

CONTRARIAN. DISTINCTIVE. CONSISTENT.

ALLAN GRAY AUSTRALIA EQUITY FUND

Going against human instinct and taking a contrarian approach to investing is not for everyone. It takes practice and commitment in your convictions. In a highly competitive market, where everyone has access to the same information, we thrive by not running with the pack. We use our fundamental research to uncover opportunities in areas that are overlooked or discarded by other investors. We wait for the right opportunity to buy and give investments time for their value to be realised, as practicing patience can be a distinct advantage over the long term. We bring this established investment philosophy to your clients through the Allan Gray Australia Equity Fund.



WHY CHOOSE THE ALLAN GRAY AUSTRALIA EQUITY FUND?

TO BENEFIT FROM A TIME-TESTED, CONTRARIAN INVESTMENT APPROACH

As contrarian investors we go against current market trends, buying an investment when it's undervalued in a less optimistic environment then selling it when the market recognises the share's potential and it reprices. By investing for the long term, we look past the short-term market noise and wait patiently for a stock's value to improve.

We believe bottom-up research is key to finding true value. We do not rely on macro forecasting or third parties. Rather, our team of analysts undertakes its own rigorous research into each individual company to find hidden value.

TO INCREASE OUTPERFORMANCE POTENTIAL BY INVESTING DIFFERENTLY

If you invest in the same shares as the majority of investors at the same time, it is by definition almost impossible to outperform the market. We look to buy shares when others are selling, and sell when others are buying. This gives us an edge, as we can face less competition and pay a lower price for shares that are out of favour with the broader investment community.

TO IMPROVE THE OPPORTUNITY OF UPSIDE

Taking a contrarian approach can improve your chance of paying a lower price and therefore achieving a better-than-average return. By looking in unpopular areas of the market, we may find bargains, where excessive negative investor sentiment has created the opportunity to buy shares at a good price.

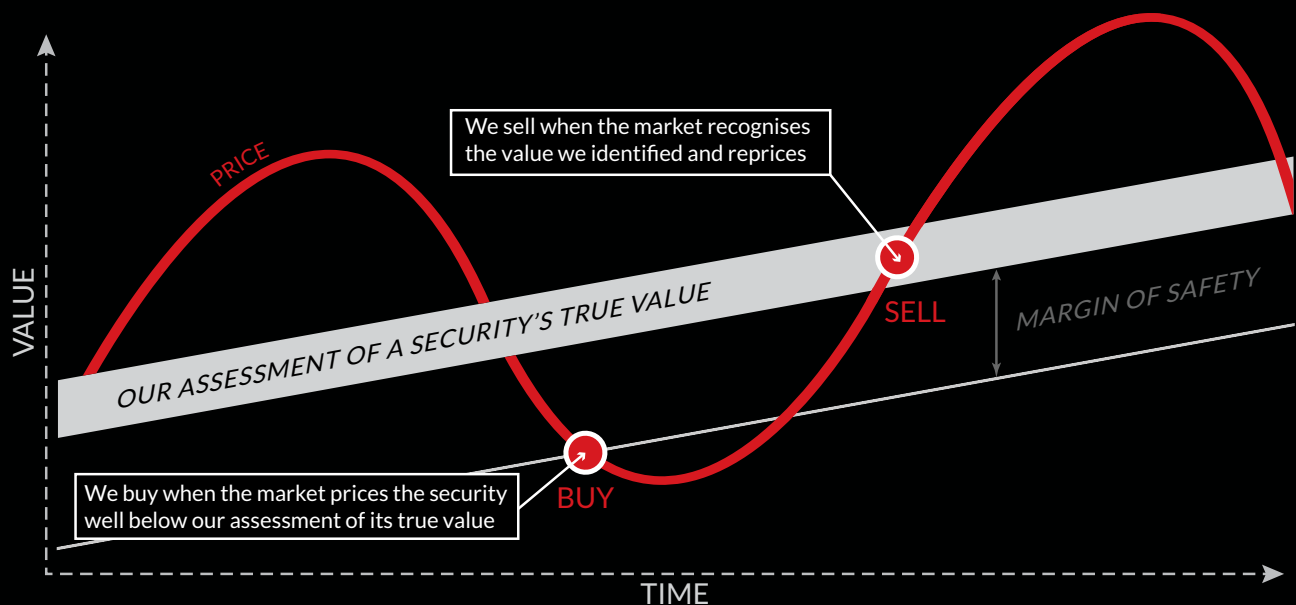
Results don't have to be exceptional for the Equity Fund's investors to do well. For instance, when a stock is priced for 'very bad' expectations and the outcome is only 'quite bad', the share price can rise considerably. The outcome just has to be better than expected.

TO REDUCE THE RISK OF PERMANENT LOSS OF CAPITAL

Conversely, when a stock is priced for 'fantastic expectations' and the outcome is only 'quite good' the share price can fall considerably.

Speculative overoptimism can drive share prices way above fair value, increasing the risk of paying inflated prices and potential permanent loss of capital. By investing independently of popular market sentiment, a contrarian approach can potentially help investors reduce the risk of overpaying.

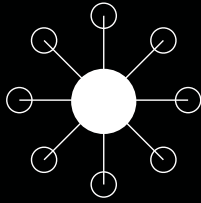
INVESTMENT PHILOSOPHY



A CHOICE OF FEE STRUCTURES FOR YOUR CLIENTS

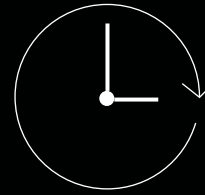
With the Equity Fund, you can choose from two unit classes, each with its own fee structure: Class A, with a base fee and performance fee, and Class B, with no base fee but a higher performance fee based on the returns you experience.

HOW CAN YOU USE THE FUND?



AS THE CORE OF AN AUSTRALIAN EQUITIES PORTFOLIO

With the Allan Gray Australia Equity Fund, you can set and forget. Our analyst team researches and monitors the stocks to make investment decisions for your clients.



FOR CLIENTS WHO WANT TO INVEST FOR THE LONG TERM

In a competitive market it is difficult to have an edge. Focusing on the long term and being patient is one of the few advantages that we believe will endure. Not many investors can be patient and wait for value to emerge, as they respond to pressure to generate 'instant' performance. Clients who share our long-term philosophy could be rewarded, as we look past the short-term noise and wait patiently for the value in our stocks to be recognised by the market.



AS A WAY TO DIVERSIFY AN AUSTRALIAN EQUITIES PORTFOLIO

Being contrarian, our Funds are unlike those of our peers, so your clients need to be comfortable holding an investment that looks and performs differently from the others in their portfolio. Not only does being contrarian bring the opportunity for outperformance, but because we choose shares that are often overlooked or discarded by other investors, the Fund can be an effective way to diversify and complement other funds in a portfolio.



FEATURES AT A GLANCE

For investors who wish to invest in a contrarian investment strategy that seeks to outperform the market over the long term using a carefully selected portfolio of Australian-listed shares.

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| APIR code: | Class A: ETL0060AU Class B: ETL0349AU | INVESTMENT OBJECTIVE: To seek long-term returns that are higher than the Benchmark - the S&P/ASX 300 Accumulation Index. INVESTMENT APPROACH: Contrarian. We believe that investing in undervalued shares and securities identified through fundamental research offers the potential for strong returns over the long term. ASSET ALLOCATION: We aim to be fully invested in Australian-listed equities at all times. |
| ASX mFund code: | Class A: AQY01 Class B: Not available | |
| Base fee: | Class A: 0.75% p.a. Class B: Nil | |
| Performance fee: | Class A: 20% Class B: 35% | |
| Inception date: | Class A: 4 May 2006 Class B: 26 October 2012 | |
| Buy/sell spread: | 0.20%/0.20% | |
| Distribution frequency: | Annual | |
| Minimum suggested investment time frame: | More than five years | |
| | | |

HELP YOUR CLIENTS OUTPERFORM BY INVESTING DIFFERENTLY

For more on how the Allan Gray Australia Equity Fund could offer your clients more, visit allangray.com.au/equityfund, call our Relationship Manager team on 1300 604 604 or email clientservices@allangray.com.au

CLIENT SERVICES



1300 604 604 (within Australia)
+61 2 8224 8604 (outside Australia)
from 8:30am to 5:30pm (AEST) Monday to Friday



clientservices@allangray.com.au



allangray.com.au

OFFICE



Allan Gray Australia
Level 2, Challis House
4 - 10 Martin Place
Sydney NSW 2000



+61 2 8224 8600

Allan Gray Australia Pty Limited is the appointed investment manager of the Allan Gray Australia Equity Fund ARSN 117 746 666 and has prepared this brochure. 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. The information in this brochure is of a general nature only. It has been prepared without taking into account the individual objectives, financial situation or needs of any particular person. Before acting on anything in this brochure, you should consider its appropriateness having regard to your objectives, financial situation or needs. You should obtain the disclosure document for the Fund before deciding to acquire, dispose of or hold an investment in the Fund. Past performance is not a reliable indication of future performance. A copy of the disclosure document can be obtained by contacting Allan Gray or at allangray.com.au. For adviser use only. 28 August 2020.

CC:EquityFlyer280820