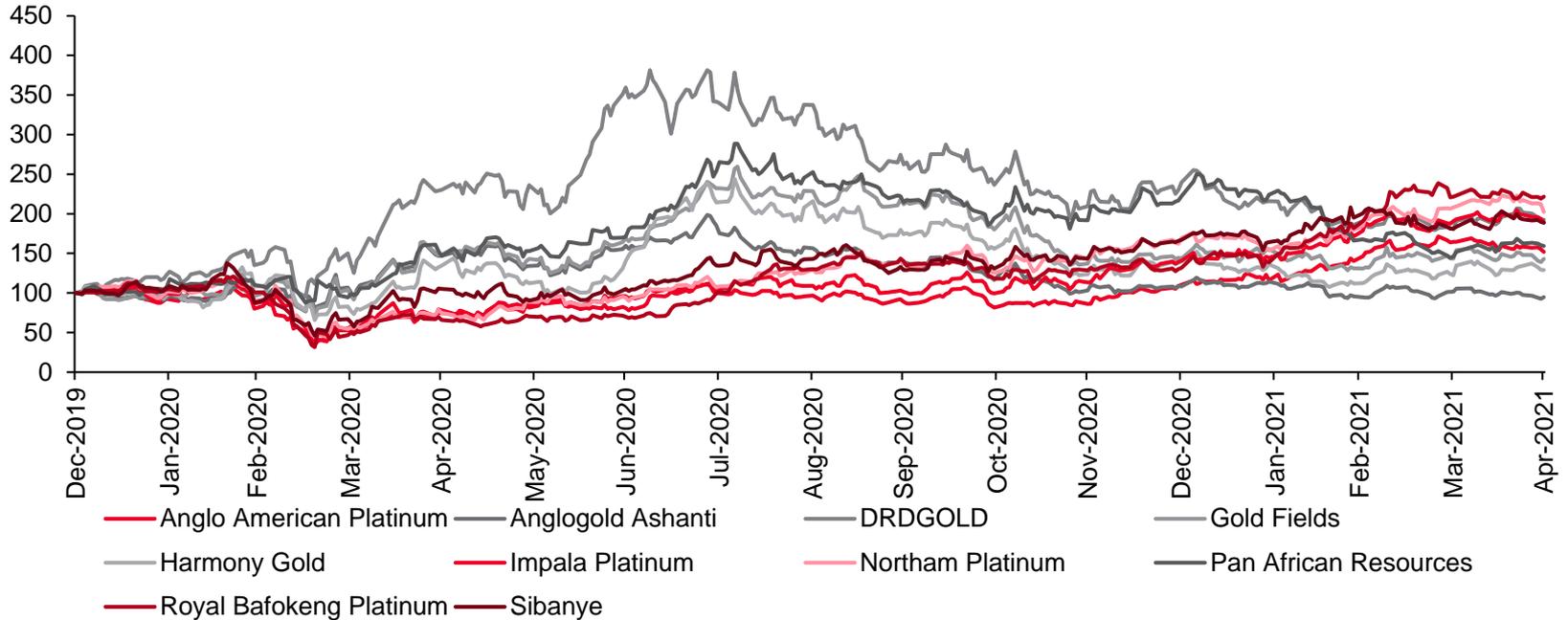


Source: Bloomberg, data from 31 December 2019 to 30 April 2021



Precious metal miners

Share price performance

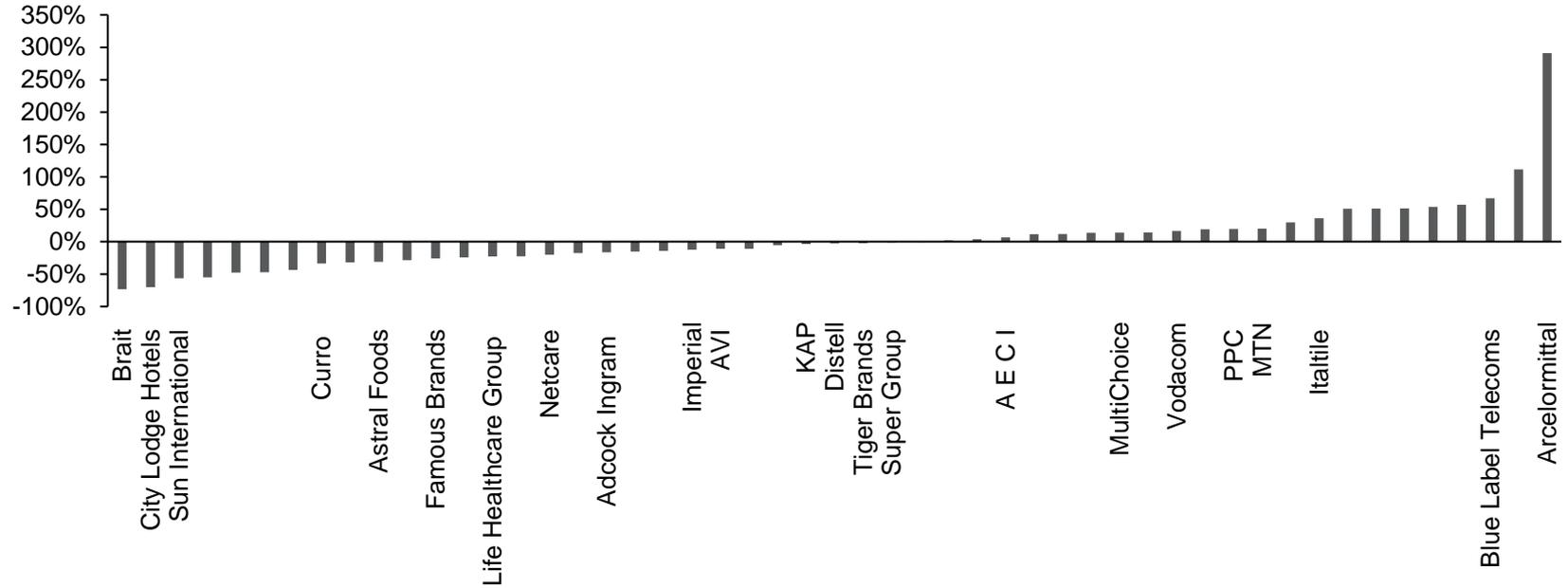


Source: Iress



Local industrials

Total return from the start of 2020

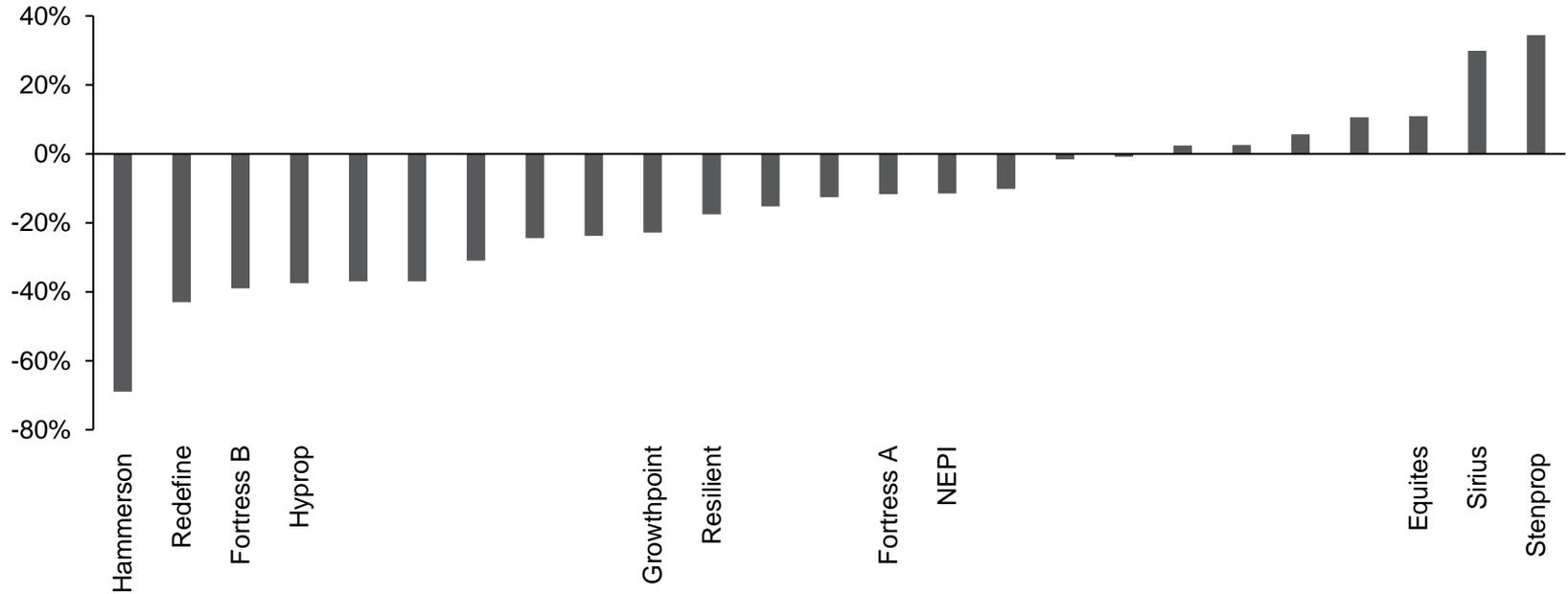


Source: Bloomberg, data from 31 December 2019 to 30 April 2021



Property

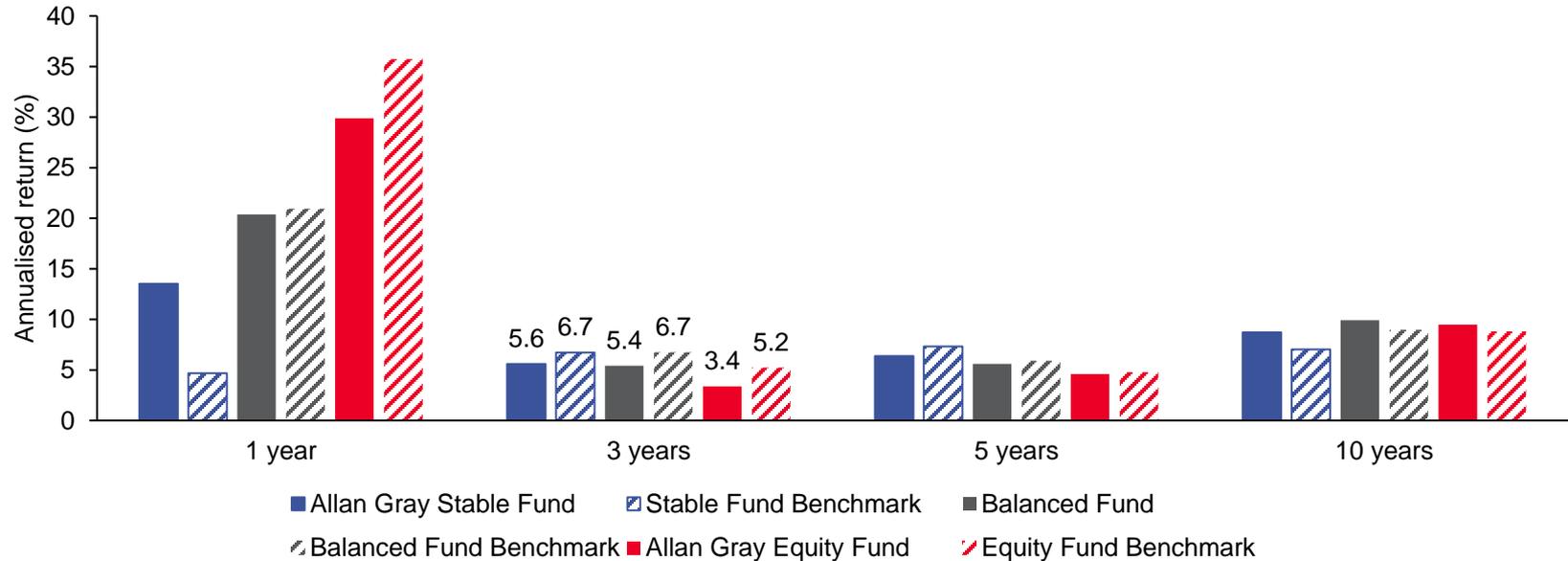
Total return from the start of 2020



Source: Bloomberg, data from 31 December 2019 to 30 April 2021



Performance



Source: Allan Gray research

Top 10 local equity holdings as at 30 April 2021

Allan Gray Equity Fund	% of Fund	Allan Gray Balanced Fund	% of Fund	Allan Gray Stable Fund	% of Fund
Naspers	8.6	Naspers	6.8	Naspers	3.0
British American Tobacco	4.9	British American Tobacco	5.2	Glencore	2.6
Glencore	4.2	Glencore	4.1	British American Tobacco	2.4
Woolworths	3.3	Woolworths	2.5	Sibanye Stillwater	1.5
Remgro	2.5	Sibanye Stillwater	2.1	Woolworths	1.3
Standard Bank	2.4	Sasol	2.0	Nedbank	1.2
Sibanye Stillwater	2.4	Remgro	1.9	Standard Bank	1.1
Sasol	2.3	Old Mutual	1.8	MultiChoice	1.1
FirstRand	2.3	FirstRand	1.7	Remgro	1.0
Reinet	2.2	Standard Bank	1.7	Fortress Income Fund (A)	1.0
Total	35.1	Total	29.7	Total	16.1



Asset allocation as at 30 April 2021

Allan Gray Balanced Fund

	% of Portfolio			
Asset class	Total	Local	Africa ex-SA	Foreign ex-Africa
Net equity	71.3	51.1	3.1	17.1
Hedged equity	6.8	1.7	0.0	5.1
Property	1.2	1.0	0.0	0.2
Commodity-linked	3.5	2.8	0.0	0.7
Bonds	12.3	8.8	1.4	2.1
Money market and cash	4.9	2.5	0.2	2.2
Total	100.0	67.9	4.7	27.3

Note: There may be slight discrepancies in the totals due to rounding. Underlying holdings of Orbis funds are included on a look-through basis.

Asset allocation as at 30 April 2021

Allan Gray Stable Fund

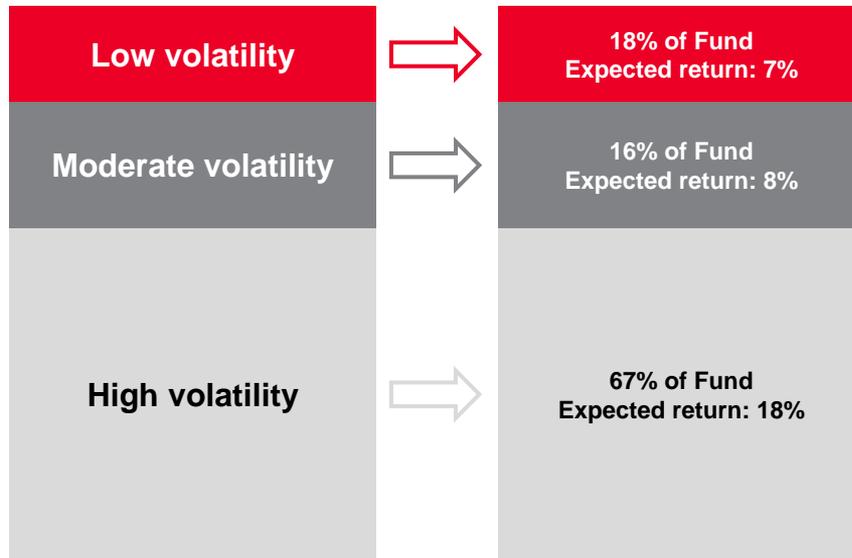
	% of Portfolio			
Asset class	Total	Local	Africa ex-SA	Foreign ex-Africa
Net equity	35.6	22.5	2.8	10.2
Hedged equity	15.6	5.8	0.0	9.7
Property	2.4	2.2	0.0	0.1
Commodity-linked	3.7	2.8	0.0	0.9
Bonds	33.7	26.3	3.0	4.5
Money market and cash	9.1	4.7	0.3	4.1
Total	100.0	64.3	6.1	29.6

Note: There may be slight discrepancies in the totals due to rounding. Underlying holdings of Orbis funds are included on a look-through basis.



One-year review

Allan Gray Balanced Fund



	Expected return	1-year return
Cash	6%	5%
USD cash*	1%	0%
Inflation-linked bonds	9%	13%
Platinum & gold metals	10%	7%
Africa and USD bonds	12%	24%
SA hedged equity	8%	1%
SA nominal & floating bonds	12%	14%
Global hedged equity*	5%	10%
SA equity	20%	35%
SA property	15%	62%
African equity*	25%	48%
Global equity*	15%	50%
Global bonds*	15%	3%

Source: Allan Gray research, Iress. * Returns in US\$. Expected return is the weighted average return of the underlying asset classes.

ALLAN GRAY

LONG-TERM INVESTING

Thank you





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Performance

Performance figures 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. Movements in exchange rates may also be the cause of the value of underlying international investments going up or down. Different classes of units apply to the Equity, Balanced, Stable and Optimal funds only and are subject to different fees and charges. 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 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za. 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 the Management Company.



Benchmarks

FTSE/JSE All Share Index and FTSE/JSE All Bond Index

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MSCI Index

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Important information

Understanding the funds

Investors must make sure that they understand the nature of their choice of funds and that their investment objectives are aligned with those of the Fund/s they select.

The Allan Gray Equity, Balanced, Stable and rand-denominated offshore funds may invest in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

A feeder fund is a unit trust that invests in another single unit trust which charges its own fees. A fund of funds is a unit trust that invests in other unit trusts, which charge their own fees. Allan Gray does not charge any additional fees in its feeder fund or funds of funds.

The Allan Gray Money Market Fund is not a bank deposit account. The Fund aims to maintain a constant price of 100 cents per unit. The total return an investor receives is made up of interest received and any gain or loss made on instruments held by the Fund. While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument defaults. In this event investors may lose some of their capital. To maintain a constant price of 100 cents per unit, investors' unit holdings will be reduced to the extent of such losses. The yield is calculated according to the applicable ASISA Standards. Excessive withdrawals from the Fund may place it under liquidity pressure; if this happens withdrawals may be ring-fenced and managed over a period of time.

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 FSCA 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.

Additional information for retirement fund members and investors in the tax-free investment account, living annuity and endowment

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