

EQUITY FUND

FUND DETAILS AT 31 JULY 2008

Sector: Domestic - Equity - General
Inception date: 1 October 1998
Fund managers: Ian Liddle, Duncan Artus, Delphine Govender, Andrew Lapping, Simon Raubenheimer

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 159.03
Size: R16 156 m
Minimum lump sum: R 10 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 50
Income distribution: 01/07/07 - 30/06/08 (cents per unit) Total 40.44
 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 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

Relative to its benchmark, the Fund enjoyed one of its best months ever in July. It was a remarkable month - the Resources sector, which had strongly outperformed the overall market for three and a half years, experienced a sharp reversal of momentum. The Resources Index lost more than 20% of its value relative to the Financial and Industrial Indices over the month. For some time now, we have been saying that we see more compelling value in selected Financial and Industrial shares than in the big Resources shares, such as Anglo American and BHP Billiton. It is therefore gratifying to note that the Fund has clawed back a significant portion of its recent short-term underperformance versus the benchmark FTSE/JSE All Share Index, which is heavily weighted towards Resources shares.

There is never a shortage of market commentators willing to posit reasons for sudden trend changes in the market (normally, after the event). We do not believe we have any ability to predict such sudden trend changes. However, we do believe that a diligent application of our value-based investment philosophy will result in these trend changes being favourable for the Fund more often than not. This is because ultimately share prices must return to their true underlying intrinsic value. On this note, we should say that despite the recent market reversal in the Fund's favour, we continue to find more compelling value in selected Financial and Industrial shares than in the big mining companies.

Tel 0860 000 654 or +27 (0)21 415 2301
 Fax 0860 000 655 or +27 (0)21 415 2492
 info@allangray.co.za www.allangray.co.za

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
2.40%	0.15%	0.53%	1.71%	0.01%

*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 June 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, 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.

SECTOR ALLOCATION AT 30 JUNE 2008*

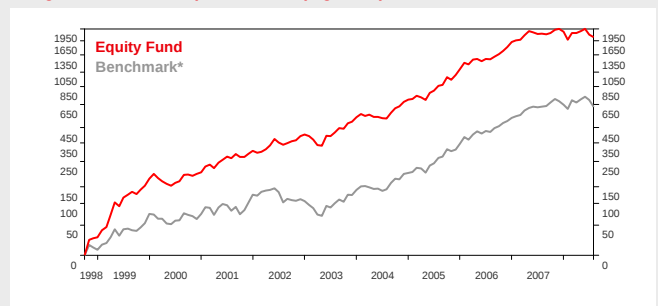
Sector	% of fund	ALSI
Oil & gas	7.3	6.8
Basic materials	25.0	50.1
Industrials	11.3	6.7
Consumer goods	21.8	11.5
Healthcare	1.3	0.6
Consumer services	6.1	4.3
Telecommunications	9.7	6.4
Financials	14.6	13.2
Technology	2.2	0.4
Other securities	0.5	-
Fixed interest/Liquidity	0.3	-

*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)	1 729.8	621.9
Latest 5 years (annualised)	29.0	29.3
Latest 3 years (annualised)	24.2	25.5
Latest 1 year	-4.5	-0.4
Risk measures (Since inception month end prices)		
Maximum drawdown**	-21.0	-34.4
Percentage positive months	67.8	59.3
Annualised monthly volatility	18.2	19.1

* FTSE/JSE All Share Index including income. Source: INET, performance as calculated by Allan Gray as at 31 July 2008.

** Maximum percentage decline over any period.

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