

FUND DETAILS AT 30 JUNE 2009

Sector: Domestic AA - Prudential - Variable Equity
Inception date: 1 October 1999
Fund managers: Ian Liddle, Duncan Artus, Delphine Govender, Andrew Lapping, Simon Raubenheimer (Foreign assets are invested in Orbis funds.)

Fund objective:

The Fund's investment strategy is to earn a higher rate of return than the market value-weighted average of funds in both the Prudential Medium Equity sector and the Prudential Variable Equity Sector, excluding the Allan Gray Balanced Fund, without assuming greater risk.

Suitable for those investors who:

- Seek long-term wealth creation.
- Have an appetite for risk similar to the average person investing in pension funds.
- Typically have an investment horizon of three years plus.
- Wish to delegate the asset allocation decision to Allan Gray.

Price: R 45.97
Size: R 25 394 m
Minimum lump sum per investor account: R 20 000
Minimum lump sum per fund: R 5 000
Additional lump sum per fund: R 500
No. of share holdings: 57
Income distribution: 01/07/08 - 30/06/09 (cents per unit) Total 424.12

Distributes bi-annually. To the extent that the total expenses exceed the income earned in the form of dividends and interest, the Fund will not make a distribution.

Income distributions are higher than normal because the Fund was a shareholder of Remgro and Richemont when they unbundled in October 2008. For more information about this, please contact our Client Service Centre or refer to our website, details of which are below.

Annual management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark, the daily average return weighted by market value of funds in both the Domestic Asset Allocation Prudential Medium and Prudential Variable Equity categories excluding the Allan Gray Balanced Fund, over a rolling two-year period. The fee hurdle (above which a fee greater than the minimum fee of 0.5% is charged) is performance equal to the benchmark minus 5%. For performance equal to the benchmark a fee of 1.0% (excl. VAT) per annum is payable. The manager's sharing rate is 10% of the under- and outperformance of the benchmark over a rolling two-year period and a maximum fee of 1.5% (excl. VAT) applies. The annual management fee is calculated on the daily value of the Fund excluding any assets invested in the Orbis funds. Assets invested in the Orbis funds incur a management fee. These along with other expenses are included in the Total Expense Ratio.

COMMENTARY

The Fund has been steadily reducing its net equity exposure after the rapid rebound of global stock markets off their lows. We are expecting corporate profits to come under considerable pressure over the next year or so, but this has probably already been priced in by the market. It is not clear where company profits will settle thereafter, but it is possible that the market is being over-optimistic in its expectations of a subsequent recovery. Certainly, the current high levels of 'insider' sales in the US suggest that American business managers don't share the stock market's enthusiasm for the 'green shoots' thesis.

Long-dated RSA bonds have sold off quite sharply as the market digests the news that more new issuance may be required to finance a government budget deficit that is widening beyond expectations. The strong bias in the Fund towards the short-end of the yield curve served it well.

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TOP 10 SHARE HOLDINGS¹

Company	% of portfolio
SABMiller	6.8
MTN Group	4.9
AngloGold Ashanti	4.9
British American Tobacco	4.4
Sasol	3.9
Remgro	3.5
Sanlam	3.0
Harmony Gold Mining Co	2.3
Compagnie Fin Richemont SA	2.1
Standard Bank Group	2.0

¹ The Top 10 Share Holdings at 30 June 2009. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2009²

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
1.79%	0.09%	0.48%	1.16%	0.06%

² A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the portfolio, calculated for the year to the end of March 2009. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, VAT, STT, STRATE and insider trading levy) and other expenses. These are disclosed separately as percentages of the net asset value. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. The information provided is applicable to class A units.

ASSET ALLOCATION AS AT 30 JUNE 2009

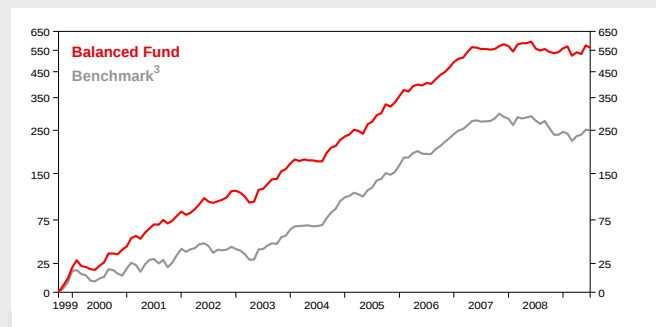
Asset class	% of portfolio
Net SA equities	53.4
Hedged SA equities	0.0
Listed property	0.0
Commodities (New Gold)	2.9
Bonds	2.3
Money market and cash	20.9
Foreign	20.5
Total	100

Total net SA and foreign equity exposure: 68.8%.

PERFORMANCE

Fund performance shown net of all fees and expenses as per the TER disclosure.

Long-term cumulative performance (log scale)



% Returns	Fund	Benchmark ³
Since inception (unannualised)	561.5	249.3
Latest 5 years (annualised)	19.2	15.9
Latest 3 years (annualised)	9.5	6.3
Latest 1 year	0.7	-7.0
Risk measures (Since inception month end prices)		
Maximum drawdown ⁴	-15.4	-20.5
Percentage positive months	68.4	65.8
Annualised monthly volatility	10.6	10.9

³ The daily average return weighted by market value of funds in both the Domestic Asset Allocation Prudential Medium and Prudential Variable Equity categories excluding the Allan Gray Balanced Fund. Source: Morningstar, performance as calculated by Allan Gray as at 30 June 2009.

⁴ Maximum percentage decline over any period.

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio divided by the number of units in issue. Declaration of income accruals are made bi-annually. Purchase and redemption requests must be received by the manager by 14:00 each business day and fund valuations take place at approximately 16:00 each business day. Forward pricing is therefore used. Performance figures are from Allan Gray Limited (GIPS compliant) and are for lump sum investments with income distributions reinvested. Permissible deductions may include management fees, brokerage, STT, auditor's fees, bank charges, trustee fees and RSC levies. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees and charges and maximum commissions is available on request from the manager. Commission and incentives may be paid and if so, would be included in the overall costs. The fund may be closed to new investments at any time in order to be managed in accordance with its mandate. The manager is a member of the Association for Savings & Investment SA (ASISA). Total Expense Ratio (TER): When investing, costs are only a part of an investment decision. 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. All Allan Gray performance figures and values are quoted after the deduction of costs incurred within the Fund so the TER is not a net cost. Compliance with Prudential Investment Guidelines: Retirement Funds: The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act, except for the total foreign exposure limit which is 20% (FSB Circular 3 of 2008) and which excludes the British American Tobacco shares received from the unbundling of Richemont and Remgro (FSB Circular 9 of 2008). ASISA regards a prudential fund with foreign exposure of up to 20%, as conforming to Regulation 28 for fund classification purposes. Exposures in excess of the limits will be corrected immediately except where due to market value fluctuations or capital withdrawals in which case they will be corrected within a reasonable time period. Allan Gray does not monitor compliance with section 19(4) of the Pension Funds Act.