

Dear <personalised>

### Allan Gray Australia Stable Fund distribution information

We are writing to notify you that the Allan Gray Australia Stable Fund will not make a distribution for the quarter ended 31 March 2020. This is primarily due to the significant impact of falling interest rates and current volatility in the markets. There is no action required on your behalf.

As you are aware the Allan Gray Australia Stable Fund ('Fund') is a more conservative investment that aims to minimise the risk of loss by seeking to outperform cash and boost returns by blending cash with selected Australian shares. The Fund does not specifically target income, however has traditionally made interim distributions on a quarterly basis, in line with the current cash rate, with all taxable income of the fund paid out at the end of each financial year.

We have been in an extended period of low rates in Australia and have experienced further cuts earlier this quarter in direct response to the growing threat of the coronavirus. These falling and low interest rates over time have meant that there has been a significant reduction of income paid to the Fund. The Australian sharemarket is also experiencing a period of much uncertainty and volatility which is likely to impact the level of realised capital gains available to distribute for this financial year.

As contrarian investors focused on the long term, we are currently seeing opportunities to increase our equity exposure. Indiscriminate selling has resulted in companies with strong balance sheets and excellent asset bases trading at very attractive prices which we are participating in whilst remaining focused on the long term.

If you have any questions or wish to discuss this further, please do not hesitate to contact our Client Services team on 1300 604 604.

Yours sincerely,

JD de Lange  
Chief Operating Officer  
Allan Gray Australia