

FUND DETAILS AT 31 DECEMBER 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 146.40
Size: R 15 066 m
Minimum lump sum: R 10 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 58
Income distribution: 01/01/08 - 31/12/08 (cents per unit) Total 1465.25

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.

Income distributions are higher than normal because the Fund was a shareholder of Remgro and Richemont when they unbundled in October 2008. For more information about this, please contact our Client Service Centre or refer to our website, details of which are below.

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

The Fund suffered negative returns of 14.4% in 2008. While this is disappointing, investors in the equity markets and in this Fund should be prepared to suffer volatility and setbacks in their quest for the higher returns that have historically accrued to investors in the stock market over longer periods.

However, the Fund did outperform the benchmark FTSE/JSE All Share Index by 8.8% in 2008. This is mainly attributable to the Fund being defensively positioned in companies with relatively stable demand patterns and strong franchises, and to the strong rebound in the shares of gold mining companies in the last quarter.

Despite the Fund's recent outperformance, we continue to see better value in many of the Fund's holdings than we can find amongst many of the more cyclical companies on the JSE. Of course we have no way of knowing how 2009 will pan out, but we hope that the Fund will provide better protection than the FTSE/JSE All Share Index against some of the key risks to companies over the next year, such as:

- a slow or shrinking global economy;
- squeezing of company profit margins, by a combination of any of falling sales, negative operating leverage, weak pricing power, and increased funding costs; and,
- the record deficit on the current account of South Africa's balance of payments, and the associated vulnerability of the rand

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EQUITY FUND

TOP 10 SHARE HOLDINGS AT 31 DECEMBER 2008¹

Company	% of portfolio
SABMiller	10.3
British American Tobacco	8.2
MTN Group	8.1
Anglogold Ashanti	7.5
Harmony Gold Mining Co	5.9
Sanlam	5.2
Remgro	5.2
Sasol	4.9
Sappi	4.3
Compagnie Fin Richemont SA	4.1

¹ The 'Top 10 Share Holdings' table is updated quarterly.

TOTAL EXPENSE RATIO AS AT 30 SEPTEMBER 2008²

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%

²A 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.

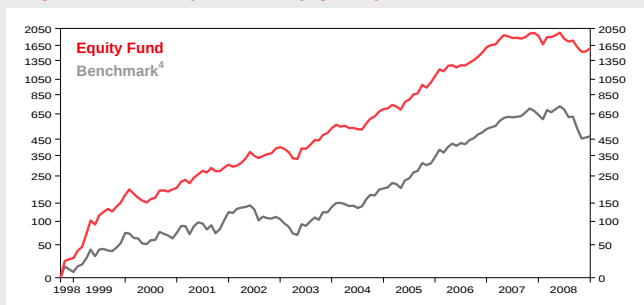
SECTOR ALLOCATION AT 31 DECEMBER 2008³

Sector	% of portfolio	ALSI
Oil & gas	4.9	6.4
Basic materials	24.8	38.2
Industrials	7.2	6.6
Consumer goods	24.9	11.7
Healthcare	2.0	1.3
Consumer services	6.4	7.5
Telecommunications	8.1	8.1
Financials	16.2	19.6
Technology	2.3	0.5
Fixed interest/Liquidity	2.9	-
Other	0.3	-

³The '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 ⁴
Since inception (unannualised)	1 584.5	470.7
Latest 10 years (annualised)	29.5	18.2
Latest 5 years (annualised)	21.7	19.0
Latest 3 years (annualised)	12.1	8.9
Latest 1 year	-14.4	-23.2
Risk measures (Since inception month end prices)		
Maximum drawdown ⁵	-31.3	-45.4
Percentage positive months	67.5	59.3
Annualised monthly volatility	18.3	19.8

⁴ FTSE/JSE All Share Index including income. Source: I-Net Bridge, performance as calculated by Allan Gray as at 31 December 2008.

⁵ Maximum percentage decline over any period.