

Allan Gray Africa Equity (Rand) Fund Limited

ALLAN GRAY

Fund fact sheet details at 31 March 2012

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 ranges from 0.5% to 2.5% depending on the relative return of the Fund to the benchmark, before fees. The fee is calculated on a base of 1.5% plus one twenty-fifth of the cumulative three-year relative performance, subject to a floor of 0.5% and cap of 2.5%. For example if the cumulative three year performance of the fund is 20% and that of the benchmark is 15%, the fee rate is:
 $1.5\% + (20\% - 15\%) / 25 = 1.7\%$.

Fund information

Fund size: R1 848 m
Fund price: 1300.20
R/\$: 7.67
Minimum lump sum per investor account: US\$50 000
Load: None
Dealing day: Weekly (Thursday)

Fund manager commentary

Thirty-five percent of the Fund is now invested in shares that are not listed on the JSE. The reason for this increasing allocation is that we are finding that the valuations of companies listed elsewhere in Africa are more attractively priced than those listed on the JSE.

An example of the opportunity is the valuation difference between SABMiller and its listed African subsidiaries. SABMiller's share price rose strongly over the past three years as the earnings grew rapidly and the market subsequently re-rated the price earnings (P/E) multiple from 16 to 25 times. The main reason for the earnings' growth was the exposure to the high growth markets of Asia, Latin America and Africa. In fact, the fastest growing division in the recent results was the African division, growing operating profit 27% year-on-year.

Fortunately some of SABMiller's African subsidiaries are separately listed and the Fund is able to invest in them directly. Interestingly, these subsidiaries trade on lower multiples than SABMiller itself. This valuation discrepancy has led us to move 3% of Fund from SABMiller into its African subsidiaries, which trade on a weighted average P/E multiple of 12.6.

Country of primary listing as at 31 March 2012

Country	% of Fund
South Africa	48.2
Egypt	20.2
United Kingdom	13.9
Kenya	7.4
France	2.8
Zimbabwe	2.7
Nigeria	2.4
BRVM	0.9
Australia	0.6
Rwanda	0.5
Tanzania	0.3
Canada	0.2
Total	100.0

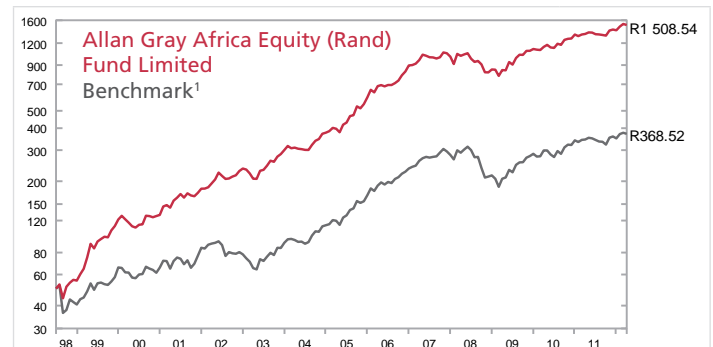
Sector allocation at 31 March 2012

Sector	% of Fund	JSE Index
Oil & gas	10.5	5.0
Basic materials	17.7	30.7
Industrials	14.7	6.5
Consumer goods	16.4	17.8
Healthcare	2.5	2.2
Consumer services	1.4	10.3
Telecommunications	12.1	6.6
Utilities	3.0	0.0
Financials	20.7	20.6
Technology	0.0	0.3
Fixed interest/Liquidity	1.0	0.0
Total	100.0	100.0

Note: There may be slight discrepancies in the totals due to rounding.

Performance

Value of R50 invested at inception (dividends reinvested)



% Returns	Fund	Benchmark ¹
Since inception (unannualised)	2917.1	637.0
Since inception (annualised)	28.1	15.6
Latest 10 years (annualised)	22.7	15.2
Latest 5 years (annualised)	9.5	7.2
Latest 3 years (annualised)	21.4	21.3
Latest 1 year	12.2	7.5
Year to date (unannualised)	7.0	6.0
Month to date (unannualised)	-1.4	-1.4
Risk measures (Since inception)		
Maximum drawdown ²	26.0	42.0
Percentage positive months	61.8	58.8
Annualised monthly volatility	17.9	20.7
Beta vs JSE index	0.7	1.0
Annualised monthly tracking error	11.7	-

1. FTSE/JSE Africa All Share Index including income. Source: FTSE International Limited, performance calculated by Allan Gray as at 31 March 2012.

2. Maximum percentage decline over any period.



www.obsrglobalfundratings.com

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 Proprietary Limited, an authorised financial services provider in South Africa, is the appointed investment adviser.