

ALLAN GRAY

ALLAN GRAY AUSTRALIA BALANCED FUND  
FUND FACT SHEET

30 September 2018





### THE FUND AND ITS BENCHMARK

The Fund seeks to earn long-term returns that are higher than its custom Benchmark. It aims to balance capital growth, income generation and risk of loss using a diversified portfolio of shares, fixed income and commodity investments from Australia and overseas.

### INVESTMENT APPROACH

The Fund uses our long-term, contrarian and fundamental investment approach. It will primarily hold a selection of shares and fixed income investments from Australia and overseas that we consider undervalued.

Generally, around 60% of the Fund's portfolio will be invested in Australian investments, with the remainder in international investments. When Australian investments are more appealing the Fund may invest more in Australia – or vice versa. While Allan Gray manages the Australian portion of the Fund, the Orbis Group manages the Fund's overseas assets.

The Fund may experience periods of under-performance in pursuit of its long-term objective, particularly given its allocation to Australian and overseas equities. These markets can be volatile, and some carry their own risks such as political and social instability. However, the Fund's returns are expected to be less volatile than an equity-only fund. Since public launch, the Fund has outperformed the Benchmark.

### THIS FUND MAY SUIT YOU IF YOU:

- Want exposure to an actively managed fund of shares, fixed income and commodity investments
- Want to easily diversify your portfolio using a single fund and are looking for fewer ups and downs than investing solely in shares
- Are looking to generate some income and increase your wealth in the long term
- Are comfortable setting aside \$500 per month for a savings plan, or investing an initial lump sum of \$10,000, and
- Can ideally invest for a minimum of three years.

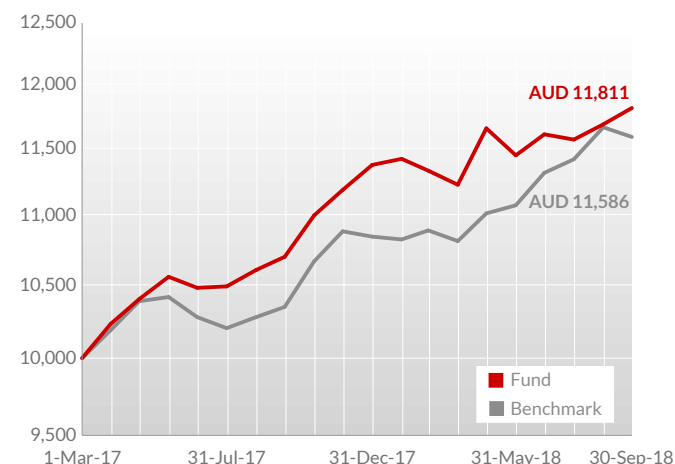
### PERFORMANCE NET OF ALL FEES AND EXPENSES

	FUND	BENCHMARK	RELATIVE
<b>ANNUALISED (%)</b>			
Since public launch (1 Mar 2017)	11.1	9.7	<b>1.4</b>
1 year	10.4	12.0	<b>(1.6)</b>
<b>NOT ANNUALISED (%)</b>			
Calendar year to date	3.9	6.9	<b>(3.0)</b>
3 months	1.8	2.4	<b>(0.6)</b>
1 month	1.1	(0.6)	<b>1.7</b>

### PERFORMANCE CONTRIBUTION (LATEST MONTH)

CONTRIBUTION	%
Equity	<b>1.2</b>
Fixed Income and Cash	<b>0.1</b>
Other	<b>(0.1)</b>
<b>Performance before fees and expenses</b>	<b>1.1</b>

### VALUE OF AUD 10,000 INVESTED AT PUBLIC LAUNCH





### INCOME DISTRIBUTION FOR THE LAST 12 MONTHS

30 June 2018 - 3.8373 cents per unit

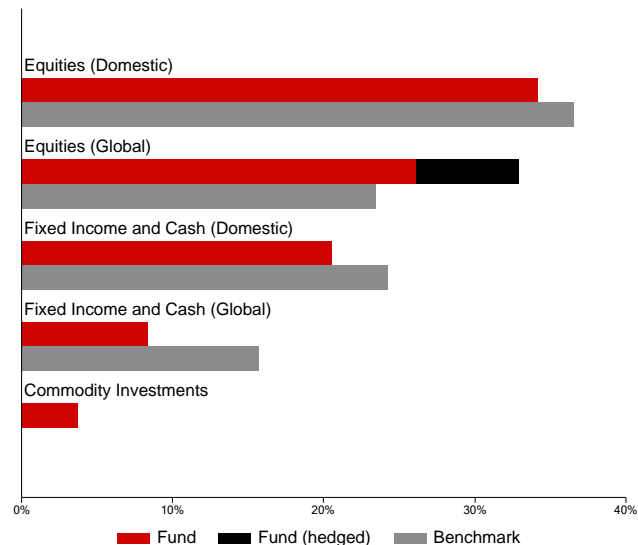
### GEOGRAPHICAL ALLOCATION

	Australia	North America	Europe and UK	Other	Total
Net Equity	34	7	9	10	60
Hedged Equity	0	5	1	1	7
Fixed Income and Cash	21	8	0	0	29
Commodity Investments					4
<b>Total</b>	<b>55</b>	<b>21</b>	<b>10</b>	<b>11</b>	<b>100</b>

### KEY INFORMATION

Fund size	AUD 81.2 million
Public launch date	1 Mar 2017
Number of units on issue	70.6 million
Price (Net asset value)	AUD 1.1499
Buy/sell spread	+0.2% / -0.2%
Minimum	AUD 10,000 / AUD 500 per month
Dealing	Daily
Distribution frequency	Annual
Base fee	0.75% p.a.
Performance fee	20%
APIR code	ETL4654AU
mFund code	AQY03
ISIN	AU60ETL46546

### ASSET ALLOCATION



The composition of the Fund has not changed significantly over the last month.

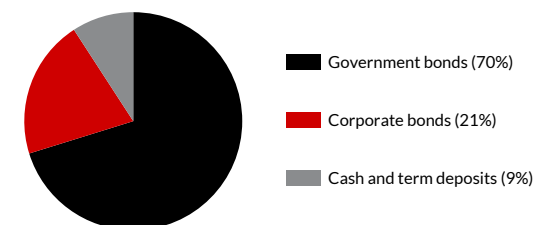
### TARGET ASSET ALLOCATION RANGES

ASSET TYPE	TARGET RANGE (%)
Equity	40-90
Fixed Income and Cash	10-50
Commodity Investments	Up to 10

### TOP FUND HOLDINGS

HOLDINGS	% OF FUND
Australian Gov. Bond 2.00% 21 Dec 2021	5.5
Australian Gov. Bond 5.75% 15 May 2021	4.7
SPDR Gold Trust	3.7
Woodside Petroleum	3.7
Newcrest Mining	3.5
Australian Gov. Bond 1.75% 21 Nov 2020	3.1
Australian Gov. Bond 2.75% 21 Oct 2019	2.9
QBE Insurance Group	2.9
Telstra	2.8
Origin Energy	2.6
<b>TOTAL</b>	<b>35.3</b>

### FIXED INCOME AND CASH



**IF YOU HAVE ANY QUERIES PLEASE CONTACT YOUR FINANCIAL ADVISER OR CLIENT SERVICES**



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## NOTES ON PERFORMANCE

The Benchmark for the Fund is a custom benchmark comprising 36% S&P/ASX 300 Accumulation Index; 24% S&P/ASX Australian Government Bond Index; 24% MSCI World Index (net dividends reinvested) expressed in AUD; and 16% JPMorgan Global Government Bond Index expressed in AUD.

Returns shown are net of fees and assume reinvestment of distributions. Returns are annualised for periods of one year and over. Annualised returns show the average amount earned on an investment in the Fund each year over the given time period. Actual investor performance may differ as a result of the investment date, the date of reinvestment of income distributions, and withholding tax applied to income distributions.

The highest and lowest returns earned during any calendar year since the public launch of the Fund will be shown once the Fund has sufficient return history.

## NOTES ON KEY INFORMATION

The price (net asset value) is cum-distribution.

The performance fee is 20% of the Fund's outperformance, net of the base fee, in comparison to the Benchmark. It is only payable where the Fund's outperformance exceeds the high water mark, which represents the highest level of outperformance, net of base fees, since the Fund's inception.

The base fee and the performance fee (if applicable) are calculated and accrued daily, and paid monthly. GST, net of RITC, is applicable to the base fee and the performance fee. A schedule of fees and charges is available in the Fund's PDS.

The indirect cost ratio (ICR), also known as the total expense ratio (TER), is a measure of the actual expenses (including fees) incurred by the Fund over a 12 month period.

The expenses are expressed as a percentage of the average daily value of the Fund during that period in order to determine the ICR. Fund performance is shown after taking into account expenses included in the ICR. Expenses may vary and the current ICR should not be used as an indication of future ICRs.

Fees and expenses for the last 12 months	%
Base fee	0.76
Performance fee	0.34
Other expenses	0.04
<b>Indirect cost ratio</b>	<b>1.14</b>

## GEOGRAPHIC ALLOCATION

This table highlights the Fund's exposure to regions. Net equity is calculated by taking into account the exchange-traded derivatives used to reduce market exposure. Fixed income regional allocation is based on the currency denomination of the instrument.

As exchange rate fluctuations can have a significant impact on returns, the Fund uses over-the-counter derivatives such as currency forwards to manage foreign exchange risk.

## MINIMUM DISCLOSURE DOCUMENT

If you are a South African investor, this Fund Fact Sheet is a Minimum Disclosure Document and general investor report for the Fund, as required by the Collective Investment Schemes Control Act 2002 (South Africa). This MDD must be read together with the Fund's Product Disclosure Statement and accompanying Information Booklet.

## ALLAN GRAY AUSTRALIA PTY LTD ABN 48 112 316 168 AFSL 298487

Allan Gray Australia Pty Limited is the appointed investment manager of the Allan Gray Australia Balanced Fund ARSN 615 145 974. The Fund is offered by Equity Trustees Limited, ABN 46 004 031 298, AFSL 240975, as the Fund's Responsible Entity. Equity Trustees Limited is a subsidiary of EQT Holdings Limited, a publicly listed company on the Australian Stock Exchange (ASX:EQT). Equity Trustees Limited has full responsibility for the Fund and may be contacted on +61 3 8623 5000.

## General

Investors should consider the Fund's PDS before making any investment decision. The PDS, daily unit prices and additional information about the Fund can be obtained free of charge by contacting Allan Gray or from [www.allangray.com.au](http://www.allangray.com.au). Managed investment schemes are generally medium to long-term investments. They are traded at prevailing prices and the value of units may go down as well as up. There are risks with investing in the Fund and there is no guarantee of repayment of capital or return on your investment. Managed investment schemes may borrow and engage in securities lending.

Past performance is not a reliable indicator of future results. Investors should always consider seeking professional financial advice. This document has been prepared without considering any person's financial circumstances, needs or objectives. It also does not constitute a recommendation, an offer to sell or a solicitation to buy units in the Fund. While Allan Gray has endeavoured to ensure the accuracy of this document neither Allan Gray, Equity Trustees Limited nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Totals presented in this document may not sum due to rounding.

## Notice to foreign persons

The Fund does not accept US persons as investors and is not marketed in the European Economic Area (EEA). Investors resident in the EEA can only invest in the Fund under certain circumstances as determined by, and in compliance with, applicable law. For South African purposes, the Fund is categorised as a worldwide multi-asset flexible portfolio.

## Valuation and pricing times

The Fund's net asset value is calculated at 5.30pm (Bermuda time) each business day, with prices determined the following day. Application and redemption requests must be received by 2pm (Sydney time) each business day to receive that day's price. A different cut-off time applies if transacting via the ASX mFund Settlement Service.