

FUND DETAILS AT 31 DECEMBER 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 160.63
Size: R 21 437 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: 61

Income distribution: 01/01/09 - 31/12/09 (cents per unit) Total 6.67
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

The first decade of the 21st century was a remarkable one for the Fund. It returned 22.1% per year for the decade, which amounts to a significant growth in the real purchasing power of Fund investors' capital, as the inflation rate averaged only about 6% per year over the same period.

The Fund's returns compare favourably with those of most stock market indices for the decade, (measured in rand and annualised for ease of comparison):

FTSE/JSE All Share Index	15.8%
FTSE World Index	3.0%
S&P500	0.9%
MSCI Emerging Markets Index	12.1%

Although the Fund has outperformed its benchmark, it should be recognised that the Fund's strong absolute returns are also attributable to the very strong performance of emerging markets and commodity producers from what would now seem very depressed valuations at the turn of the century. It would be extraordinary if the Fund were to enjoy a second consecutive decade of such favourable conditions; we expect real returns to prove much more elusive over the next decade.

One of the keys to long-term wealth creation is the preservation of capital in bear markets. We continue to seek opportunities for the Fund to invest in companies which we find to be relatively undervalued, and which thus offer the best prospects for long-term capital preservation. However, as an 'equity' fund, the Fund remains fully invested in the stock market, which means that its value may well decline in the event of a repeat of the declines of 2008.

In seeking the best relative value on the JSE, the Fund's composition may differ significantly from that of the benchmark index. This can lead to periods of short-term underperformance, such as for the 2009 calendar year, but we remain confident that it will translate into long-term outperformance.

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 HOLDINGS¹

Company	% of portfolio
SABMiller	10.8
British American Tobacco Plc	10.2
Sasol	8.6
Anglogold Ashanti	7.2
Remgro	6.7
Sanlam	5.1
MTN Group Limited	4.7
Mondi Plc	3.8
Compagnie Fin Richemont SA	3.6
Sappi	3.2

¹Top 10 share holdings at 31 December 2009. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 30 SEPTEMBER 2009²

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
3.15%	0.13%	1.30%	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 September 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.

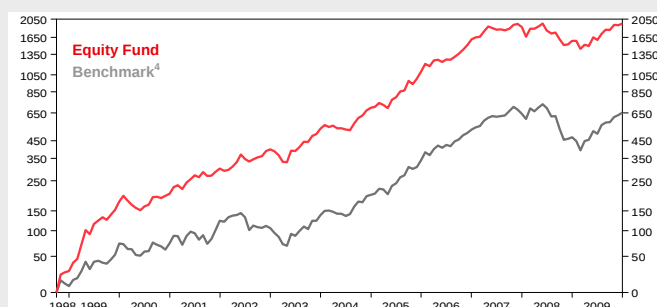
SECTOR ALLOCATION AT 31 DECEMBER 2009³

Sector	% of portfolio	ALSI
Oil & gas	8.6	5.0
Basic materials	22.9	40.0
Industrials	8.8	6.1
Consumer goods	28.9	12.8
Healthcare	2.1	1.8
Consumer services	4.9	8.0
Telecommunications	4.7	6.8
Financials	13.3	19.0
Technology	3.0	0.6
Fixed interest/Liquidity	2.3	-
Other	0.4	-

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)	1 948.4	654.1
Latest 10 years (annualised)	22.1	15.8
Latest 5 years (annualised)	20.8	20.3
Latest 3 years (annualised)	6.1	6.5
Latest 1 year	21.6	32.1
Risk measures (Since inception month end prices)		
Maximum drawdown ⁵	-31.3	-45.4
Percentage positive months	66.7	60.7
Annualised monthly volatility	18.2	19.9

⁴ FTSE/JSE All Share Index including income. Source: I-Net Bridge, performance as calculated by Allan Gray as at 31 December 2009.

⁵ Maximum percentage decline over any period.