

FUND DETAILS AT 31 DECEMBER 2009

Sector: Domestic AA - Prudential - Variable Equity
Inception date: 1 October 1999
Fund managers: Ian Liddle, Duncan Artus, Delphine Govender, Andrew Lapping, Simon Raubenheimer
 (Foreign assets are invested in Orbis funds)

Fund objective:

The Fund's investment strategy is to earn a higher rate of return than the market value-weighted average of funds in both the Prudential Medium Equity sector and the Prudential Variable Equity sector, excluding the Allan Gray Balanced Fund, without assuming greater risk.

Suitable for those investors who:

- Seek long-term wealth creation
- Have an appetite for risk similar to the average person investing in pension funds
- Typically have an investment horizon of three years plus
- Wish to delegate the asset allocation decision to Allan Gray

Price: R 51.46
Size: R 32 388 m
Minimum lump sum per investor account: R 20 000
Minimum lump sum per fund: R 5 000
Minimum debit order per fund: R 500
Additional lump sum per fund: R 500
No. of share holdings: 58

Income distribution: 01/01/09 - 31/12/09 (cents per unit) Total 98.67
 Distributes bi-annually. To the extent that the total expenses exceed the income earned in the form of dividends and interest, the Fund will not make a distribution.

Annual management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark, the daily average return weighted by market value of funds in both the Domestic Asset Allocation Prudential Medium and Prudential Variable Equity categories excluding the Allan Gray Balanced Fund, over a rolling two-year period. The fee hurdle (above which a fee greater than the minimum fee of 0.5% is charged) is performance equal to the benchmark minus 5%. For performance equal to the benchmark a fee of 1.0% (excl. VAT) per annum is payable. The manager's sharing rate is 10% of the under- and outperformance of the benchmark over a rolling two-year period and a maximum fee of 1.5% (excl. VAT) applies. The annual management fee is calculated on the daily value of the Fund excluding any assets invested in the Orbis funds. Assets invested in the Orbis funds incur a management fee. These along with other expenses are included in the Total Expense Ratio.

COMMENTARY

The first decade of the 21st century was a remarkable one for the Fund. It returned 20% per year for the decade, which amounts to a significant growth in the real purchasing power of Fund investors' capital, as the inflation rate averaged only about 6% per year over the same period.

Although the Fund has outperformed its benchmark, it should be recognised that the Fund's strong absolute returns are also attributable to the very strong performance of emerging markets and commodity producers from what would now seem very depressed valuations at the turn of the century. It would be extraordinary if the Fund were to enjoy a second consecutive decade of such favourable conditions; we expect real returns to prove much more elusive over the next decade.

One of the keys to long-term wealth creation is the preservation of capital in bear markets. The Fund continues to reduce its exposure to equity markets by selling shares and holding short-dated bank paper and government bonds.

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TOP 10 SHARE HOLDINGS¹

Company	% of portfolio
SABMiller	7.3
Sasol	4.3
Anglogold Ashanti	4.0
British American Tobacco Plc	3.9
Remgro Limited	3.5
Sanlam	3.0
MTN Group Limited	2.3
Sappi	2.1
Compagnie Fin Richmont SA	1.9
Harmony Gold Mining Co Ltd	1.6

¹ The Top 10 share holdings at 31 December 2009. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 30 SEPTEMBER 2009²

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
1.83%	0.08%	0.59%	1.15%	0.01%

²A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the portfolio, calculated for the year to the end of September 2009. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, VAT, STT, STRATE and insider trading levy) and other expenses. These are disclosed separately as percentages of the net asset value. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. The information provided is applicable to class A units.

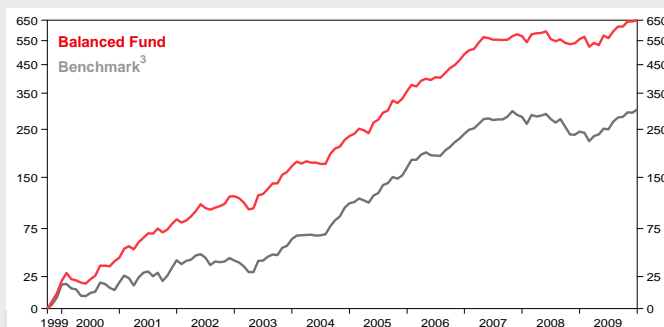
ASSET ALLOCATION AS AT 31 DECEMBER 2009

Asset class	% of portfolio
Net SA equities	47.9
Hedged SA equities	1.3
Listed property	0.0
Commodities (New Gold)	3.9
Bonds	4.8
Money market and cash	22.5
Foreign	19.6
Total	100

Total net SA and foreign equity exposure: 59.83%.

PERFORMANCE

Fund performance shown net of all fees and expenses as per the TER disclosure.
Long-term cumulative performance (log scale)



% Returns	Fund	Benchmark ³
Since inception (unannualised)	649.2	301.2
Latest 10 years (annualised)	20.0	13.0
Latest 5 years (annualised)	17.6	14.0
Latest 3 years (annualised)	8.2	5.8
Latest 1 year	14.0	16.5
Risk measures (Since inception month end prices)		
Maximum drawdown ⁴	-15.4	-20.5
Percentage positive months	68.3	66.7
Annualised monthly volatility	10.5	10.8

³ The daily average return weighted by market value of funds in both the Domestic Asset Allocation Prudential Medium and Prudential Variable Equity categories excluding the Allan Gray Balanced Fund. Source: Morningstar, performance as calculated by Allan Gray as at 31 December 2009.

⁴ Maximum percentage decline over any period.