

ALLAN GRAY

FUND DETAILS AT 31 JANUARY 2011

Sector: Domestic - Equity - General
Inception date: 1 October 1998
Fund managers: Ian Liddle, Duncan Artus, Delphine Govender, Andrew Lapping, Simon Raubenheimer

Fund objective:

The Fund aims to outperform the South African equity market (as represented by the FTSE/JSE All Share Index, including income) without assuming greater risk.

Suitable for those investors who:

- Seek long-term wealth creation
- Are comfortable with market fluctuation i.e. short-term volatility
- Typically have an investment horizon of five years plus
- Seek an equity 'building block' for a diversified multi-asset class portfolio

Price: R 184.76
Size: R 25 382 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: 83
Income distribution: 01/01/10 - 31/12/10 (cents per unit) Total 47.57
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 FTSE/JSE All Share Index including income (adjusted for Fund expenses and cash flows), over a rolling two-year period. The fee hurdle (above which a fee greater than the minimum fee of 0% is charged) is performance equal to the benchmark minus 15%. For performance equal to the benchmark a fee of 1.5% (excl.VAT) per annum is payable. The manager's sharing rate is 10% of the out- and underperformance of the benchmark over a rolling two-year period and a maximum fee of 3% (excl.VAT) applies.

COMMENTARY

Since the year 2000 when it traded as low as US\$6 per share, SABMiller has convincingly outperformed the MSCI World Index. Today SABMiller is trading around US\$33.13 per share, while the MSCI World Index is still down on the average level at which it traded in the year 2000.

Over the last two years SABMiller has continued to beat the MSCI World Index by a wide margin. It traded below US\$13 per share in March 2009, before bouncing back to a new dollar high in December 2010.

If we were holding SABMiller in a global equity fund, it would certainly be tempting to lock in some profits and lighten exposure at current prices. But our Equity Fund is a South African fund, not a global fund. And quite incredibly, SABMiller has performed no better than the benchmark FTSE/JSE All Share Index over the last two calendar years.

This speaks to just how strongly the South African stock market has performed of late. Since its lows in late 2008, it has almost tripled in US dollar terms. It is now close to its dollar highs of October 2007. Fund investors should not forget that after peaking in October 2007, this benchmark index lost two-thirds of its dollar value in just under a year.

SABMiller is trading on a relatively full multiple of 19-20 times adjusted earnings, but we believe these earnings will prove to be more sustainable in the long term than the current above-normal dollar profits being earned by iron ore and copper mines, and South African retailers. In addition, SABMiller has a number of opportunities to steadily grow its profits for many years by investing in its own business at high returns on equity - some examples include ongoing efficiency initiatives (especially in its North and Latin American operations); long-term growth in per capita consumption of beer in emerging markets (especially in Africa and India); and growing volumes, market share and pricing power in China.

So although SABMiller is not as attractively valued as we would like in absolute terms, we still consider it to be relatively attractive compared to most alternatives in our investment universe on the JSE, and the Fund is currently maintaining its full position in SABMiller.

Should investors wish to access a broader (and global) investment universe, they can do so through the Allan Gray-Orbis foreign unit trusts.

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ALLAN GRAY EQUITY FUND

TOP 10 SHARE HOLDINGS¹

Company	% of portfolio
Sasol	10.7
SABMiller	10.3
British American Tobacco ²	9.8
Remgro	7.4
AngloGold Ashanti	5.7
Sanlam	4.7
MTN	4.1
Mondi	3.6
Harmony Gold	2.7
Standard Bank	2.5

¹ Top 10 share holdings at 31 December 2010. Updated quarterly.

² In December 2010, National Treasury announced, along with the increase in foreign exposure allowance, that the holding of foreign inward listed shares, such as British American Tobacco, are to form part of an institutional investor's overall foreign allowance.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 DECEMBER 2010³

Total expense ratio	Included in TER			
	Investment management fee ⁴		Trading costs	Other expenses
	Performance component	Fee at benchmark		
2.76%	0.94%	1.71%	0.10%	0.01%

³ 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 2010. 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.

⁴ Including VAT. The investment management fee rate for the three months ending 31 January 2011 was 0.78%.

SECTOR ALLOCATION AT 31 DECEMBER 2010⁵

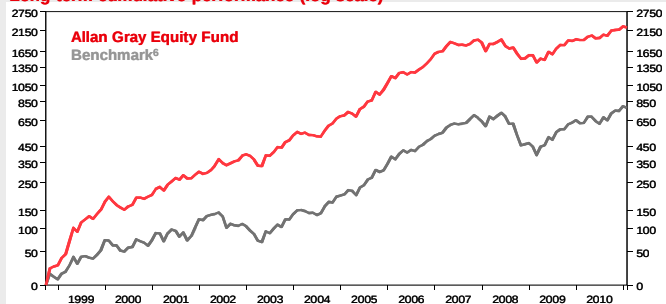
Sector	% of portfolio	ALSI
Oil & gas	10.9	4.9
Basic materials	22.0	38.0
Industrials	11.0	6.2
Consumer goods	25.5	13.6
Healthcare	1.8	2.0
Consumer services	2.3	9.5
Telecommunications	5.7	6.8
Financials	11.8	18.8
Technology	1.1	0.3
Fixed interest/Liquidity	5.6	-
Other	2.5	-

⁵ The 'Sector Allocation' table is updated quarterly.

PERFORMANCE

Fund performance shown net of all fees and expenses.

Long-term cumulative performance (log scale)



% Returns	Fund	Benchmark ⁶
Since inception (unannualised)	2262.1	778.0
Latest 10 years (annualised)	21.9	16.6
Latest 5 years (annualised)	12.7	12.7
Latest 3 years (annualised)	10.1	7.7
Latest 1 year	16.3	20.7
Risk measures (Since inception month end prices)		
Maximum drawdown ⁷	-31.3	-45.4
Percentage positive months	66.2	59.5
Annualised monthly volatility	17.6	19.6

⁶ FTSE/JSE All Share Index including income. Source: I-Net Bridge, performance as calculated by Allan Gray as at 31 January 2011.

⁷ Maximum percentage decline over any period.

* Only available to South African residents.

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 trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. 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 by the number of units in issue. Declaration of income accruals are made bi-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 lump sum investments with income distributions reinvested. Permissible deductions may include management fees, brokerage, STT, auditor's fees, bank charges and trustee fees. The Fund may borrow 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. 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. 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 jointly. All their rights are reserved. Allan Gray Unit Trust Management Limited is a member of the Association for Savings & Investment SA (ASISA). Allan Gray Limited, an authorised financial services provider, is the appointed investment manager of Allan Gray Unit Trust Management Limited. Allan Gray Unit Trust Management Limited has been approved by the Regulatory Authority of Botswana to market its unit trusts in Botswana, however the Company is not supervised or licensed in Botswana. It is incorporated and registered under the laws of South Africa and is supervised by the Financial Services Board.