

## FUND DETAILS AT 30 JUNE 2011

**Fund status:** Currently restricted to existing investors only  
**Inception date:** 1 July 1998

### Fund objective:

The Fund remains predominantly invested in South African equities. It seeks to earn higher returns in South African rands than the South African stock market, without greater risk of loss. The Fund's benchmark is the FTSE/JSE Africa All Share Index, including income ('JSE Index') and its currency benchmark is 100% South African rand.

**Price:** 1 154.9  
**Size:** R1 679 m  
**R/\$:** 6.763  
**Minimum lump sum per investor account:** US\$50 000  
**Load:** None  
**Dealing day:** Weekly (Thursday)

### Annual investment management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark over a rolling three-year period. The manager's sharing rate is 25% of the out- and underperformance of the benchmark over the rolling three-year period and a minimum fee of 0.5% and a maximum fee of 2.5% (excl. VAT) applies.

## COMMENTARY

I commented last month on the Funds relative underweight position in the resources sector. This does not apply to all resources shares, 9% of the fund is invested in Sasol, a South African oil producer.

Readers may think we have a very bullish view on the oil price to hold such a large position in an oil share. This is not necessarily the case. The majority of Sasol's production and costs are in South Africa so we look at a normal rand oil price rather than the dollar oil price. The rand oil price is well above our normal estimate but fortunately the Sasol share price is not discounting the spot price but rather a price well below the current price, more in line with our normal estimate. In addition to the below market multiple on normal earnings, what makes Sasol attractive is that it produces oil from coal and natural gas rather than traditional oil wells. Sasol's large coal reserves mean the reserve life of thirty years is far greater than that of the average oil company. The company also has the potential to grow production through developing new gas to liquids projects as this is an area where the company is a world leader.

# ALLAN GRAY AFRICA EQUITY (RAND) FUND LIMITED

## TOP 10 HOLDINGS AT 30 JUNE 2011<sup>1</sup>

Company	% of fund
Sasol	9.1
SABMiller	8.5
Remgro	7.4
MTN	5.8
Standard Bank	5.0
Coronation Fund Managers	4.3
Reinet Investments SA	3.9
Anglogold Ashanti	3.8
Sanlam	3.6
Nampak	3.4
<b>Total</b>	<b>54.8</b>

1. The 'Top 10 Holdings' table is updated quarterly.

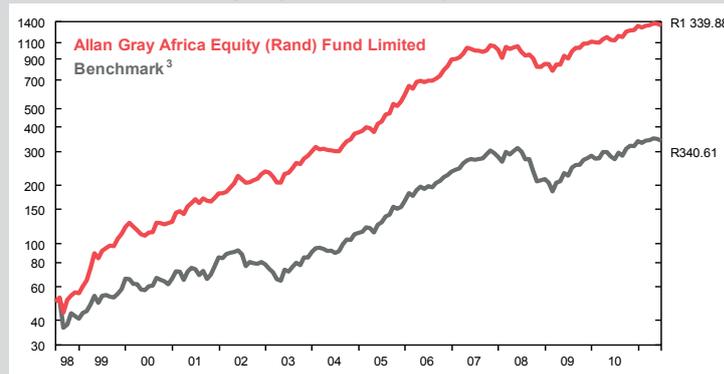
## SECTOR ALLOCATION AT 30 JUNE 2011<sup>2</sup>

Sector	% of fund	JSE Index
Oil & gas	9.1	5.1
Basic materials	19.8	36.8
Industrials	17.5	5.7
Consumer goods	14.5	14.5
Healthcare	3.3	1.9
Consumer services	1.7	9.1
Telecommunications	6.7	7.4
Financials	23.6	19.2
Technology	0.6	0.3
Fixed interest/Liquidity	3.2	-
<b>Total</b>	<b>100</b>	<b>100</b>

2. The 'Sector Allocation' table is updated quarterly.

## PERFORMANCE

Value of R50 invested at inception (dividends reinvested)



% Returns	Fund	Benchmark <sup>3</sup>
Since inception (unannualised)	2 579.8	581.2
Since inception (annualised)	28.8	15.9
Latest 10 years (annualised)	23.0	16.6
Latest 5 years (annualised)	14.0	11.4
Latest 3 years (annualised)	11.1	4.5
Latest 1 year	19.4	24.6
<b>Unannualised</b>		
Year to date	0.4	0.5
Month to date	-2.1	-2.0
<b>Risk measures</b> (Since inception month end prices)		
Maximum drawdown <sup>4</sup>	26.0	42.0
Percentage positive months	62.8	59.6
Annualised monthly volatility	18.3	21.1
Beta vs JSE index	0.7	1.0
Annualised monthly tracking error	12.0	-

3. FTSE/JSE Africa All Share Index including income. Source: FTSE International Limited, performance calculated by Allan Gray as at 30 June 2011.

4. Maximum percentage decline over any period.