

FUND DETAILS AT 31 MAY 2009

Sector: Domestic - Fixed Interest - Bond Inception date: 1 October 2004
Fund managers: Sandy McGregor, Andrew Lapping

Fund objective:

The objective of the Fund is to provide investors with a return superior to the All Bond Index, at no greater risk, over an interest rate cycle. The Fund will seek to preserve at least the nominal value of investors' capital.

Suitable for those investors who:

- Are looking for returns in excess of that provided by money market or cash investments.
- Seek a bond 'building block' for a diversified multi-asset class portfolio.
- Are prepared to accept some risk of capital depreciation in exchange for the prospect of earning increased returns.
- Want to draw a regular income stream without consuming capital.

Compliance with Prudential Investment Guidelines:

Retirement funds: The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act.

| Price: | R 10.44 |
|----------------------------------------------------------------------------------|-------------|
| Size: | R 106 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 bond holdings: | 22 |
| Fund duration: | 3.1 |
| Yield: | 9.70 |
| Income distribution: 01/04/08 - 31/03/09 (cents per unit) Distributes quarterly. | Total 97.05 |

Annual management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark, the BEASSA Total Return All Bond Index (adjusted for fund expenses and cash flows) over a rolling one-year period. The fee hurdle (above which a fee greater than the minimum fee of 0.25% is charged) is performance equal to the benchmark. The manager's sharing rate is 25% of the outperformance of the benchmark over a rolling one-year period with a maximum fee of 0.75% (excl. VAT) per annum.

COMMENTARY

In recent months inflation has remained obstinately high, which reduces the Reserve Bank's freedom to cut rates. We are approaching the end of the rate cutting cycle. Increasingly the large funding requirements of government and the parastatals are determining the shape of the yield curve and the level of interest rates. These requirements continue to rise. Accordingly, the Portfolio remains biased towards short- to medium-term maturities.

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BOND FUND

TOP 10 FUND HOLDINGS¹

| Yi | eld | to | Mat | huri | tν |
|----|-----|----|-----|------|----|

| JSE code | Maturity date | % of portfolio | 31 May 2009 |
|----------|---------------|----------------|----------------|
| R201 | 21/12/2014 | 22.6 | 8.350 |
| R203 | 15/09/2017 | 10.0 | 8.745 |
| TN17 | 14/11/2017 | 4.1 | 10.605 |
| ND11 | 17/09/2015 | 3.8 | 11.185 |
| R157 | 15/09/2015 | 3.6 | 8.235 |
| FRB3 | 15/09/2014 | 1.8 | 10.635 |
| FRB1 | 31/08/2010 | 1.5 | 9.200 |
| MTN1 | 13/07/2010 | 1.5 | 9.500 |
| IPB2 | 30/12/2010 | 1.3 | 9.950 |
| SMF2 | 14/10/2011 | 1.0 | 9.200 |

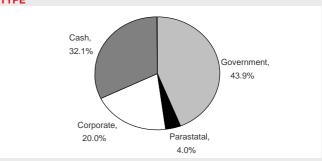
¹Top 10 Fund Holdings at 31 March 2009. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2009³

| | Included in TER | | | |
|---------------------|-----------------|--------------------------|---------------------|----------------|
| | | | | |
| Total expense ratio | Trading costs | Performance component | Fee at benchmark | Other expenses |
| 0.74% | 0.00% | 0.34% | 0.29% | 0.11% |

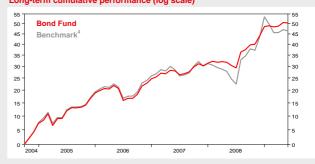
³A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the portfolio, calculated for the year to the end of March 2009. Included in the TER is the proportion of costs 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.

TYPE



PERFORMANCE

Fund performance shown net of all fees and expenses as per the TER disclosure. **Long-term cumulative performance (log scale)**



| % Returns | Fund | Benchmark ⁴ |
|--------------------------------------------------|------|------------------------|
| Since inception (unannualised) | 50.3 | 46.5 |
| Latest 3 years (annualised) | 7.6 | 6.5 |
| Latest 1 year | 15.4 | 17.5 |
| Risk measures (Since inception month end prices) | | |
| Percentage positive months | 73.2 | 66.1 |
| Annualised monthly volatility | 5.3 | 7.6 |

 $^{^4}$ All Bond Index. Source: I-Net Bridge, performance as calculated by Allan Gray as at 31 May 2009.

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 are made quarterly.

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. No commissions or incentives are paid. 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 new cost. Compliance with Prudential Investment Guidelines: Retirement Funds: The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to market value fluctuations or capital withdrawals, in which case they

² Updated monthly.