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Allan Gray offers offshore and local funds on one investment platform.

In June Allan Gray Investor Services announced the launch of an investment platform to offer a range of unit trusts to investors. The platform provides Independent Financial Advisers (IFAs) and their clients with access to Allan Gray's funds as well as a focused range of funds from other, selected fund providers. It offers consolidated reporting on total portfolios and the ability to buy, sell and switch between the funds offered.

We are now delighted to announce that the next stage in this development, the in-sourcing of the administration of our offshore funds (managed by our global asset management partner Orbis Investment Management Limited) and the integration of this offering on our local investment platform, is now complete. For the first time South African investors will be able to invest in both local and offshore unit trusts/mutual funds via one investment platform with pricing parity between the two. This means that whether you are investing in a local unit trust or an offshore mutual fund, Allan Gray Investor Services provides a convenient, transparent and integrated way of constructing globally diversified investment portfolios.

Offshore funds available on the Allan Gray Investor Services platform

- Orbis Global Equity Fund (US\$)

 the core and largest of the Orbis funds, is an actively managed fund investing in global shares, seeking to outperform the benchmark FTSE World Index.
- Orbis Optimal SA Fund (US\$, EUR)

 offered in US\$ and Euro classes, these funds invest in global shares via the various Orbis equity funds and employ stockmarket hedging to limit risk.
- Orbis Japan Equity Fund (YEN, US\$, EUR)

 offered in Yen, US\$ and Euro classes, that invest solely in Japanese stockmarkets.

Accessibility

Because the Allan Gray Investor Services platform aggregates or pools individual investments, it is possible to provide investors with access to the above funds at lower minima. The investment minimum is US\$7 500 minimum lump sum (or currency equivalent: GBP, ZAR, EUR, JPY) with a US\$1 000 (or currency equivalent: GBP, ZAR, EUR, JPY) minimum per fund. The minimum for additional investments is US\$1 000.

A totally transparent cost structure

Local and offshore investments are priced the same:

- No initial platform fees apply.
- The maximum annual administrative platform fee (charged quarterly in arrears) will be 50bps. Due to the partnership arrangements between Orbis and Allan Gray, there is a 50bps partnership saving, which means that there is no administration fee for the investors account.
- Underlying fund fees are performance based, are included in the NAV and priced within the fund. Once the individual retirement and life products are integrated on the platform, which is planned for October, they too will be priced at parity to local discretionary investments.

Convenience and seamless integration

Post amnesty, investors increasingly seek the convenience and benefits of integrated and consolidated portfolio reporting which are now available through Allan Gray Investor Services. Compliance procedures are completed in South Africa, which will improve turnaround times and increase peace of mind. The same team will service offshore and local investments – ensuring that all investment valuations and queries are only a local tollshare (0860 000 654) phone-call away.

We are excited about this next step in our development and look forward to investors and their Financial Advisers taking advantage of the opportunity to diversify their portfolios internationally through our platform. We are confident that the convenience and simplicity of one platform and our transparent price structure will reduce the high direct and indirect costs of international investing; and that the reassuringly similar investment approach of Orbis will mitigate the uncertainty and risks associated with investing in unknown foreign markets with unfamiliar investment managers.

Commentary by Johan de Lange, Director, Allan Gray Investor Services

Allan Gray Investment Services is an authorised administrative Financial Services Provider. Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from Allan Gray Unit Trust Management Limited. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. A prospectus is available from Allan Gray Unit Trust Management Limited.