

FUND DETAILS AT 30 JUNE 2009

Domestic - Fixed Interest - Bond Sector: 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.

Price:	R 10.46
Size:	R 115 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:	3.4
Yield:	9.62
Income distribution: 01/07/08 - 30/06/09 (cents per unit) Distributes quarterly.	Total 97.80

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

Bond yields rose slowly throughout June and sold off sharply in the first few days of July after Finance Minister, Pravin Gordhan, warned that the budget deficit would exceed expectations because of lower tax receipts. The higher budget deficit will increase the supply of government bonds to the market, adding to the already substantial parastatal bond issuance. The higher bond yields are beginning to compensate investors for the higher duration risk of bonds relative to money market assets. For this reason, we have begun to increase the duration of the Fund.

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BOND FUND

TOP 10 FUND HOLDINGS¹

Yield to Maturity	
30 June	

JSE code	Maturity date	% of portfolio	30 June 2009
R203	15/09/2017	23.9	8.895
R201	21/12/2014	19.9	8.570
TN17	14/11/2017	3.6	10.575
ND11	17/09/2015	3.4	11.390
R157	15/09/2015	3.1	8.440
AIR3	09/03/2016	1.7	11.090
FRB3	15/09/2014	1.6	10.940
FRB1	31/08/2010	1.4	8.930
MTN1	13/07/2010	1.4	9.680
IPB2	30/12/2010	1.2	10.180

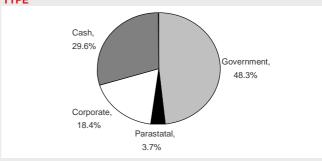
¹Top 10 Fund Holdings at 30 June 2009. Updated quarterly

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%

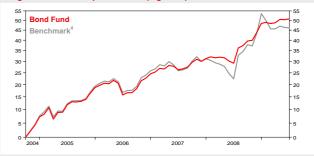
³A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the portfolio, calculated for the year to the end of March 2009. Included in the TER is the proportion of costs 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)	50.7	46.1
Latest 3 years (annualised)	9.2	7.7
Latest 1 year	16.6	19.3
Risk measures (Since inception month end prices)		
Percentage positive months	73.7	64.9
Annualised monthly volatility	5.3	7.5

⁴ All Bond Index. Source: I-Net Bridge, performance as calculated by Allan Gray as at 30 June 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 contention in securities (unit dusts) are generally menuinal to truggetin investments. The value of unit and as went as up a rain pass perindinative is not incessarily aguine to the future. Official sequence of a rain pass perindinative is not incessarily aguine to the future. Official sequence of a rain pass perindinative is not incessarily aguine to the future. Official sequence of a rain pass perindinative is not because in the portfolio including any income accruals and less any permissible deductions from the portfolio divided by the number of units in issue. Declarations of 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 part of the portfolio including the properties of the portfolio including and the properties of the portfolio including and part of the portfolio included to the portfolio including and part of the part of the portfolio including and part of the portfolio incl 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 will be corrected within a reasonable time period. Allan Gray Unit Trust Management Limited does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act.

² Updated monthly.