

FUND DETAILS AT 30 SEPTEMBER 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 149.52
Size: R 19 034 m
Minimum lump sum per investor account: R 20 000
Minimum lump sum per fund: R 5 000
Minimum debit order per fund: R 500
Additional lump sum per fund: R 500
No. of share holdings: 60
Income distribution: 01/10/08 - 30/09/09 (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

Trailing 12-month profits for the companies included in the FTSE/JSE All Share Index (ALSI) have fallen by 25% from their peak in the first quarter of 2009. Despite this recent fall, they are still close to one standard deviation above the long-term trendline of inflation-adjusted earnings drawn from 1960. This suggests there is further downside risk to company profits.

Our company-specific research is similarly revealing further downside risk to company profits, particularly if the rand remains at its current level around R7.50 / US\$.

The market seems to be ignoring the worrying short-term earnings prospects and looking forward to a resumption of the profit growth that characterised the bull market in South African shares over the last decade. After a sharp seven-month rally, the ALSI is trading on 14.6x trailing earnings and on a 2.6% dividend yield. On these valuation metrics, the market appears expensive when compared with the long-term average market P/E of 11.7 and dividend yield of 4.5%.

We are concerned about the downside risks to both profits and valuations. The Fund thus carries a large exposure to high quality businesses such as SABMiller, British American Tobacco and Remgro, whose profits are sustainable, and which can be bought on relatively attractive valuations.

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

EQUITY FUND

TOP 10 SHARE HOLDINGS¹

Company	% of portfolio
SABMiller	10.2
British American Tobacco	9.1
Sasol	8.1
Anglogold Ashanti	7.6
Remgro	6.5
MTN Group	6.3
Sanlam	5.2
Mondi	4.0
Compagnie Fin Richemont SA	3.9
Harmony Gold Mining Co	3.2

¹Top 10 Share Holdings at 30 September 2009. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 30 JUNE 2009²

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
3.01%	0.12%	1.17%	1.71%	0.01%

²A 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 June 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 SEPTEMBER 2009³

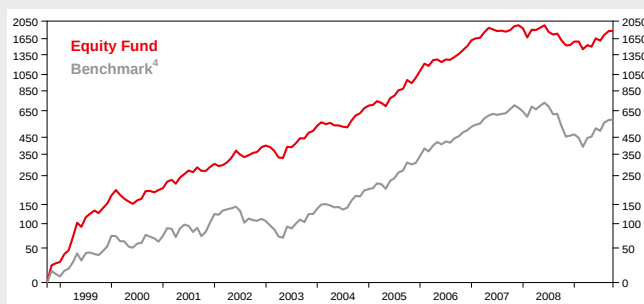
Sector	% of portfolio	ALSI
Oil & gas	8.1	5.2
Basic materials	22.6	38.0
Industrials	8.9	6.7
Consumer goods	27.5	12.1
Healthcare	2.1	1.6
Consumer services	5.1	8.1
Telecommunications	6.3	7.8
Financials	14.3	19.9
Technology	2.9	0.6
Fixed interest/Liquidity	1.9	-
Other	0.2	-

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)	1806.8	576.7
Latest 10 years (annualised)	23.8	17.2
Latest 5 years (annualised)	21.9	19.5
Latest 3 years (annualised)	9.4	6.7
Latest 1 year	11.2	7.7
Risk measures (Since inception month end prices)		
Maximum drawdown ⁵	-31.3	-45.4
Percentage positive months	66.7	59.8
Annualised monthly volatility	18.4	20.1

⁴ FTSE/JSE All Share Index including income. Source: I-Net Bridge, performance as calculated by Allan Gray as at 30 September 2009.

⁵ Maximum percentage decline over any period.