

Contrarius South Africa Launch

Contrarius BCI SA Equity Fund

Contrarius BCI Equity Fund

Contrarius BCI Balanced Fund

Contrarius is a global investment management business founded by Stephen Mildenhall, former Chief Investment Officer of Allan Gray Limited. The Contrarius Global Equity Strategy and the Contrarius Global Asset Allocation Strategy both launched on 1 January 2009. Since their inception the strategies have outperformed their respective benchmarks and the returns of the average global equity fund and average global balanced fund respectively. With effect from 1 October 2024 the above suite of South African Contrarius BCI Funds ("South African Funds") has been launched with Contrarius Investment Services (South Africa) (Pty) Limited ("Contrarius South Africa") the appointed investment manager. In providing investment management services to the South African Funds, Contrarius South Africa utilises research and advice from Contrarius Investment Advisory Limited in the United Kingdom.

Why South Africa and why now?

We believe that the South African share market currently presents an intriguing opportunity for long-term, contrarian, value investors such as ourselves. Many domestic South African shares are trading at very attractive valuations and we believe that the disparity within the market creates significant opportunities for bottom-up stock pickers that are willing to own portfolios that are different to that of the overall index.

Contrarius was founded on the premise of "taking a long-term view". It is our belief that the ability to outperform in the long-term is largely driven by focusing on the long-term value of a business rather than short-term "news flow". In the short-term share prices can differ materially from the underlying value of the business as prices tend to be driven by market sentiment.

Why is everyone not taking advantage of the disparity we see? There are probably a couple of reasons:

- Investing is an interesting profession. One can choose to invest largely in line with the market—or that of the average manager. This approach provides the comfort that one won't meaningfully underperform either the market or one's peers in the short to medium term. It, however, often also means that one will underperform in the long-term, after fees. As contrarian investors we are, when appropriate, willing to be different. While this can certainly be uncomfortable at times, we believe that it is often necessary in order to achieve outperformance in the long-term. We believe that now is a time to be different. And the current composition of the South African Funds is indeed very different to both the market—and many of our peers.
- The consolidation of the South African asset management industry has meant a few large asset managers dominate the industry. Even if these managers found a domestic company to be attractive it would be difficult to implement this at a meaningful percentage in the portfolios they manage. For example, if one of the ten largest asset managers in South Africa had to purchase 20% of the issued shares in a large domestic company such as PPC Limited, it would still typically represent less than 0.5% of their South African assets under management.

The Contrarius BCI SA Equity Fund is meaningfully overweight domestic South African companies while being underweight dual-listed and commodity related shares. In fact, six of the Fund's Top 10 holdings are South African consumer related companies.

These differences extend to the Contrarius BCI Equity Fund and the Contrarius BCI Balanced Fund where in addition to the differences with respect to South African assets, the composition of the foreign assets (largely gained through

exposure to the Contrarius Global Funds) is also materially different to the funds' respective benchmarks and their global peers.

We look forward to discussing the investment case for the South African Funds' holdings over the coming quarters in our Quarterly Investor Commentaries available on the Contrarius South Africa website at www.contrarius.co.za.

For more information on the new South African Funds or on how to invest with Contrarius South Africa, please contact your financial adviser, visit our website at www.contrarius.co.za, or email us at clientservice@contrarius.co.za.

We are enthusiastic about the long-term prospects of Contrarius South Africa and we look forward to the road ahead.

Stephen Mildenhall
Founder of the Contrarius Group

Contrarius Investment Services (South Africa) Pty Limited ("Contrarius South Africa"), is an authorised financial services provider under the Financial Advisory and Intermediary Services Act 37, 2002 ("FAIS") (FSP# 48937) and is a member of the Association for Savings & Investment South Africa ("ASISA"). Contrarius South Africa is the approved Representative Office of Contrarius ICAV, a UCITS fund registered in Ireland, and its sub-funds Contrarius Global Equity Fund and Contrarius Global Balanced Fund ("Contrarius Global Funds"), in terms of their approval for marketing in South Africa in terms of section 65 of the Collective Investment Schemes Control Act 45 of 2002. Contrarius Investment Advisory Limited (FSP# 53817) is an authorised financial services providers with the Financial Sector Conduct Authority of South Africa in terms of FAIS. Boutique Collective Investments (RF) (Pty) Ltd ("Manager") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002, and is a member of ASISA. With effect from 1 October 2024 Contrarius South Africa is the Investment Manager of Contrarius BCI SA Equity Fund, Contrarius BCI Equity Fund and Contrarius BCI Balanced Fund ("South Africa Funds").

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments may be closed to new investments at any time in order for them to be managed according to their mandates. Collective Investments are traded 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 Manager. The Manager reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from the Manager, free of charge. Performance fees are calculated and accrued on a daily basis based upon the daily outperformance, in excess of the benchmark, multiplied by the share rate and paid over to the Investment Manager monthly. Performance figures are provided by the Investment Manager and are for lump sum investments, using NAV-NAV with income distributions reinvested. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax. The Contrarius BCI Equity Fund and Contrarius BCI Balanced Fund invest in foreign securities. Depending on their markets, trading in those securities may carry risks relating to, among others, macroeconomic, political circumstances, constraints on liquidity or the repatriation of funds, foreign exchange fluctuations, taxation and trade settlement. Market comparison for the Contrarius Global Equity Strategy and Contrarius Global Asset Allocation Strategy, since strategy inceptions on 1 January 2009 based on Morningstar categories of EAA Global Large-Cap Blend Equity Funds and US\$ Flexible Allocation Funds to 28 September 2024. The Manager retains full legal responsibility for the third party named portfolio. Although reasonable steps have been taken to ensure the validity and accuracy of the information on this document, the Manager and Investment Manager do not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of the Manager's products. This document is issued by Contrarius South Africa and dated 1 October 2024.