

FUND DETAILS AT 30 JUNE 2010

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

Price: R 52.08
Size: R 35 723 m
Minimum lump sum per investor account: R20 000
Minimum lump sum per fund: R5 000
Minimum debit order per fund: R 500
Additional lump sum per fund: R 500
No. of share holdings: 73
Income distribution: 01/07/09 - 30/06/10 (cents per unit) Total 100.81
 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.

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 out- and underperformance 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

Approximately 64% of the Fund is invested in equities (either locally on the JSE, or on offshore stock markets through the Orbis mutual funds). We sell exchange-traded stock index futures to partially reduce the Fund's exposure to local and offshore equities. After taking account of this hedging activity, the Fund is presently carrying a 55.8% 'net' equity exposure. This is lower than the average net equity exposure of 65% since the inception of the Fund; and significantly lower than the 70.8% net equity exposure it was carrying at the end of the first quarter last year. It is also lower than that chosen by many of our South African peers.

The Fund's relatively defensive composition helped performance in a quarter where the local equity market fell almost 9%. Despite the equity market being down year to date we are still yet to see enough attractive valuations that would result in a meaningful increase in the Fund's exposure to equities.

History has shown (United States and Japan) that lower interest rates on cash do not automatically translate into high equity returns.

For a discussion of the sectors of the market offering the best relative value, please refer to our Equity Fund factsheet.

TOP 10 SHARE HOLDINGS¹

Company	% of portfolio
SABMiller	6.5
Sasol	4.7
Anglogold Ashanti	3.9
Remgro	3.9
British American Tobacco	3.6
Sanlam	2.6
MTN	2.3
Harmony Gold	1.6
Dimension Data	1.6
Sappi	1.5

¹ The Top 10 share holdings at 30 June 2010. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2010²

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
1.88%	0.08%	0.60%	1.18%	0.02%

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 2010. 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 2010

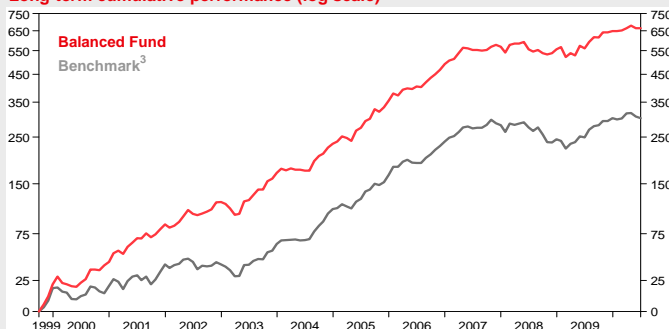
Asset class	Total	% of portfolio	
		SA	Foreign
Net Equities	55.8	44.4	11.4
Hedged Equities	8.6	1.1	7.5
Property	0.3	0.3	-
Commodities (Gold)	3.8	3.8	-
Bonds	9.6	9.6	-
Money Market and Bank Deposits	21.9	20.9	1.0
Total	100.0	80.1	19.9

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

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)	664.9	301.7
Latest 10 years (annualised)	20.1	13.7
Latest 5 years (annualised)	15.4	12.4
Latest 3 years (annualised)	5.3	2.5
Latest 1 year	15.6	15.0
Risk measures (Since inception month end prices)		
Maximum drawdown ⁴	-15.4	-20.5
Percentage positive months	68.2	65.9
Annualised monthly volatility	10.3	10.6

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 2010.

⁴ Maximum percentage decline over any period.

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