

EQUITY FUND

FUND DETAILS AT 30 JUNE 2008

Sector: Domestic - Equity - General
Inception date: 1 October 1998
Fund managers: Ian Liddle, Duncan Artus, Delphine Govender,
 Andrew Lapping, Orbis Investment Management Limited

Fund objective:
 The Fund aims to earn a higher total rate of return than that of the average of the South African equity market as represented by the FTSE/JSE All Share Index, including income, without assuming greater risk.

Suitable for those investors who:

- Seek long-term wealth creation.
- Are comfortable with market fluctuation i.e. short-term volatility.
- Typically have an investment horizon of five years plus.
- Seek an equity 'building block' for a diversified multi-asset class portfolio.

Price: R 164.72
Size: R 16 909 m
Minimum lump sum: R 10 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 49
Income distribution: 01/07/07 - 30/06/08 (cents per unit) Total 40.44
Annual management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark, the FTSE/JSE All Share Index including income (adjusted for fund expenses and cash flows), over a rolling two-year period. The fee hurdle (above which a fee greater than the minimum fee of 0% is charged) is performance equal to the benchmark minus 15%. For performance equal to the benchmark a fee of 1.5% (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 3% (excl.VAT) applies.

COMMENTARY

Allan Gray Limited restricts itself to buying not more than 25% of a company's issued share capital for its clients, except in rare circumstances when the limit can be increased to 30% for a limited number of companies. Our clients currently hold 10 shares where the aggregated client holding amounts to more than 24% of the companies' issued share capital. Concerns are sometimes expressed that these holdings are illiquid. On the contrary, and quite paradoxically, these holdings sometimes prove to be amongst our most liquid when an opportunity arises to sell our clients' stake to a strategic buyer. The Fund's holding in Avusa is a prime example. During the month the Fund sold most of its Avusa shares at a substantial premium to the prevailing market price as part of a transaction whereby Allan Gray Limited sold a 25.5% stake held in Avusa by its clients to the Mvelaphanda Group. This contributed positively to our performance for the month, but unfortunately only put a small dent in the short-term underperformance arising from our underweight positions in Anglo American and BHP Billiton. We continue to see much better value in the Fund's holdings than in these two shares which account for more than 30% of the Fund's benchmark, the FTSE/JSE All Share Index.

The cash proceeds from the sale of the Avusa shares were used to follow the Fund's rights to subscribe to AngloGold Ashanti's share offering. This accounts for the Fund's increased position in AngloGold, which is now the Fund's sixth biggest holding. We believe that AngloGold's successful rights offering is a positive development for the company, which will give it much more flexibility in allocating capital to early deliveries into its hedge book and it promising exploration and development projects, particularly those in Colombia. You can read more about the investment case for AngloGold Ashanti in our June 2008 Quarterly Commentary.

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TOP 10 SHARE HOLDINGS AT 30 JUNE 2008*

Company	% of portfolio
SABMiller	10.1
MTN Group	9.7
Remgro	9.4
Richemont	8.5
Sasol	7.3
Anglogold Ashanti	6.8
Harmony Gold Mining Co	5.0
African Rainbow Minerals	4.6
Sanlam	4.5
Sappi	4.1

* The 'Top 10 Share Holdings' table is updated quarterly.

TOTAL EXPENSE RATIO*

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
2.90%	0.17%	1.00%	1.71%	0.02%

*A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. It is expressed as a percentage of the average value of the portfolio, calculated for the year to the end of March 2008. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, VAT, UST, 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.

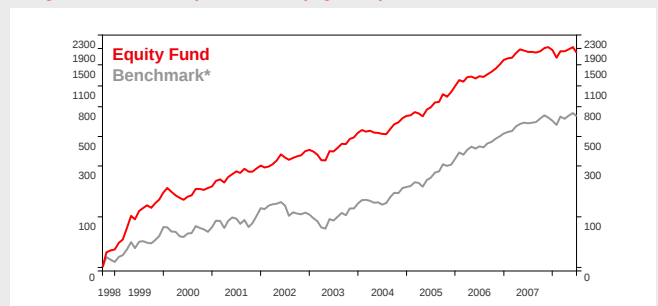
SECTOR ALLOCATION AT 30 JUNE 2008*

Sector	% of fund	ALSI
Oil & gas	7.3	6.8
Basic materials	25.0	50.1
Industrials	11.3	6.7
Consumer goods	21.8	11.5
Healthcare	1.3	0.6
Consumer services	6.1	4.3
Telecommunications	9.7	6.4
Financials	14.6	13.2
Technology	2.2	0.4
Other securities	0.5	-
Fixed interest/Liquidity	0.3	-

*The 'Sector Allocation' table is updated quarterly.

PERFORMANCE

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



% Returns	Fund	Benchmark*
Since inception (unannualised)	1 790.5	690.9
Latest 5 years (annualised)	31.0	33.1
Latest 3 years (annualised)	28.3	32.4
Latest 1 year	-1.1	10.1
Risk measures (Since inception month end prices)		
Maximum drawdown**	-21.0	-34.4
Percentage positive months	68.4	59.8
Annualised monthly volatility	18.2	18.9

* FTSE/JSE All Share Index including income. Source: INET, performance as calculated by Allan Gray as at 30 June 2008.

** Maximum percentage decline over any period.

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