ALLAN GRAY

EQUITY FUND

FUND DETAILS AT 30 JUNE 2009

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 133.72
Size:	R 16 265 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 share holdings:	61
Income distribution: 01/07/08 - 30/06/09 (cents per unit)	Total 1431.48

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

South African mining companies are sailing into a 'perfect storm'. Many commodity prices are much lower than a year ago. For example, the dollar price of the 'basket' of platinum group metals produced by our platinum mines has more than halved from its peak last year. The recent strength of the rand will put further pressure on mines' rand receipts. Against this backdrop of falling revenues, mine managers are facing Eskom tariff hikes of 31% and union demands for 15-20% wage increases. Managing a South African mining company is a difficult job in ordinary circumstances - it is even more challenging now.

If current prices and exchange rates prevail, we estimate that some of South Africa's major mines will be loss-making or break-even at best on a cash-flow basis. The implications are important not only for the stock market, but also for the country's tax receipts (which are already under budget) and for the government's employment objectives.

However, we don't believe that South Africa's major mines will be loss-making in 'normal' circumstances - something will have to 'give' in order to provide a return on capital. What does surprise us is that the stock market seems to be taking a sanguine view on the approaching 'storm'.

The Fund is significantly underweight the Basic Materials sector when compared to the benchmark FTSE/JSE All Share Index. We believe that the Fund's holdings in Sasol and the gold miners currently offer the most attractive value in the sector. However, their profits will certainly be under pressure too in this environment.

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TOP 10 SHARE HOLDINGS[1]

Company	% of portfolio
SABMiller	10.4
MTN Group	8.2
British American Tobacco	8.2
Anglogold Ashanti	7.9
Sasol	7.3
Remgro	5.9
Sanlam	5.1
Harmony Gold Mining Co	3.6
Compagnie Fin Richemont SA	3.6
Mondi	3.4

[1] Top 10 Share Holdings at 30 June 2009. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2009[2]

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
2.68%	0.12%	0.84%	1.71%	0.01%

[2] A 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.

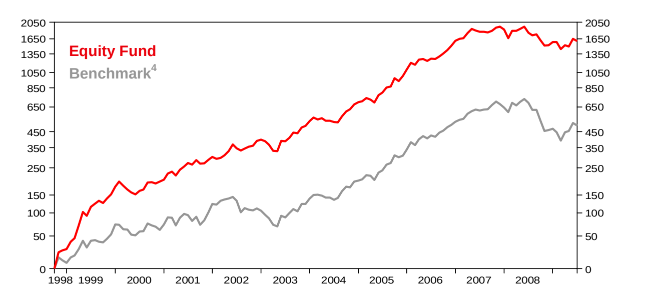
SECTOR ALLOCATION AT 30 JUNE 2009[3]

Sector	% of portfolio	ALSI
Oil & gas	7.3	5.7
Basic materials	23.2	38.5
Industrials	8.3	6.2
Consumer goods	25.1	11.4
Healthcare	2.5	1.6
Consumer services	5.9	7.7
Telecommunications	8.2	8.6
Financials	15.2	19.7
Technology	3.0	0.6
Fixed interest/Liquidity	1.3	-
Other	0.1	-

[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[4]
Since inception (unannualised)	1 604.5	494.1
Latest 10 years (annualised)	23.0	15.4
Latest 5 years (annualised)	22.3	20.3
Latest 3 years (annualised)	7.6	4.2
Latest 1 year	-9.8	-24.9
Risk measures (Since inception month end prices)		
Maximum drawdown[5]	-31.3	-45.4
Percentage positive months	66.7	58.9
Annualised monthly volatility	18.5	20.1

[4] FTSE/JSE All Share Index including income. **Source: I-Net Bridge, performance as calculated by Allan Gray as at 30 June 2009.**
[5] Maximum percentage decline over any period.