ALLANGRAY

EQUITY FUND

FUND DETAILS AT 30 JUNE 2010

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 163.09
Size:	R 21 940 m
Minimum lump sum per investor account:	R20 000
Minimum lump sum per fund:	R5 000
Minimum debit order per fund:	R 500
Additional lump sum per fund:	R 500
No. of share holdings:	77

Income distribution: 01/07/09 - 30/06/10 (cents per unit) Total 0.00
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 out- and underperformance of the benchmark over a rolling two-year period and a maximum fee of 3% (excl.VAT) applies.

COMMENTARY

The Fund's defensive positioning helped performance in June when the local equity market fluctuated in a 2 000-point range. Short-term volatility is positive for long-term investors as price movements offer opportunities for the Fund to exploit. The volatility in the market highlights the low confidence that investors currently have in the predictability of future earnings.

Aggregate real earnings for the local equity market have fallen 24% over the last year and are now on their long-term trendline. This puts the ALSI on a 'normalised' PE of 16.7, which is still well above its long-term average. Any study of long-term real earnings will show that it is very rare for real earnings not to fall below trendline after a peak such as we saw in 2008.

We therefore continue to invest a significant portion of the Fund in businesses where we have greater confidence in the predictability of their future earnings than those of the average business, and those businesses whose earnings we believe to be below normal levels.

The composition of the Fund's holdings remains largely unchanged except for price movements, which for example have led to Dimension Data entering the Top 10.

TOP 10 SHARE HOLDINGS[1]

Company	% of portfolio
British American Tobacco	10.8
SABMiller	10.5
Sasol	9.0
Anglogold Ashanti	7.7
Remgro	7.4
Sanlam	5.1
MTN	4.3
Mondi	4.0
Harmony Gold	3.2
Dimension Data	2.7

[1] Top 10 share holdings at 30 June 2010. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2010 [2]

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
3.08%	0.12%	1.24%	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 2010. 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 2010[3]

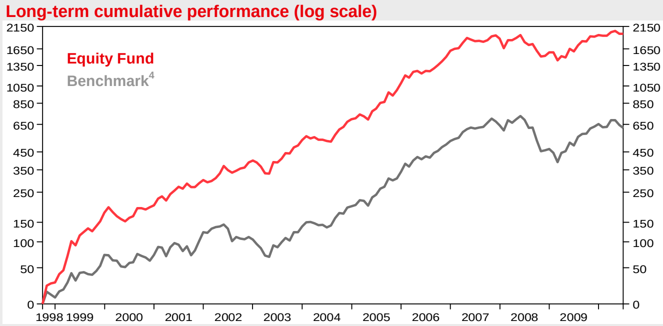
Sector	% of portfolio	ALSI
Oil & gas	9.2	4.8
Basic materials	22.2	38.0
Industrials	10.3	6.3
Consumer goods	26.9	13.7
Healthcare	2.0	1.7
Consumer services	3.0	8.8
Telecommunications	5.5	6.3
Financials	12.6	19.8
Technology	3.7	0.7
Fixed interest/Liquidity	4.1	-
Other	0.8	-

[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)	1979.8	623.5
Latest 10 years (annualised)	23.0	16.4
Latest 5 years (annualised)	18.4	16.3
Latest 3 years (annualised)	2.9	0.3
Latest 1 year	22.0	21.8
Risk measures (Since inception month end prices)		
Maximum drawdown [5]	-31.3	-45.4
Percentage positive months	66.0	59.6
Annualised monthly volatility	17.9	19.8

[4] FTSE/JSE All Share Index including income. **Source: I-Net Bridge, performance as calculated by Allan Gray as at 30 June 2010.**
[5] Maximum percentage decline over any period.

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