

DEFINITIONS

Allan Gray

Allan Gray Group Proprietary Limited and its subsidiaries as set out in Appendix A.

Conflict of Interest

Any situation in which a provider or representative has an actual or potential interest that may, in rendering a financial service to a client, influence the objective performance of his/her obligations to that client or prevent a provider or representative from rendering an unbiased and fair financial service to that client or from acting in the interests of that client, including but not limited to a Financial Interest, an Ownership Interest and/or any relationship with a Third Party.

Employee

Allan Gray directors, employees, consultants, contract and temporary workers.

FAIS

The Financial Advisory and Intermediary Services Act 37 of 2002.

Financial Interest

Any cash, cash equivalent, vouchers, gifts, discounts, services, advantages, benefits, domestic or foreign travel, hospitality, accommodation, sponsorships and/or any other incentive or valuable consideration, but excludes an Ownership Interest or training as described in this policy.

Immaterial Financial Interest

Any Financial Interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year in relation to the same Third Party in that calendar year.

Ownership Interest

Any equity or proprietary interest for which fair value was paid at the time of acquisition, other than an equity or proprietary interest held as an approved nominee on behalf of another person.

Third Party

A product supplier, provider, an associate of a product supplier or a provider, a distribution channel, or any person who in terms of an agreement or arrangement with a person set out above provides a Financial Interest to a provider or its representatives.

Intermediary

Both retail and institutional Intermediaries and includes Independent Financial Advisors, asset consultants, LISPs, multi-managers, bulk dealers, retirement fund trustees and anyone else entrusted with making or influencing the manager selection decision.

CONFLICT OF INTEREST MANAGEMENT POLICY

The purpose of this policy is to provide guidance in identifying and handling Conflicts of Interest involving Allan Gray and its Employees. This policy applies to all Allan Gray Employees.

Allan Gray's integrity and reputation depends on the Company and its Employees doing the right thing, even when this is not the easy thing. This policy intends to assist Employees in making decisions about their conduct in relation to Allan Gray's business. This policy is based on the fundamental principle that no one at Allan Gray should ever sacrifice integrity, or give the impression that they have, even if they think it would help business.

It is a condition of your employment with Allan Gray that you comply with this policy. If an Employee transgresses this policy, Allan Gray's disciplinary code and procedures will apply.

Identifying a Conflict of Interest, including a potential or perceived Conflict of Interest

Allan Gray faces a Conflict of Interest if it deals with a client on behalf of a Third Party or deals for a client with any such party (e.g. a bank, stock broker, other Allan Gray Group member etc.), where Allan Gray has a direct or indirect beneficial interest that may affect its ability to act or be seen to be acting in its clients' best interests. Conflicts of Interest would not normally arise where Allan Gray deals directly with an investor (or any other party) who, in such dealings, represents them self or has independent representation.

Employees who represent Allan Gray face Conflicts of Interest if they have a beneficial interest that may affect their ability to act in our clients' best interests. If an Employee was dealing on behalf of a client with a Third Party, such a beneficial interest would include a material gift from the Third Party or a Financial Interest in the Third Party (for example as owner or part owner) or a special relationship (e.g. spouse, child, parent, sibling etc.) with somebody who has a Financial Interest in the Third Party, whether as owner, director or employee.

Conflicts of Interest may arise when Employees invest for their own account. These are dealt with separately in Allan Gray's Personal Investment Policy.

Potential or perceived Conflicts of Interest can be as damaging to our reputation as actual Conflicts of Interest and must be avoided where possible, and only where that isn't possible after all

attempts have been exhausted must the conflicts be mitigated as far as possible. When faced with a situation involving a potential Conflict of Interest, Employees must ask themselves whether or not full public disclosure of the matter would lead an outside observer to believe or conclude that a Conflict of Interest exists.

Importance of common sense and good judgement

Common sense, good judgment and the question: "how would a reasonable, disinterested but fully informed person judge a situation of actual or potential conflict?" must at all times be used to determine whether or not Conflicts of Interest exist. In most instances, Conflicts of Interest can be avoided simply by exercising good judgment and Allan Gray relies on the sound judgment of its Employees to prevent such situations.

This policy offers guidance for decisions in a range of circumstances but no rulebook can anticipate all situations. If in doubt, Employees must always put clients' interests first and avoid Conflicts of Interest that would compromise their or other Employees' ability to think and behave in clients' best interests.

The Conflict of Interest rules

Conflicts of Interest, including situations where even only a perception of a Conflict of Interest may exist, must be avoided.

If you come across a business practice or situation that you believe to be an unavoidable Conflict of Interest involving Allan Gray, you must immediately report this to your manager and the Compliance Officer and seek guidance on what further action to take.

Allan Gray does not permit:

- any act or situation of Conflict of Interest;
- any Employee to act or continue to act in any situation of Conflict of Interest; and
- any action, including the offering or payment to, or acceptance or receipt of, or canvassing for, any financial or other economic incentive or award, directly or indirectly, that is likely to, or could be seen as being likely to, result in an Employee or Intermediary rendering biased, unfair or impartial financial services to a client that favours the individual, Intermediary or Allan Gray in any way whatsoever.

Disclosure of the Conflict of Interest must be made as soon as possible after it has been identified.

The company provides a convenient way to disclose a Conflict of Interest to the Compliance Officer through the intranet.

Independence of Intermediaries

Allan Gray is committed to helping Intermediaries and others with whom the company does business to avoid Conflicts of Interest by never placing them in a position of conflict in their dealings with the company.

Subject to what is set out below, Employees may not do anything that may, or may be perceived to, influence the ability of Intermediaries to provide independent, unbiased and informed advice to their clients, irrespective of whether or not such clients are also clients of Allan Gray. In order to promote informed advice to their clients, Allan Gray offers Intermediaries and their clients training that covers the company's products and related legal matters, general financial and industry information, and the use of relevant financial services technology. All travel and accommodation expenses related to the training of independent financial advisers are for the attendees' account. Each training event must be approved in advance by a director in the relevant business unit.

Gifts may take many forms. For the purposes of this policy, the term "gift" includes anything of value for which the recipient is not required to pay the retail or usual and customary cost. A gift may include meals or refreshments, goods, services, tickets to entertainment or sporting events, or the use of a residence, vacation home, or other accommodation. No gift or entertainment funding may be given to Intermediaries unless it constitutes an Immaterial Financial Interest i.e. gifts and/ or entertainment may not exceed R1 000 (or the equivalent thereof in relation to any other jurisdiction, and N\$500 in Namibia) in the aggregate per annum to any one Third Party subject to these limits, the following gifts and entertainment may be considered acceptable:

- Gifts that are given on an occasion when gifts are customary (on a birthday or major holiday, or on the occasion of a promotion or retirement, for example). Note that gifts given in appreciation, support or as thanks for business are not permitted.
- Advertising or promotional material such as pens, pencils, note pads, key chains, calendars, and similar items at permitted events, for example: road shows and similar functions.

- Reasonable meals, refreshments, and entertainment in the course of a business meeting or other business occasion, which don't form part of training that covers Allan Gray's products and related legal matters, general financial and industry information, and the use of relevant financial services technology.

All contemplated spending at Intermediary events must be carefully considered well in advance and not in any way be, or seen to be, excessive such that a perception could be formed that Allan Gray was or is attempting to influence the ability of an Intermediary to provide independent, unbiased, fair and informed advice to clients or potential client.

Allan Gray maintains a register of all spending on Intermediaries, regardless of the value. The Compliance Officer has access to this register and regularly monitors adherence to this policy.

Receipt of Gifts and/or Entertainment by Employees

Employees should endeavour to avoid situations that might cause, or be perceived to cause, a loss of independence or objectivity. Particular care is required when Employees are offered gifts or invited to an event by any Intermediary, client, or by any company which is the subject of Allan Gray's investment research.

For guidance on what constitutes a gift, see the description above under "Independence of Intermediaries". Modest gifts and/ or entertainment may be accepted by Employees on infrequent occasions only if it is clear that the person is not trying to influence or reward the Employee inappropriately in connection with any business decision or transaction and the gift is unsolicited.

The acceptance of all gifts by an Employee is subject to the prior approval of his/her direct line manager (in consultation with the head of the business unit concerned) and, where applicable, the Compliance Officer. Gifts and/or entertainment may not exceed R1 000 (or the equivalent thereof in relation to any other jurisdiction, and N\$500 in Namibia) in the aggregate per annum from any one Third Party, and all gifts and/or entertainment must be disclosed to the Compliance Officer.

Approval and disclosure of the receipt of a gift, as per the above, must be done through the intranet. You need only apply once for each gift and this will send simultaneous requests to both your line manager and the Compliance Officer.

Gifts and/or entertainment with an estimated value in excess of R1 000 (or the equivalent thereof in relation to any other jurisdiction, and N\$500 in Namibia) may not be accepted without the prior approval of the Compliance Officer in consultation with the Chief Operating Officer. Where the amount is unknown, Employees must estimate the cost based on the fair market value of a gift and/or entertainment.

Monitoring of compliance with this Policy

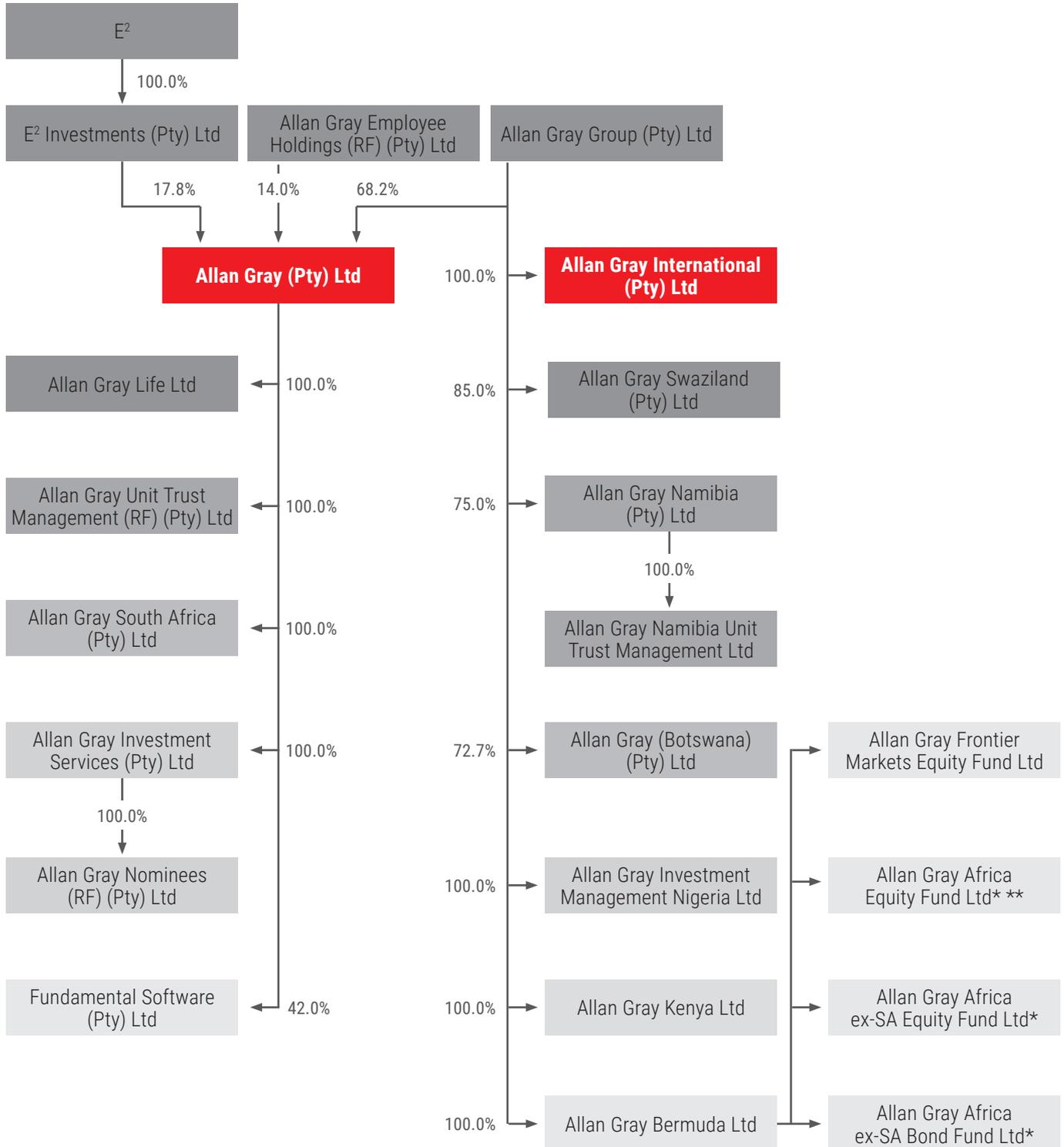
Allan Gray's compliance department is responsible for monitoring compliance with this policy and it reports on its findings to the Allan Gray Group Audit Committee. Monitoring activities include

recording requests for approval of gifts received and checks on records of entertainment expenses. Allan Gray actively maintains a culture of transparency and openness to encourage reporting and Employees feeling uncomfortable to report transgressions should make use of Allan Gray's confidential and independently monitored whistleblower phone line, advertised on its intranet.

Training on this Policy

All Employees are required to undergo training on this policy. The Allan Gray Learning Centre will train Employees on this policy and will keep a roster of Employees' training.

APPENDIX A: ALLAN GRAY ASSOCIATES AND OWNERSHIP INTEREST



*Allan Gray Bermuda Limited holds the founder shares in these funds. Allan Gray Bermuda Limited does not derive economic benefit, such as dividends, from the founder shares.

**This fund is not approved for marketing in South Africa. Reference to this fund is solely for disclosure purposes only, and is not intended for nor does it constitute solicitation for investment.