QUARTERLY INVESTOR COMMENTARY
30 SEPTEMBER 2014

CONTRARIUS GLOBAL EQUITY FUND

CONTRARIUS GLOBAL EQUITY FUND

The Fund aims to earn a higher Total Rate of Return than the average of the world's equity markets, as represented by the MSCI World Index, including the reinvestment of dividends net of withholding tax ("World Index"). It aims to achieve this without greater risk of loss, over the long-term. The Fund is an actively managed fund, and as such does not in any way seek to replicate its benchmark index, but may instead differ materially from the performance benchmark in order to achieve its objective.

CONTRARIUS GLOBAL EQUITY FUND AT 30 SEPTEMBER 2014

Total Rate of Return in US Dollars	Class	Since Inception on 1 Jan 2009	Latest 5 Years	Latest 3 Years	Latest 1 Year	2014 Year-to-date	Latest Quarter
		% Annualised			% Not Annualised		
Contrarius Global Equity	**Investor**	**23.5**	**12.7**	**20.9**	**5.6**	**(6.2)**	**(8.1)**
Contrarius Global Equity	**Institutional**	**24.0**	**13.2**	**21.3**	**6.1**	**(5.9)**	**(7.9)**
World Index		13.7	10.9	17.9	12.2	3.9	(2.2)

Past performance is not a reliable indicator of future results.

The Fund's Investor Class shares returned (8.1)% for the quarter versus (2.2)% for the benchmark MSCI World Index, including reinvested net income. As we have highlighted previously, our investment philosophy is not benchmark cognisant and our portfolios would normally vary materially from the benchmark World Index. The Fund's returns are therefore likely to deviate from those of the benchmark. Investors are reminded that given the long-term, contrarian, valuation-based investment philosophy, there will be times when the Fund will materially underperform its benchmark in the short-term in order to achieve its objective of long-term outperformance.

The Fund remains significantly overweight Technology (particularly US Technology) and Consumer Discretionary stocks. In terms of geographic exposure, the Fund continues to be significantly underweight European equities and overweight Japanese equities. The Fund maintains its overweight exposure to shares outside the major developed markets.

Sector Exposure 30 September 2014	Weighting (%) Fund	World Index [1]	Over/(Under) Weight
Energy	1	9	(9)
Materials	8	5	2
Industrials	0	11	(11)
Consumer Discretionary	28	12	16
Consumer Staples	12	10	3
Health Care	0	12	(12)
Financials	12	21	(9)
Information Technology	39	13	26
Telecommunication Services	0	3	(3)
Utilities	0	3	(3)
Total Shares	**99**	**100**	
Net Current Assets	1	-	
Net Assets	**100**	**100**	

[1] *Source: MSCI (attention is drawn to MSCI disclaimer in 'Notices')*

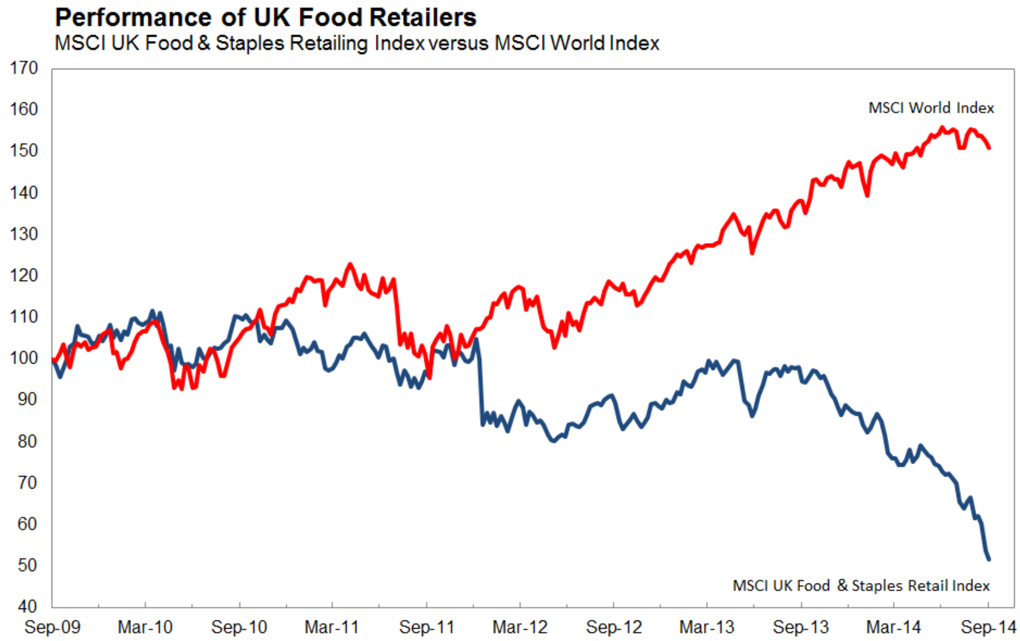
Geographic Exposure 30 September 2014	Weighting (%) Fund	World Index [1]	Over/(Under) Weight
North America	58	61	(2)
Europe	11	26	(15)
Japan	13	8	5
Other	17	5	12
Total Shares	**99**	**100**	
Net Current Assets	1	-	
Net Assets	**100**	**100**	

[1] *Source: MSCI (attention is drawn to MSCI disclaimer in 'Notices')*

J Sainsbury

The two decades leading up to the global financial crisis were halcyon days for the UK grocery retailers. Through smart and aggressive management, the market consolidated around a handful of major grocers: Tesco, J Sainsbury ("Sainsbury's"), WM Morrison Supermarkets ("Morrisons"), and ASDA. Their increasing size and reach gave them economies of scale and negotiating power with suppliers, allowing them to stock more products at more competitive prices. Basket sizes increased and 'stores' became 'superstores' as families could fill an ever greater fraction of their weekly shop in one stop. Moderate inflation made it easier for retailers to increase prices when needed. People may have griped about the demise of the independent corner-shop, but they placed more value on price, quality, and consistency.

How times have changed! Over the last five years the MSCI UK Food & Staples Retailing Index has fallen 48% while the MSCI World Index is up 51%.



Source: Datastream, Contrarius Research

A tough economy has made shoppers more price-sensitive. Very low retail inflation highlights any price increases, making shoppers even more inclined to count their pennies. As if this was not enough, their business model is under a multi-pronged attack: discounters (notably Aldi and Lidl) are growing fast; online shopping is disrupting traditional distribution; basket sizes are getting smaller and small local stores are becoming more popular, both of which result from cost-consciousness and convenience. The traditional retailers have responded by 'investing in price'. In the year to July 2014, spending in food stores fell for the first time in at least a quarter century!

The Fund has for some time owned shares of Ocado, which (as an online-only grocer that is price-competitive with the majors) is likely to benefit from many of the challenges facing the industry. About 4.4% of the £175bn grocery market is now spent online and Ocado gets about 11.5% of that (excluding its deal with Morrisons). Given the challenges facing traditional grocers, why is Sainsbury's now the Fund's 5th largest holding?

As contrarian investors, this flood of negativity piques our curiosity. There are a few questions: Is this a dying business model (like the video rental store) or rather one that may have been a bit slow to recognise that it needs updating (like the music producers)? Will the discounters appropriate the market? How much is a result of normal business cycles? And if the consumer trends all go against Sainsbury, what would it be worth?

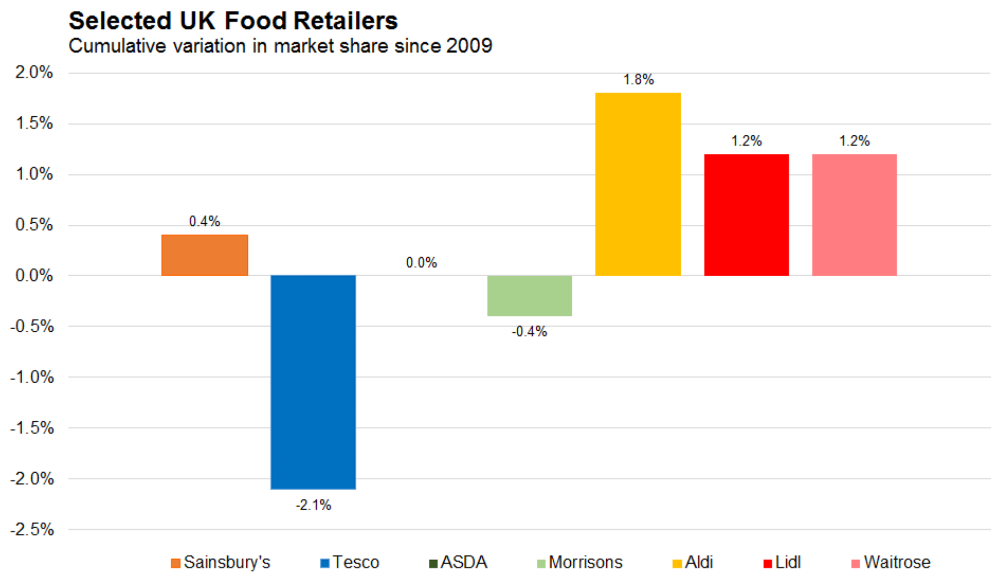
The Discounters

How is it that the discounters can sustain such low prices? They have three main cost saving measures: (1) limited choice (1,000-2,000 items vs about 40,000); (2) house brands rather than familiar brands; (3) minimal investment in stores (barebones décor and staff, as well as intelligent stacking). The small range means few suppliers, easy handling, low wastage, high volumes for each item, and low risk of running out of stock. So consumers benefit on price at the cost of choice, service, the shopping environment, and perhaps quality (if the house brands are not equivalent to the familiar brands).

The discounters' model is currently a popular one. Shoppers like low prices. But it is perhaps also a limited model. As they grow, their business models will likely converge with those of the traditional retailers. Over the past five years the range of items carried by Aldi and Lidl has grown 30% - 40% and now includes more fresh food and branded goods.

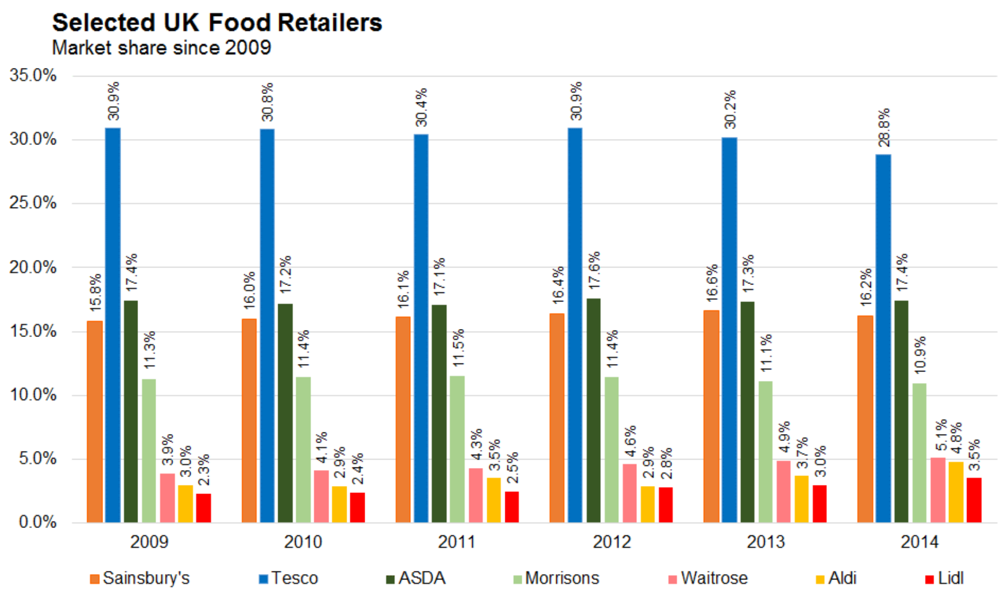
Future market share gains for the discounters are expected to be harder. Sainsbury's has not been standing still: it is focusing on its smaller stores, adjusting store formats, and reducing prices. We expect that when consumer confidence improves, choice, service, the shopping environment and quality will go back up the shopper's priority list.

If, on the other hand, consumer behaviour does not revert, then Sainsbury's has an extensive network of convenience stores that could be converted into a low-investment, limited-choice discount format. The number of Sainsbury's convenience stores has grown 82% since 2010 compared to 10% for large format stores. Convenience stores are now more than half of their total. It should be noted that even with the challenging conditions of the last five years, Sainsbury's has managed to defend its market share, with Tesco being the big loser.



Based on market share data for 12-weeks period ending September of each year.

Sources: Bloomberg, Kantar WorldPanel, Contrarius Research



Market share for 12-weeks period ending September of each year.

Sources: Bloomberg, Kantar WorldPanel, Contrarius Research

Online Shopping

Online retailing combined with home delivery is a threat to traditional retailers. The Institute of Grocery Distribution (IGD) estimated that online grocery sales will more than double by 2019, making it the fastest growing channel. Improving technology, fulfilment options, and having more and more customers on the delivery network should boost accessibility and reduce costs further.

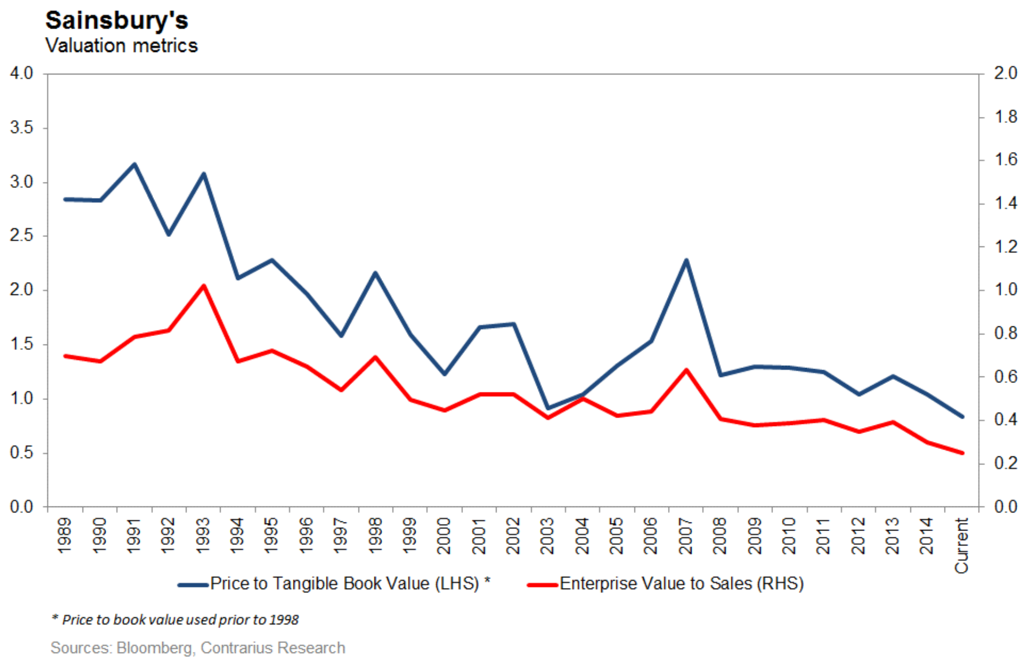
Sainsbury's share of the online groceries market is 13%, not too dissimilar to its overall market share of 16%. Some customers prefer to pick up an order at their convenience rather than scheduling a time slot to be home, which makes Sainsbury's store base valuable even in an online world.

Sainsbury's Balance Sheet and Valuation

At quarter-end, the market valued Sainsbury's at £4.8bn (£2.515 per share). Yet its tangible book value is £5.7bn. This understates the value of its assets since Sainsbury's estimates that its vast property portfolio is worth substantially more than its carrying book value. Some companies trade below their tangible book value because they carry a high level of financial risk, but we do not believe that this is the case with Sainsbury's. It has substantially less debt relative to its large listed competitors. The property assets have previously attracted attention: the Qatar Investment Authority, the largest shareholder, owns 26% of Sainsbury's after a failed attempt to acquire the company for £6 per share in 2007. If Sainsbury's needs to cut down its store base (perhaps as the shift towards online continues) this could free up large amounts of cash. While our investment case is based on the long-term value of the business, Sainsbury's substantial balance sheet gives us additional comfort.

Conclusion

There is uncertainty in any share. But we believe that Sainsbury's current circumstances are at least in part due to cyclical factors. The shares are currently available at about 7x historic earnings, a 7% historic dividend yield, below tangible book value and at an exceptionally low enterprise value to sales ratio.



At the current price we believe the potential upside of Sainsbury's more than compensates for the risks. While there are likely to be bumps along the way, we believe that Sainsbury's has a much brighter future than the market gives it credit for.

This Quarterly Investor Commentary does not constitute a recommendation to buy, sell or hold shares or other securities in the companies mentioned in it ("relevant securities"), nor does it constitute financial advice. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research. Entities and employees of the Contrarius Group are not subject to restrictions on dealing in relevant securities ahead of the dissemination of this Quarterly Investor Commentary.

Legal Entities. Contrarius Investment Management Limited, a company incorporated in Jersey with registered number 100697, regulated by the Jersey Financial Services Commission, registration number FSB 1906. | Contrarius Investment Management (Bermuda) Limited, a company incorporated in Bermuda with registration number 45466, licensed to conduct investment business by the Bermuda Monetary Authority. | Contrarius Investment Advisory Limited, a company incorporated in England with company number 6581705, regulated by the Financial Conduct Authority, registration number 488706.

Permission to Access. There are legal requirements in various countries which may restrict the information which Contrarius can lawfully provide. Accordingly, the information contained in this Report may be provided for residents of certain countries only. Persons who receive the Report or who have access to it should inform themselves about and observe any restrictions imposed in the jurisdiction in which this Report is accessed. Neither the Fund Shares 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 Fund Shares 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 a recognised or authorised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "FS Act"). Accordingly, this communication is directed only at persons in the United Kingdom permitted under the FS Act (or the orders made thereunder) to receive it. The Fund is not currently marketed in the European Economic Area ("EEA"). As a result, the Manager will not comply with the requirements of the Alternative Investment Fund Managers Directive ("AIFMD"), and persons located in any EEA member state ("European Investors") will only be permitted to subscribe for shares in the Fund in the discretion of the Manager and subject to compliance with applicable law. European Investors who are permitted to invest in the Fund will not be subject to 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.

Non-Solicitation. This Report does not constitute an offer to sell, or a solicitation to buy shares of Contrarius Funds. Subscriptions are only valid if made on the basis of the current Prospectus of a Contrarius Fund. The Prospectus in turn does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. No person may treat the information in the Prospectus as constituting an invitation to them unless, in the relevant jurisdiction, such an invitation could be lawfully made to them without compliance with any registration or any other legal requirements. By proceeding to access the Prospectus, Account Opening Form and Subscription Form for the Fund, users are representing and warranting that the law of the relevant jurisdiction allows them to access such information. Prospective investors are referred in particular to the full risk warnings that are set out in the Prospectus and the notice which states that the Fund Shares 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.

Use of Information. This communication provides general information for the benefit of the present Investors in the Contrarius Global Equity Fund. It may not be complete and up to date for your purposes. It is not intended as financial advice or as an offer, solicitation or recommendation of securities or other financial products. Only investors with appropriate knowledge and experience to evaluate the applicable merits and risks should consider an investment in the instruments discussed herein. If in doubt, you should obtain independent financial advice that addresses your particular investment objectives, financial situation and needs before making investment decisions. The information and materials contained in this communication including all terms, conditions, and descriptions are subject to change.

Risk Warnings. Past performance is not indicative of future performance. Contrarius Fund share prices fluctuate and are not guaranteed. When making an investment in the Funds, an investor's capital is at risk. This warning is made in addition to the investment warnings and important notices set out in the Prospectus. Contrarius Global Equity Fund Limited (the "Fund") has been established in Jersey as an Expert Fund. An Expert Fund is suitable only for those who fall within the definition of an 'expert investor' (please refer to Prospectus) published by the Jersey Financial Services Commission in the Jersey Expert Fund Guide dated November 2012 (the "Expert Fund Guide"). In order to ensure that only qualifying investors access the Fund, the Fund has adopted initial investment limits that comply with paragraph (a) of the definition of "expert investor"' namely, "(a) an investor who makes a minimum initial investment or commitment of US$100,000 (or currency equivalent) in the Expert Fund whether through the initial offering or by subsequent acquisition". Notwithstanding the foregoing, the Fund is not obliged to issue Fund Shares to any person and reserves the right, in its absolute discretion, to refuse any application for Fund Shares.

Confidentiality. The recipient of the information contained in this communication undertakes not to disclose, without the prior consent of the Fund or the Manager (acting on behalf of the Fund), to any person or third party any confidential information, document and/or matter relating to or concerning the Fund, its investments, any Investors, the Manager, the Administrator, the Investment Advisor and/or their respective activities and business, unless disclosure is required by any law or regulation or by any competent authority or body or such confidential information is in the public domain (other than by my/our actions).

Sources. "MSCI" is a trademark of MSCI Inc. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

No Warranty. The discussion topics for the Quarterly Investor Commentary were selected, and these reports were finalised and approved by Contrarius Investment Management Limited, the Funds' Manager or Investment Manager, as the case may be. The information in this communication has been derived from sources believed to be accurate and reliable. Other than for information on Contrarius or its Funds, neither Contrarius, nor any other member of the Contrarius Group has independently verified any information in this communication. Furthermore, neither Contrarius nor any other member of the Contrarius Group gives any representation or warranty of reliability, completeness or accuracy of information. Information provided shall not constitute or form the basis of any contract. Contrarius expressly disclaims liability for any errors or omissions that may be contained in the Information.

General Provisions. The information provided is provided to the recipient in response to a specific and unsolicited request and is for the information purposes of the recipient only. Such information is not intended for, may not, without the express consent of Contrarius, be distributed to, and may not be relied upon by, any other person, including without limitation, any advisory or other client of the recipient. The information provided in this Report does not constitute and may not be construed as the provision of investment advice. 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. It should be remembered that the price of Fund Shares and the income from them can go down as well as up and that investors may not receive, on redemption of their Fund Shares, the amount that they invested. Any views expressed reflect the current views of Contrarius and do not necessarily represent the view of any other members of the Contrarius Group. The views expressed may change without notice or liability.

Contact. Correspondence in relation to Contrarius Investment Management Limited's business can be addressed to 2 Bond Street, St Helier, Jersey, JE2 3NP, Channel Islands or clientservice@contrarius.com.