Fund managers: Andrew Lapping, Duncan Artus, Jacques Plaut, Ruan Stander (Most foreign assets are invested in Orbis funds). **Inception date:** 1 October 1998

Allan Gray Equity Fund

30 November 2018

Fund description and summary of investment policy

The Fund invests primarily in shares listed on the Johannesburg Stock Exchange (JSE). The Fund can invest a maximum of 30% offshore, with an additional 10% allowed for investments in Africa outside of South Africa. The Fund invests the bulk of its foreign allowance in equity funds managed by Orbis Investment Management Limited, our offshore investment partner. The Fund is typically fully invested in shares. Returns are likely to be volatile, especially over short- and medium-term periods.

ASISA unit trust category: South African – Equity – General

Fund objective and benchmark

The Fund aims to create long-term wealth for investors. It aims to outperform the average return of South African General Equity Funds over the long term, without taking on greater risk of loss. To pursue its objective the Fund's portfolio may differ materially from those of its peers. This will result in the Fund underperforming its benchmark materially at times. The Fund aims to compensate for these periods of underperformance by delivering outperformance over the long term. The Fund's benchmark is the market value-weighted average return of funds in the South African – Equity – General category (excluding Allan Gray funds).

How we aim to achieve the Fund's objective

We seek to buy shares offering the best relative value while maintaining a diversified portfolio. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares from sellers who over-react to short-term difficulties or undervalue long-term potential. We invest in a selection of shares across all sectors of the stock market, and across the range of large, mid and smaller cap shares.

Suitable for those investors who

- Seek exposure to listed equities to provide long-term capital growth
- Are comfortable with stock market fluctuation, i.e. short- to medium-term volatility
- Are prepared to accept the risk of capital loss
- Typically have an investment horizon of more than five years
- Wish to use the Fund as an equity 'building block' in a diversified multi-asset class portfolio

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

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

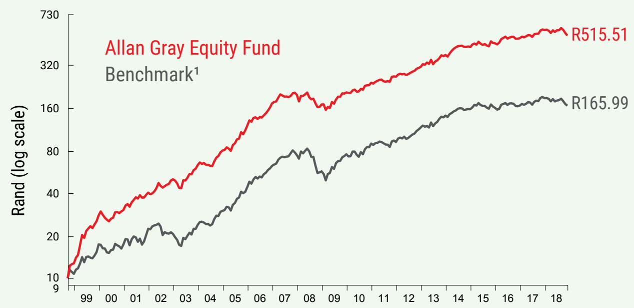
Fund information on 30 November 2018

Fund size	R38.8bn
Number of units	65 430 971
Price (net asset value per unit)	R376.60
Class	A

1. The market value-weighted average return of funds in the South African – Equity – General category (excluding Allan Gray funds). From inception to 28 February 2015 the benchmark was the FTSE/JSE All Share Index including income. Source: IRESS, performance as calculated by Allan Gray as at 30 November 2018.
2. This is based on the latest numbers published by IRESS as at 31 October 2018.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 May 2008 to 27 October 2008 and maximum benchmark drawdown occurred from 22 May 2008 to 20 November 2008. 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 30 September 1999 and the benchmark's occurred during the 12 months ended 30 April 2006. The Fund's lowest annual return occurred during the 12 months ended 30 November 2008 and the benchmark's occurred during the 12 months ended 28 February 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:			
Since inception (1 October 1998)	5055.1	1559.9	193.3
Annualised:			
Since inception (1 October 1998)	21.6	14.9	5.5
Latest 10 years	12.3	11.5	5.2
Latest 5 years	6.9	3.9	5.4
Latest 3 years	4.1	0.5	5.4
Latest 2 years	2.5	0.5	5.0
Latest 1 year	-9.5	-13.1	5.1
Year-to-date (not annualised)	-8.5	-11.5	5.0
Risk measures (since inception)			
Maximum drawdown[3]	-31.3	-45.4	n/a
Percentage positive months[4]	65.3	58.7	n/a
Annualised monthly volatility[5]	15.3	16.8	n/a
Highest annual return[6]	125.8	73.0	n/a
Lowest annual return[6]	-20.7	-37.6	n/a

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Meeting the Fund objective

The Fund has created wealth for its long-term investors. Since inception and over the latest 10 and five-year periods, the Fund has outperformed its benchmark, and its returns have exceeded CPI inflation. 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 average equity fund. 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 biannually.	31 Dec 2017	30 Jun 2018
Cents per unit	**248.1496**	**0.0000**

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance for the day to that of the benchmark.

Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT

For each annualised percentage point above or below the benchmark we add or deduct 0.2%. The maximum fee is uncapped and if the fee would have been negative, 0% will be charged for the day and the negative fee will be carried forward to reduce the next day's fee (and all subsequent days until the underperformance is recovered).

This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark.

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. The Orbis equity funds charge 1.5% p.a. for performance equal to their benchmarks. The minimum Orbis equity fund fee is 0.5% p.a. and the maximum is 2.5% p.a. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and Transaction costs

The annual management fees charged by both Allan Gray and Orbis are 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.

Top 10 share holdings on 30 September 2018 (SA and Foreign) (updated quarterly)[9]

Company	% of portfolio
Sasol	8.1
Naspers[7]	6.4
British American Tobacco	5.4
Standard Bank	4.2
Old Mutual	3.8
Remgro	3.4
Investec	3.3
Glencore	2.8
Reinet	2.0
Life Healthcare	1.7
Total (%)	**41.1**

7. Including stub certificates.

Total expense ratio (TER) and Transaction costs

TER and Transaction costs breakdown for the 1 and 3-year period ending 30 September 2018	1yr %	3yr %
Total expense ratio	**2.52**	**2.26**
Fee for benchmark performance	1.13	1.10
Performance fees	1.12	0.91
Other costs excluding transaction costs	0.01	0.01
VAT	0.25	0.24
Transaction costs (including VAT)	**0.09**	**0.08**
Total investment charge	**2.61**	**2.33**

Sector allocation on 30 September 2018 (updated quarterly)[9]

Sector	% of Fund	% of ALSI[8]
Oil and gas	2.5	0.1
Basic materials	19.2	25.2
Industrials	12.5	4.5
Consumer goods	10.4	12.6
Healthcare	6.3	2.4
Consumer services	12.4	26.1
Telecommunications	1.2	3.5
Utilities	0.7	0.0
Financials	25.5	25.4
Technology	4.5	0.2
Commodity-linked	0.4	0.0
Other	0.8	0.0
Money market and bank deposits	3.6	0.0
Total (%)	**100.0**	**100.0**

8. FTSE/JSE All Share Index.

Asset allocation on 30 November 2018[9]

Asset Class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equity	95.0	66.7	2.0	26.3
Property	1.6	1.3	0.0	0.4
Commodity-linked	0.4	0.4	0.0	0.0
Money market and bank deposits	3.0	1.3	0.1	1.6
Total (%)	**100.0**	**69.7**	**2.1**	**28.2**

9. Underlying holdings of Orbis funds are included on a look-through basis.

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

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Fund manager quarterly commentary as at 30 September 2018

The FTSE/JSE All Share Index (ALSI) returned a modest 6.7% per year for the past three years, against an inflation rate of 5.2% over the period. More recently, the ALSI is down 3.8% year to date. Fortunately in investing, the lower the historic market returns, the greater the potential for improved returns in future.

We have not found value in domestically orientated industrial stocks for many years, however the negative sentiment towards South Africa is finally beginning to reflect in share prices and value is beginning to emerge. The chance to buy undervalued companies is always exciting and we will look to take advantage of any opportunities.

MTN, a company which we have thought to be substantially overvalued for many years, finally fell below our fair value estimate in September. The price declined from just over R100 to a bottom of R70 in just a few days as investors became concerned about the Nigerian risks. The risks associated with doing business in Africa are pervasive but they became clear to investors when the Nigerian government asked MTN to repatriate US$8.1bn in dividends it had paid from 2007 to 2015. This presented a buying opportunity. Unfortunately it was only brief, as the share price quickly moved back towards our fair value estimate, eliminating the margin of safety.

Glencore was the Fund's largest purchase during the quarter. Similar to MTN, regulatory issues surrounding their African operations, together with fears about slowing global growth, created a buying opportunity. We have carefully considered the Democratic Republic of Congo issues. The risks to metal demand caused by a Chinese or global slowdown are also very real. The question is whether these risks are discounted in the price. We believe they are and there is a sufficient margin of safety between our estimate of fair value and the share price for us to buy the share.

When valuing commodity companies we use an estimate of through-the-cycle commodity prices to estimate normal earnings. The share prices of commodity companies often discount spot commodity prices, which can create opportunities when prices fall, as is the current case with the copper price.

Conversely, Sasol's discount to fair value narrowed sharply as the share price rallied with the higher oil price and weaker rand. Sasol was our biggest sale in the quarter. We were also sellers of Old Mutual as its value became clearer to investors post the Quilter unbundling and recent results.

Commentary contributed by Andrew Lapping

Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited (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 11 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 Proprietary Limited (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. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its 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 (STT), 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 [STT], STRATE and 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 ratio 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.

FTSE/JSE All Share Index

The FTSE/JSE All Share Index is calculated by FTSE International Limited ('FTSE') in conjunction with the JSE Limited ('JSE') in accordance with standard criteria. The FTSE/JSE All Share Index is the proprietary information of FTSE and the JSE. All copyright subsisting in the FTSE/JSE All Share Index values and constituent lists vests in FTSE and the JSE jointly. All their rights are reserved.

Foreign exposure

This fund may invest in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

Important information for investors

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**.

ALLANGRAY

Fund managers: Andrew Lapping, Duncan Artus, Jacques Plaut, Ruan Stander (Most foreign assets are invested in Orbis funds). **Inception date:** 1 October 1999

Allan Gray Balanced Fund

30 November 2018

Fund description and summary of investment policy

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 30% offshore, with an additional 10% allowed for investments in Africa outside of South Africa. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund.

ASISA unit trust category: South African – Multi Asset – High Equity

Fund objective and benchmark

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund's benchmark is the market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds).

How we aim to achieve the Fund's objective

We seek to buy shares at a discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us 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. If the stock market offers few attractive shares we may increase the Fund's weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Fund's stock market exposure. By varying the Fund's exposure to these different asset classes over time, we seek to enhance the Fund's long-term returns and to manage its risk. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- Seek steady long-term capital growth
- Are comfortable with taking on some risk of market fluctuation and potential capital loss, but typically less than that of an equity fund
- Wish to invest in a unit trust that complies with retirement fund investment limits
- Typically have an investment horizon of more than three years

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

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

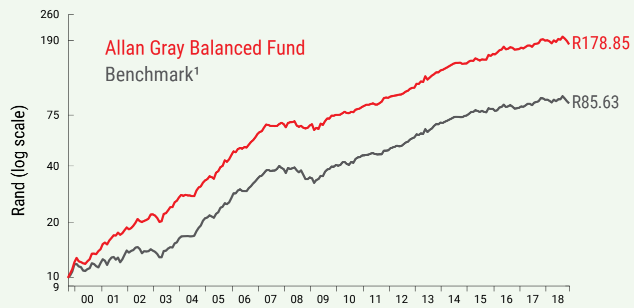
Fund information on 30 November 2018

Fund size	R143.8bn
Number of units	750 818 786
Price (net asset value per unit)	R101.92
Class	A

1. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). From inception to 31 January 2013 the benchmark was the market value-weighted average return of the funds in both the Domestic Asset Allocation Medium Equity and Domestic Asset Allocation Variable Equity sectors of the previous ASISA Fund Classification Standard, excluding the Allan Gray Balanced Fund. Source: Morningstar, performance as calculated by Allan Gray as at 30 November 2018.
2. This is based on the latest numbers published by IRESS as at 31 October 2018.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 20 May 2008 to 27 October 2008 and maximum benchmark drawdown occurred from 20 May 2008 to 10 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 30 April 2006 and the benchmark's occurred during the 12 months ended 30 April 2006. The Fund's lowest annual return occurred during the 12 months ended 28 February 2009 and the benchmark's occurred during the 12 months ended 28 February 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:			
Since inception (1 October 1999)	1688.5	756.3	189.4
Annualised:			
Since inception (1 October 1999)	16.2	11.9	5.7
Latest 10 years	10.9	9.8	5.2
Latest 5 years	7.2	5.3	5.4
Latest 3 years	4.8	2.3	5.4
Latest 2 years	3.1	3.1	5.0
Latest 1 year	-6.2	-6.0	5.1
Year-to-date (not annualised)	-4.6	-4.4	5.0
Risk measures (since inception)			
Maximum drawdown[3]	-15.4	-20.5	n/a
Percentage positive months[4]	69.1	67.0	n/a
Annualised monthly volatility[5]	9.0	9.1	n/a
Highest annual return[6]	46.1	41.9	n/a
Lowest annual return[6]	-8.3	-16.7	n/a

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Meeting the Fund objective

The Fund has created wealth for its long-term investors. Since inception and over the latest 10 and five-year periods, the Fund has outperformed its benchmark, and its returns have exceeded CPI inflation. 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 average balanced fund. 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 biannually.	31 Dec 2017	30 Jun 2018
Cents per unit	**102.0649**	**90.8244**

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years, to that of the benchmark.

Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT

For each percentage of two-year performance above or below the benchmark we add or deduct 0.1%, subject to the following limits:

Maximum fee: 1.50% p.a. excl. VAT
Minimum fee: 0.50% p.a. excl. VAT

This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark.

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and Transaction costs

The annual management fees charged by both Allan Gray and Orbis are 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.

Top 10 share holdings on 30 September 2018 (SA and Foreign) (updated quarterly)[8]

Company	% of portfolio
Naspers[7]	6.0
Sasol	5.8
British American Tobacco	4.3
Old Mutual	2.7
Remgro	2.5
Standard Bank	2.4
Investec	2.2
Glencore	2.0
Woolworths	1.4
Life Healthcare	1.3
Total (%)	**30.6**

7. Including stub certificates.

Total expense ratio (TER) and Transaction costs

TER and Transaction costs breakdown for the 1 and 3-year period ending 30 September 2018	1yr %	3yr %
Total expense ratio	1.67	1.71
Fee for benchmark performance	1.10	1.09
Performance fees	0.41	0.46
Other costs excluding transaction costs	0.02	0.02
VAT	0.14	0.15
Transaction costs (including VAT)	0.09	0.08
Total investment charge	**1.76**	**1.80**

Asset allocation on 30 November 2018[8]

Asset Class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equity	64.2	48.1	1.0	15.1
Hedged equity	8.6	0.8	0.0	7.8
Property	1.9	1.4	0.0	0.5
Commodity-linked	3.3	2.8	0.0	0.6
Bonds	14.8	10.3	1.1	3.4
Money market and bank deposits	7.2	5.2	0.7	1.3
Total (%)	**100.0**	**68.5**	**2.9**	**28.6[9]**

8. Underlying holdings of Orbis funds are included on a look-through basis.

9. The Fund can invest a maximum of 30% offshore, with an additional 10% allowed for investments in Africa outside of South Africa. Market movements periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	(February 2000) 49.3%
Average	62.1%
Maximum	(July 2004) 72.7%

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

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Fund manager quarterly commentary as at 30 September 2018

Emerging market equity and currency markets had a very volatile quarter. Vulnerabilities, both economic and political, are being exposed as global financial conditions tighten. The MSCI Emerging Market Index is now 22% off its peak and the FTSE/JSE All Share Index fell 6% over the quarter when measured in US dollars.

This has impacted both local and the offshore equities in the Fund. Investors are currently focused on the risks as opposed to the upside in emerging markets – this is understandable. As contrarians, we are looking for opportunities where we believe intrinsic value has not been impaired to the same extent as the price has fallen.

Investors in emerging markets have to balance the upside of above-average long-term potential growth and lower levels of competition with the risks of less developed and market-friendly government institutions and regulators.

Three shares have recently been affected by regulation, causing investors to question the value of some of their business units operating in emerging and frontier economies:

Naspers had a volatile quarter impacted by negative sentiment towards emerging markets and potential changes in regulation in China, which could affect Chinese technology company Tencent (Naspers holds 31% of the company). Tencent's gaming business, which generates a significant portion of its profit, suffered from a delay in official approval to monetise new games. The government also issued statements implying that many Chinese, in particular youth, may be spending too much time gaming. While the process still needs to be completed, and indeed may even be positive for Tencent, we believe the implied valuation for Tencent when bought through Naspers is attractive. Naspers remains the Fund's largest position.

MTN announced claims by the Nigerian government of wrongdoing involving the repatriation of cash from Nigeria as well as underpayment of tax. While MTN denies the allegations, and the amounts appear unbelievably large (approximately US$10bn), it is difficult to fight a government (especially one short of US dollars) which ultimately controls your licence to operate in their country. The value of the Nigerian business has long been a concern of ours, but with the change in price, we are taking a closer look.

Glencore's share price has also fallen due to regulatory issues involving its copper operations in the Democratic Republic of Congo. In addition to having to negotiate with the local mining regulator, Glencore faces a potential fine from the US Department of Justice for dealing with a person on their sanctions list. Taking the above into account, we believe the share price has fallen more than the intrinsic value. We like the profile of Glencore's commodity basket and while it does operate in riskier jurisdictions, the discount relative to the other major diversified miners is large. Glencore has been one of the Fund's largest purchases.

Investors in emerging and frontier markets have been reminded 1) Of the associated risks that come with the upside and 2) That this is particularly the case in countries with unbalanced economies (think Turkey). Dislocations will invariably present opportunities to long-term investors who are willing to do the work. It is also a timely reminder that South Africa must get its house in order to reduce our vulnerability in a world with tighter financial conditions.

Over the quarter, the Fund lightened its position in Sasol and purchased Glencore and Naspers.

Commentary contributed by Duncan Artus

Management Company

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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. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its 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 (STT), 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 [STT], STRATE and 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 ratio 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.

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Foreign exposure

This fund may invest in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

Important information for investors

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**.

Fund managers: Andrew Lapping, Mark Dunley-Owen, Leonard Krüger (most foreign assets are invested in Orbis funds). **Inception date:** 1 July 2000

Allan Gray Stable Fund

30 November 2018

Fund description and summary of investment policy

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 30% offshore, with an additional 10% allowed for investments in Africa outside of South Africa. The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 40%. The Fund's net equity exposure may be reduced from time to time using exchange-traded derivative contracts on stock market indices. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund or a balanced fund.

ASISA unit trust category: South African – Multi Asset – Low Equity

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited, plus 2%.

How we aim to achieve the Fund's objective

A major portion of the Fund is typically invested in money market instruments. We seek to deploy the Fund's cash by investing in shares when they can be bought at a significant discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us 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. If the stock market offers few attractive shares, we may allocate a low weight to shares or partially hedge the Fund's stock market exposure in consideration of the Fund's capital preservation objectives. The Fund may also invest in bonds, property and commodities. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- Are risk-averse and require a high degree of capital stability
- Seek both above-inflation returns over the long term, and capital preservation over any two-year period
- Require some income but also some capital growth
- Wish to invest in a unit trust that complies with retirement fund investment limits

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

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

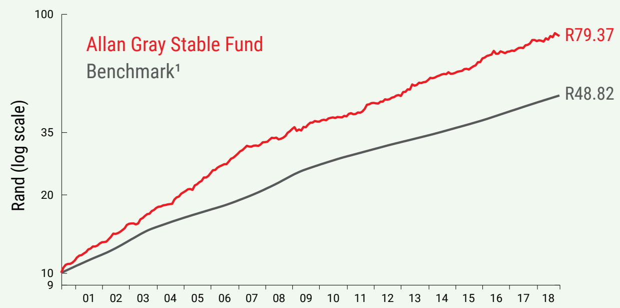
Fund information on 30 November 2018

Fund size	R49.5bn
Number of units	800 344 801
Price (net asset value per unit)	R35.14
Class	A

1. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited plus 2%, performance as calculated by Allan Gray as at 30 November 2018.
2. This is based on the latest numbers published by IRESS as at 31 October 2018.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 5 September 2018 to 23 November 2018. Drawdown is calculated on the total return of the Fund (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 30 April 2006 and the benchmark's occurred during the 12 months ended 30 June 2003. The Fund's lowest annual return occurred during the 12 months ended 30 November 2018 and the benchmark's occurred during the 12 months ended 31 January 2014. 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:			
Since inception (1 July 2000)	693.7	388.2	174.9
Annualised:			
Since inception (1 July 2000)	11.9	9.0	5.7
Latest 10 years	8.5	7.6	5.2
Latest 5 years	7.8	7.6	5.4
Latest 3 years	6.9	8.1	5.4
Latest 2 years	5.5	8.1	5.0
Latest 1 year	0.2	7.9	5.1
Year-to-date (not annualised)	1.3	7.2	5.0
Risk measures (since inception)			
Maximum drawdown[3]	-6.9	n/a	n/a
Percentage positive months[4]	77.8	100.0	n/a
Annualised monthly volatility[5]	4.5	0.6	n/a
Highest annual return[6]	23.3	14.6	n/a
Lowest annual return[6]	0.2	6.2	n/a

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Meeting the Fund objective

Since inception and over the latest 10 and five-year periods, the Fund has outperformed its benchmark and CPI inflation, while providing a high degree of capital stability. The Fund aims to minimise the risk of loss over any two-year period. The lowest annual return number, in the 'Performance net of all fees and expenses' table, show that the Fund has not yet experienced a negative return over any rolling 12-month period.

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 quarterly.	31 Dec 2017	31 Mar 2018	30 Jun 2018	30 Sep 2018
Cents per unit	22.3895	32.0105	31.4834	37.2622

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years, to that of the benchmark. If the Fund's return over two years is equal to or less than 0%, Allan Gray will not charge a fee.

Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT

For each percentage of two-year performance above or below the benchmark we add or deduct 0.1%, subject to the following limits:

Maximum fee: 1.50% p.a. excl. VAT
Minimum fee: 0.50% p.a. excl. VAT

This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark.

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and Transaction costs

The annual management fees charged by both Allan Gray and Orbis are 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.

Top 10 share holdings on 30 September 2018 (SA and Foreign) (updated quarterly)[8]

Company	% of portfolio
Naspers	2.8
Sasol	2.4
Glencore	2.1
British American Tobacco	1.6
Old Mutual	1.5
Investec	1.3
Remgro	1.2
Standard Bank	1.0
Woolworths	0.9
Fortress Income Fund (A)	0.9
Total (%)	**15.7**

Total expense ratio (TER) and Transaction costs

TER and Transaction costs breakdown for the 1 and 3-year period ending 30 September 2018	1yr %	3yr %
Total expense ratio	1.35	1.61
Fee for benchmark performance	1.08	1.07
Performance fees	0.16	0.39
Other costs excluding transaction costs	0.02	0.02
VAT	0.10	0.14
Transaction costs (including VAT)	0.10	0.08
Total investment charge	**1.45**	**1.69**

Top credit exposures on 30 September 2018 (SA and Foreign) (updated quarterly)[7,8]

Issuer	% of portfolio
Nedbank	6.1
FirstRand Bank	5.3
Investec Bank	5.1
Standard Bank	4.5
Republic of South Africa	3.0
Absa Bank	2.6
MTN	1.4
African Bank	1.2
Standard Bank Group	1.0
Total (%)	**30.2**

7. All credit exposure 1% or more of portfolio.

Asset allocation on 30 November 2018[8]

Asset Class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equity	38.6	26.8	1.0	10.8
Hedged equity	6.2	0.0	0.0	6.2
Property	4.4	4.0	0.0	0.4
Commodity-linked	2.0	1.2	0.0	0.8
Bonds	28.3	19.2	3.5	5.6
Money market and bank deposits	20.6	16.7	1.2	2.6
Total (%)	**100.0**	**67.9**	**5.7**	**26.4**[9]

8. Underlying holdings of Orbis funds are included on a look-through basis.
9. The Fund can invest a maximum of 30% offshore, with an additional 10% allowed for investments in Africa outside of South Africa. Market movements periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	(January 2010) 12.4%
Average	24.7%
Maximum	(August 2004) 39.4%

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

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Fund manager quarterly commentary as at 30 September 2018

Over recent time periods, the Allan Gray Stable Fund has delivered returns in line with its dual objectives of capital stability and outperforming bank deposits. On a relative basis, it has outperformed higher-risk asset classes such as bonds and equities. This relative outperformance is unusual given the lower-risk nature of the Fund, and we do not expect it to hold true over long time periods.

The portfolio of shares within the Fund has outperformed the FTSE/JSE All Share Index, largely due to the shares that the Fund has avoided. The Fund had little or no exposure to shares which have experienced material price declines such as Steinhoff, MTN, Aspen and Resilient.

Avoiding such shares has partly been due to luck. Mistakes are inevitable in investing and there are sure to be future commentaries where we apologise to clients for disappointing investments.

However, avoiding such shares is also partly due to our investment process based on bottom-up, fundamental research. A common characteristic of many companies that the Fund has not invested in is a lack of cashflow. Some of these companies have overly complex financial accounting that makes it difficult to determine the true cashflow, while others trade at prices that we believe are not justified by their cashflow. Instead, the Fund favours investing in companies that are priced at reasonable multiples of sustainable cashflow. This ranges from companies with stable cashflow generation, such as British American Tobacco, to fast-growing companies that are able to reinvest their cashflow at high returns such as Chinese technology company Tencent, the main contributor to Naspers' valuation. Our focus on cashflow does not guarantee success, but it significantly improves the odds of the Fund meeting its objectives.

The Fund added to its position in companies such as Glencore, Naspers, Remgro and MTN, following what we view as an excessive price reaction to negative news and bought selected property shares.

The Fund's foreign allocation (excluding Africa) was reduced from 29.9% to 26.4% following rand weakness, mostly via a smaller holding in Orbis' Optimal Funds. Dollar bonds issued by MTN and Seplat, a Nigerian oil and gas company, were bought at attractive yields. The duration of the fixed interest portion of the Fund was increased from 1.5 to 1.8 years as South African yields increased.

Commentary contributed by Mark Dunley-Owen

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Management Company

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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. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its 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 (STT), 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 [STT], STRATE and 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 ratio 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.

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Foreign exposure

This fund may invest in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

Important information for investors

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**.

Allan Gray Money Market Fund

30 November 2018

Fund description and summary of investment policy

The Fund invests in South African money market instruments with a term shorter than 13 months. These instruments can be issued by government, parastatals, corporates and banks. The Fund is managed to comply with regulations governing retirement funds.

While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument held by the Fund defaults. In this event losses will be borne by the Fund and its investors.

ASISA unit trust category: South African – Interest Bearing – Money Market

Fund objective and benchmark

The Fund aims to preserve capital, maintain liquidity and generate a sound level of income. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index.

How we aim to achieve the Fund's objective

The Fund invests in selected money market instruments providing an income yield and a high degree of capital stability. We formulate an interest rate outlook, which is influenced by our inflation outlook and expectations of the resulting Reserve Bank policy response. Based on this analysis, we select investments for the Fund. These assets are typically held to maturity. We take a conservative approach to credit risk.

Suitable for those investors who

- Require monthly income distributions
- Are highly risk-averse but seek returns higher than bank deposits
- Need a short-term investment account

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

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

Fund information on 30 November 2018

Fund size	R17.3bn
Number of units	17 210 921 532
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.62
Fund duration (days)	88.33
Fund weighted average maturity (days)	118.11
Class	A

1. The current benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Since inception to 31 March 2003, the benchmark was the Alexander Forbes 3-Month Deposit Index. From 1 April 2003 to 31 October 2011 the benchmark was the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund, performance as calculated by Allan Gray as at 30 November 2018.
2. This is based on the latest numbers published by IRESS as at 31 October 2018.
3. 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 July 2003 and the benchmark's occurred during the 12 months ended 31 July 2003. The Fund's lowest annual return occurred during the 12 months ended 30 September 2013 and the benchmark's occurred during the 12 months ended 31 October 2013. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Income distribution for the last 12 months

Actual payout (cents per unit), the Fund distributes monthly

Dec 2017	Jan 2018	Feb 2018	Mar 2018
0.64	0.65	0.58	0.65
Apr 2018	**May 2018**	**Jun 2018**	**Jul 2018**
0.62	0.63	0.61	0.63
Aug 2018	**Sep 2018**	**Oct 2018**	**Nov 2018**
0.63	0.61	0.64	0.62

Performance net of all fees and expenses

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 July 2001)	282.9	275.5	159.2
Annualised:			
Since inception (1 July 2001)	8.0	7.9	5.7
Latest 10 years	6.9	6.7	5.2
Latest 5 years	7.2	6.9	5.4
Latest 3 years	7.8	7.4	5.4
Latest 2 years	7.9	7.4	5.0
Latest 1 year	7.8	7.2	5.1
Year-to-date (not annualised)	7.1	6.6	5.0
Risk measures (since inception)			
Highest annual return[3]	12.8	13.3	n/a
Lowest annual return[3]	5.2	5.2	n/a

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Meeting the Fund objective

The Fund has preserved capital, maintained liquidity and generated a sound level of income.

Annual management fee

A fixed fee of 0.25% p.a. excl. VAT

Total expense ratio (TER) and Transaction costs

The annual management fee 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 2018	1yr %	3yr %
Total expense ratio	**0.29**	**0.29**
Annual management fee	0.25	0.25
Other costs excluding transaction costs	0.00	0.00
VAT	0.04	0.04
Transaction costs (including VAT)	**0.00**	**0.00**
Total investment charge	**0.29**	**0.29**

Exposure by issuer on 30 November 2018

	% of portfolio
Government and parastatals	**9.9**
Republic of South Africa	9.9
Corporates	**8.6**
Sanlam	2.4
Pick 'n Pay	2.4
Life Healthcare Group	1.6
Shoprite	1.5
Toyota Financial Services	0.5
The Thekwini Warehousing Conduit	0.2
Banks[4]	**81.4**
Absa Bank	19.2
FirstRand Bank	18.1
Nedbank	17.9
Standard Bank	13.8
Investec Bank	12.4
Total (%)	**100.0**

4. Banks include negotiable certificates of deposit (NCDs), fixed deposits and call deposits.

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

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Fund manager quarterly commentary as at 30 September 2018

"When I have nothing to say, my lips are sealed. Say something once, why say it again?"
– Talking Heads, "Psycho Killer"

Few money market fund commentaries start with a quote from a song about a serial killer. It is nonetheless appropriate, since little has changed over the recent quarter. David Byrne from Talking Heads would suggest we copy and paste the previous quarter's commentary. Instead, the main points are repeated below:

- South African money market investments are attractive amidst global uncertainty. Absolute returns close to 8% are sufficiently higher than 5% inflation to grow client wealth at low risk.
- On a relative basis, money market investments have outperformed higher risk South African asset classes over recent years. We do not expect this to hold true over long periods of time.
- The market is pricing in interest rate hikes due to inflationary pressure from demand factors such as currency weakness and a higher oil price. We believe external factors such as these should be discounted in favour of South Africa's weak supply-side factors, highlighted by low growth and high unemployment. We expect rates to remain stable barring further evidence of inflation, but we acknowledge that the Reserve Bank's commentary contradicts our view.

The Fund continues to invest with a bias towards longer-duration fixed assets that benefit from the steep money market yield curve. Shorter-dated Treasury bills were bought at attractive yields following Treasury's decision to increase issuance size.

Commentary contributed by Mark Dunley-Owen

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Performance

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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 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.

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 (STT), 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 [STT], STRATE and 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 ratio 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.

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Important information for investors

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**.

Fund managers: This Fund invests solely into the Orbis Global Equity Fund, managed by Orbis Investment Management Limited. **Inception date:** 1 April 2005

Allan Gray-Orbis Global Equity Feeder Fund

30 November 2018

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 invests in shares listed on stock markets around the world and aims to be fully invested at all times. 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 managed to remain fully invested in selected global equities. 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 fully invested global equity 'building block' in a diversified multi-asset class portfolio

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

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

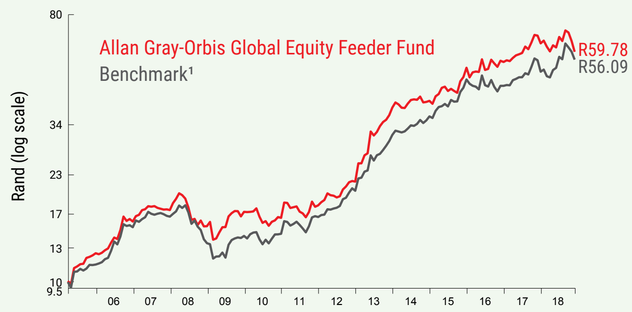
Fund information on 30 November 2018

Fund size	R17.5bn
Number of units	294 727 735
Price (net asset value per unit)	R59.54
Class	A

1. FTSE World Index including income (source: Bloomberg), performance as calculated by Allan Gray as at 30 November 2018.
2. This is based on the latest numbers published by IRESS as at 31 October 2018.
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)	497.8	170.6	460.9	153.9	117.1	30.9
Annualised:						
Since inception (1 April 2005)	14.0	7.5	13.4	7.0	5.9	2.0
Latest 10 years	14.6	11.0	14.9	11.3	5.2	1.5
Latest 5 years	10.4	4.0	13.5	6.9	5.4	1.6
Latest 3 years	6.8	8.4	7.5	9.1	5.4	2.1
Latest 2 years	3.5	4.5	10.7	11.8	5.0	2.3
Latest 1 year	-11.9	-12.4	0.5	-0.1	5.1	2.5
Year-to-date (not annualised)	-6.4	-16.2	9.8	-1.7	5.0	2.2
Risk measures (since inception)						
Maximum drawdown[3]	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months[4]	62.8	59.1	62.2	63.4	n/a	n/a
Annualised monthly volatility[5]	15.4	16.6	14.0	15.1	n/a	n/a
Highest annual return[6]	78.2	63.0	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 the Fund has outperformed its benchmark. Over the last 10 and five-year periods it has underperformed its benchmark. The Fund has provided returns significantly 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 2017
Cents per unit	**0.5811**

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, which can be found at www.allangray.co.za

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 2018	1yr %	3yr %
Total expense ratio	**2.22**	**1.97**
Fee for benchmark performance	1.50	1.50
Performance fees	0.68	0.42
Other costs excluding transaction costs	0.04	0.05
VAT	0.00	0.00
Transaction costs (including VAT)	**0.10**	**0.13**
Total investment charge	**2.33**	**2.10**

Top 10 share holdings on 30 November 2018

Company	% of portfolio
NetEase	7.6
AbbVie	6.1
XPO Logistics	5.8
Celgene	4.2
Naspers	3.7
Vale	3.5
Anthem	3.3
Sberbank of Russia	3.0
Arconic	2.9
Autohome	2.8
Total (%)	**42.9**

Asset allocation on 30 November 2018

This fund invests solely into the Orbis Global Equity Fund

	Total	North America	Europe	Japan	Asia ex-Japan	Other
Net equity	98.2	40.7	12.2	13.5	21.4	10.4
Hedged equity	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
Net current assets	1.8	0.0	0.0	0.0	0.0	1.8
Total	**100.0**	**40.7**	**12.2**	**13.5**	**21.4**	**12.2**
Currency exposure of the Orbis Global Equity Fund						
Fund	100.0	49.0	22.5	8.6	9.5	10.4
Index	100.0	61.2	20.5	8.7	5.3	4.3

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

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Fund manager quarterly commentary as at 30 September 2018

As bottom-up stockpickers, our investment decisions are based on high-conviction beliefs that each individual stock in the portfolio is trading for much less than it is worth. While we firmly believe that this approach provides the best opportunity to deliver pleasing long-term returns for clients, it inevitably exposes us to the risk of underperformance at times when our best ideas perform poorly relative to the rest of the market.

This year has been one of those times. For the year to date, the Orbis Global Equity Fund has declined by 5.3% after fees, compared to the market's return of about 5%. As we have noted previously, this has been driven in part by stock selection. Our exposure to emerging markets more broadly has also weighed heavily on performance.

Periods of poor performance and low investor confidence can often give us the opportunity to invest in high-quality companies at depressed prices. We believe that's exactly what's happening today. This can be seen by taking a closer look at the Chinese video game developer NetEase, which has been one of the Fund's largest performance detractors in recent months.

Along with broader concerns about the economic slowdown in China, the country's gaming regulator is undergoing a restructuring and has not approved any applications for new games since March this year. The impact on NetEase's share price has been painful. Its shares have declined by close to 40% from their recent peak in December 2017 in US dollar terms. Investors fear this heralds a wave of harmful regulation.

We disagree. Discussions with a number of industry stakeholders suggest that the government is not aiming to suppress the gaming industry, and the relevant agencies are expected to resume approving games in a number of months. In the meantime, NetEase is largely insulated from the halt in approvals, as its flagship franchises have already been approved and operating for years and the company has astutely navigated similar regulatory changes over the past decade.

Our confidence is in large part driven by the stewardship of William Ding, the company's founder, who is focused on creating long-term shareholder value through a relentless focus on product differentiation, continuous improvement and dedicated investment in research and development.

True to form, NetEase has recently been investing heavily in new areas of ecommerce and music. Whilst this increased spending has temporarily depressed margins, we believe it has seeded a promising pipeline of future earnings streams which the market has all but ignored.

As ever, the question is what we are paying for this potential. NetEase trades at 25 times our estimate of 2018 earnings, but we believe the company's normalised earnings power is considerably higher. Today, the company's market value is US$30bn. After deducting the US$5bn net cash it holds, NetEase trades at around 13 times the normalised earnings of its core gaming business, and those earnings should grow. In other words, we believe the games business alone will generate more in profits in under 13 years than the entire company is worth today. And if our analysis is correct, NetEase stands to earn significantly more than the profits of its gaming business as its new ventures begin to contribute in the years to come.

Since we initially invested in NetEase 10 years ago, profits have compounded at a rate of 25% per annum, which is equivalent to almost doubling every three years. Essentially all of these profits have been converted to cash, with free cash flow matching and often exceeding accounting profits. The company has shared this success with shareholders both in cash – paying over US$1.5 billion in dividends over the period – and in price appreciation, rising by an annualised 25% in tandem with its earnings growth.

It is hard to say what lies ahead in the short term for NetEase, or for China more generally. We have learned the hard way that things can always get worse before they get better. But taking a step back, what matters most to us is guarding against the permanent loss of our clients' capital and ensuring that your capital is positioned alongside ours in our highest conviction ideas.

Over the quarter, most of the concentrations in the portfolio were unchanged. The largest individual purchase was Pacific Gas and Electric, a US-based utility company.

Adapted from Orbis commentary contributed by Stefan Magnusson

For the full commentary please see www.orbis.com

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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.

Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited (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 11 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 Proprietary Limited (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. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its 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 (STT), 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 [STT], STRATE and 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 ratio 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.

FTSE World Index

FTSE is a trademark of the London Stock Exchange Group of Companies. The FTSE World Index is calculated by FTSE International Limited ('FTSE') in accordance with standard criteria and is the proprietary information of FTSE. All copyright subsisting in the FTSE World Index values and constituent lists vests in FTSE. All its rights are reserved.

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

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

Important information for investors

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**.

Fund manager: Andrew Lapping (The underlying Orbis funds are managed by Orbis).
Inception date: 3 February 2004

Allan Gray-Orbis Global Fund of Funds

30 November 2018

Fund description and summary of investment policy

The Fund invests in a mix of equity, absolute return and multi-asset class funds managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The typical net equity exposure of the Fund is between 40% and 75%. The Orbis Optimal SA funds included in the Fund use exchange-traded derivative contracts on stock market indices to reduce net equity exposure. In these funds, the market exposure of equity portfolios is effectively replaced with cash-like exposure, plus or minus Orbis' skills in delivering returns above or below the market. Returns are likely to be less volatile than those of an international equity-only fund. 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 – Multi Asset – High Equity

Fund objective and benchmark

The Fund aims to create long-term wealth for investors without exceeding a maximum net equity exposure limit of 75%. It aims to outperform the average return of funds subject to similar constraints without taking on more than their average risk. The Fund's benchmark is a portfolio made up 60% by the FTSE World Index, including income, and 40% the JP Morgan Global Government Bond index.

How we aim to achieve the Fund's objective

The Fund invests in equity, absolute return and multi-asset class funds managed by our offshore investment partner, Orbis Investment Management Limited. Within all of the underlying funds, 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 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. 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. Depending on our assessment of the potential returns on global stock markets relative to their risk of capital loss, we actively manage the Fund's net exposure to equities by varying its exposure to the underlying Orbis funds. By varying the Fund's overall exposure to equities and also its geographic exposure, through selecting between the Orbis regional equity funds, we seek to enhance the Fund's long-term returns and to manage its risk. The Fund's currency exposure is actively managed both within the underlying Orbis funds and through our selection of Orbis funds.

Suitable for those investors who

- Seek long-term capital growth from a diversified international equity portfolio without being fully exposed to stock market risk
- Wish to invest in international assets without having to personally expatriate rands
- Are comfortable with taking on some risk of market and currency fluctuation and potential capital loss, but typically less than that of an equity fund
- Typically have an investment horizon of more than five years
- Wish to use the Fund as a foreign medium equity 'building block' in a diversified multi-asset class portfolio

Fund information on 30 November 2018

Fund size	R12.4bn
Number of units	340 813 920
Price (net asset value per unit)	R36.28
Class	A

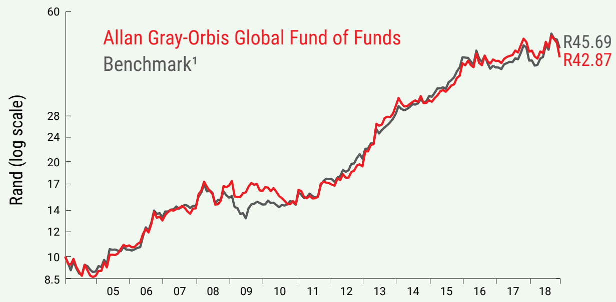
Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

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

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 (3 February 2004)	328.7	119.3	356.9	133.7	126.0	35.7
Annualised:						
Since inception (3 February 2004)	10.3	5.4	10.8	5.9	5.7	2.1
Latest 10 years	10.0	6.6	11.3	7.8	5.2	1.5
Latest 5 years	8.6	2.3	10.8	4.3	5.4	1.6
Latest 3 years	4.6	6.2	4.8	6.4	5.4	2.1
Latest 2 years	0.8	1.8	6.6	7.7	5.0	2.3
Latest 1 year	-10.7	-11.2	-0.5	-1.1	5.1	2.5
Year-to-date (not annualised)	-4.1	-14.1	9.4	-2.1	5.0	2.2
Risk measures (since inception)						
Maximum drawdown[3]	-24.0	-34.1	-25.1	-37.5	n/a	n/a
Percentage positive months[4]	56.7	60.1	56.7	62.4	n/a	n/a
Annualised monthly volatility[5]	14.2	10.7	12.9	9.6	n/a	n/a
Highest annual return[6]	55.6	40.1	38.8	37.6	n/a	n/a
Lowest annual return[6]	-13.7	-27.3	-17.0	-31.7	n/a	n/a

1. 60% of the FTSE World Index including income and 40% of the JP Morgan Global Government Bond Index (source: Bloomberg), performance as calculated by Allan Gray as at 30 November 2018.
2. This is based on the latest numbers published by IRESS as at 31 October 2018.
3. 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).
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 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.

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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 significantly 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 2017
Cents per unit	**0.3731**

Annual management fee

Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis.

Orbis charges annual management fees within the underlying Orbis funds. Each fund's fee rate is calculated based on the fund's performance relative to its own benchmark. For more information please refer to the respective Orbis Funds' factsheets, which can be found at www.allangray.co.za

Total expense ratio (TER) and Transaction costs

The annual management fees charged by Orbis are 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 2018	1yr %	3yr %
Total expense ratio	**2.10**	**2.04**
Fee for benchmark performance	1.44	1.42
Performance fees	0.65	0.57
Other costs excluding transaction costs	0.02	0.06
VAT	0.00	0.00
Transaction costs (including VAT)	**0.13**	**0.12**
Total investment charge	**2.23**	**2.17**

Top 10 holdings on 30 November 2018

Company	% of portfolio
AbbVie	5.1
NetEase	4.3
Taiwan Semiconductor Mfg.	3.7
BP	3.4
SPDR Gold Trust	3.2
Bristol-Myers Squibb	3.2
Treasury Note 1.75% 30 Sep 2019	2.8
Royal Dutch Shell	2.6
XPO Logistics	2.6
Celgene	2.6
Total (%)	**33.6**

Fund allocation on 30 November 2018

Funds	%
Foreign multi-asset funds	**74.6**
Orbis SICAV Global Balanced Fund	74.6
Foreign equity funds	**14.0**
Orbis Global Equity Fund	10.9
Orbis SICAV Emerging Markets Equity Fund	3.1
Foreign absolute return funds	**11.4**
Orbis Optimal SA Fund (US$)	6.6
Orbis Optimal SA Fund (Euro)	4.9
Total (%)	**100.0**

Asset allocation on 30 November 2018

	Total	North America	Europe	Japan	Asia ex-Japan	Other
Net equity	55.0	12.6	16.9	6.5	13.9	5.0
Hedged equity	25.1	13.6	4.7	2.5	3.1	1.1
Fixed interest	15.4	14.8	0.1	0.0	0.3	0.1
Commodity-linked	3.1	0.0	0.0	0.0	0.0	3.1
Net current assets	1.5	0.0	0.0	0.0	0.0	1.5
Total	**100.0**	**41.1**	**21.7**	**9.1**	**17.4**	**10.8**
Currency exposure of the Orbis Funds						
Funds	100.0	48.3	30.3	9.3	8.0	4.2
Index	100.0	56.9	27.2	12.7	1.0	2.2

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

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Fund manager quarterly commentary as at 30 September 2018

We aim to produce a pleasing long-term return that is superior to the Fund's benchmark. Doing so is only possible because we are willing to build a portfolio that looks very different from the benchmark. This difference doesn't always accrue to the benefit of returns, however, and 2018 has thus far been one of those times. These periods can be painful, but also ripe with opportunity. One stock in the portfolio that illustrates this particularly well is Taiwan Semiconductor Manufacturing Company Limited (TSMC).

TSMC is the world's largest semiconductor foundry. You won't see its name on any product, but chances are its factories, or 'fabs' in industry parlance, made many of the semiconductor chips in the electronic items you use every day. TSMC manufactures the chips designed by 'fabless' semiconductor companies like Nvidia, Qualcomm, and AMD, as well as other customers like Alphabet, Amazon and Apple.

Since the mid-1990s, a new generation of manufacturing technology has become much more expensive to develop, leading increasing numbers of firms to hand off manufacturing to TSMC and other foundry specialists.

This has proven a double benefit to TSMC. It benefits first by being the only choice of designers like Apple, Qualcomm and Nvidia who need their chips to be the fastest, smallest and most power efficient. But TSMC benefits again as those fabs age. By the time other foundry companies build a fab to compete with TSMC's four- or five-year-old plants, TSMC's are fully depreciated and are operating at peak efficiency. This lets TSMC run its non-leading-edge fabs as cash cows while still pricing at levels that starve its competition of the return they need to fund research for future generations.

Being the leader has been financially rewarding for TSMC – it has historically averaged a very consistent 25% return on equity and a similarly high return on invested capital. Meanwhile, its lead over other foundry pure plays has consistently lengthened. Just a few months ago Global Foundries, the last foundry rival with aspirations of staying on the leading edge, announced it was giving up and focusing on older-technology fabs. And as more devices get smart and already-smart devices get smarter, we expect near-leading-edge semiconductor demand growth to be healthy for a long time.

Despite these attractive fundamentals, TSMC traded at just 15 times earnings during much of 2017 – a below-average price for a far-above-average company. We built a position throughout the year, but grew wary heading into year end, as investors grew too optimistic about the outlook for cryptocurrencies like bitcoin. That affected TSMC because bitcoin is facilitated by a global network of cryptocurrency 'miners', who use powerful computers (with TSMC-built chips) to solve difficult calculations. It was a gold rush, and TSMC was making the shovels.

As bitcoin and other 'cryptos' captured investors' imagination, TSMC got caught up in the enthusiasm, at one point being highlighted as the largest position in a new cryptocurrency exchange traded fund. This pushed up the stock's valuation, and for us, was a signal to tactically lower the weighting.

The bubble popped early this year, and those once-enthusiastic investors have grown bearish. Sentiment on TSMC overshot the other way, bringing its valuation briefly back to 14 times forward earnings and a near -4% dividend yield, despite no change to its long-term fundamental prospects. Thankful for the opportunity, we rebuilt the position – bringing the stock into the top 10 holdings. In TSMC's case, the market's focus on short-term issues provided us with attractive opportunities to sell as well as buy.

The curse (or blessing!) of being an intrinsic value investor is that we are always unhappy about something. When performance has been good, we tend to worry about the compression of potential in the portfolio and the prospect of that leading to underperformance. When we've underperformed and are out of sync with the market, of course we're not happy, but we do enjoy the opportunities to add to high-conviction ideas. We can never tell when or if the market will get back 'in sync' with our portfolio views, but in our experience over many cycles, the rewards have historically been worth the wait.

TSMC was the biggest addition to the portfolio, followed by Pacific Gas and Electric, a US-based utility company. The largest sale was of the equity and selected bonds of Navient, a US-based student loan servicing company.

Adapted from Orbis commentary contributed by Alec Cutler

For the full commentary please see www.orbis.com

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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. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its 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 (STT), 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 [STT], STRATE and 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 ratio 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.

FTSE World Index

FTSE is a trademark of the London Stock Exchange Group of Companies. The FTSE World Index is calculated by FTSE International Limited ('FTSE') in accordance with standard criteria and is the proprietary information of FTSE. All copyright subsisting in the FTSE World Index values and constituent lists vests in FTSE. All its rights are reserved.

Fund of funds

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 funds of funds.

Foreign exposure

The Fund invests in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

Important information for investors

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**.

Fund manager: Duncan Artus (The underlying Orbis funds are managed by Orbis).
Inception date: 2 March 2010

Allan Gray-Orbis Global Optimal Fund of Funds

30 November 2018

Fund description and summary of investment policy

The Fund invests in a mix of absolute return funds managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The typical net equity exposure of the Fund is between 0% and 20%. The Orbis Optimal SA funds included in the Fund use exchange-traded derivative contracts on stock market indices to reduce net equity exposure. In these funds, the market exposure of equity portfolios is effectively replaced with cash-like exposure, plus or minus Orbis' skills in delivering returns above or below the market. Returns are likely to be less volatile than those of a foreign equity or balanced fund. Although the Fund's investment universe is global, the units in the Fund are priced and traded daily in rands. When considered in rands, returns of this foreign fund are likely to be more volatile than domestic funds with similar equity constraints.

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

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability (when measured in the foreign currency denominations of the underlying Orbis Funds), while producing long-term returns that are superior to foreign currency bank deposits. The Fund's benchmark is the simple average of the benchmarks of the underlying Orbis funds.

How we aim to achieve the Fund's objective

The Fund invests only in the Optimal SA absolute return funds managed by our offshore investment partner, Orbis Investment Management Limited. Within the Optimal funds, 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 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. 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. The Orbis Optimal SA funds reduce most of their stock market risk by the use of exchange-traded derivative futures contracts. The Orbis Optimal SA funds will typically retain a small portion of their exposure to equity markets, but the level of exposure may be varied depending on Orbis' assessment of the potential returns on global stock markets relative to their risk of capital loss. The underlying funds' returns are therefore derived partly from their relatively low exposure to stock markets, partly from Orbis' selected share returns relative to those markets, and partly from foreign currency cash-equivalent returns. The Fund's currency exposure is actively managed both within the underlying Orbis funds and through our selection of Orbis funds.

Suitable for those investors who

- Seek steady absolute returns ahead of those of cash measured in global currencies
- Wish to invest in international assets without having to personally expatriate rands
- Are comfortable with taking on the risk of currency fluctuation, but prefer little exposure to stock market risk
- Wish to use the Fund as a foreign absolute return 'building block' in a diversified multi-asset class portfolio

Fund information on 30 November 2018

Fund size	R1.0bn
Number of units	54 615 777
Price (net asset value per unit)	R18.91
Class	A

Minimum investment amounts

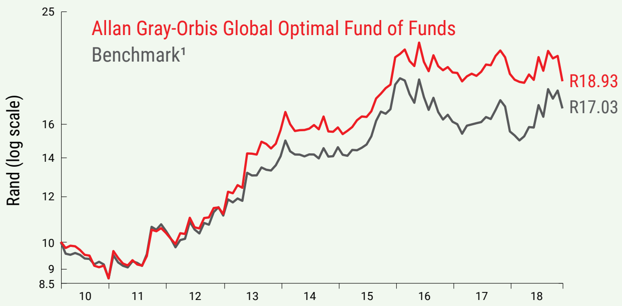
Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

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

1. The simple average of the benchmarks of the underlying funds, performance as calculated by Allan Gray as at 30 November 2018.
2. This is based on the latest numbers published by IRESS as at 31 October 2018.
3. Maximum percentage decline over any period. The maximum rand drawdown occurred from 18 May 2016 to 24 March 2017 and maximum benchmark drawdown occurred from 18 January 2016 to 23 February 2018. 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 January 2016. The Fund's lowest annual return occurred during the 12 months ended 31 May 2017 and the benchmark's occurred during the 12 months ended 28 February 2017. 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 (2 March 2010)	89.3	5.8	70.3	-4.8	56.7	16.4
Annualised:						
Since inception (2 March 2010)	7.6	0.7	6.3	-0.6	5.3	1.8
Latest 5 years	5.1	-1.0	4.6	-1.5	5.4	1.6
Latest 3 years	0.5	2.0	0.1	1.6	5.4	2.1
Latest 2 years	-2.8	-1.8	1.3	2.3	5.0	2.3
Latest 1 year	-9.1	-9.6	-0.8	-1.4	5.1	2.5
Year-to-date (not annualised)	-2.9	-13.1	9.6	-1.9	5.0	2.2
Risk measures (since inception)						
Maximum drawdown[3]	-18.9	-16.3	-26.6	-15.1	n/a	n/a
Percentage positive months[4]	48.6	51.4	46.7	50.5	n/a	n/a
Annualised monthly volatility[5]	14.5	6.7	14.2	4.7	n/a	n/a
Highest annual return[6]	39.6	12.9	35.6	9.4	n/a	n/a
Lowest annual return[6]	-12.4	-11.8	-19.1	-11.6	n/a	n/a

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Meeting the Fund objective

Since inception and over the latest five-year period, the Fund has outperformed its benchmark, although it should be noted that the returns on dollar and euro cash have been low over this period. There has been some volatility in the Fund's returns. The underlying funds' maximum drawdowns to date, in their reporting currencies, are 12% for the Orbis Optimal SA Dollar class and 13% for the Orbis Optimal SA Euro class.

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 2017
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 annual management fees within the underlying Orbis funds. Each fund's fee rate is calculated based on the fund's performance relative to its own benchmark. For more information please refer to the respective Orbis Funds' factsheets, which can be found at www.allangray.co.za

Total expense ratio (TER) and Transaction costs

The annual management fees charged by Orbis are 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 2018	1yr %	3yr %
Total expense ratio	1.69	1.83
Fee for benchmark performance	1.00	1.00
Performance fees	0.63	0.78
Other costs excluding transaction costs	0.06	0.06
VAT	0.00	0.00
Transaction costs (including VAT)	0.16	0.14
Total investment charge	**1.85**	**1.97**

Top 10 share holdings on 30 November 2018

Company	% of portfolio
NetEase	5.6
AbbVie	4.8
Sumitomo	4.2
XPO Logistics	3.7
Credit Suisse Group	3.2
INPEX	3.2
Celgene	3.2
Rolls-Royce Holdings	3.0
Mitsubishi	2.9
Sberbank of Russia	2.9
Total (%)	**36.7**

Fund allocation on 30 November 2018

Foreign absolute return funds	%
Orbis Optimal SA (US$)	63.3
Orbis Optimal SA (Euro)	36.7
Total (%)	**100.0**

Asset allocation on 30 November 2018

	Total	North America	Europe	Japan	Asia ex-Japan	Other
Net equity	4.9	-3.3	2.5	-0.1	3.9	1.8
Hedged equity	86.1	32.7	15.7	19.6	15.0	3.2
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	8.9	0.0	0.0	0.0	0.0	8.9
Total	**100.0**	**29.4**	**18.2**	**19.5**	**18.9**	**13.9**
Currency exposure of the Orbis funds						
Funds	100.0	58.1	37.2	0.0	4.7	0.0

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

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Fund manager quarterly commentary as at 30 September 2018

As discussed in last quarter's commentary, the returns of our long-only equity funds can be decomposed into three components: A risk-free rate, an equity risk premium and the value added by our stock selections. Simplistically, the Orbis Optimal Strategy is designed to capture two of these three components: the risk-free rate and the value added by Orbis. Giving up the equity risk premium may seem crazy, especially given the substantial returns delivered by this component over the last decade, but looking back a little further in time, it's clear that equity risk hasn't always delivered commensurate returns.

The toughest periods to be an Optimal investor are when the risk-free rate is low, the equity risk premium is high (this is the part that Optimal gives up) and when Orbis decisions detract rather than add value. This broadly characterises the most recent 12 months. The US risk-free rate sits at about 2% per annum – no longer rock bottom, but below its long-term average. The equity risk premium has been above its long-term norm. And our stock selections have not produced returns in excess of our benchmarks of late.

It is the last component of Optimal's return that is most critical to its long-term success. The other two are entirely out of our control, though we would note that excessive returns attributed to the equity risk premium do impact likely future returns through increasingly extreme valuations.

As noted last quarter, the stock selection environment still offers pockets of opportunity. We have previously discussed the price dislocations we are seeing in a few areas. One example we highlighted was the valuation gap between the shares of more defensive companies in Japan versus their more cyclical or economically sensitive counterparts. In the former basket, we used the example of Kikkoman, a global soy sauce maker, highlighting how difficult it is to justify paying such a high multiple of earnings, even for a 'stable' business. Over the past year, and the past quarter in particular, Kikkoman's share price (along with many similarly expensive defensive shares) has become even more detached from the underlying fundamentals of the business.

For value-oriented investors like ourselves, this has created a very difficult environment. The mispricings that we have identified have not only persisted, but have often become more acute. We don't have full visibility into flows going to and from these areas of the market, but we suspect that actions of central banks, as well as the proliferation of various flavours of passive funds, are at least partly to blame. In Japan, the situation is arguably even more extreme as the Bank of Japan is the largest buyer of passive equity exchange traded funds (ETFs).

In addition, just 33% of stocks have beaten the FTSE World Index over the last 12 months. These levels were last seen in the late 1990s, a time when many active managers, and especially those in the value camp, struggled to keep up with increasingly irrational benchmark valuations. As was the case back then, the current market is increasingly narrow, with the shares that have already appreciated to become a meaningful weight in the index being the only ones left making new highs.

If there is a silver lining, it is that the longer and more extreme that mispricings become, the greater the opportunity for future returns. Indeed we have taken advantage of price dislocations to increase the Fund's positions in shares such as NetEase and Taiwan Semiconductor Manufacturing Company Limited.

It is also worth noting that the extraordinary expansion of central bank balance sheets that we have seen since 2008 is set to reverse for the first time in the coming year. While we cannot predict what impact this will have, it is reasonable to believe that a period of liquidity tightening could also reverse the strong equity performance that we have become accustomed to. In addition, a gradual removal of large price-insensitive buyers may help correct some of the mispricings that we are seeing in our stock selections. As a result, we are optimistic about a long-term improvement in the key components of Optimal's returns, as well as its capacity to protect against the risk of broader equity declines.

The Fund's regional exposure remained largely unchanged. Among individual positions, the largest addition was to Imperial Brands, a UK-based tobacco company. The largest sale was Schlumberger, an oil and gas services business.

Adapted from Orbis commentaries contributed by by Graeme Forster

For the full commentary please see www.orbis.com

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