

Allan Gray Unit Trusts annual fees

Fund	Annual investment management fee (excl. VAT)	Total expense ratio ¹ (incl. VAT)				
		Total expense ratio (TER)	Included in TER			
			Performance component	Fee at benchmark	Trading costs	Other expenses
Allan Gray Equity Fund (JSE code: AGEF)	Performance fee on the out/underperformance of the benchmark (adjusted for fund expenses and cash flows) over a two-year rolling period. Minimum fee: 0.00% Fee at benchmark: 1.50% Sharing rate: 10.00% Maximum fee: 3.00%	1.56%	-0.27%	1.71%	0.11%	0.01%
Allan Gray Balanced Fund (JSE code: AGBF)	Performance fee on the out/underperformance of the benchmark over a two-year rolling period. ² Minimum fee: 0.50% Fee at benchmark: 1.00% Sharing rate (of two-year performance): 10.00% Maximum fee: 1.50%	1.10%	-0.17%	1.16%	0.09%	0.02%
Allan Gray Stable Fund (JSE code: AGSF)	Performance fee on the out/underperformance of the benchmark over a two-year rolling period. ² Minimum fee: 0.50% Fee at benchmark: 1.00% Sharing rate (of two-year performance): 10.00% Maximum fee: 1.50% No fee is charged if the Fund's cumulative return over a two-year period is equal to or less than 0%.	1.25%	0.03%	1.14%	0.06%	0.02%
Allan Gray Optimal Fund (JSE code: AGOF)	Performance fee on the outperformance of the benchmark. A high watermark structure applies. Minimum fee: 1.00% Fee at benchmark: 1.00% Sharing rate: 20.00% Maximum fee: uncapped	1.26%	0.00%	1.14%	0.11%	0.01%
Allan Gray Bond Fund (JSE code: AGBD)	Performance fee on the outperformance of the benchmark (adjusted for fund expenses and cash flows) over a one-year rolling period. Minimum fee: 0.25% Fee at benchmark: 0.25% Sharing rate: 25.00% Maximum fee: 0.75%	0.46%	0.14%	0.29%	0.00%	0.03%
Allan Gray Money Market Fund (JSE code: AGMF)	Fixed fee: 0.25%	0.30%	0.00%	0.29%	0.00%	0.01%
Allan Gray-Orbis Global Equity Feeder Fund ³ (JSE code: AGOE)	Allan Gray is paid a marketing and distribution fee by Orbis and charges no further fees. The underlying Orbis funds have their own fee structures.	2.22%	0.55%	1.49%	0.13%	0.05%
Allan Gray-Orbis Global Fund of Funds ³ (JSE code: AGGF)	Allan Gray is paid a marketing and distribution fee by Orbis and charges no further fees. The underlying Orbis funds have their own fee structures.	1.79%	0.32%	1.25%	0.15%	0.07%
Allan Gray-Orbis Global Optimal Fund of Funds ³ (JSE code: AGOO)	Allan Gray is paid a marketing and distribution fee by Orbis and charges no further fees. The underlying Orbis funds have their own fee structures.	1.21%	0.00%	0.98%	0.16%	0.07%

Wherever the word 'Fund' is used in the table, it refers to a portfolio of a Collective Investment Scheme as defined in the Collective Investment Schemes Control Act (often referred to as a 'unit trust').

1. A Total Expense Ratio (TER) is a measure of a unit trust's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the unit trust, calculated for the year to the end of September 2011. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, STT, STRATE and insider trading levy), VAT and other expenses. These are disclosed separately as percentages of the net asset value. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. The information provided is applicable to class A units.
2. The annual investment management fee is calculated on the daily value of the Fund excluding any assets invested in the Orbis funds. Assets invested in the Orbis funds incur a management fee. These, along with other expenses are included in the total expense ratio.
3. Due to foreign exchange control regulations, the Fund may be closed from time to time. Unitholders can contact our Client Service Centre to confirm whether or not the Fund is open.

How much does it cost to invest?

The fees are made up of once-off initial fees and ongoing annual fees:

Initial fees

The initial fee is usually made up of an administration charge and if you use a financial adviser, a fee for any advice received. Newspapers publish the maximum initial fees you will pay next to the name of the unit trust and its price.

Unlike many other unit trust management companies, Allan Gray charges no initial administration fee for the products or underlying unit trust funds when you invest.

If you use a financial adviser, an adviser fee, agreed between the investor and his/her adviser is payable. This fee is subject to a limit of between 0% and 3% (excl. VAT) deducted prior to the investment being made.

Annual fees

You also pay an annual fee when you invest in a unit trust. This is reflected in the daily price of a unit trust. The annual fee typically covers the management fees paid to the asset manager who manages and administers the portfolio. The fee also covers any costs related to running the portfolio: the bank charges, taxes, brokerage as well as fees paid to the fund's trustees and auditors.

Allan Gray annual fees are performance-based fees. They are based on the performance of your investment - if it does not do well you pay a lower fee, and if it does do well you pay more. An example of how this is calculated follows, and the annual fees for each of the Allan Gray Unit Trusts are detailed in the table on the previous page. For more detailed information about the fees applicable to other fund manager portfolios, please refer to the Allan Gray Investment Platform Fund List and the fund specific fact sheets. These are available from your financial adviser, the Allan Gray Client Service Centre on 0860 000 654 or www.allangray.co.za

Annual adviser fees (should you have a financial adviser) are negotiable with the adviser. The annual adviser fee is limited to a maximum of 1.0% (excl. VAT) of the investment portfolio, calculated daily, charged and paid monthly in arrears unless an initial adviser fee in excess of 1.5% has been paid in which case the maximum annual fee is 0.5%. In certain instances, a fixed annual adviser fee may be included in the price of a unit trust. This is only applicable to specific classes of unit trust funds and will be clearly marked as such in the relevant fund list. It is important to be aware of the different classes of funds available that may offer variable annual fee structures.

Example of an Allan Gray annual fee calculation	
Performance of Allan Gray Equity Fund	= 30% over the last 2 years
Benchmark: Performance of benchmark (FTSE/JSE All Share Index adjusted for fund expenses and cash flows)	= 10% over the last 2 years
Outperformance	= 20%
Asset management fee (exclusive of VAT)	= Standard charge rate +/- outperformance / 10 = 1.5% + 20% / 10 = 1.5% + 2% = 3.5%
Maximum charge rate for the Allan Gray Equity Fund	= 3%