

Allan Gray Australia Balanced Fund

FUND FACT SHEET 31 MARCH 2019

ALLAN GRAY

CONTRARIAN INVESTING

For investors who wish to balance risk whilst seeking capital growth from a diversified portfolio of shares, fixed income and commodity investments from Australia and overseas. The Fund seeks to earn long-term returns that are higher than the custom benchmark.

INVESTMENT APPROACH

In carrying out our contrarian investment approach, the Balanced Fund has significant freedom to invest in different asset classes to take advantage of the best opportunities. This means we have great flexibility and can capitalise when markets are cheap. Our target range is to have anything between 40%-90% of the Fund invested in shares and 10%-50% in fixed income, depending on where the opportunities are.

As a result, the Balanced Fund can look very different to other funds of its kind, as the investment mix is based on finding the best value. For example, when Australian shares are expensive, more of the Fund may be invested in global shares. The same applies for other asset classes and regions.

KEY INFORMATION

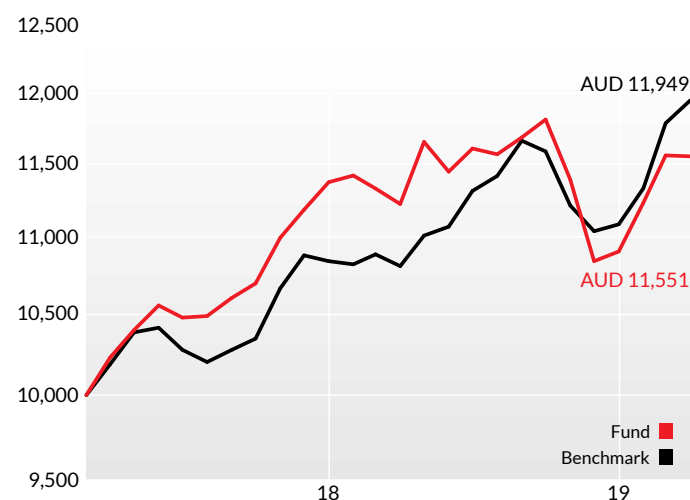
| | |
|--------------------------------|-----------------------------|
| Fund size | AUD 86.4 million |
| Launch date | 1 March 2017 |
| Price (net asset value) | AUD 1.1246 |
| Buy/sell spread | +0.2 / -0.2% |
| Minimum | AUD 10,000 or AUD 500/month |
| Pricing frequency | Daily |
| Distribution frequency | Annual |
| Base fee | 0.75% p.a. |
| Performance fee | 20% |
| APIR code | ETL4654AU |
| mFund Code | AQY03 |
| ISIN | AU60ETL46546 |

PERFORMANCE NET OF ALL FEES AND EXPENSES

| | FUND | BENCHMARK | RELATIVE |
|---------------------------|-------|-----------|----------|
| Annualised % | | | |
| Since launch (1 Mar 2017) | 7.2 | 8.9 | (1.7) |
| 1 year | 2.9 | 10.5 | (7.6) |
| Not Annualised % | | | |
| Financial year to date | (0.5) | 5.6 | (6.1) |
| 3 months | 5.9 | 7.8 | (1.9) |
| 1 month | (0.1) | 1.4 | (1.5) |

The custom benchmark comprises the S&P/ASX 300 Accumulation Index (36%), S&P/ASX Australian Government Bond Index (24%), MSCI World Index (net dividends reinvested) expressed in AUD (24%) and JP Morgan Global Government Bond Index expressed in AUD (16%). All performance 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 period.

Value of AUD 10,000 invested since launch



DISTRIBUTIONS

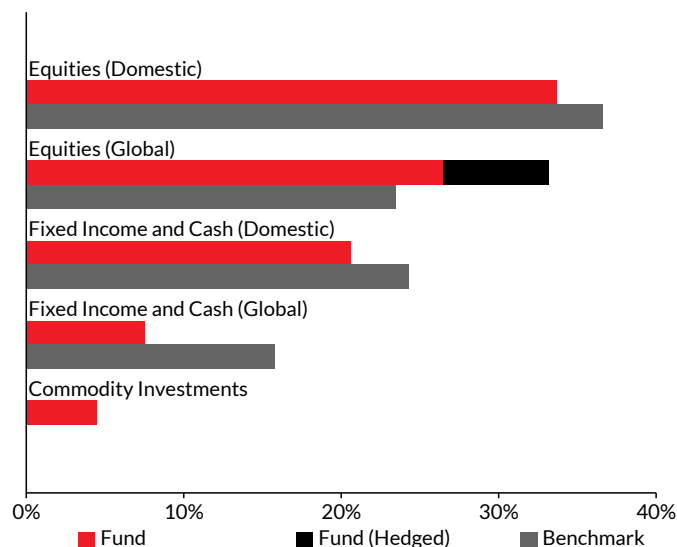
| YEAR | CENTS PER UNIT | YIELD |
|--------------|----------------|-------|
| 30 June 2018 | 3.8373 | 3.6% |
| 30 June 2017 | 0.5198 | 0.5% |

TARGET ASSET ALLOCATION RANGES

| ASSET TYPE | RANGE (%) | BENCHMARK (%) | |
|-----------------------|-----------|---------------|-----------|
| | | International | Australia |
| Equity | 40-90 | 24 | 36 |
| Fixed Income and Cash | 10-50 | 16 | 24 |
| Commodity Investments | Up to 10 | 0 | 0 |

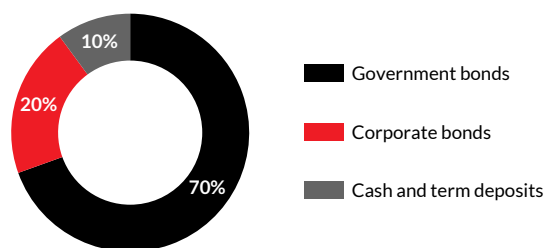
The portfolio may from time to time move outside these ranges in pursuit of the Fund’s investment objectives.

ASSET ALLOCATION



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

FIXED INCOME AND CASH



GEOGRAPHICAL ALLOCATION

| | AUSTRALIA | NORTH AMERICA | EUROPE AND UK | ASIA | OTHER | TOTAL |
|-----------------------|-----------|---------------|---------------|-----------|----------|------------|
| Net Equity | 34 | 5 | 11 | 8 | 2 | 60 |
| Hedged Equity | 0 | 5 | 1 | 1 | 0 | 7 |
| Fixed Income and Cash | 21 | 7 | 0 | 1 | 0 | 29 |
| Commodity Investments | | | | | | 4 |
| TOTAL | 55 | 17 | 12 | 10 | 2 | 100 |

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. Commodity Investments are not specifically allocated to a geographical region.

TOP FUND HOLDINGS AS AT 31 MARCH 2019

| HOLDINGS | % OF FUND |
|--|-------------|
| Australian Gov. Bond 2.00% 21 Dec 2021 | 5.3 |
| SPDR Gold Trust | 4.5 |
| Australian Gov. Bond 5.75% 15 May 2021 | 4.4 |
| Australian Gov. Bond 1.75% 21 Nov 2020 | 3.6 |
| Newcrest Mining | 3.5 |
| Woodside Petroleum | 3.3 |
| Australian Gov. Bond 4.5% 15 Apr 2020 | 2.9 |
| Australian Gov. Bond 2.75% 21 Oct 2019 | 2.7 |
| Telstra | 2.5 |
| QBE Insurance Group | 2.4 |
| TOTAL | 35.1 |

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 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. 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.

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.