

Allan Gray Africa Equity (Rand) Fund Limited

ALLAN GRAY

Fund fact sheet details at 31 August 2011

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

Fund objective and benchmark

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.

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.

Fund information

Fund size: R1 656 m
Fund price: 1 143.5
R/\$: 6.99
Minimum lump sum per investor account: US\$50 000
Load: None
Dealing day: Weekly (Thursday)

Fund manager commentary

The time and effort we have put into analysing African shares outside of South Africa is beginning to pay off in terms of finding undervalued companies. The Fund is currently buying 11 counters listed outside of South Africa. These shares have a combined weight of 9% of the Fund. We will discuss the individual counters in forthcoming fact sheets once the Fund has built full positions. Unfortunately even the more liquid African shares are very illiquid by global standards and investing meaningful sums of money takes time.

The Fund has substantially reduced its holding in the three gold shares: AngloGold, Goldfields and Harmony. These shares performed well as the gold price rallied to new highs earlier in the month. Gold is a very popular subject at the moment as investors are particularly concerned about issues like inflation and sovereign risk. When any asset is the flavour of the month, a prudent investor must consider what is discounted in the price and decide if the price is fair or excessive. When it comes to gold, it seems to us that a lot of 'global doom' is priced in, especially when compared to other hard assets like equities, and hence the decision to lighten the exposure to gold shares.

Top 10 holdings at 30 June 2011¹

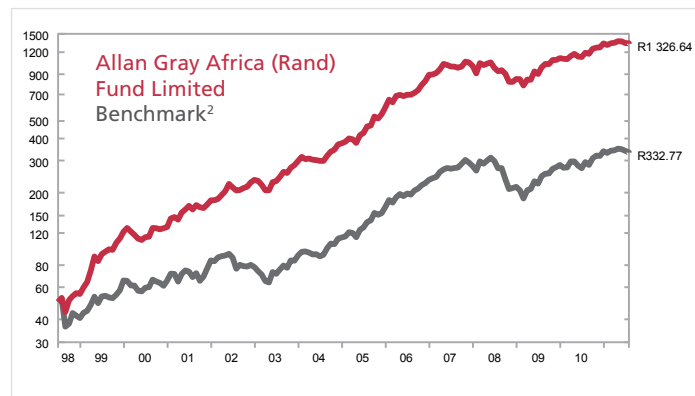
Company	% of fund
Sasol	9.1
SABMiller	8.5
Remgro	7.4
MTN	5.8
Standard Bank	5.0
Coronation Fund Managers	4.3
Reinet Investments SA	3.9
Anglogold Ashanti	3.8
Sanlam	3.6
Nampak	3.4
Total	54.8

Sector allocation at 30 June 2011¹

Sector	% of fund	JSE Index
Oil & gas	9.1	5.1
Basic materials	19.8	36.8
Industrials	17.5	5.7
Consumer goods	14.5	14.5
Healthcare	3.3	1.9
Consumer services	1.7	9.1
Telecommunications	6.7	7.4
Financials	23.6	19.2
Technology	0.6	0.3
Fixed interest/Liquidity	3.2	-
Total	100	100

Performance

Value of R50 invested at inception (dividends reinvested)



% Returns	Fund	Benchmark ²
Since inception (unannualised)	2553.3	565.5
Since inception (annualised)	28.3	15.5
Latest 10 years (annualised)	22.7	16.5
Latest 5 years (annualised)	13.3	10.1
Latest 3 years (annualised)	11.8	6.8
Latest 1 year	13.6	16.9
Year to date (unannualised)	-0.5	-1.8
Month to date (unannualised)	-0.7	-0.3
Risk measures (Since inception)		
Maximum drawdown ³	26.0	42.0
Percentage positive months	62.0	58.9
Annualised monthly volatility	18.2	20.9
Beta vs JSE index	0.7	1.0
Annualised monthly tracking error	11.9	-

- The 'Top 10 holdings' and 'Sector allocation' tables are updated quarterly.
- FTSE/JSE Africa All Share Index including income. Source: FTSE International Limited, performance calculated by Allan Gray as at 31 August 2011.
- Maximum percentage decline over any period.



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Tel +1 (441) 296 3000 clientservice@orbisfunds.com www.orbisfunds.com

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.