

ALLAN GRAY

FUND DETAILS AT 31 JANUARY 2011

Fund status: Currently restricted to existing investors only
Inception date: 1 July 1998

Fund objective:

The Fund remains predominantly invested in South African equities. It seeks to earn higher returns in South African rands than the South African stock market, without greater risk of loss. The Fund's benchmark is the FTSE/JSE Africa All Share Index, including income ('JSE Index') and its currency benchmark is 100% South African rand.

Price: 1 127.60
Size: R 1 618 m
R/\$: 7.183
Minimum lump sum per investor account: US\$50 000
Load: None
Dealing day: Weekly (Thursday)

Annual investment management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark over a rolling three-year period. The manager's sharing rate is 25% of the out- and underperformance of the benchmark over the rolling three-year period and a minimum fee of 0.5% and a maximum fee of 2.5% (excl. VAT) applies.

COMMENTARY

African markets have experienced a tough start to 2011 after the strong 2010. Rising commodity prices have led to inflationary pressures in emerging markets where food comprises a substantial portion of the consumer basket. The impact of these inflationary pressures has been two-fold: firstly, governments have tightened monetary conditions and secondly, higher food prices have sparked political unrest in North Africa.

The Egyptian and Tunisian unrest has rekindled investors' appreciation of risk, something that has seemingly been in short supply recently looking at the high valuations of many emerging market equities. As noted in previous commentaries, we are concerned about equity valuations and have attempted to position the Allan Gray Africa Equity (Rand) Fund in what we believe are defensive counters with a value underpin. This should serve the Fund well in uncertain times. That being said, we are working hard to identify opportunities in the Egyptian and other African markets as uncertainty very often creates opportunity.

ALLAN GRAY AFRICA EQUITY (RAND) FUND LIMITED

TOP 10 HOLDINGS AT 31 DECEMBER 2010¹

Company	% of fund
Sasol	10.0
SABMiller	9.8
Remgro	7.6
AngloGold Ashanti	5.6
MTN	5.5
Sanlam	4.6
Coronation Fund Managers	4.3
Sappi	3.9
Reinet Investments SA	3.7
Nampak	3.5
Total	58.5

¹ The 'Top 10 Holdings' table is updated quarterly.

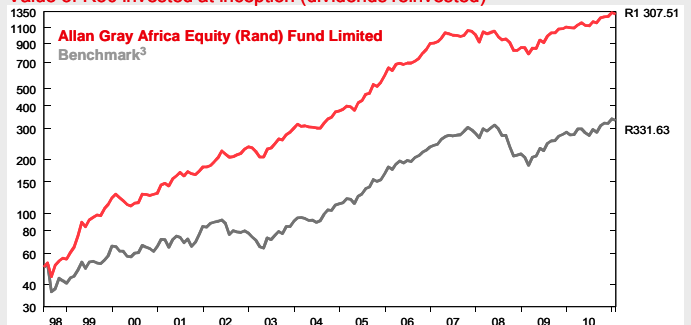
SECTOR ALLOCATION AT 31 DECEMBER 2010²

Sector	% of fund	JSE Index
Oil and gas	10.0	4.9
Basic materials	28.0	38.0
Industrials	12.0	6.2
Consumer goods	16.1	13.6
Health care	1.7	2.0
Consumer services	2.1	9.5
Telecommunications	7.1	6.8
Financials	16.2	18.8
Technology	1.6	0.3
Fixed interest/ liquidity	5.1	-
Total	100	100

² The 'Sector Allocation' table is updated quarterly.

PERFORMANCE

Value of R50 invested at inception (dividends reinvested)



% Returns	Fund	Benchmark ³
Since inception (unannualised)	2515.0	563.3
Since inception (annualised)	29.6	16.2
Latest 10 years (annualised)	24.6	16.6
Latest 5 years (annualised)	14.9	12.7
Latest 3 years (annualised)	12.8	7.8
Latest 1 year	19.2	20.7
Unannualised		
Year to date	-2.0	-2.1
Month to date	-2.0	-2.2
Risk measures (Since inception month end prices)		
Maximum drawdown ⁴	26.0	42.0
Percentage positive months	62.9	59.6
Annualised monthly volatility	18.5	21.4
Beta vs JSE index	0.7	1.0
Annualised monthly tracking error	12.2	-

³ FTSE/JSE Africa All Share Index including income. Source: FTSE International Limited, performance calculated by Allan Gray as at 31 January 2011.

⁴ Maximum percentage decline over any period.

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Shares in the Fund are available by Prospectus only. Certain capitalised terms are defined in the Prospectus. While we have endeavoured to ensure the accuracy of the information herein, such information is not guaranteed as to accuracy or completeness. Returns are net of fees, include income and assume reinvestment of dividends. Past performance is not a reliable indicator of future results. The Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. When making an investment in the Fund, an investor's capital is at risk. 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. Returns may decrease or increase as a result of currency fluctuations. FTSE/JSE Africa All Share Index data source is FTSE International Limited. 'FTSE' is a trademark of the London Stock Exchange Limited and is used by FTSE International Limited under licence. Allan Gray International (Pty) Limited, an authorised financial services provider, is the appointed investment manager of the Fund. Allan Gray Limited, an authorised financial services provider in South Africa, is the appointed investment adviser.