

FUND DETAILS AT 31 DECEMBER 2009

Sector: Domestic AA - Prudential - Low Equity
Inception date: 1 July 2000
Fund manager: Ian Liddle
 (Foreign assets are invested in Orbis funds)

Fund objective:

The Fund aims to provide a return that exceeds the return on call deposits plus 2%, on an after-tax basis, at an assumed rate of 25%. It also seeks to provide a high level of capital stability and to minimise the risk of loss over any two-year period.

Suitable for those investors who:

- Are risk-averse and require a high degree of capital stability
- Require a reasonable income but also some capital growth
- Are retired or nearing retirement
- Seek to preserve capital over any two-year period

Price: R 22.13
Size: R 30 515 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: 40

Income distribution: 01/01/09 - 31/12/09 (cents per unit) Total 104.89
 Distributes quarterly. 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.

Average annual management fee: December (excl VAT) 1.01%

The annual management fee rate is dependent on the return of the Fund relative to its benchmark. The benchmark is the return of call deposits (for amounts in excess of R5m) with FirstRand Bank Limited plus 2%, on an after-tax basis at a rate of 25%, 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. If however, the Fund's cumulative return over a rolling two-year period is equal to or less than 0%, no annual management fee will be charged. 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 South African stock market. It returned 15.8% per year for the decade, far outstripping the inflation rate (which averaged about 6% per year) and the FTSE World Index (which returned 3% per year) over the decade.

The strong stock market provided the Fund with a fair tailwind in its efforts to beat call deposit returns. We are pleased to report that the Fund harnessed this tailwind to good effect as can be seen from the long-term performance numbers shown opposite.

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. It is important for Fund investors to recognise that although we are constantly searching for attractive investment opportunities for the Fund, there will be times when the opportunities to beat call deposit returns are limited.

In such circumstances, it is essential for investors to remain patient and not to 'force the action'. One of the keys to long-term wealth creation is the preservation of capital in bear markets. It is possible that the hedged equity component (both domestic and foreign) of the Fund may prove to have more potential for a positive contribution to Fund returns than the overall direction of stock markets for at least the early part of the next decade.

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TOP 10 SHARE HOLDINGS¹

Company	% of portfolio
SABMiller	3.1
Anglogold Ashanti	1.9
British American Tobacco Plc	1.9
Sasol	1.8
Remgro Limited	1.4
Sanlam	1.2
MTN Group Limited	1.0
Sappi	0.9
Compagnie Fin Richmont SA	0.8
Standard Bank Group Limited	0.8

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
1.36%	0.07%	0.14%	1.14%	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

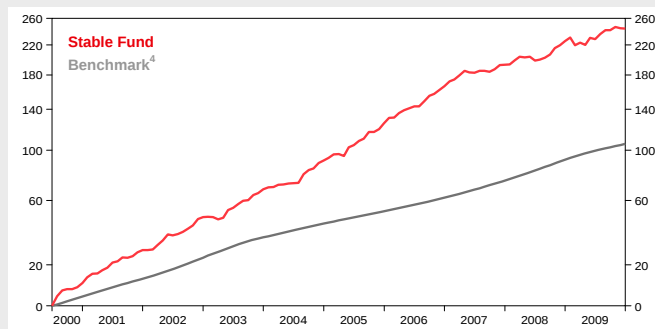
Asset class	% of portfolio
Net SA equities	5.9
Hedged SA equities	14.2
Listed property	0.0
Commodities (New Gold)	4.1
Money market and cash	56.1
Foreign	19.7
Total	100

Total net SA and foreign equity exposure: 13.05%.

PERFORMANCE³

Fund performance shown net of all fees and expenses as per the TER disclosure.

Long-term cumulative performance (log scale)



% Returns (after-tax)	Fund	Benchmark ⁴
Since inception (unannualised)	243.6	105.7
Latest 5 years (annualised)	12.4	7.4
Latest 3 years (annualised)	8.9	8.3
Latest 1 year	5.6	7.3
Risk measures (since inception month end prices)		
Maximum drawdown ⁵	-4.3	n/a
Percentage positive months	83.3	100.0
Annualised monthly volatility	4.2	0.5

³ Fund and benchmark performance adjusted for income tax at a rate of 25%.

⁴ The return of call deposits (for amounts in excess of R5m) with FirstRand Bank Limited plus 2%; on an after-tax basis at a rate of 25%. Source: FirstRand Bank, performance as calculated by Allan Gray as at 31 December 2009.

⁵ Maximum percentage decline over any period.