

Allan Gray Africa Equity (Rand) Fund Limited

ALLAN GRAY

Fund fact sheet details at 31 December 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 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 751 m
Fund price: 1 215.2
R/\$: 8.09
Minimum lump sum per investor account: US\$50 000
Load: None
Dealing day: Weekly (Thursday)

Fund manager commentary

Regular readers of the Allan Gray Africa Equity (Rand) Fund (the 'Fund') fact sheet will note that we have changed the information provided on the fact sheet. Specifically, we have removed the list of the 10 largest Fund holdings. The reason is that in relatively illiquid African stock markets it can take some time to build meaningful holdings in certain shares. If a share is one of the Fund's largest holdings it means it is amongst our best ideas. We do not want investors who are not Fund investors to use the fact sheet for idea generation, to the detriment of Fund investors. Full disclosure will, however, be available to Fund investors on a quarterly basis on request.

2011 was a year of significant change for the Fund. Exposures to shares with primary business interests in Africa excluding South Africa increased from 1.5% of Fund in January 2011 to 30%, as of 31 December 2011. Valuation was the driver behind this change in allocation. We have not favoured any particular country but our bottom-up stock picking process has resulted in large Kenyan and Egyptian exposures. It makes sense that we are finding the most opportunities in these two markets as the 2011 dollar returns for their stock markets were -32% and -52% respectively. This compares to the South African market, which fell 20% in dollars, and the Moroccan market, where we own no shares, which declined 14% for the year.

We believe the Fund is invested in under-priced equities; however we are concerned about the currency risks in certain markets. We have tried to mitigate this risk by looking for cheap shares that should benefit from currency weakness, but it is a concern nonetheless.



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.

Country of primary listing as at 31 December 2011^{1,2}

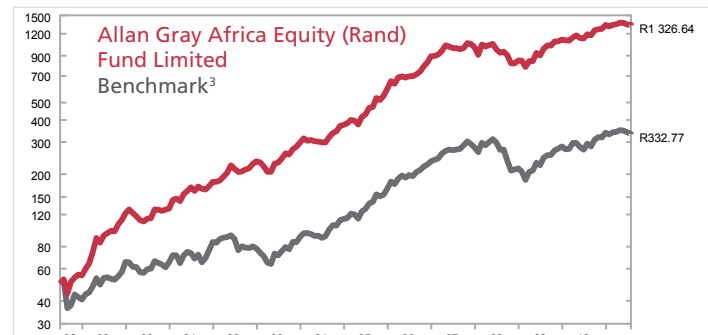
Country	% of Fund
South Africa	53.2
Egypt	15.3
United Kingdom	11.6
Kenya	8.2
Luxembourg	4.3
Zimbabwe	2.0
Nigeria	1.9
France	1.1
Senegal	0.8
Australia	0.8
Rwanda	0.5
Canada	0.1
Ivory Coast	0.1
Total	100.0

Sector allocation at 31 December 2011²

Sector	% of fund	JSE Index
Oil & gas	10.3	5.4
Basic materials	17.7	33.2
Industrials	16.3	5.8
Consumer goods	13.3	17.0
Healthcare	2.3	2.0
Consumer services	1.5	9.6
Telecommunications	9.6	7.2
Utilities	3.6	0.0
Financials	22.1	19.6
Technology	0.0	0.3
Fixed interest/Liquidity	3.3	0.0
Total	100.0	100.0

Performance

Value of R50 invested at inception (dividends reinvested)



% Returns	Fund	Benchmark ³
Since inception (unannualised)	2719.5	595.3
Since inception (annualised)	28.1	15.5
Latest 10 years (annualised)	22.7	15.2
Latest 5 years (annualised)	9.5	8.1
Latest 3 years (annualised)	18.4	17.3
Latest 1 year	5.7	2.6
Year to date (unannualised)	5.7	2.6
Month to date (unannualised)	-1.0	-2.5
Risk measures (Since inception)		
Maximum drawdown ⁴	26.0	42.0
Percentage positive months	61.7	58.6
Annualised monthly volatility	18.0	20.9
Beta vs JSE index	0.7	1.0
Annualised monthly tracking error	11.8	-

- The country noted is the country of primary listing of the relevant share.
- The 'Country allocation' and 'Sector allocation' tables are updated quarterly and includes foreign and JSE inward listed shares.
- FTSE/JSE Africa All Share Index including income. Source: FTSE International Limited, performance calculated by Allan Gray as at 31 December 2011.
- Maximum percentage decline over any period.