



Daberistic Financial Services

Creating Financial Security, Prosperity and Wealth

BUSINESS INVESTMENT ACCOUNT
17 July 2019
Version 9.11

Investment overview

Allan Gray Unit Trust

Lump sum contribution

R 5 000 000.00

Important information about the Allan Gray Unit Trust

- You may choose to invest in any of Allan Gray's unit trusts.
- You are responsible for ensuring that the unit trusts that you are invested in suit your investment needs and risk profile.
- The return on your investment is not guaranteed. As the market value of your units may change, you carry the risk of losing capital.
- Once your investment has been processed, there is no cooling-off period and your investment cannot be cancelled. However, you may sell your units at the ruling price.
- Transactions that result in the sale of units may result in you being liable for Capital Gains Tax.
- Wherever the term 'unit trust' is used it refers to a portfolio of a Collective Investment Scheme as defined in the Collective Investment Schemes Control Act (2002).
- The information shown in the investment overview assumes that the full lump sum amount is invested at once. Your lump sum investment amount exceeds R1 000 000.00, which is the daily limit on electronic collections. If you have selected electronic collection as your method of payment your investment will be processed over more than one day and units will be bought at different daily prices.

For more product information please refer to the 'Investing in the Allan Gray Unit Trust' section below.

Unit trust allocation

The graph(s) shows how you have split your investment between your selected unit trust(s). The amounts shown are after any initial fees have been paid.

Lump sum contribution

Allan Gray Money Market Fund	R 5 000 000.00
	100.00%
Total value R 5 000 000.00	

Asset allocation

Each selected unit trust invests in different assets. The graph(s) shows how your investment is split between these assets as a result of your unit trust allocation. The asset allocation information is provided by ProfileData and is updated quarterly. The graph is based on information as at 30 June 2019.

Lump sum contribution

Local cash	100.00%
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There is no fixed period for which you have to be invested. You may switch at your discretion, subject to the 'Timeline for pricing units' section below.

Investment and unit trust past performance

In the tables below, the unit trust performance and the benchmark performance is provided by the relevant unit trust manager. Where the fee class of your selected unit trust has been in existence for less than five years and an older fee class exists, the performance shown is for the older fee class. The tables are based on information available as at 31 March 2019.

Investing in unit trusts is generally a medium to long-term investment. There is no fixed or guaranteed investment return. Your capital value is also not guaranteed, the value of your units may go down as well as up. Past performance is not necessarily a guide to the future.

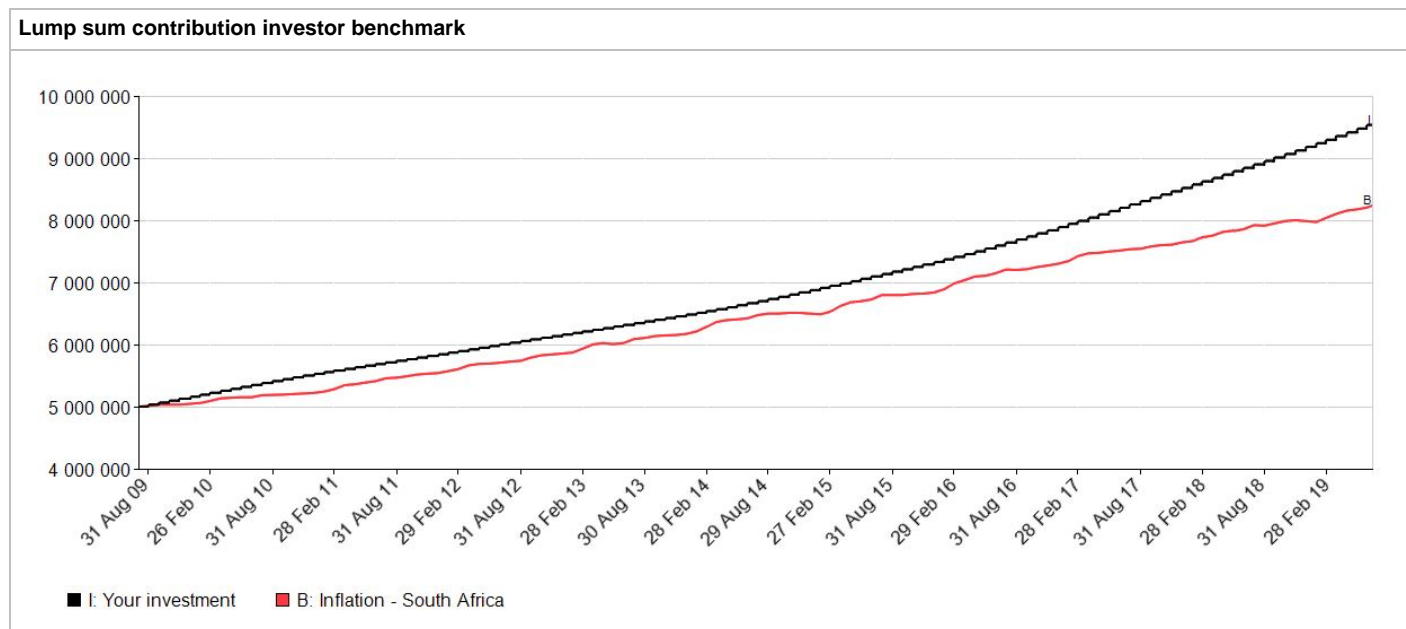
Performance figures are calculated using NAV to NAV prices net of fees, including dividends reinvested on payment date.

Lump sum contribution

% Return	Your investment	Benchmark
Latest 5 years	7.30%	4.94%
Latest 3 years	7.90%	4.80%

Benchmark: Inflation - South Africa

The graphs below show what the movement and total rand value of your lump sum contribution would have been if it had been invested 10 year(s) ago and all distributions were reinvested. Performance information is provided by ProfileData. Where the fee class of your selected unit trust has been in existence for less than five years and an older fee class exists, the performance shown is for the older fee class. The graphs are based on information available as at 16 July 2019.



Financial adviser fees

The fees shown exclude VAT.

Fees agreed with your financial adviser	
Initial fees	0.00%
Annual fees	0.20%

The **fees agreed with your financial adviser** are for the financial advice and services provided by your adviser.

The **initial fee** is deducted from your contribution amount before it is allocated to your unit trust selection.

The **annual fee** is expressed as a percentage of the value of your investment. It is charged and paid, monthly in arrears, by selling some of your units.

Expenses included in the price of your selected unit trust(s)

These expenses are not charged as separate fees but are built into the unit price of the unit trusts you have selected. The figures shown have been calculated according to the amounts you have allocated to each unit trust in your selection. The individual fees and expenses for each unit trust are shown in the 'Annual investment management fee' and 'Total investment charge' sections below.

Unit trust expense figures are provided by Finswitch.

The fees shown include VAT where applicable. Values are rounded to two decimal places.

Lump sum contribution	
Total investment charge (TIC)	0.29%
Administration fee deducted within unit trust	0.00%
TIC for investment management	0.29%

The **Total investment charge (TIC)** is equal to the sum of the unit trust's total expense ratio (TER) and transaction costs where available. The TER is the unit trust's total expenses calculated over the last 3 years expressed as an annualised percentage of the average value of the unit trust. Since it is based on historic expenses it cannot be used to assess performance. A high TER does not necessarily mean a poor return, nor does a low TER mean a good return. Performance figures are quoted after deducting the unit trusts' TER and transaction costs.

Please refer to the 'Total investment charge' section below for more information.

Investor declaration

I confirm that the financial adviser has explained all the information provided in this investment overview and I have read and understood all the information provided.

Signature of investor

Date

Unit trust information

Asset allocation per unit trust

The table(s) is based on information as at 30 June 2019.

Lump sum contribution

Unit trust	Unit trust allocation	Local cash
Allan Gray Money Market Fund	100.00%	100.00%
Proportionate asset allocation		100.00%

Annual investment management fees

These are annual fees charged by each unit trust's investment manager for investment management. They are not separate fees but are deducted within the unit trust, and are therefore accounted for in the unit trust's published performance figures.

Investment management fee structures vary between unit trusts; fees may be fixed or based on the performance of the unit trust. If a high watermark is applied, past underperformance needs to be made up before a future performance fee is charged. Some unit trusts, such as funds of funds, invest into other underlying unit trusts that charge their own fees. When the fees of the underlying unit trusts are variable a total fee cannot be shown and the fee is displayed with a '+' in the table below.

For more information on how each unit trust calculates its investment management fee, please refer to the minimum disclosure documents.

Unit trust	Minimum fee	Fee at benchmark	Maximum fee
Allan Gray Money Market Fund	0.29%	0.29%	0.29%

Total investment charge (TIC)

The TIC is not charged as a separate fee but is built into the unit price of the unit trusts you have selected. All values shown include VAT where applicable.

Unit trust	TIC	Administration fee deducted within unit trust	TIC for investment management
Allan Gray Money Market Fund	0.29%	0.00%	0.29%

To compare costs across unit trusts with different fee structures, the TIC for investment management is used. This is the unit trust's latest available total investment charge (TIC) less any administration fee deducted within the unit trust for the administration we perform. The TIC is not a separate fee, but is a measure of the actual expenses incurred by the unit trust, including the investment management fee and transaction costs where available. If the actual TIC is not available, an estimate is used.

Effective Annual Cost: Allan Gray Unit Trust

The Effective Annual Cost (EAC) is a measure which has been introduced to allow you to compare the estimated impact of charges on investment returns when you invest in different Financial Products. It is expressed as an annualised percentage. The EAC is made up of four components, which are added together, as shown in the table below. The effect of some of the charges may vary, depending on your investment period. The EAC calculation assumes that an investor terminates his or her investment in the Financial Product at the end of the relevant periods shown in the table.

Impact of Charges ¹	1 Year	3 Years	5 Years	10 Years
Investment Management ²	0.29%	0.29%	0.29%	0.29%
Advice	0.23%	0.23%	0.23%	0.23%
Administration ³	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%
Effective Annual Cost	0.52%	0.52%	0.52%	0.52%

1. The calculation of the EAC takes account of inflation and includes value-added tax (VAT) where applicable.
2. This is a weighted total investment charge (TIC). Any applicable investment manager rebates* have been deducted and the weighting is according to the unit trust(s) you have selected. The TIC is equal to the total expense ratio (TER) plus transaction costs. If the actual TER or transaction costs are not available, an estimate is used so that the TIC is still as accurate as possible.
3. There is no explicit fee for administration.

* Where administration fees are charged within the unit trust itself, the manager passes these fees on to us in the form of a fund manager rebate for the administration that we do.

Investing in Allan Gray Unit Trusts

You can invest in unit trusts for most of your financial goals, from saving for longer-term needs, to meeting your shorter-term objectives. You should make sure your selection meets your investment needs and risk profile.

Your selected unit trusts invest into various asset classes such as equities, bonds, property and cash, in line with their investment mandates. These underlying assets have different levels of risk and return associated with them. You should carefully consider the composition of your investment to make sure it is appropriate for your goals. Too high a proportion of volatile assets, such as equities, means you could face a greater risk of losing capital. On the other hand, as risky assets often carry higher potential for returns, too low a proportion could result in returns that don't meet your investment goals.

It is a good idea to review your investment regularly. You may change your unit trust selection at any time.

Contact details

Please contact our Client Service Centre on 0860 000 654 or +27 (0) 21 415 2301, email info@allangray.co.za or visit www.allangray.co.za

For more information, see the Terms and conditions of your investment available online at www.allangray.co.za

Fund description and summary of investment policy

The Fund invests in South African money market instruments with a term shorter than 13 months. These instruments can be issued by government, parastatals, corporates and banks. The Fund is managed to comply with regulations governing retirement funds.

While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument held by the Fund defaults. In this event losses will be borne by the Fund and its investors.

ASISA unit trust category: South African – Interest Bearing – Money Market

Fund objective and benchmark

The Fund aims to preserve capital, maintain liquidity and generate a sound level of income. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index.

How we aim to achieve the Fund's objective

The Fund invests in selected money market instruments providing an income yield and a high degree of capital stability. We formulate an interest rate outlook, which is influenced by our inflation outlook and expectations of the resulting Reserve Bank policy response. Based on this analysis, we select investments for the Fund. These assets are typically held to maturity. We take a conservative approach to credit risk.

Suitable for those investors who

- Require monthly income distributions
- Are highly risk-averse but seek returns higher than bank deposits
- Need a short-term investment account

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

*Only available to investors with a South African bank account.

Fund information on 30 June 2019

Fund size	R19.9bn
Number of units	19 760 983 065
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.63
Fund duration (days)	87.9
Fund weighted average maturity (days)	118.9
Class	A

- The current benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Since inception to 31 March 2003, the benchmark was the Alexander Forbes 3-Month Deposit Index. From 1 April 2003 to 31 October 2011 the benchmark was the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund, performance as calculated by Allan Gray as at 30 June 2019.
- This is based on the latest numbers published by IRESS as at 31 May 2019.
- These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 July 2003 and the benchmark's occurred during the 12 months ended 31 July 2003. The Fund's lowest annual return occurred during the 12 months ended 30 September 2013 and the benchmark's occurred during the 12 months ended 31 October 2013. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Income distribution for the last 12 months

Actual payout (cents per unit), the Fund distributes monthly

Jul 2018	Aug 2018	Sep 2018	Oct 2018
0.63	0.63	0.61	0.64
Nov 2018	Dec 2018	Jan 2019	Feb 2019
0.62	0.64	0.65	0.59
Mar 2019	Apr 2019	May 2019	Jun 2019
0.65	0.63	0.65	0.63

Performance net of all fees and expenses

% Returns	Fund	Benchmark ¹	CPI inflation ²
Cumulative:			
Since inception (1 July 2001)	300.1	291.4	165.4
Annualised:			
Since inception (1 July 2001)	8.0	7.9	5.6
Latest 10 years	6.7	6.5	5.2
Latest 5 years	7.4	7.1	5.0
Latest 3 years	7.9	7.4	4.8
Latest 2 years	7.8	7.3	4.4
Latest 1 year	7.8	7.3	4.5
Year-to-date (not annualised)	3.8	3.6	2.2
Risk measures (since inception)			
Highest annual return ³	12.8	13.3	n/a
Lowest annual return ³	5.2	5.2	n/a

Meeting the Fund objective

The Fund has preserved capital, maintained liquidity and generated a sound level of income.

Annual management fee

A fixed fee of 0.25% p.a. excl. VAT

Total expense ratio (TER) and Transaction costs

The annual management fee is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

TER and Transaction costs breakdown for the 1 and 3-year period ending 30 June 2019	1yr %	3yr %
Total expense ratio	0.29	0.29
Annual management fee	0.25	0.25
Other costs excluding transaction costs	0.00	0.00
VAT	0.04	0.04
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.29	0.29

Exposure by issuer on 30 June 2019

	% of portfolio
Government and parastatals	8.5
Republic of South Africa	8.5
Corporates	13.1
Sanlam	2.5
Shoprite	2.2
Life Healthcare Group	2.1
Pick 'n Pay	2.0
Mercedes-Benz	1.8
Toyota Financial Services	1.3
The Thekwini Warehousing Conduit	0.8
Telkom	0.4
Banks⁴	78.5
Nedbank	19.5
Absa Bank	17.0
Investec Bank	15.4
Standard Bank	14.2
FirstRand Bank	12.4
Total (%)	100.0

4. Banks include negotiable certificates of deposit (NCDs), fixed deposits and call deposits.

Note: There may be slight discrepancies in the totals due to rounding.

In last quarter's Fund commentary, we discussed our view that money market yields were unusually attractive due to high interest rates combined with low inflation. We didn't expect this to last. The decline started this quarter as the market started to price in future interest rate cuts, meaning the Fund is reinvesting cash at lower yields than recent years. We expect future Fund returns to drop but remain attractive relative to 4.5% inflation.

South Africa needs higher economic growth to move forward. Lower rates are often cited as the easiest solution, in the hope that this encourages borrowing and injects money into the economy. We agree that real rates are too high in South Africa and believe that rates will be cut by more than the market expects. There are few signs of global inflation, with global bonds signalling the opposite as developed market yields fall back towards zero. Local inflation remains similarly benign, despite external volatility caused by input prices and the exchange rate. This, plus growth challenges, suggests increasing pressure on the Reserve Bank to lower rates.

Unfortunately, we doubt that lower rates will have a meaningful impact on growth, even if we are right about aggressive rate cuts. A more lasting solution is to correct the structural deficiencies plaguing the economy. However, such actions are unpopular since they require a short-term cost to pay for long-term gain. Allan Gray's philosophy of prioritising the long term over the

short term applies to economic policies as well as investing, meaning we strongly favour a focus on improving the supply side of the economy despite the short-term pain. We are not policy nor macroeconomic experts, but there is sufficient low-hanging fruit among the country's many challenges to have a meaningful impact.

Over the quarter, the Fund favoured fixed-rate and longer-maturity instruments that should delay the impact of lower rates.

New appointments

We recently welcomed two new fixed-income portfolio managers: Thalia Petousis and Londa Nxumalo. Thalia has over seven years' experience in fixed interest and joined Allan Gray in 2015 as a fixed-interest trader. She will co-manage the Allan Gray Money Market Fund. Londa also has seven years' investment experience and joined Allan Gray in 2017. She will co-manage the Allan Gray Bond Fund.

Both managers have proven to be invaluable members of the investment team, and their expanded roles will allow our clients to benefit further from their expertise.

Commentary contributed by Mark Dunley-Owen

**Fund manager quarterly
commentary as at
30 June 2019**

Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited (the 'Management Company') is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates 11 unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority ('FSCA'). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however it is not supervised or licensed in Botswana. Allan Gray Proprietary Limited (the 'Investment Manager'), an authorised financial services provider, is the appointed Investment Manager of the Management Company and is a member of the Association for Savings & Investment South Africa ('ASISA'). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)87 736 1732 or www.rmb.co.za

Performance

Collective Investment Schemes in Securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and applicable taxes.

The Allan Gray Money Market Fund is not a bank deposit account

The Fund aims to maintain a constant price of 100 cents per unit. The total return an investor receives is made up of interest received and any gain or loss made on instruments held by the Fund. While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument defaults. In this event investors may lose some of their capital. To maintain a constant price of 100 cents per unit, investors' unit holdings will be reduced to the extent of such losses. The yield is calculated according to ASISA standards. Excessive withdrawals from the Fund may place it under liquidity pressure; if this happens withdrawals may be ring-fenced and managed over a period of time.

Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za

Fees

Permissible deductions may include management fees, brokerage, Securities Transfer Tax (STT), auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

Total expense ratio (TER) and Transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, Securities Transfer Tax [STT], STRATE and Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are a necessary cost in administering the Fund and impact Fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and Transaction costs is shown as the Total investment charge ('TIC').

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Important information for investors

Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website **www.allangray.co.za** or via our Client Service Centre on **0860 000 654**.