



A LETTER FROM OUR FOUNDER

31 DECEMBER 2015

Dear Client

In starting Allan Gray Investment Counsel in 1973, I was convinced that my passion for investing could be deployed to demonstrably enhance clients' savings and wealth and provide them with good value for their money. This was our *raison-d'être*, our driving sense of purpose. We focused on earning and retaining the trust and confidence of our clients, leaving them to determine through their actions whether the firm would grow and prosper—or languish and fail. Our financial services were to be bought and not sold. Thus, if the firm prospered we would know we were making a positive difference to others in our daily work.

The same is true today. This client-centric sense of purpose continues to be our driving motivation at Orbis and Allan Gray—and we hope that it will endure in perpetuity. To ensure that control will remain indefinitely in the hands of those who best exemplify the ethos that has served our clients so well in the past, the newly established Allan & Gill Gray Foundation has been endowed with our family's controlling interests in the Orbis and Allan Gray groups. At the same time, we have been mindful to provide capacity to further increase executives' participation in the firms' profits as appropriate.

In particular, we believe it is absolutely essential for the firms' owners and key decision-makers to share the conviction necessary to stand behind our investment philosophy. For more than forty years, our experience has shown that taking a long-term perspective with a contrarian stance can produce demonstrably superior results—but only if one can withstand uncomfortably long periods of underperformance. Further, the perpetual nature of the Foundation empowers the executives to focus entirely on doing what is in the best long-term interests of clients, free from the short-term pressures that third-party ownership can bring. Indeed, all employees can be secure in knowing that nothing will change in this regard after the firms' founders pass on.

Another equally important purpose of the Foundation is to ensure that the fruits from its controlling interests in Orbis and Allan Gray are ultimately devoted entirely and exclusively to philanthropy in keeping with the family's long-held intentions. We consider this both the right thing to do and a small but necessary contribution toward a society full of hope for all humanity. The free enterprise system has done so much for so many, and it behoves the few whom it rewards particularly well to help those less fortunate.

Rather than being a way of "giving back", I firmly believe that philanthropy is a natural extension of what Orbis and Allan Gray already do each and every day. Just as these firms strive to promote their clients' financial security and peace of mind, so too will the Allan & Gill Gray Foundation strive to make a positive contribution to the common good. It is this holistic view of business entrepreneurship and the symbiotic relationship amongst all stakeholders—clients, employees, owners, and society—that the Foundation seeks to preserve.

Needless to say it is you, our clients, who have made possible this thrilling voyage spanning four decades. Thank you most sincerely for your valued support. As planned, I am now passing on my remaining responsibilities at Orbis to focus on the Foundation. I do so with the utmost confidence that the management of Orbis and Allan Gray remains in strong and capable hands.

I am also enormously grateful to my wife Gill, my soul mate and partner for over 50 years; our three children, Trevor, Jennifer and William, whose enthusiastic participation and selflessness has made the Foundation possible; and their descendants, who will be indispensable to the Foundation's long-term success. So too will contributions from the wider family of all past, present and future colleagues at Orbis and Allan Gray whose shared sense of business purpose and excellence will continue to enhance your financial interests whilst also securing the Foundation's philanthropy. It is hoped that the people at each firm will take pride in seeing the impact that profits attributable to the Foundation's shareholdings are having in furthering the common good.

Yours sincerely
Allan W B Gray