

FUND DETAILS AT 31 JULY 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:
 1 151.5

 Size:
 R1 672 m

 R/\$:
 6.675

 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 have referred to our substantial underweight position in Anglo American and BHP Billiton in a few commentaries over the past year. The reason for the position is our concern about high metal prices and hence the sustainability of earnings for these companies. The rapid growth in Chinese commodity demand over the past 10 years has driven most industrial commodity prices to all time highs. We believe the current level of Chinese demand is unsustainable or at the very least the growth will disappoint from here. In the year 2000 very few investors expected Chinese demand to grow as it has since then. Some examples of this growth are China's share of global demand going from 16% to 64% in the case of seaborne iron ore, and from 7% to 40% for copper. Now that this growth has occurred many analysts expect it to continue. These numbers are not outliers but rather the norm for China's share of demand. This seems high for a country that accounts for 20% of the world's population and 13% of world GDP (PPP adjusted). The driver of this commodity demand is rapid loan growth. Chinese bank debt now exceeds US bank debt and Gross Fixed Capital Formation (GFCF) is 46% of GDP, a level of investment relative to GDP never before seen in a large country. As a comparison, Korean GFCF peaked at 39% of GDP.

I have listed only a few of the indicators that give us cause for concern about China's economic sustainability, there are many more. We do not know when or even if China will slow down but there are a lot of things that do not make sense and seem unsustainable. As long-term investors we are not willing to buy companies whose high earnings are based on this shaky foundation.

of the Fund. Allan Gray Limited, an authorised financial services provider in South Africa, is the appointed investment adviser.

ALLAN GRAY AFRICA EQUITY (RAND) FUND LIMITED

TOP 10 HOLDINGS AT 30 JUNE 2011

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
Total	54.8

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

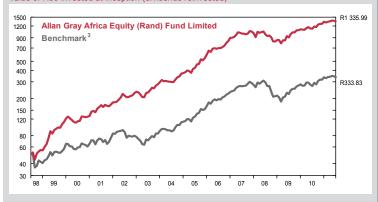
SECTOR ALLOCATION AT 30 JUNE 2011²

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	-
Total	100	100

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

PERFORMANCE

Value of R50 invested at inception (dividends reinvested)



% Returns	Fund	Benchmark ³
Since inception (unannualised)	2 572.0	567.7
Since inception (annualised)	28.5	15.6
Latest 10 years (annualised)	23.5	17.2
Latest 5 years (annualised)	14.0	11.3
Latest 3 years (annualised)	12.6	7.0
Latest 1 year	12.8	13.1
Unannualised		
Year to date	0.2	-1.5
Month to date	- 0.3	- 2.0
Risk measures (Since inception month end prices)		
Maximum drawdown ⁴	26.0	42.0
Percentage positive months	62.4	59.2
Annualised monthly volatility	18.2	21.0
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 31 July 2011.

 4. Maximum percentage decline over any period.



Tel +1 (441) 296 3000 clientservice@orbisfunds.com www.orbisfunds.com

Shares in the Fund are available by Prospectus only. Certain capitalised terms are defined in the Prospectus. While we have endeavoured to ensure the accuracy of the information herein, such information is not guaranteed as to accuracy or completeness. Returns are net of fees, include income and assume reinvestment of dividends. Past performance is not a reliable indicator of future results. The Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. When making an investment in the Fund, an investor's capital is at risk. The investment objective of the Fund should be compared with the investor's objective and then the performance of the investment and whether it represents value for money should be evaluated as part of the financial planning process. Returns may decrease as a result of currency fluctuations. FTSE/JSE Affact All Share Index data source is FTSE International Limited. FTSE' is a trademark of the London Stock Exchange Limited and is used by FTSE International Limited under licence. Allan Gray International (Pty) Limited, an authorised financial services provider, is the appointed investment manager