

ALLAN GRAY

ALLAN GRAY AFRICA
EX-SA BOND FUND
LIMITED PROSPECTUS

EFFECTIVE 1 SEPTEMBER 2017

CONTENTS

01	PROSPECTUS	12	TAXATION AND EXCHANGE CONTROL
03	DIRECTORY	13	DIVIDENDS
04	SUMMARY	13	DETERMINATION OF NET ASSET VALUE PER SHARE
04	APPOINTMENTS	15	GENERAL INFORMATION
06	INVESTMENT POLICY	20	FUND PRICES AND FURTHER INFORMATION
07	INVESTMENT RESTRICTIONS	21	COMPLAINTS
08	SHARE CLASSES	21	GLOSSARY
08	FEES AND EXPENSES		
09	HOW TO TRANSACT IN FUND SHARES		

The directors of the Fund, whose names appear herein, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors accept responsibility accordingly.

PROSPECTUS

relating to the offering of non-voting redeemable participating shares of

ALLAN GRAY AFRICA EX-SA BOND FUND LIMITED

A Bermuda Exempted Mutual Fund Company

Incorporated in Bermuda on 16 November 2012

(Registration number 47091)

	ISIN Code	CUSIP	SEDOL
Class A	BMG0178M1001	G0178M 100	B9FPMV7
Class B	BMG0178M1183	G0178M 118	B9LDTM5

GIIN Number: CPS2ZL.99999.SL.060
(‘Fund’)

Only the information contained herein should be regarded as authorised by
or on behalf of Allan Gray Africa ex-SA Bond Fund Limited

1 September 2017

BSX Listing sponsored by Estera Securities (Bermuda) Limited

The Bermuda Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

This Prospectus includes particulars given in compliance with the Listing Regulations of the Bermuda Stock Exchange for the purpose of giving information with regard to the Mutual Fund. The directors of the Fund collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statements herein misleading.

Investment Manager:	Allan Gray Bermuda Limited
Administrator and Registrar:	Allan Gray Proprietary Limited
Registered Address:	Orbis House 25 Front Street Hamilton, HM 11 Bermuda

If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor. Potential subscribers for shares in the Allan Gray Africa ex-SA Bond Fund Limited (the '**Fund**') should inform themselves as to (i) the possible tax consequences, (ii) the legal requirements, and (iii) any foreign exchange restrictions or exchange control requirements, which they might encounter under the laws of the countries of their citizenship, residence or domicile.

The distribution of this Prospectus and the offering of shares in the Fund are restricted in certain jurisdictions. No action has been taken to permit the distribution of this Prospectus or an offering of shares in the Fund in any jurisdiction (other than Bermuda, South Africa and Nigeria) where action would be required for such purpose. In particular, neither the shares in the Fund nor the Fund itself have been registered under any United States securities legislation and, except in a transaction which does not violate such legislation or require the registration of the Fund, the shares in the Fund are not being offered, directly or indirectly, in the United States of America or in any of its territories or possessions or areas subject to its jurisdiction or to citizens or persons thereof. Additionally, the Fund is not recognised or authorised as a collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom. Accordingly, this communication is directed only at persons in the United Kingdom permitted under such Act (or the orders made thereunder) to receive it. Any investment or investment activity to which this communication relates is available only to such persons. Persons who are not permitted to receive this communication should not rely on it. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction where such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Persons in receipt of this Prospectus are therefore required to inform themselves about and observe such restrictions.

The Bermuda Monetary Authority (the '**Authority**') is the regulatory body which supervises the Fund, and it has given approval under the Exchange Control Act 1972 (and regulations thereunder) for the issue (and subsequent transfer) of up to the authorised share capital amount of the Fund for offer by the Fund. The directors of the Fund have prescribed no minimum amount that must be raised by issuing Fund Shares under this Prospectus.

The Fund has been classified by the Authority as an institutional fund pursuant to the provisions of the Investment Funds Act, 2006 of Bermuda. As such, the Fund may not be supervised to the same degree as other funds which are authorised and supervised by the Authority. Therefore, the Fund should be viewed as an investment suitable only for investors who can fully evaluate and bear the risks involved.

Authorisation by the Authority does not constitute a guarantee by the Authority as to the performance of the Fund or its creditworthiness. Furthermore, in authorising the Fund, the Authority shall not be liable for the performance of the Fund or the default of the Fund, its operators or service providers, or for the correctness of any opinions or statements expressed in this Prospectus.

A copy of this Prospectus has been delivered to the Registrar of Companies in Bermuda (the '**Bermuda Registrar**') for filing pursuant to the Companies Act 1981 of Bermuda, as amended. In accepting this Prospectus for filing, the Bermuda Registrar and the Minister of Finance of Bermuda accept no responsibility for the financial correctness in this Prospectus of any proposals contained herein or for the correctness of any statements made or opinions expressed with regard to them.

The shares in the Fund are being offered on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or its directors. Neither the delivery of this Prospectus nor the allotment or issue of shares in the Fund shall in any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

Notice to investors in the European Economic Area ('**EEA**'): the Fund is not currently marketed in the EEA. As a result, the Investment Manager does not comply with the requirements of the Alternative Investment Fund Managers Directive ('**AIFMD**'), and persons located in any EEA member state ('**European Investors**') are only permitted to subscribe for shares in the Fund in the discretion of the Investment Manager and subject to compliance with applicable law. European Investors who are permitted to invest in the Fund will not benefit from any of the protections of the AIFMD to which a European Investor making an investment in a non-European fund would otherwise have, including but without limitation, certain initial disclosure requirements, periodic reporting on illiquid assets and leverage, and certain annual reporting requirements.

Notice to investors in South Africa: Collective Investment Schemes (unit trusts or funds) in Securities are generally medium- to long-term investments. The value of shares in the Fund may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Investment Manager, Investment Advisor (collectively '**Allan Gray**') and the Authorised Representative do not provide any guarantee regarding the capital or the performance of the Fund. The Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. Shares in the Fund are subscribed and redeemed at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request from the Investment Manager. For more information on the performance of the Fund, the Fund factsheet (minimum disclosure document) is available on request from the Investment Manager.

The contents of this Prospectus have been approved, and the publication hereof has been authorised, by the board of directors of the Fund.

By Order of the board.

1 September 2017

DIRECTORY

Directors

Craig T Bodenstab
John C R Collis
Tapologo Motshubi
K. Renée Oliveira

Investment Manager

Allan Gray Bermuda Limited
Orbis House
25 Front Street
Hamilton HM 11
Bermuda

Investment Advisor

Allan Gray Proprietary Limited
1 Silo Square
V&A Waterfront
Cape Town 8001
South Africa

Company Secretary

Orbis Administration Limited

Registered Office

Orbis House
25 Front Street
Hamilton HM 11
Bermuda

Administrator & Registrar

Allan Gray Proprietary Limited
1 Silo Square
V&A Waterfront
Cape Town 8001
South Africa

Primary Custodian

Standard Bank of South Africa Limited
Investor Services
2nd Floor
25 Sauer Street
Johannesburg
South Africa

Auditors

Ernst & Young Inc.
Ernst & Young House
35 Lower Long Street
Cape Town 8001
South Africa

Listing Sponsor

Estera Securities (Bermuda) Limited
Canon's Court
22 Victoria Street, PO Box HM 1624
Hamilton HM EX
Bermuda

Legal Advisor

Conyers Dill & Pearman Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Banker

The Bank of New York Mellon SA/NV
46 Rue Montoyerstraat
B-1000 Brussels
Belgium

SUMMARY

The Fund seeks to achieve the maximum US dollar total return while being prudent and minimising the risk of loss within the context of an African bond fund. The Fund aims to achieve this by, under normal circumstances, investing predominantly in African Securities.

The Fund invests in a focused portfolio of assets that are selected for their perceived superior fundamental value and expected risk and return profile. The Fund seeks to take advantage of opportunities that arise and may invest a substantial portion of the assets in a single country or region rather than a diversified portfolio of assets with exposure to a basket of African countries.

The Fund's asset allocation will be flexible amongst the various fixed income asset classes.

The Fund is suitable for investors with a long-term time horizon who are seeking exposure to African interest bearing assets. The Fund will be exposed to various risks including currency, interest rate, credit, liquidity and political risk.

APPOINTMENTS

DIRECTORS

The Fund has directors who are responsible for the management and control of the Fund and the determination of its investment policy. They review the investment policy and the Investment Manager's implementation thereof at least quarterly. The directors of the Fund are identified in the directory.

INVESTMENT MANAGER

The directors of the Fund have appointed Allan Gray Bermuda Limited, as investment manager (the '**Investment Manager**') to manage the investments of the Fund for an unlimited period subject to the directors' overall supervision, the regulations in the Bye-laws and the investment restrictions of the Fund. No criminal conviction or disciplinary action has been taken by securities supervisory or other relevant regulatory body against the directors of, or, the Investment Manager in the last five years.

INVESTMENT ADVISOR

The Investment Manager has appointed Allan Gray Proprietary Limited as investment advisor to the Fund (the '**Investment Advisor**') for an unlimited period to research and recommend investments for the Fund. The Investment Advisor is paid by the Investment Manager and receives no fees from the Fund. No criminal conviction or disciplinary action has been taken by securities supervisory or other relevant regulatory body against the directors of, or, the Investment Advisor in the last five years.

Allan Gray Proprietary Limited is a company incorporated in South Africa. The Allan Gray Group was established in 1974 by Allan W B Gray and is a leading South African investment management and research company group. Allan Gray Proprietary Limited is regulated under, inter alia, the Companies Act and the Financial Advisory and Intermediary Services Act, and reports to the Registrar of Companies, the Financial Services Board of South Africa, the South African Reserve Bank, and the South African Revenue Services. Allan Gray Proprietary Limited has a South African clientele for whom it has assets under management of approximately US\$51 billion and has a staff complement of approximately 1200. The address of Allan Gray Proprietary Limited is 1 Silo Square, V&A Waterfront, Cape Town 8001, South Africa.

DIRECTORS OF ALLAN GRAY AFRICA EX-SA BOND FUND LIMITED (IN ALPHABETICAL ORDER)

Craig T Bodenstab

Bachelor of Commerce (Dalhousie University), Master of Business Administration (Columbia University and London Business School), Chartered Financial Analyst, Chartered Professional Accountant, Certified Management Accountant

Mr Bodenstab serves as a director for Allan Gray Bermuda Limited as well as the Bermuda-domiciled Funds managed by the Allan Gray Group. Previously Mr Bodenstab served as a director on several of the Orbis group companies in addition to leading Orbis' Global Trading operation for 15 years, Orbis' Global Investment Counsellor Group for 7 years and being a member of Orbis' Operations Council.

John C R Collis

Bachelor of Commerce in Economics and Finance (McGill University), Bachelor of Arts in Jurisprudence (University of Oxford)

Mr Collis acts as a director of a number of mutual fund companies. He is also a director of Allan Gray Group Proprietary Limited, Orbis Holdings Limited and Orbis Allan Gray Limited. He was previously a director and Head of the International Corporate Department of Conyers Dill & Pearman where he had a significant practice advising investment managers, hedge funds and private investment vehicles. Mr Collis has spent many years engaged in company law reform in Bermuda.

Tapologo Motshubi

Bachelor of Commerce (Honours) Chartered Accountant (SA), ACPA, Chartered Financial Analyst

Mr Motshubi joined Allan Gray (Botswana) (Proprietary) Limited ('**Allan Gray Botswana**') in February 2004 and his brief is to focus on the research of Botswana capital markets and select suitable offshore products to ensure that Allan Gray Botswana optimally manages its clients' portfolios. In February 2007, he was appointed managing director of Allan Gray Botswana.

K Renée Oliveira

Bachelor of Arts in Political Science (Dalhousie University), Bachelor of Laws with Japanese (University of Leeds)

Ms Oliveira is a director of Allan Gray Group Proprietary Limited, Orbis Holdings Limited and Orbis Allan Gray Limited. She is also the Guardian of Allan & Gill Gray Foundation. Prior to becoming in-house counsel to the Gray family in September 2009, she headed the legal team for the Private Bank at HSBC Bank Bermuda Limited and practised for seven years with Appleby in Bermuda, Withers Bergman LLP in New York and Withers LLP in London.

DIRECTORS OF ALLAN GRAY BERMUDA LIMITED (IN ALPHABETICAL ORDER) (IN ADDITION TO CRAIG BODENSTAB, JOHN COLLIS, TAPOLOGO MOTSHUBI AND RENÉE OLIVEIRA - SEE ABOVE)

Gary G Elston

Bachelor of Business Science (Honours), Chartered Financial Analyst

Mr Elston joined Orbis in 2017 and is a member of the Bermuda investment team. He previously worked as a Fixed Income Portfolio Manager and Credit Analyst at Allan Gray. Prior to this, Mr Elston was a fixed interest trader for over five years at Allan Gray and has previous experience working the asset management industry in London.

E Barclay Simmons

Bachelor of Laws (University of Kent at Canterbury), Barrister (Inns of Court School of Law and The Honourable Society of Gray's Inn), Master of Business Administration (Harvard Business School)

Mr Simmons is a founding partner and Chief Executive Officer of ASW Law Limited and formerly an investment banker with Goldman Sachs & Company in New York. He is currently Chairman of the board of Directors at the Bank of N.T. Butterfield & Son Limited and a member of the Public Funds Investment Committee. He was a director of the Bermuda Monetary Authority for 9 years and Chairman of its investment committee.

DIRECTORS OF ALLAN GRAY PROPRIETARY LIMITED (IN ALPHABETICAL ORDER)

Robert Dower

Bachelor of Science (Engineering), Master of Business Administration (INSEAD)

Mr Dower joined Allan Gray Proprietary Limited in August 2003. He is Chief Operating Officer and a Director of Allan Gray Proprietary Limited, and a Director of Orbis Holdings Limited and Orbis Allan Gray Limited. He previously worked as a management consultant with McKinsey.

William B Gray

Bachelor of Commerce, Master of Business Administration (Harvard), Chartered Financial Analyst

Mr Gray is the president and a director of Orbis Investment Management Limited ('**OIML**') and a director of Orbis' Bermuda and Luxembourg domiciled Funds. Prior to joining OIML in 1993, he had been an analyst with Orbis Investment Advisory Limited and for OIML's predecessor company in Hong Kong. Upon completing his MBA in 1993 he joined OIML to analyse North American securities.

Andrew Lapping

Bachelor of Science (Engineering), Bachelor of Commerce, Chartered Financial Analyst

Mr Lapping joined Allan Gray Proprietary Limited in February 2001 as a fixed interest trader and moved to the research team as an equity analyst in February 2003. He was appointed as fixed interest portfolio manager in June 2006, began managing client equity and balanced portfolios in February 2008 and was appointed as chief investment officer in March 2016. He also manages African equities.

Ian Liddle

Bachelor of Business Science (Honours), Chartered Financial Analyst

Mr Liddle joined Allan Gray Proprietary Limited in 2001 as an equity analyst after several years as a management consultant. In 2003, he became a trainee portfolio manager while continuing his equity analysis responsibilities. In January 2005, Mr Liddle was promoted to the position of portfolio manager. In February 2008, he was appointed as chief investment officer and a director of Allan Gray Proprietary Limited, with overall responsibility for the investment team and portfolio management. In May 2015 he was appointed non-executive Chairman of both Allan Gray Proprietary Limited and Allan Gray Group Proprietary Limited.

Teboho Mahuma

Bachelor of Arts (Honours), Masters of Philosophy

Ms Mahuma was appointed non-executive director of Allan Gray Proprietary Limited in 2011. She has extensive experience in the social sector, having served in various leadership roles over the years. She currently serves as a non-executive board member and trustee for not-for-profit entities focused mainly on education.

Thando Mhlambiso

Bachelor of Arts in Biology (Brown University), Master of Business Administration and Juris Doctorate (Columbia University)

Mr Mhlambiso was a non-executive director of Allan Gray Proprietary Limited from August 2006 prior to being appointed as an executive director in August 2010. Prior to August 2010, Mr Mhlambiso was a managing principal at Absa Capital in charge of infrastructure investments across sub-Saharan Africa. Since 1986, he has worked in corporate finance law, investment banking and private equity in the United States and South Africa. Mr Mhlambiso served as vice-chairman of the Council of the University of Cape Town (South Africa), and as a trustee and chairman of the Investment Committee of the National Empowerment Fund, as well as chairman and now trustee of Allan Gray Proprietary Limited's empowerment partner, which he has held since its inception in March 2007.

Khumo Morolo

Master of Engineering Management

Ms Morolo was appointed non-executive director of Allan Gray Proprietary Limited in 2012. She has over 23 years' experience in the IT, engineering, electricity generation and projects environments. She currently serves on the boards of several foundations and trusts and was one of the founding shareholders of Torre Technologies. She holds a masters degree in engineering management from the University of Pretoria.

Nhlanhla Nene

Bachelor of Commerce (Honours)

Mr Nene has experience in financial services and the public sector. He served in the South African government from 1996, became a member of parliament in 1999 and was later made chairman of the budget and finance committee. He was appointed deputy minister of finance and chairman of the Public Investment Corporation in 2008 and served as minister of finance from May 2014 until December 2015. He holds a BComm (Hons) from the University of the Western Cape and other certificates in Economics and Public Finance.

SERVICE PROVIDERS

Custodian

Neither the Investment Manager nor the Investment Advisor has access to the property of the Fund at any time. Instead, the Fund has appointed custodians (each of them the '**Custodian**') to take into its custody or under its control all of the property of the Fund with power to appoint sub-custodians, nominees or agents. The primary Custodian for the Fund is Standard Bank of South Africa Limited, Investor Services, 2nd Floor, 25 Sauer Street, Johannesburg, South Africa.

Administrator, Registrar, transfer agent and accountant

The Fund has appointed Allan Gray Proprietary Limited, 1 Silo Square, V&A Waterfront, Cape Town 8001, South Africa as its administrator, registrar, transfer agent and accountant (the '**Registrar**'). The Registrar is responsible for issuing and redeeming shares and for controlling investors' cash receipts and payments associated therewith, for maintaining the Register of Members and for keeping the accounts of the Fund and pricing its shares.

Company Secretary

The Fund has appointed Orbis Administration Limited, Orbis House, 25 Front Street, Hamilton HM 11 Bermuda as its company secretary (the '**Company Secretary**').

Auditor

The auditors of the Fund are Ernst & Young Inc., Ernst & Young House, 35 Lower Long Street, Cape Town 8001, South Africa (the '**Auditors**').

INVESTMENT POLICY

INVESTMENT OBJECTIVE

The Fund seeks to maximise the US dollar total return while being prudent and minimising the risk of loss within the context of an African bond fund.

BENCHMARK

The benchmark is the J.P. Morgan GBI EM Global Diversified Index. This index tracks the total returns for Emerging Markets local-currency-denominated sovereign bonds (the '**Benchmark**').

INVESTMENT APPROACH

Active management

The Fund aims to be invested in, and exposed to the risks and rewards of, selected African fixed interest bearing securities such as cash, corporate and government debt, convertible debt, securitised debt, preference shares and derivative instruments. These securities will differ significantly to those in the Benchmark.

Research driven and value orientation

The Fund's portfolio is constructed based on proprietary investment research. A valuation orientated investment philosophy and approach flows through to all aspects of the fixed income management of the Fund. Focus is placed on the longer-term outlook in the context of the business and macroeconomic cycles, looking opportunistically for valuation discrepancies when consensus views are extreme or markets are less efficient. Relatively little time is spent on aspects considered to be less predictable and rewarding, such as trading to take advantage of short-term price fluctuations. The Investment Manager's view is that, over the long term, investing based on this approach offers superior returns and reduced risk of loss.

Security selection

The African fixed interest bearing securities are selected based on a combination of bottom up fundamental research and top down macro-economic expectations. The investment opportunity set is categorised into debt issued by either sovereigns or corporates (both in local currency or hard currency). When considering the intrinsic value of these assets, the following considerations are incorporated:

Sovereign Debt - Focus is placed on long-term macro trends and looking for any obvious dislocations. Investments are considered in all African markets, ranging from large liquid markets to smaller under researched markets. The most important considerations when assessing sovereign debt in the Investment Manager's view are:

- Inflation outlook and interest rates
- Business cycle and yield curve
- The strategy of the Central Banks across Africa
- The long-term outlook for the currencies in the countries we invest in
- Fiscal position and monetary policy across the African countries we invest in
- Debt sustainability
- Debt servicing costs

Corporate debt – Allan Gray's equity analysis expertise is applied to African corporate debt. Allan Gray seeks to understand the cash flows of a business, and the sustainability of those cash flows, prior to lending that business money.

Portfolio construction

The portfolio takes advantage of the most attractive risk reward opportunities, as a result the Fund may be focused on a specific region or if there are sufficient opportunities the Fund may be diversified across a number of countries and asset classes.

Risk management

The Fund is invested in assets that are trading below their assessed intrinsic value in the belief that this strategy offers the potential for the greatest returns and the lowest risk of loss. A result of this investment approach is that the Fund's investments, and consequently its returns, may differ markedly from the Benchmark. To the extent that its investments differ from those in the Benchmark, the Fund faces the risk of underperforming the Benchmark. The risk the Investment Manager strives to avoid is the permanent loss of capital. Risk is controlled by conducting extensive research prior to investing in order to minimise the risk of a decision which may lead to a permanent capital loss.

Performance evaluation

The financial statements of the Fund are prepared and its shares are priced in US dollars. Reports to Members will appraise the Fund's performance in US dollars relative to the Benchmark.

INVESTMENT RESTRICTIONS

The Fund invests in cash, corporate and government debt, convertible debt, securitised debt, preference shares and derivative instruments. The following is a summary of the investment restrictions adopted by the directors:

1. The Fund aims to be at least 75% invested in African Securities, subject to point 2.
2. The Fund may hold securities that are not classified as African for transactional purposes or if the Investment Manager can't identify attractively priced African Fixed Income Securities.
3. No more than 10% of the Fund may be invested to any one corporate's debt securities. This limit does not apply to cash held in a bank.
4. The Fund may own no more than 25% of any one corporate's outstanding debt.
5. The sum of individual corporate credit exposures exceeding 5% may not exceed 60% of the Fund.
6. 10% of the Fund may be invested in equity securities that are held as a result of convertible bonds converting to equity.
7. The Fund may not enter into uncovered derivative positions.
8. The Fund may not borrow other than to meet redemptions. Such borrowing is limited to 10% of the Fund's Net Asset Value and must be repaid as soon as practically possible.
9. The Fund may not invest in an instrument which compels it to accept physical delivery of a commodity.

This is a summary of the Fund's investment restrictions. A complete copy of the investment restrictions may be obtained from the Investment Manager.

The Fund's investment restrictions are measured at the time of investment and it is not necessary for the Investment Manager to effect changes to adjust for subsequent market fluctuations or other subsequent events. Subject to this, the Investment Manager must rectify a contravention forthwith after becoming aware of it.

SHARE CLASSES

The different share classes are available to certain investors depending on the investor characteristics and at the Investment Manager's discretion, on the class-specific terms below.

CLASS NAME	FIXED FEE	MINIMUM INITIAL INVESTMENT	MINIMUM SUBSEQUENT TRANSACTION ¹
Class A	1%	US\$ 100 000	US\$ 1 000
Class B ²	None	US\$ 100 000	US\$ 1 000

1. Except in the case of dividend reinvestments. Transactions do not need to be in multiples of this amount.
2. Allan Gray manages global multi-asset class portfolios for certain clients and may choose to invest some of these clients' funds in Class B of the Fund. To avoid the layering of fees, these clients are charged fees on their total global portfolio. Class B may also be made available to large institutional investors at the Investment Manager's discretion. The Investment Manager levies a fee outside the Fund for these investors.

FEES AND EXPENSES

THE INVESTMENT MANAGER'S FEE

The Investment Manager's fee depends on the share class held by the Member.

Class A Shares

Fixed fee

The Investment Manager is entitled to receive a fixed fee (the '**Fixed Fee**') of 1.00% per annum of the weekly net asset value of the share class. The Fixed Fee shall be calculated and accrued daily and paid by the Fund to the Investment Manager monthly in arrears.

Class B Shares

There is no Investment Management fee payable on Class B Shares.

Allan Gray manages global multi-asset class portfolios for certain clients and may choose to invest some of these clients' funds in Class B of the Fund. To avoid the layering of fees, these clients are charged fees on their total global portfolio. Class B may also be made available to large institutional investors at the Investment Manager's discretion. The Investment Manager levies a fee outside the Fund for these investors.

SUBSCRIPTION CHARGE

Investors who subscribe for shares pay a subscription charge of 0.50% ('**Subscription Charge**') of the subscription amount. This charge is paid into the Fund. The Subscription Charge represents an estimate of the investment costs, including, without being limited to, brokerage fees, if any, incurred by the Fund. The Investment Manager may waive the Subscription Charge at its discretion, such as in the case of significant offsetting between subscriptions and redemptions.

REDEMPTION CHARGE

Members who redeem shares pay a redemption charge of 0.50% ('**Redemption Charge**') of the redemption amount. This charge is paid into the Fund. The Redemption Charge represents an estimate of the costs associated with a redemption, including, without being limited to, brokerage fees, if any, incurred by the Fund. The Investment Manager may waive the Redemption Charge at its discretion, such as in the case of significant offsetting between subscriptions and redemptions.

OTHER EXPENSES

The Custodian is reimbursed for out-of-pocket expenses incurred on behalf of the Fund and receives the following remuneration directly from the Fund:

1. a custody fee for the safe keeping of securities that varies by jurisdiction, and
2. any transaction fees payable to the Custodian.

The Company Secretary is reimbursed for out-of-pocket expenses incurred on behalf of the Fund.

The Fund neither pays fees nor reimburses expenses to directors who are executives of the Investment Manager or the Investment Advisor. Other directors of the Fund each receive a fee determined by the Members at the Annual General Meeting, and may be reimbursed for expenses reasonably incurred on behalf of the Fund, such as in attending board meetings. The Fund bears other operating costs, including the costs of maintaining its stock exchange listing, Bermuda Government fees, legal and auditing fees, reporting expenses, the cost of preparing this Prospectus and communication costs. Finally, the Fund incurs costs when buying or selling underlying securities, which costs are accounted for as part of the purchase price or sales proceeds, respectively.

HOW TO TRANSACT IN FUND SHARES

DEALING DAYS

Fund Shares are normally subscribed for and redeemed every Thursday (or in the event a Thursday is not a Business Day, then the preceding Business Day), and/or such other days in addition thereto or substitution therefor as determined by the Investment Manager without notice. For each such day, referred to as a **'Dealing Day'**, a net asset value (**'Net Asset Value'**) per share is calculated on the basis described in the 'Determination of Net Asset Value per share'. The determination of the Net Asset Value per share may be temporarily suspended in certain exceptional circumstances (see 'Temporary suspension in exceptional circumstances').

The latest weekly Fund prices may be obtained from Allan Gray. The latest prices are also shown on the Allan Gray website and on Bloomberg.

NEW INVESTORS WITH THE FUND

First time investors with the Fund are required to open an investment account prior to transacting. Account opening is a four step process involving (1) the completion of the Fund's Account opening form, (2) supplying necessary anti-money laundering/anti-terrorist financing and tax (**'AML'**) documents (3) sending the Fund's Account opening form and AML documents to the Registrar, and (4) once the documents are received and approved the investor will receive written confirmation of their Allan Gray Group identification number which must be quoted in all future correspondence. After the investment account opening process is complete, eligible investors will be able to subscribe for shares in the Fund by correctly completing a subscription form (**'Subscription form'**) and sending it together with the requisite payment to the Registrar as set out below under 'How to purchase shares'.

Any investment in Fund Shares is subject to the terms and conditions contained in the Fund's Account opening form. The Fund's Account opening form is normally included in the package of information provided to prospective investors. The Fund's Account opening form may also be obtained from Allan Gray or by sending a request to africafund@allangray.co.za.

Anti-money laundering/Anti-terrorist financing laws

The Registrar and the Fund will at all times comply with any obligations imposed by any applicable laws, tax legislation, rules and regulations with respect to money laundering and terrorist financing. The policies of the Registrar will change from time to time in response to changes in these laws, rules and regulations and the interpretation of them. Applicants may be required to furnish information and materials such as independent documentary evidence of their identity, a permanent address and information relating both to the source of the monies to be invested and to others who will have a direct or indirect beneficial ownership interest in the shares. Failure to provide such information or documents in a timely manner could result in a delay in the allotment of Fund shares, a refusal to allot Fund shares or a delay in the payment of redemption proceeds.

In addition, the Registrar may delay, defer or withhold the payment of the proceeds payable on the redemption or purchase of any shares of any Member for such period of time as the Registrar may determine, including permanently, or to suspend the redemption rights of any Member if the Registrar or board of directors deem it necessary to do so to comply with any anti-money laundering and anti-terrorist financing laws or regulations, the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act (**'FATCA'**) or any other laws or regulations applicable to the Fund or the Registrar. Neither the Fund, the Registrar nor the board of directors shall be liable to any Member for any loss or damages arising as a result of the Registrar or board of directors exercising these powers.

Normally, the Registrar will only receive subscriptions from or make redemption and other payments to an account in the name of the investor. If the investor requires that payments be made in some other manner, the sender/recipients of such payments may be required to furnish independent documentary evidence of their identity and permanent address as if they were first time applicants for subscriptions to the Funds. Failure to provide such information or documents in a timely manner will result in delay in the payment of such monies.

If an investor is in doubt about the required documents, the investor should contact Allan Gray or the Registrar.

HOW TO PURCHASE SHARES

Investors who subscribe for shares in the Fund pay a Subscription Charge of 0.50% of the subscription amount. The total subscription amount is paid into the Fund and invested at the relevant Subscription Price for that Class (as defined below). The Investment Manager may waive the Subscription Charge at its discretion, such as in the case of significant offsetting between subscriptions and redemptions.

Subscribers for shares should send to the Registrar:

- a. the duly completed Subscription form issued by the Fund, and
- b. payment for their investment (payment should not be sent to the Investment Manager).

In order for an application to be considered acceptable for subscription on a Dealing Day, a correctly completed Subscription form together with the requisite payment must be received by the Registrar by 5:00pm South African time on that Dealing Day. Where acceptable applications are received later than this deadline, the shares are allotted based upon the Subscription Price (as defined below) per share for that Class on the subsequent Dealing Day.

When determining the Subscription Price, asset values may be subject to Fair Value Pricing Adjustments. The number of shares allotted to each subscriber for shares on a Dealing Day is determined by dividing the amount subscribed for by the Subscription Price (as defined below) per share of each Class (as applicable) of shares calculated for that Dealing Day, provided that the Directors or their agent shall, at their discretion, fix a price for an initial issue of such shares (that is an issue of shares at a time when there are no shares of the relevant Class in issue). Fractional shares are issued and truncated to four decimal places.

A Subscription form is required for each subscription. The Subscription form is usually included in the package of information provided to prospective investors. The Subscription form may also be obtained from Allan Gray or by sending a request to africafund@allangray.co.za. Photocopies of the Subscription form may be used.

Payment is to be made by wiring funds to the Registrar. The funds are to be received by the Registrar for value by the cut-off time on the Dealing Day. Payment may also be made by authenticated SWIFT MT103 electronic bank transfer or guaranteed funds for value by the cut-off time on the Dealing Day. The payment must reflect in the Registrar's bank account by 5:00pm South African time on a Dealing Day for the application to be accepted for subscription on that Dealing Day.

Subscription monies received, properly identified and cleared before a Dealing Day attracts interest until the day immediately prior to the Dealing Day. The interest is added to the amount subscribed if the interest rate payable by the Registrar on deposits of this nature as of the date the monies are cleared, is not less than 1.0% per annum.

Interest earned on subscription monies on the Dealing Day accrues to the benefit of the Fund. Subscription monies may be tendered to the Registrar in US dollars or South African rands. Subscription monies not tendered in the Reference Currency of the Fund are converted into the Reference Currency at the prevailing exchange rate determined by the Fund's bank. When converting subscription monies, the Fund's bank is acting as the investor's agent and the conversion will be made at the risk of the investor. Similarly, subscription assets not tendered in the Reference Currency of the Fund are valued in the Reference Currency at the prevailing exchange rate determined by the Fund's bank or achieved by the Fund. The valuation of subscription assets and the associated currency exchange rate risk will be borne by the investor. Payments for shares should be made net of all bank charges to the bank account published by the Registrar.

Minimum investment

An investor must meet the applicable minimum initial subscription and except in the case of a reinvestment of dividends, subsequent investment requirements imposed by the acquired Class of the Fund.

Market timing

The Fund does not tolerate market timing or other excessive trading practices. Excessive, short-term (market timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Fund and the Members, the Investment Manager has the right to reject any subscription request from any investor who is engaging in excessive trading or has a history of excessive trading or if an investor's trading, in the opinion of the Investment Manager, has been or may be disruptive to the Fund. In making this judgment, the Investment Manager may consider trading done in multiple accounts under common ownership or control. The Investment Manager or the Fund will not be held liable for any loss resulting from rejected orders.

Additional note on Subscriptions

Where the Fund receives a subscription that is deemed by the Investment Manager to be substantial, the Investment Manager may, at its discretion, allocate the subscription over a number of Dealing Days.

If the Investment Manager cannot find attractive investment opportunities, the Fund may return all or a pro rata share of a client's capital.

Proviso

Applicants for shares in the Fund should note that the shares are issued subject to the provisions of the Account opening form, the Subscription form, the Memorandum of Association and Bye-laws of the Fund and the terms of this Prospectus. The Registrar reserves the right to require that any applicant verify the identity of its beneficial owners. The directors may, at their absolute discretion, decline to accept an application to purchase shares for any reason. Notwithstanding the place where the Subscription form is executed or the citizenship or residency of the subscriber, the rights and obligations of the Members shall be governed by and construed in accordance with the laws of Bermuda. The courts of Bermuda shall have exclusive jurisdiction over any disputes Members may have relating to their shares in the Fund.

REGISTRATION OF SHAREHOLDINGS

Evidence of transaction

Normally, a transaction confirmation is sent by the Registrar to acknowledge each subscription, no later than five Business Days following the relevant Dealing Day.

Form of shareholding

Shares issued by the Fund are registered and are uncertificated (issued without certificates).

Registered holders

Persons (such as a trustee) with an investment registered in their own name but held on behalf of others may include, as part of their registered name, a reference to the capacity in which they are acting. However, the persons in whose name the shares are registered will be the only persons recognised under Bermuda law as the registered owners.

HOW TO REDEEM OR TRANSFER SHARES

Members who redeem shares from the Fund pay a Redemption Charge of 0.50%. The number of shares and amount to be redeemed is calculated using the relevant Redemption Price (as defined below) for that Class. The Investment Manager may waive the Redemption Charge at its discretion, such as in the case of significant offsetting between subscriptions and redemptions.

When determining the Redemption Price, asset values may be subject to Fair Value Pricing Adjustments.

Members may, subject to the provisions set out below, redeem part or all of their shareholding on a particular Dealing Day. In order to be effective, completed redemption requests must be received by the Registrar by 5:00pm South African time, on the particular Dealing Day on which shares are to be redeemed, subject to the provisions in the subsequent paragraph. If a correctly detailed request for redemption is received after the applicable cut-off time on a Dealing Day, the redemption shall be effected on the following Dealing Day, subject to the provisions in the subsequent paragraph.

Substantial redemptions

Where total Members' redemptions on any Dealing Day are more than 4% of the Net Asset Value of the Fund, the Investment Manager may, at its discretion, redeem only 4% of the Net Asset Value of the Fund, on a pro rata basis among the Members, per Dealing Day. If any redemptions requests are not satisfied in full, the balance thereof will be carried forward to the following Dealing Day, subject to the same 4% restriction. The Investment Manager retains the right to distribute all or part of any redemption proceeds in specie (in kind).

Partial redemptions or transfers will be declined if they would cause the aggregate Net Asset Value of the shares held by the Member in a Class of shares within the Fund to fall below any minimum holding requirement. This does not, of course, affect a Member's right to make redemptions or transfers in full. Normally, the Registrar sends transaction confirmations to all Members making a redemption no later than five Business Days following the Dealing Day on which the redemption took place.

The Redemption form

To facilitate redemptions, Members must use the Redemption form that is included in the package of information provided to them. In addition, the Redemption form may be obtained from the Registrar or by sending a request to africafund@allangray.co.za. Photocopies of the Redemption form may be used.

Payment

Generally, redemption proceeds are paid in the Reference Currency of the Fund. Members should provide complete remittance instructions to enable their redemption proceeds to be paid by SWIFT/electronic bank transfer. The reasonable costs of any redemption payment made by SWIFT/electronic bank transfer will normally be borne by the Fund. Redemption proceeds not paid in the Reference Currency of the Fund are converted at the prevailing exchange rate determined by the beneficiary's bank and the associated currency exchange rate risk will be borne by the investor. Payments are normally made within five Business Days after the relevant Dealing Day, as long as properly completed documents have been received. This allows the Fund sufficient time to make arrangements to meet such payments. Payments could be delayed beyond five Business Days in the event of extenuating circumstances, such as markets being closed in a relevant jurisdiction during the five Business Days following the relevant Dealing Day or where the Fund is unable to repatriate US dollars timeously from a market. It should be noted that the Fund also has the ability to pay any redemption proceeds in specie (in kind).

Payments of the redemption proceeds will generally be made by SWIFT/electronic bank transfer to an account in the name of the Member indicated by the Member, at the Member's risk.

Transfers

As an alternative to redeeming shares a Member may transfer ownership to an acceptable investor by forwarding a completed Allan Gray Transfer form to the Registrar. The Allan Gray Transfer form may be obtained from the Registrar or by sending a request to africafund@allangray.co.za. Photocopies of the Allan Gray Transfer form may be used. Transferees who are new investors will have to comply with the requirements referred to above under 'How to transact in Fund Shares—New Investors with the Fund'.

HOW TO CONVERT TO SHARES OF ANOTHER CLASS

On any Dealing Day, Members have the right to convert all of their shares of one Class of the Fund into shares of another Class of the Fund provided the Member complies with the subscription requirements for the Class of Fund Shares being acquired and provided the Registrar has received the Member's properly completed application form for the Class of Fund Shares being acquired by 12 noon Bermuda time on that day. The Registrar will confirm receipt of instructions received by fax during normal business hours. Therefore if a Member does not receive a confirmation, the Member should contact the Registrar immediately to ensure that the Member's communication has not gone astray. The Member bears the risk of non-receipt of any instructions sent by fax.

All terms and notices regarding the redemption of Fund Shares shall apply equally to the conversion of Fund Shares.

The directors may decline a conversion between Classes of Fund Shares for any reason—for example, if the Class of Fund Shares being acquired is closed to new investment. Any conversion that will cause a Member to have an investment of less than the required minimum investment for the Class of Fund Shares being acquired will not be permitted. If the Directors believe that the interests of Members in general may be prejudiced because a Member is converting frequently, they may impose an additional charge on future conversions by such Member. Where applicable, the currency exchange rate risk resulting from a conversion will be borne by the investor.

The following comments are based on advice received by the Fund regarding current law and practice in Bermuda and are intended to assist investors. Investors should appreciate that, as a result of changing law or practice or unfulfilled expectations as to how the Fund or its investors will be regarded by revenue authorities in different jurisdictions, taxation consequences for investors may be otherwise than as stated in this section. Investors should consult their own professional advisors on the possible tax consequences of their transacting in or holding shares of the Fund under the laws of their countries of citizenship, residence or domicile.

There are no Bermuda income, corporation, or profits taxes, withholding taxes, capital gains taxes, capital transfer taxes, estate or stamp duty or inheritance taxes payable by the Fund or its Members in respect of shares in the Fund. The Bermuda Government has undertaken that in the event that any income, profit, capital, capital gains, estate or inheritance taxes are levied in Bermuda in the future, the Fund and its shares will be exempt from such taxes until 31 March 2035.

The Fund and/or Member may be subject to other taxes levied by other jurisdictions outside Bermuda including value added tax, withholding tax on dividends, interest and gains received from investments. In such cases, tax is primarily withheld at source and charged at varying rates. The Fund may also be liable to pay securities transfer taxes in various jurisdictions.

The Fund is not subject to exchange control in Bermuda.

TAX REPORTING REGIMES

The following is a general description of the tax reporting regimes currently applicable to the Fund. Each of these regimes is extremely complex, and Members and beneficial holders are urged to consult their own tax advisors to obtain a more detailed explanation of the applicable rules, and to learn how they might affect the Fund and Members or beneficial holders in their particular circumstances. (See 'Risk Warnings' regarding FATCA and Other Tax Reporting Regimes.)

U.S. Foreign Account Tax Compliance Provisions (FATCA)

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act are generally designed to establish a new reporting regime in respect of the direct and indirect ownership of non-U.S. accounts by U.S. persons. Under FATCA, the Fund is classified as a 'foreign financial institution' (an 'FFI'). The Fund currently intends to qualify as a Registered Deemed-Compliant FFI (as defined in FATCA) for all FATCA purposes.

As an FFI, the Fund has registered, as required, with the U.S. Internal Revenue Service (the 'IRS'). As a condition of registration, the Fund agreed to comply with the terms of an agreement with the IRS (a 'FATCA Agreement'), under which the Fund may be required to obtain information about its Members (and, in some cases, beneficial holders) and to disclose information to the IRS about its Members (and, in some cases, beneficial holders).

As an FFI under the FATCA rules, from 1 July 2014, the Fund would have been subject to withholding tax at a rate of 30% on payments of U.S. source income, as well as (from 1 January 2017) gross proceeds from the sale of assets that produce U.S. source income, if the Fund had not registered with the IRS and agreed to comply with the terms of a FATCA Agreement.

The OECD Common Reporting Standard

The OECD has proposed rules for the Automatic Exchange of Information in Tax Matters, which provides due diligence and reporting rules for financial institutions in participating jurisdictions. Together, these rules comprise the 'Common Reporting Standard', or 'CRS'. The CRS, which is based in large part on the U.S. FATCA rules, provides a uniform set of guidelines that addresses (i) the types of information to be exchanged by participating jurisdictions, (ii) the time and manner of exchange and (iii) the confidentiality of data and safeguards that must be respected. Financial institutions in a participating jurisdiction that adopt these rules will need to file annual information reports with their local tax authorities, which authorities will then exchange that information with the tax authorities in other participating jurisdictions. The Fund qualifies as a financial institution subject to CRS.

In consequence, from 2017 the Fund may be required to disclose to the applicable tax authorities account information about any Members (and in some cases, beneficial holders) that are tax-resident in another participating jurisdiction.

United Kingdom – Bermuda Intergovernmental Agreement

Bermuda has signed an agreement with the UK (the 'UK-Bermuda IGA'), under which the Fund may be required to disclose to UK HM Revenue & Customs ('HMRC') information about certain Members (and, in some cases, beneficial holders) that are considered to be UK tax-resident under the UK Bermuda IGA. At present, it is expected that the UK-Bermuda IGA will cease to apply independently from the CRS from 2017.

Consent to Reporting

As a condition to opening an account with the Fund, all Members will be required to consent to the disclosure and reporting of certain account information under FATCA, CRS and the UK – Bermuda IGA. As a result, Members (and, in some cases, beneficial holders) will be required to provide any information that the Fund determines is necessary to allow the Fund to comply with its obligations under these regimes. For existing investors that fail to provide this consent, certain account information may be required to be reported to the applicable tax authorities, together with information about other non-consenting accounts.

UNITED KINGDOM REPORTING FUND STATUS

The Fund was accepted into the United Kingdom Reporting Fund regime with effect from 1 January 2014. The Fund will apply for reporting fund status for 2014 and subsequent years. The directors intend to manage the Fund in such a way that it shall be certified as a reporting fund. There can be no assurance that the Fund's intended applications for reporting fund status will be successful.

EUROPEAN UNION SAVINGS DIRECTIVE AND DIRECTIVE ON ADMINISTRATIVE COOPERATION

The European Union Savings Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments was repealed in November 2015, as a consequence of the adoption in December 2015 of the EU Directive on Administrative Cooperation 2014/107/EU. The Directive on Administrative Cooperation expands the scope of income and information subject to automatic exchange between EU Member States to include not only interest income, but also dividends and other types of capital income, as well as the annual balance of the accounts producing such income.

The board of directors of the Fund believes that the Fund is exempt from the application of the EU Directive on Administrative Cooperation.

DIVIDENDS

Dividends from the Fund will be automatically reinvested in additional Fund Shares of the same Class at the Net Asset Value (as defined below) per share of that Class unless a Member requests in writing that any dividends be paid to the Member.

DETERMINATION OF NET ASSET VALUE PER SHARE

The Net Asset Value per share of each class of Fund Shares is normally determined in US dollars by the Registrar (i) every Thursday, (ii) the last day of each calendar month and/or (iii) such other days in addition thereto or substitution therefor as determined by the Investment Manager without notice (a '**Valuation Day**' and in the event such day is not a Business Day, then the immediately preceding Business Day). This calculation is made by dividing the value of the net assets of the Fund attributable to each class of shares by the number of class shares in issue, all determined as indicated in this section. The Investment Manager may select another valuation time on a Valuation Day if the Investment Manager determines that it would produce a more representative fair market value. Any certification of the Net Asset Value per share given in good faith by or on behalf of the directors is binding on all parties.

The Fund's assets are valued primarily on the basis of closing market quotations or official closing prices on each Valuation Day. If closing market quotations or official closing prices are not readily available or do not accurately reflect the fair value of a Fund asset or if the value of a Fund asset has been materially affected by events occurring before the Fund's pricing time but after the close of the exchange or market on which the asset is principally traded, that asset will be valued by another method that the board of directors believes accurately reflects fair value in accordance with the valuation methodology described in this Prospectus. For example, arbitrage opportunities may exist when trading in a portfolio security is halted and does not resume before the Net Asset Value for the Fund is calculated. These arbitrage opportunities may enable transacting investors to dilute the Net Asset Value of other investors in the Fund. Trading in overseas markets presents time zone arbitrage opportunities when events affecting asset values occur after the close of the overseas market but prior to the Fund's pricing time. These events may trigger an adjustment to the asset values used in calculating the Net Asset Value for that Dealing Day. An asset's valuation may differ depending on the method used for determining value.

The net assets of the Fund comprise the aggregate of:

1. securities and other investments owned or contracted to be acquired,
2. cash on hand or on deposit including accrued interest,
3. bills and demand notes and amounts receivable including net amounts receivable in respect of investments contracted to be realised,
4. interest accrued on interest bearing investments except that accrued on securities which is included in the quoted price, and
5. other assets of any kind and nature, including prepaid expenses, as valued and defined from time to time by the directors

from which is deducted (where appropriate, liabilities being deemed to accrue on a day-to-day basis):

6. securities and other investments contracted to be sold,
7. bills and accounts payable or accrued,
8. management and administrative expenses payable or accrued,
9. the total acquisition consideration of investments or other property contracted to be purchased,
10. reserves authorised or approved by the directors for duties and charges or taxes or contingencies,
11. the aggregate amount of any borrowings and any interest, commitment fees and other charges arising in connection therewith, and

12. other liabilities of whatsoever nature including outstanding payments on any securities previously redeemed, and contingent liabilities, if any, being valued in such manner as the directors may determine from time to time or in any particular case.

For the purpose of calculating the number of shares in issue or deemed to be in issue on a Valuation Day, shares to be issued on a Valuation Day are deemed not to be in issue until the following day, and shares to be redeemed on a Valuation Day are deemed to remain in issue until the following day.

For the purpose of calculating the value of the net assets of the Fund on a Valuation Day:

1. in the case of a security not specifically provided for in this section, the value is the closing price at the time of valuation on the Valuation Day, normally on the principal market for such security,
2. the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the full amount thereof unless the Investment Manager considers that it is not worth this full amount, in which event a value determined by the Investment Manager is used,
3. the value of a margined contract, other than a written option, is:
 - a. in a case in which the margin would be received by the Fund - the amount of margin which would be receivable if the contract were closed out at that time, or
 - b. in a case in which the margin would be payable out of the property of the Fund - a negative amount equal to the amount of margin which would be payable if the contract were closed out at that time,

in either case using the best terms then available on an options and futures market on which contracts of that kind are traded. If no price is available, the value used is a reasonable estimate of the amount that would be received by a seller by way of consideration for an immediate transfer or assignment at arm's length,

4. the value of an option written by the Fund on property of any description is the amount which would be paid if an option of that kind on property of that description were purchased at the relevant time on the best terms then available on an options and futures market on which such options are traded,
5. any values (whether of securities or cash) other than in US dollars are converted into US dollars at rates which the Investment Manager in its absolute discretion deems appropriate to the circumstances, and
6. any subscription monies received for which shares have not yet been allotted are not included in the net assets. Correspondingly, where shares for which redemption instructions have been received are deemed to remain in issue, the corresponding net assets continue to be included in the net assets.

The board of directors, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

It should be noted that the directors and the Fund have delegated their discretion outlined above to the Registrar on a day-to-day basis.

SUBSCRIPTION PRICE FOR SHARES / REDEMPTION PRICE FOR SHARES

The subscription price ('**Subscription Price**') for shares in a Class shall be the Net Asset Value per share of that Class, plus the Subscription Charge.

The redemption price ('**Redemption Price**') for shares in a Class shall be the Net Asset Value per share of that Class, less the Redemption Charge.

Wherever there is a reference in this Prospectus to the Fund price being used in any share transaction, excluding dividend reinvestment, it shall be such price subject to the adjustments referred to in this section.

TEMPORARY SUSPENSION IN EXCEPTIONAL CIRCUMSTANCES

The Bye-laws of the Fund provide that the directors may suspend the determination of the Net Asset Value per share for the whole or any part of a period:

1. during which trading is restricted, closed or suspended (other than a weekend or holiday) on any stock market, stock quotation system or over-the-counter market on which investments representing more than 5% of the net assets of the Fund are listed, quoted or traded,
2. when circumstances exist such that, in the opinion of the Investment Manager, it is not reasonably practicable for the Fund to dispose of its investments, or any such disposal would be materially prejudicial to Members,
3. when a breakdown occurs in any of the means normally used to ascertain the value of investments or when, for any other reason, the value of any investments or other assets or liabilities of the Fund cannot reasonably or fairly be ascertained, or
4. during which the Fund is unable to repatriate funds required for the purpose of making payments due on redemption of shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemptions of shares cannot in the opinion of the Investment Manager be effected at normal rates of exchange.

Redemptions in kind may still be effected if there is a temporary suspension. Members wishing to take advantage of this should provide a redemption notice in the usual form together with a bank guaranteed cheque in the amount of their pro rata share of the Fund's liabilities and a letter of credit to cover their pro rata share of any contingent liabilities. This will enable the Registrar to distribute to them a pro rata share of the Fund's assets.

ILLIQUID ASSET VALUATION

Non-government securities in Africa tend to be very illiquid and there is often no market price to use for mark-to-market purposes. If there is no market price, illiquid assets will be valued relative to an appropriate reference asset, such as government debt in the country and currency of domicile. The calculation between the illiquid asset and the reference asset will be kept unchanged unless there is a deterioration or substantial improvement in the credit quality. The Investment Manager will assess changes in the credit quality and make appropriate credit spread adjustments on a monthly basis. Changes to the calculation may be made intra-month in the case of a rapid deterioration in quality.

The Investment Manager will use best efforts to obtain an independent third party to value the illiquid assets quarterly. The Investment Manager will adjust the asset valuation to reflect the independent third party's valuation.

GENERAL INFORMATION

CONSTITUTION

The constitution of the Fund comprises its Memorandum of Association and Bye-laws. The Memorandum of Association sets out the objects of the Fund, which includes the conduct of business as described in this Prospectus. The Bye-laws set out the internal regulations in terms of which the directors are required to manage the Fund. Copies of the Memorandum of Association and the Bye-laws are available for inspection at the Fund's registered office, which is located at Orbis House, 25 Front Street, Hamilton, HM 11, Bermuda.

SHARE STRUCTURE AND VOTING RIGHTS

The Fund was incorporated on 16 November 2012 and is a limited liability company of unlimited duration. The authorised share capital of the Fund is US\$10 000 comprising 99 990 000 shares of par value US\$0.0001 each ('**Fund Shares**') and 100 Founder Shares of par value US\$0.01 each ('**Founder Shares**'). There are no options in existence for any capital of the Fund. The Fund Shares may be issued in one or more Class of shares as the board of directors may from time to time determine. The Directors may establish and maintain funds in respect of one or more Classes of Fund Shares and within which all assets and liabilities attributable to the relevant Class of Fund Shares shall be held.

The authorised share capital may only be amended by the holder of the Founder Shares.

Fund Shares

Each class of Fund Shares participate pro rata in the assets of the Fund attributable to that class on winding up or dissolution, subject to the prior satisfaction of any liabilities of that class. The Fund is an open-ended investment company. Except as provided by law, the Fund Shares are non-voting, but holders of Fund Shares are entitled to receive notice of and attend and address all Annual and Special General Meetings of Members of the Fund. The rights attached to the Class of Fund Shares may be amended with the consent in writing of the holders of not less than three-quarters of the relevant Class of issued Fund Shares or by resolution passed by three-quarters of the votes cast at a separate class meeting of holders of Fund Shares. Other companies related to or controlled by the Investment Manager may hold more than three-quarters of the issued Fund Shares of the Fund. There is no minimum aggregate amount of Fund Shares which must be held by a Member.

Founder Shares

The Founder Shares of the Fund do not participate in the assets attributable to the Fund Shares of the Fund, do not receive dividends, can participate in a winding up only to the extent of their par value, and may not be redeemed unless all other shares in the Fund have been redeemed, and then only at their par value. Each of the Founder Shares carries the right to one vote. All of the authorised Founder Shares of the Fund have been issued as fully paid and are held by Allan Gray Bermuda Limited. The Founder Shares are ultimately controlled by Allan & Gill Gray Foundation, which is the indirect majority shareholder of the Investment Manager.

MEETINGS AND NOTICES

The Fund may hold meetings of the Members on such dates and venues as determined by the directors. A notice convening any meeting of the Fund is sent to its Members entitled to vote at the meeting at least twenty-one days before the date fixed for the meeting. All notices to Members are in writing and are sent to the Members of the Fund in accordance with Bermuda law and the Bye-laws of the Fund.

ACCOUNTING AND PERFORMANCE REPORTS

The Fund issues an annual report to Members, including audited financial statements, drawn up to 31 December each year.

The Fund's financial statements are prepared in accordance with International Financial Reporting Standards in Bermuda and South Africa, as issued by the International Accounting Standards Board. The US dollar is used as the Reference Currency in preparing the financial statements of the Fund, in pricing its shares, and in appraising its performance in reports to Members. Performance statistics calculated in various other major currencies are available on request.

STOCK EXCHANGE LISTING

Certain classes of shares are listed on the Bermuda Stock Exchange, a member of the World Federation of Exchanges. The directors do not anticipate that such listing will provide an active secondary market in these shares. The Fund is not listed on any other stock exchange, although an application may be made to list the Fund on the Nigerian Stock Exchange.

TRADE ALLOCATIONS AND BROKERAGE COMMISSION

Subject to the Fund's overall control and supervision, the Investment Manager is primarily responsible for the execution of the Fund's investment transactions and the allocation of the brokerage commission. The Fund has no obligation to deal with any broker or group of brokers in the execution of transactions in portfolio securities. Such transactions may be subject to a commission or dealer mark-up which may not be the lowest commission or spread available.

The Investment Manager will determine, as appropriate, the broker-dealers (collectively '**Brokers**') to be used for the Fund's securities, foreign exchange and futures transactions. The Investment Manager will have complete discretion in deciding which Brokers the Fund will use and in negotiating their commission rates. The Investment Manager will not adhere to any rigid formulas in selecting Brokers, but will weigh a combination of factors. In selecting Brokers and negotiating commission rates, the Investment Manager may take into account the Broker's facilities, reliability, financial responsibility, costs of products or services, and responsiveness to the Investment Manager.

Further, the Investment Manager may consider the value of the products and services described below, either provided by the Broker or paid for by the Broker (either by cash payments or by commission) and provided by others (collectively, '**Products and Services**'). A Broker will not be excluded from receiving brokerage business because it does not provide Products and Services. In selecting Brokers to execute transactions, the Investment Manager will not be obligated to seek the lowest available 'execution only' commission cost. Thus, the Fund might be deemed to pay for Products and Services provided by the Broker that would be included in the commission rate. Accordingly, if the Investment Manager determines in good faith that the amount of commission charged by a Broker is reasonable in relation to the value of the brokerage services and other Products or Services provided by such Broker, the Fund may pay commission to that Broker that are greater than the amount another Broker may charge.

The use of commission to pay for Products and Services will be limited to items within the safe harbour of Section 28(e) of the U.S. Securities Exchange Act of 1934. The Investment Manager has adopted a policy of refusing any 'soft dollar' credits from Brokers for the payment of third party non-brokerage and research services. The Products and Services the Investment Manager may consider in selecting a Broker are as follows:

- *Brokerage*: Brokerage may include, among other things, clearing, order routing and settlement services.
- *Research, research products and research services*: Research may include, among other things, proprietary research from Brokers, which may be written, oral or online. Research products may include, among other things, computer databases, to access research or which provide research directly. Research services may include, among other things, research concerning market, economic and financial data; statistical information; data on pricing and availability of securities; specialised financial publications; electronic market quotations; performance measurement services and commodities; analyses concerning specific securities, companies or sectors; and market, economic and financial studies and forecasts.

The Investment Manager has no fixed internal brokerage allocation procedures designating specific percentages of brokerage commission to particular firms. In exchange for the direction of commission dollars to certain Brokers, credits may be generated that may be used by the Investment Manager to obtain the brokerage and research products and services provided or paid for by such Brokers. To the extent that such credits are generated or such Products and Services are obtained, the Fund and the Investment Manager will be receiving a benefit by reason of the direction of commission. This is subject to prevailing laws and regulations in the jurisdiction in which the Investment Manager conducts its business.

The Products and Services to be received from the Brokers may be used by the Investment Manager in servicing its other clients, as well as for the Fund. In addition, some Products and Services may not necessarily be used by the Fund even though its commission dollars provided for the Products and Services. The Fund, therefore, may not, in a particular instance, be the direct or indirect beneficiary of the Products or Services provided. Nonetheless, the Investment Manager believes that under such circumstances the Products or Services would provide the Fund with benefits by, at least, supplementing the research otherwise available to the Fund.

Securities held by the Fund also may be held by another fund or by other funds or investment advisory clients for which the Investment Manager or its affiliates (including OIML) act as advisor. Securities may be held by, or be an appropriate investment for, the Fund as well as other clients of the Investment Manager or its affiliates (including OIML). Because of different objectives or other factors, a particular security may be bought for one or more such clients when one or more clients are selling the same security. If purchases or sales of securities for the Fund or other clients for which the Investment Manager and/or any of its affiliates (including OIML) acts as investment manager or advisor arise for consideration at or about the same time, transactions in such securities will be made, insofar as feasible, for the respective funds and clients in a manner deemed equitable to all. There may be circumstances when purchases or sales of Fund securities for one or more clients have an adverse effect on other clients.

The Fund has not received or granted any commission, discount or other special terms with regard to brokerage within the two years immediately preceding the issue of this Prospectus, in connection with the issue or sale of any capital of the Fund.

DIRECTORS' AND OTHER INTERESTS

The directors and/or officers of the Fund may be directors and/or officers of other funds managed by members of the Allan Gray Group (including any that invest in the Fund), the Investment Manager and/or the Investment Advisor or other third parties.

Any director, or any director's firm, partner or any company with whom any director is associated, may act in any capacity for, be employed by or render services to the Fund on such terms, including with respect to remuneration, as may be agreed between the parties. Nothing herein contained shall authorise a director or director's firm, partner or company to act as Auditor to the Fund.

A director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Fund shall declare the nature of such interest as required by the Bermuda Companies Act. Following such a declaration being made and, unless disqualified by the Chairman of the relevant directors meeting, a director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

The directors may exercise all the powers of the Fund to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Fund or any third party.

There is no minimum retirement age for directors.

See the notes to the most recent audited financial statements of the Fund for a description of the holdings of related parties in the Fund Shares of the Fund. On any given Dealing Day, related parties to the Fund may be subscribing for or redeeming shares. Such transactions may offset all or some of the subscriptions or redemptions to the Fund by unrelated parties on that day. All such transactions are made at the prevailing Subscription or Redemption Price per share of the relevant Class of the Fund.

The Investment Manager, the Investment Advisor and their affiliates, directors, officers and shareholders (collectively, the '**Allan Gray Group**') are involved in other financial investment and management activities, including managing and advising the Allan Gray Group, the Orbis Group and other clients, and dealing, for the Allan Gray Group's own account, and on behalf of others, in securities in which the Fund may invest. From time to time, the Fund may, in the ordinary course of business and in accordance with the investment restrictions listed above, invest in (i) securities issued by investors in the Fund or other funds or investment vehicles within the Allan Gray or Orbis Groups or securities of issuers that are managed, advised or controlled by the Allan Gray Group or Orbis Group or (ii) other funds that invest in securities of issuers that are managed, advised or controlled by the Allan Gray Group or Orbis Group. From time to time, securities of or being dealt in by the members of the Allan Gray Group or Orbis Group or their clients (each a '**Connected Party**') may, in the ordinary course of business, be purchased or sold by another Connected Party. All such purchases and sales may be made only at prevailing market prices.

The Investment Manager holds all the voting shares (being the Founder Shares) of the Fund. All of the shares of the Investment Manager are held by Allan Gray Group Proprietary Limited.

DATA PROTECTION

In order to provide financial products and services to Members efficiently and accurately and to comply with legal obligations, the Allan Gray and/or Orbis Group may collect non-public personal information about its clients and former clients from the following sources: (1) information the Allan Gray or Orbis Group receives from the Fund's documents, including the Allan Gray Account opening form, the Subscription form, AML documents or other forms; (2) information about clients' transactions with the Allan Gray Group and others (including information such as clients' holdings and transaction activity); and from its affiliates, including Orbis.

The Allan Gray and Orbis Groups maintain physical, electronic, and procedural safeguards to protect clients' non-public personal information. The Allan Gray and Orbis Groups do not sell clients' non-public personal information to anyone. By continuing to remain invested in the Fund, Members consent to their personal data being transferred to employees and consultants responsible for client service of the Fund and/or relationship management of members of the Allan Gray and Orbis Groups, and other existing and future Allan Gray or Orbis entities and their respective affiliates and any successors, agents or delegates carrying out their functions or future Allan Gray Group or Orbis Group entities which may be persons outside those jurisdictions. The data comprises the information supplied on the Allan Gray Account opening form, the Subscription, Redemption and Transfer forms, identification documents, and transaction and account related instructions such as address changes, contract notes and trade confirmations. Such transfers take place in order to provide Members with the requested services or information efficiently and to comply with legal requirements.

Except under limited circumstances described herein, all entities to which personal data are transferred are required to maintain the confidentiality of such information to the extent they receive it, and to use the information only in the course of providing such services. Entities to which personal data is transferred may not disclose clients' non-public personal data to persons other than those identified in the previous paragraph except (i) as necessary to provide the services that the client has requested or authorised, or to maintain and service the client's account, (ii) as required by regulatory or tax or foreign exchange authorities or law enforcement officials who have jurisdiction over the entity, or otherwise as required by applicable law; or (iii) to the extent reasonably necessary to prevent fraud and unauthorised transactions.

MATERIAL DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at any time during normal business hours free of charge at the office of the Fund in Bermuda:

1. the Companies Act 1981 of Bermuda,
2. the Certificate of Incorporation of the Fund,
3. the Memorandum of Association of the Fund,
4. the Bye-laws of the Fund, and
5. the following contracts (not being contracts in the ordinary course of business) which are, or may be, material to the Fund:
 - a. the Investment Management Agreement (including any amendments) between the Fund and the Investment Manager, pursuant to which the Investment Manager has been appointed to manage the investments of the Fund,
 - b. the Custodian Agreement between the Fund and the Custodian, pursuant to which the Custodian has been appointed custodian of the assets of the Fund,
 - c. the agreement between the Fund and the Registrar, pursuant to which the Registrar has been appointed administrator, registrar and transfer agent and provides fund accounting services to the Fund, and
 - d. the agreement between the Fund and the Company Secretary, pursuant to which the Company Secretary has been appointed to provide company secretarial services to the Fund.
 - e. the Marketing and Distribution Agreement between the Fund and the Investment Manager, pursuant to which the Investment Manager has been appointed to provide marketing and distribution services to the Fund.

The Fund has entered into no material contracts other than those in the ordinary course of business and those indicated in this section. This Prospectus contains all material information relevant to the financial prospects of the Fund.

REGISTER OF MEMBERS

Entries on the Register of Members relating to a Member are made available for inspection by or on behalf of that Member at any time during normal business hours and free of charge at the office of the Fund in Bermuda, in accordance with the provisions of the Investment Funds Act 2006.

DISTANCE MARKETING OF FINANCIAL SERVICES DIRECTIVE

Disclosure requirements arising from the European Council Distance Marketing Directive (No. 2002/65/EC) apply to financial services supplied at a distance to consumers in the European Union. The Fund has determined that for the purposes only of meeting the Directive requirements, the Luxembourg Distance Marketing of Consumer Financial Services Law of 2006 (as replaced by the Luxembourg Law of 8 April 2011) shall apply to the establishment of relations with prospective and current Members entitled to the benefit of the Directive. The Fund is required to provide specified information to prospective and current Members. This specified information, which is provided in English, is contained in the Fund's Prospectus, the Allan Gray Account opening form and the Subscription form. These services are not a type of financial service to which cancellation rights apply.

UNITED KINGDOM RECIPIENTS OF THIS PROSPECTUS

The Fund is a collective investment scheme within the meaning of section 235 of the Financial Services and Markets Act 2000 ('**FSMA**'). The Fund is however not authorised or regulated by the Financial Conduct Authority ('**FCA**') and therefore this Prospectus may only be made available to and/or distributed to persons to whom the Fund may lawfully be promoted in the United Kingdom under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ('**Relevant Persons**'), including those persons described below. This Prospectus is therefore not directed at and must not be forwarded to or relied upon by persons who are not Relevant Persons.

This Prospectus is made available and/or distributed by Allan Gray. Allan Gray is not authorised or regulated by the FCA and, as such, may only issue this Prospectus in the United Kingdom within the constraints of applicable laws and regulations.

This communication is exempt from the general financial promotion restriction in Section 21 of FSMA and has not been approved by an authorised person on the grounds that it is not directed at persons who are not Relevant Persons. Any persons who are not Relevant Persons may not purchase shares and should not act or rely upon the contents of this Prospectus.

This Prospectus is not intended to provide, and should not be relied upon for investment, accounting, legal or tax advice, or investment recommendations. Reliance on a Prospectus for the purpose of engaging in investment activity may expose an individual to the risk of losing all of the property or other assets invested. An individual resident in the United Kingdom who has any doubt about investing in the Fund should consult a person authorised by the FCA specialising in advising on this kind of investment.

Relevant Persons include the following persons resident in the United Kingdom:

Investment Professionals

An Investment Professional means a person who is:

1. authorised by the FCA;
2. an exempt person, provided that such person is exempt in relation to unregulated collective investment schemes ('**unregulated schemes**');
3. a government or local authority;
4. any other person:

- i. whose ordinary activities involve dealing with unregulated schemes by way of business; or,
 - ii. who it is reasonable to expect will deal with unregulated schemes by way of business; or,
5. any person ('A') whilst acting in the capacity of director, officer or employee of a person ('B') falling within any of sub-paragraphs (1) to (4), where A's responsibilities, when acting in that capacity, involve him in B's participation in unregulated schemes.

Sophisticated Investors

A Sophisticated Investor means a person who has:

1. a current certificate in writing or other legible form signed by a third party FCA authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with participating in unregulated schemes; and
2. signed, within the period of 12 months ending with the day on which the communication is made, a statement in the following terms: 'I make this statement so that I can receive promotions which are exempt from the restriction on promotion of unregulated schemes in the Financial Services and Markets Act 2000. The exemption relates to certified sophisticated investors and I declare that I qualify as such. I accept that the schemes to which the promotions will relate are not authorised or recognised for the purposes of that Act. I am aware that it is open to me to seek advice from an authorised person who specialises in advising on this kind of investment'.

High Net Worth Companies, Unincorporated Associations, etc.

High net-worth companies, unincorporated associations, etc. means:

1. any body corporate which has, or which is a member of the same group as an undertaking which has, a called-up share capital or net assets of not less than:
 - i. if the body corporate has more than 20 members or is a subsidiary undertaking of an undertaking which has more than 20 members, GBP500 000; or,
 - ii. otherwise, GBP5 million;
2. any unincorporated association or partnership which has net assets of not less than GBP5 million;
3. the trustee of a high value trust (meaning a trust where the aggregate value of the trust's assets, before deducting liabilities, is GBP10 million or more or has been in the preceding 12 months);
4. any person ('A') whilst acting in the capacity of director, officer or employee of a person ('B') falling within any of sub-paragraphs (1) to (3), where A's responsibilities, when acting in that capacity, involve him in B's participation in unregulated schemes; or,
5. any person to whom the communication might otherwise lawfully be made.

OTHER MATTERS

The Fund is not engaged in any litigation or arbitration proceedings as a defendant or aware of any litigation or claim pending or threatened against it. The Fund may infrequently take part in litigation as a plaintiff when the board of the Fund believes it is in Members' best interests to do so.

The Fund has agreed to indemnify the Investment Manager and every director, officer and employee of the Fund and of the Investment Manager against all costs, losses and expenses which any such indemnified person may incur or for which he or she may become liable by reason of any contract entered into, or act or thing done by him or her in such capacity, or in any way in the discharge of his or her duties, except in the event of his or her own fraud or dishonesty. The amount for which such indemnity is provided shall immediately attach as a lien on the property of the Fund, and have priority as between the Members over all other claims. The Investment Management Agreement provides for the indemnity of the Investment Manager and its directors and officers.

COST OF ESTABLISHING THE FUND

The approximate cost of establishing the Fund as at the date of this Prospectus is US\$50 000.

RISK WARNINGS

There is no assurance that the investment approach of the Fund will be successful or that the Fund will achieve its investment objective. It should be appreciated that the value of shares in the Fund can go down as well as up, that investors may not realise the amount initially invested, and that past performance data is not necessarily indicative of future performance.

African markets

African markets are generally less mature and developed than those in advanced countries and have varying laws and regulations. There are significant risks involved in investing in securities listed in the Fund's universe of African markets including liquidity risks, sometimes aggravated by rapid and large outflows of 'hot money' and capital flight, concentration risk, currency risks, political and social instability, the possibility of expropriation, confiscatory taxation or nationalisation of assets and the establishment of foreign exchange controls which may include the suspension of the ability to transfer currency from a given country. In many cases, such risks are significantly higher than those in developed markets. Furthermore, African markets often have a more limited number of potential buyers and issuers and may be dependent on revenue from particular commodities or international aid. Additionally, African markets may have less government supervision and regulation, differences in auditing and financial reporting standards, and less developed legal systems. African Markets also often have less developed securities settlements processes which may delay or prevent settlement of securities transactions. African markets also typically have smaller economies or less developed capital markets than more developed markets.

Contractual risk

The Fund can use derivatives to manage its exposure to stock markets, currencies and/or interest rates and this exposes the Fund to contractual risk. Contractual risk includes the risk that a counterparty will not settle a transaction according to its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, causing the Fund to suffer a loss. Such contract counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

FATCA and Other Tax Reporting Regimes

The FATCA rules were generally designed to establish a new reporting regime in respect of the direct and indirect ownership of non-U.S. accounts by U.S. persons. Under FATCA, the Fund is classified as an FFI.

As an FFI, the Fund will register, as required, with the IRS. As a condition of registration, the Fund will agree to comply with the terms of a FATCA Agreement with the IRS, under which the Fund is required to obtain information about its Members (and, in some cases, beneficial holders) and may be required to disclose information to the IRS about its Members (and, in some cases, beneficial holders). As a condition to opening an account with the Fund, all Members are required to consent to this disclosure.

The Fund currently qualifies as a Registered Deemed-Compliant FFI (as defined in FATCA) for all FATCA purposes. Failure by the Fund to comply with the terms of the FATCA Agreement, could cause the Fund to become subject to withholding tax at a rate of 30% on certain U.S.-source payments to the Fund, which could have a material adverse effect on the Fund's performance.

Additionally, the Fund may be compelled to withhold tax on payments it makes to Members that do not provide information as to their FATCA status or which are themselves noncompliant FFIs.

As a result, Members (and, in some cases, beneficial holders) will be required to provide any information that the Fund determines necessary to avoid the imposition of this withholding tax or in order to allow the Fund to satisfy these obligations. Similarly, Members (and, in some cases, beneficial holders) will be required to provide any information that the Fund considers necessary to enable it to comply with its obligations under CRS or the UK – Bermuda IGA. For Members or beneficial holders that are tax resident in the UK or another participating jurisdiction, this information may be disclosed to the applicable tax authorities in that jurisdiction.

The rules under FATCA, CRS and the UK-Bermuda IGA are extremely complex. Members and beneficial holders should consult their own tax advisors to obtain a more detailed explanation of these rules and to learn how they might affect the Fund and Members and beneficial holders in their particular circumstances.

Derivatives

Borrowing, leveraging, and trading securities on margin will result in interest charges and, depending on the amount of trading activity, such charges could be substantial. The low margin deposits normally required in futures and forward trading utilized by the Fund permit a high degree of leverage; accordingly, a relatively small price movement in a futures or forward contract may result in immediate and substantial losses to the investor. Price movements of forward contracts and other derivative contracts in which the assets of the Fund may be invested are highly volatile and are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Forward contracts are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Trading in forward contracts is substantially unregulated and there is no limitation on daily price movements.

FUND PRICES AND FURTHER INFORMATION

The latest weekly price of the Fund is normally calculated each Friday. The price may be obtained:

- by telephoning the Registrar,
- by emailing africafund@allangray.co.za, and
- from Bloomberg.

While the preceding pages are intended to answer most questions, if you have any further enquiries, please do not hesitate to contact the appropriate party indicated below:

ALLAN GRAY PROPRIETARY LIMITED (THE 'REGISTRAR')

Mailing address:	Office address:	Telephone:	+27 21 415 2300
P.O. Box 51318	1 Silo Square	Fax:	+27 21 415 2413
V&A Waterfront	V&A Waterfront	E-mail:	africainstructions@allangray.co.za
8002	Cape Town 8001	Attention:	Allan Gray Africa Administration Team
	South Africa		

Please contact the Registrar to notify a change in your address or with questions regarding

- how to subscribe to the Fund,
- how to redeem, transfer or exchange shares,
- information on Members' shares,
- copies of this Prospectus or Reports to Members, or
- transaction confirmations.

Please contact the Investment Manager with questions regarding the Fund, its performance or other investment related matters. Questions regarding taxation, estate planning or other legal matters are best answered by a professional advisor.

ALLAN GRAY BERMUDA LIMITED (THE 'INVESTMENT MANAGER')

Mailing address:

P.O. Box HM 571
Hamilton HM CX
Bermuda

Office address:

Orbis House
25 Front Street
Hamilton HM 11
Bermuda

Telephone:

+1 441 296 3000

Fax:

+1 441 296 3001

Email:

allangraybermuda@allangray.com

Attention:

Allan Gray Service Team

COMPLAINTS

Members and prospective Members who wish to lodge a complaint concerning the Fund, the Investment Manager, the Registrar or the Fund shares may do so by writing to the Registrar. Complaints can be sent by e-mail to africafund@allangray.co.za or by mail or courier to P.O. Box 51318, V&A Waterfront, 8002. The Complaints Resolution Policy of the Investment Manager is available to Members and prospective Members upon request.

If the Member or prospective Member is not satisfied with the response from the Registrar, they can write to the Bermuda Department of Consumer Affairs.

Contact details for the Bermuda Department of Consumer Affairs:

D. Rego Building, 3rd Floor
75 Reid Street
Hamilton HM 12
Bermuda

Tel: +1 441 297 7627
Fax: +1 441 295 6892
E-Mail: consumers@gov.bm
Website: www.ca.gov.bm

GLOSSARY

Unless otherwise indicated, the following terms have the following meanings in this Prospectus:

'African Securities' includes debt securities issued by African governments, African public entities, African local authorities, and African development agencies, by non-African development institutions and corporate issuers, where the funds raised are earmarked for use in Africa (excluding South Africa). Corporate issuers includes companies domiciled or geographically located in Africa and/or companies domiciled outside Africa with significant business interests in Africa (excluding South Africa).

'Allan Gray' means collectively the Investment Manager and the Investment Advisor.

'Allan Gray Group' means the Allan Gray group of companies, being Allan Gray Proprietary Limited, its holding company Allan Gray Group Proprietary Limited ('AGGPL') and those companies in which AGGPL holds, directly or indirectly, not less than 50% of the shares in issue and over which AGGPL exercises effective control, and includes an individual reference to any one or more of them, as the context may require, which entities include.

'Allan Gray Proprietary Limited' means Allan Gray Proprietary Limited together with its predecessors.

'Benchmark' means the J.P. Morgan GBI EM Global Diversified Index.

'Business Day' means any day on which banks are open for business in South Africa, New York or Mauritius.

'Class' or 'Share Class' refers to either a particular share class or to a Series within a Class where the relevant context so requires such interpretation.

'Company Secretary' means the person appointed by the Fund to perform company secretarial services.

'Custodian' means the person or body corporate appointed by the Fund to take into custody or control of all of the property of the Fund.

'Dealing Day' means a day on which the shares of the Fund may be subscribed for or redeemed, being every Thursday (or in the event such Thursday is not a Business Day, then the preceding Business Day), and/or such other days in addition thereto or substitution therefor as determined by the Investment Manager without notice.

'Fair Value Pricing Adjustment' means the adjustment of asset values to more accurately reflect the fair value of a Fund's assets.

'Founders' Shares' has the meaning ascribed thereto in the Bye-laws of the Fund.

'Fund' means the Allan Gray Africa ex-SA Bond Fund Limited.

'Fund Shares' means a share of any Class in the capital of a Fund other than the Founders' Shares.

'GIIN Number' means the Global Intermediary Identification Number issued by the United States Inland Revenue Service ('IRS'), in terms of the Foreign Account Tax Compliance Act ('FATCA').

'Investment Advisor' means any person or body corporate appointed by the Investment Manager to research and recommend investments for the Fund.

'Investment Manager' means the person or body corporate appointed by the board of the Fund to manage the investments of the Fund.

'Member' means the person, body corporate or other entity registered in the share register of the Fund as the holder of shares in the Fund.

'Orbis' and 'Orbis Group' means (a) Orbis Investment Management Limited ('OIML'), (b) the company holding all of OIML's outstanding equity interests, Orbis Holdings Limited ('OHL'), (c) those companies in which OHL holds, directly or indirectly, not less than 50% of the equity interests in issue, (d) Orbis Holdings (U.S.) Limited and those companies in which it holds, directly or indirectly not less than 50% of the equity interests in issue, and (in each case) includes an individual reference to any one or more of them, as the context may require.

'Orbis Funds' means funds managed by members of the Orbis Group.

'Prospectus' means for the Fund (i) this document, (ii) the latest report to Members and (iii) the latest audited financial statements of the Fund.

'Redemption Price' means the Net Asset Value per share of the relevant Share Class, less the Redemption Charge.

'Reference Currency' refers to the currency in which the Net Asset Value of the Fund is calculated and published, which for the Fund is the US dollar.

'Reporting Fund' means a fund that has been approved as a reporting fund by the United Kingdom HM Revenue & Customs in accordance with the Offshore Funds (Tax) Regulations 2009 and subsequent amendments.

'Subscription Price' means the Net Asset Value per share of the relevant Share Class, plus the Subscription Charge.

'US\$', 'U.S. dollars' and '\$' mean the lawful currency of the United States of America.

'Valuation Day' means a day on which the shares are priced, being every (i) Thursday, (ii) the last day of each calendar month, and/or (iii) such other days in addition thereto or substitution therefor as determined by the Investment Manager without notice (and in the event such day is not a Business Day, then the preceding Business Day).