ALLANGRAY

FUND DETAILS AT 28 FEBRUARY 2010

| Sector: | Domestic AA - Prudential - Variable Equity |
|-----------------|--|
| Inception date: | 1 October 1999 |
| Fund managers: | lan 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 51.20 |
|---|-------------|
| Size: | R 33 566 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: | 63 |
| 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 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

What a difference a year can make! Just one year ago, the FTSE/JSE All Share Index (ALSI) was trading just above 18 000 points and you needed about R10.50 to buy US\$1. Today the ALSI is trading around 28 000 points and you need only about R7.50 to buy US\$1.

This means that an investor who was brave and smart enough to buy the South African market one year ago despite the overwhelmingly negative sentiment at the time would have doubled his/her money in US dollar terms in a year. It is a great irony (but also self-evident) that most investors would have found it incredibly difficult to buy shares then, but find it much 'easier' to buy shares today when the prevailing consensus is that the worst of the credit crisis and recession is behind us and that massive global monetary and fiscal stimulus have saved the day

The memories of the investing public seem to be short. After fleeing any investment perceived as 'risky' in 2008, they have been chasing 'risk' again in 2009. For example, foreign investors have been net buyers of R22.5 billion of shares on the JSE over the last six months, during which time the ALSI has traded at an average level of US\$3 515. Over the same six month period a year ago (September 2008 to February 2009) they were net sellers of R40.2 billion of shares on the JSE, during which time the ALSI traded at an average level of US\$2 240.

It seems that the global 'risk trade' is currently driving up the South African stock market and the value of the rand, but as we learned in late 2008, the door is narrow should all the foreigners choose to leave at the same time

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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 guarterly

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 DECEMBER 2009²

| | 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% |

² A 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, 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 28 FEBRUARY 2010

| Asset class | % of portfolio |
|------------------------|----------------|
| Net SA equities | 44.1 |
| Hedged SA equities | 1.2 |
| Listed property | 0.1 |
| Commodities (New Gold) | 3.7 |
| Bonds | 6.9 |
| Money market and cash | 23.9 |
| Foreign | 20.1 |
| Total | 100 |
| | |

Total net SA and foreign equity exposure: 55.75%

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) | 651.9 | 300.9 |
| Latest 10 years (annualised) | 19.9 | 13.3 |
| Latest 5 years (annualised) | 16.5 | 13.2 |
| Latest 3 years (annualised) | 7.1 | 4.4 |
| Latest 1 year | 20.9 | 24.6 |
| Risk measures (Since inception month end prices) | | |
| Maximum drawdown ⁴ | -15.4 | -20.5 |
| Percentage positive months | 68.8 | 66.4 |
| Annualised monthly volatility | 10.4 | 10.7 |

³ The daily average return weighted by market value of funds in both the Domestic Asset Allocation Perudential Medium and Prudential Variable Equity categories excluding the Allan Gray Balanced Fund. Source: Morningstar, performance as calculated by Allan Gray as at 28 February 2010.

Maximum percentage decline over any period

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 net 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 bits mouthing of units in issue. Declaration of income accruals are made bits annually. 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 lumps un invoemestimes the prevention of the market value of all undersides business day. Forward pricing is therefore used. Performance figures are from Allan Gray Limited (GIPS compliant) and are for lumps un invoemestimes the prevention of the market value of all undersides business day. Forward pricing interactional invoements in exchange rates may also cause the value of underlying international investments to go up or down. The Fund may borrow up to 10% of the market value of the portfolio 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 hasociation for Savings & Investment SA (ASISA). Total Expense Ratio (TER): When investment solar and has been added to the fund solar being to a member 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 with 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 All Share Index values and constituent lists vests in FTSE and the JSE jointly. All their rights are reserved.