

FUND DETAILS AT 31 JANUARY 2010

Sector: Domestic AA - Prudential - Variable Equity Inception date: 1 October 1999 Ian Liddle, Duncan Artus, Delphine Govender, Fund managers: 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 51.02 |
|--|----------------|
| Size: | R 32 872 m |
| Minimum lump sum per investor account: | R20 000 |
| Minimum lump sum per fund: | R5 000 |
| Minimum debit order per fund: | R 500 |
| Additional lump sum per fund: | R 500 |
| No. of share holdings: | 60 |
| Income distribution: 01/01/09 - 31/12/09 (cents per unit) | Total 98.67 |
| Distributes bi-annually. To the extent that the total expenses exc | eed 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 twoyear 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

Much is being written about the extraordinary pace of China's infrastructural development and its seemingly unquenchable thirst for steel-making raw materials and base metals. It is probably too late to make much money from this theme now. The high metal prices are generally doing their job of incentivising scrap supply and the development of new mines and so it appears that there will be an adequate supply of metals even if China continues on its current trajectory (this is especially true for iron ore). Of course, the risk is that the Chinese building boom falters (which we think would be a major negative surprise to the prevailing consensus opinion).

It is interesting to note that Chinese demand for oil is lagging significantly behind its demand for the metals. China is now buying two-thirds of global seaborne iron ore, and about 40% of the global production of most base metals such as copper, nickel, zinc, lead and aluminium. On the other hand, we estimate that it burns only about 12% of the world's annual oil production. This seems comparatively low, especially in light of our estimate that the Chinese bought close to 20% of motor vehicles produced in the world last year.

While it is certainly possible that all commodity prices may fall in dollar terms, we see less downside risk to oil prices than to metal prices. Furthermore, energy stocks around the world seem to have fallen out of favour, and a company like Sasol is trading on a significantly lower multiple of normal earnings than Anglo American or BHP Billiton (which earn a major portion of their current profits from ferrous and base

The concentration of Sasol's production in South Africa, when compared to the more globally diversified Anglo and BHP, should mean that it stands to benefit more from any potential rand weakness (which we regard as more likely than rand strength from the January closing level of R7.62/\$)

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BALANCED FUND

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 31 DECEMBER 2009 2

| | Included in TER | | | |
|---------------------|-----------------|-----------------------|---------------------|----------------|
| Total expense ratio | Trading costs | Performance component | Fee at benchmark | Other expenses |
| 1.86% | 0.08% | 0.60% | 1.16% | 0.02% |

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 December 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, STR, 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

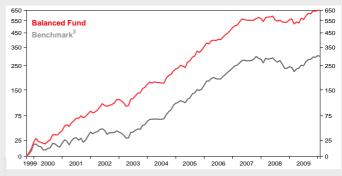
ASSET ALLOCATION AS AT 31 JANUARY 2010

| Asset class | % of portfolio |
|------------------------|----------------|
| Net SA equities | 44.7 |
| Hedged SA equities | 1.2 |
| Listed property | 0.0 |
| Commodities (New Gold) | 3.9 |
| Bonds | 6.1 |
| Money market and cash | 24.2 |
| Foreign | 19.9 |
| Total | 100 |

Total net SA and foreign equity exposure: 56.37%.

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) | 649.3 | 297.7 |
| Latest 10 years (annualised) | 19.3 | 12.8 |
| Latest 5 years (annualised) | 17.2 | 13.6 |
| Latest 3 years (annualised) | 7.3 | 4.5 |
| Latest 1 year | 12.2 | 16.7 |
| Risk measures (Since inception month end prices) | | |
| Maximum drawdown ⁴ | -15.4 | -20.5 |
| Percentage positive months | 68.5 | 66.2 |
| Annualised monthly volatility | 10.4 | 10.7 |

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 January 2010.

Collective Investment Schemes in Securities (unit trusts) are generally medium-to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Unit trust prices are calculated on a ne asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio divided by the number of units in issue. Declaration of income accruals are made biannually. Purchase and redemption requests must be received by the manager by 14:00 each business day and fund valuations take place at approximately 16:00 each business day. Forward pricing is therefore used. Performance figures are from Allan Gray Limited (GIPS compliant) and are for lump sum investments with income distributions reinvestments with income distributions reinvestments with portrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees and charges and maximum commissions is available on request from the manager. Commission and incentives may be paid and if so, would be included in the overall costs. The fund may be closed to new investments at any time in order to be managed in accordance with its mandate. The manager is a member of the Association for Savings & Investment SA (ASISA). Total Expense Ratio (TER): When investing, costs are only a part of an investment decision. 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. All Allan Gray performance figures and values are quoted after the deduction of costs incurred within the Fund so the TER is not a new cost. Compliance with Prudential Investment Guidelines for Retirement Funds: The Fund is managed to comply with Regulation 28 of the Pension Funds Act, except for the total foreign exposure limit which is 20% (FSB Circular 3 of 2008). ASISA regards a prudential fund with foreign exposure of up to 20%, as conforming to Regulation 28 for fund classification purposes. Exposures in excess of the limits will be corrected immediately except where due to market value fluctuations or capital withdrawals in which case they will be corrected within a reasonable time period. Allan Gray Unit Trust Management Limited does not monitor compliance with section 19(4) of the Pension Funds Act (item 9 of Annexure A to Regulation 28). The FTSE/JSE All Share Index is calculated by FTSE International Limited ("FTSE") in conjunction with the JSE Limited ("JSE") in accordance with standard criteria. The FTSE/JSE Africa Series is the proprietary information of FTSE and the JSE. All copyright subsisting in the FTSE/JSE All Share Index values and constituent lists vests in FTSE and the JSE initial. All their rights are reserved.

⁴ Maximum percentage decline over any period.