ALLAN GRAY

EQUITY FUND

FUND DETAILS AT 30 NOVEMBER 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 140.59
Size:	R 14 325 m
Minimum lump sum:	R 10 000
Minimum monthly:	R 500
Subsequent lump sums:	R 500
No. of share holdings:	59
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

Global stock markets are currently extremely volatile. The South African stock market is no exception. Despite the FTSE/JSE All Share Index plumbing a new low during the month, it closed at a similar level to its October close.

It is difficult to understand why investors often seem to be buying or selling stocks at levels 5 - 10% higher or lower than what they were prepared to pay or accept the previous day. One possible explanation is that many investors are frequently reassessing their valuations of companies as the latest economic data releases give further clues as to how the global recession is going to play out. Another is that investors currently have widely divergent views and valuations. A third explanation could be that forced sellers in a deleveraging world are price insensitive.

Whatever the case may be, we continue to apply our philosophy of buying shares when they are trading at a discount to our assessment of their intrinsic value. Our assessment of the intrinsic value of a company will tend to be much more stable than the company's share price, as we try and look through economic cycles and take a long-term view when valuing the company.

Investors in the Fund hopefully take a similar long-term view on the value of the Fund's holdings. If this is the case, they should hopefully be able to reap the rewards of enduring the current stock market volatility in the fullness of time.

The Fund received its letters of allocation to subscribe to the Sappi share offer. Sappi will be using the proceeds of the share issue to buy a number of European paper mills from M-Real, in a transaction which may transform the previously unprofitable European paper industry. We view this as a positive development, but there are obviously some who disagree with us. The Fund bought additional rights to subscribe to the share issue at what we believe are very attractive prices.

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 SEPTEMBER 2008*

Company	% of portfolio
SABMiller	10.3
Remgro	9.5
MTN Group	9.4
Richemont	8.2
Anglogold Ashanti	5.6
Sasol	5.2
Sanlam	5.1
Harmony Gold Mining Co	5.0
Standard Bank Group	4.9
Absa Group	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
2.14%	0.08%	0.33%	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 September 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 SEPTEMBER 2008*

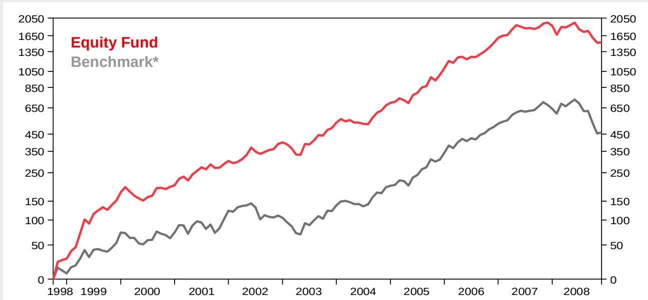
Sector	% of fund	ALSI
Oil & gas	5.2	6.9
Basic materials	22.5	38.0
Industrials	11.7	8.7
Consumer goods	21.1	13.1
Healthcare	2.0	1.1
Consumer services	6.9	5.9
Telecommunications	9.4	7.3
Financials	17.5	18.6
Technology	2.2	0.5
Fixed interest/Liquidity	1.0	-
Other	0.5	-

*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)	1 517.6	462.1
Latest 10 years (annualised)	29.1	17.6
Latest 5 years (annualised)	22.2	20.2
Latest 3 years (annualised)	13.6	11.2
Latest 1 year	-20.7	-27.7
Risk measures (Since inception month end prices)		
Maximum drawdown**	-31.3	-45.4
Percentage positive months	67.2	59.0
Annualised monthly volatility	18.4	19.9

* FTSE/JSE All Share Index including income. **Source: I-Net Bridge, performance as calculated by Allan Gray as at 30 November 2008.**

** Maximum percentage decline over any period.