

ALLAN GRAY

FUND DETAILS AT 31 DECEMBER 2010

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: 1 150.39
Size: R 1 647 m
R/\$: 6.655
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

The FTSE/JSE All Share Index traded sideways for the first eight months of the year. But in the last four months it has risen by more than 30% when measured in US dollars. This strong finish to the year has brought the Index back to the level of its October 2007 dollar high. After peaking in October 2007 the Index lost two thirds of its dollar value in just under a year. Will history repeat itself? We don't have a reliable method for forecasting stock market movements, but we can say that it is hard to find undervalued shares in South Africa at present. Fund investors should be careful not to linearly extrapolate the outstanding returns of the Fund over the last two years. In light of the high prices on the South African stock market, we are accelerating our efforts to search for more attractively valued shares elsewhere on the African continent.

ALLAN GRAY AFRICA EQUITY (RAND) FUND LIMITED

TOP 10 HOLDINGS¹

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	3.7
Nampak	3.5
Total	58.5

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

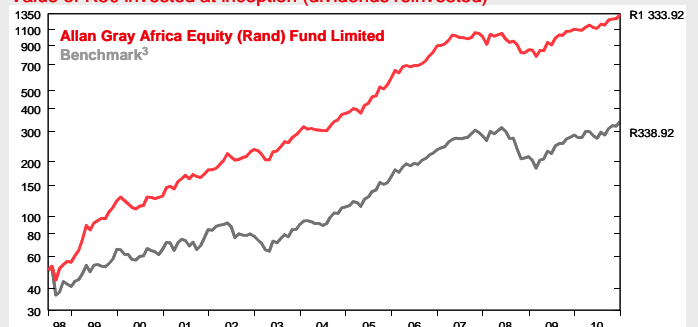
SECTOR ALLOCATION AT 31 DECEMBER 2010²

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)	2567.8	577.8
Since inception (annualised)	30.0	16.5
Latest 10 years (annualised)	26.3	17.8
Latest 5 years (annualised)	17.7	15.2
Latest 3 years (annualised)	10.0	6.5
Latest 1 year	20.5	19.0
Unannualised		
Year to date	20.5	19.0
Month to date	5.3	6.2
Risk measures (Since inception month end prices)		
Maximum drawdown ⁴	26.0	42.0
Percentage positive months	63.3	60.0
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 December 2010.

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 advisor.