

FUND DETAILS AT 30 JUNE 2009

Sector: Domestic AA - Targeted Absolute Return
Inception date: 1 October 2002
Fund manager: Delphine Govender
Fund objective: The Fund aims to exceed the return of the Daily Call Rate of FirstRand Bank.

Suitable for those investors who:

- Seek absolute (i.e. positive) returns regardless of stock market trends.
- Are risk-averse and require a high degree of capital stability.
- Are retired or nearing retirement.
- Seek the diversification benefits of uncorrelated returns relative to shares or bonds.
- Wish to diversify a portfolio of shares or bonds.
- Wish to add a product with an alternative investment strategy to their overall portfolio.

Price: R 15.66
Size: R 2 389 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: 56

Income distribution: 01/07/08 - 30/06/09 (cents per unit) Total 119.08
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 benchmark is the return on call deposits with FirstRand Bank Limited (for amounts in excess of R5m). The fee hurdle (above which a fee greater than the minimum fee of 1% is charged) is performance equal to the benchmark. The manager's sharing rate is 20% of the outperformance of the benchmark. The fee is uncapped, however a high watermark principle applies which means that should the Fund underperform it would first be required to recover the underperformance before any further performance fees are payable.

COMMENTARY

The Fund invests in a portfolio of equities and substantially reduces stock market risk and exposure by selling equity derivatives against the equity portfolio. As a result, the Fund's return should not be correlated with equity markets, but it is dependent rather on the level of short-term interest rates and the ability of the Fund's equity portfolio to outperform the underlying benchmark equity index. In essence, therefore, the Fund's return comprises two components: (1) the cash return implicit in the pricing of the sold futures contracts +/- (2) the out/underperformance of the equity portfolio versus the index (i.e. the alpha).

Since inception the Fund has returned 91.2%, outperforming the benchmark return of 70.6%. For the 12 months ended 30 June 2009, the Fund has delivered a pleasing 13.6%, outperforming the benchmark return of 10.3% and versus a return of -24.9% from the FTSE/JSE All Share Index (ALSI). Over the past 12 months, the Fund has therefore considerably outperformed South African equities (as measured by the ALSI), by slightly more than 38%. This clearly demonstrates the core objective of the Fund, which is to deliver absolute and uncorrelated returns irrespective of the level of equity markets.

South African interest rates, which peaked in the second half of 2008, started declining in December 2008. After five successive rate cuts totalling a 450 basis point (bp) reduction in the SA official repo rate, the Reserve Bank chose to leave the repo rate unchanged at 7.5% at its latest meeting. With the cash return implicit on future contracts being a main source of return for this Fund, investors should be aware that the lower level of absolute interest rates will naturally have an impact on the overall absolute level of return for the Optimal Fund going forward.

Given considerably weaker economic growth prospects and earnings expectations for the year ahead, we remain cautious in respect of our expectations for the level of overall returns from South African shares, particularly in the short to medium term. In this environment, we believe that the Optimal Fund's very low net equity exposure and corresponding potential to deliver long-term absolute returns, uncorrelated with overall equity markets, continues to make it a particularly compelling component of an investor's overall portfolio.

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

OPTIMAL FUND

TOP 10 SHARE HOLDINGS¹

Company	% of portfolio
BHP Billiton	11.7
SABMiller	9.7
Anglo American	8.9
MTN Group	7.6
Sasol	7.1
Anglogold Ashanti	6.4
Compagnie Fin Richemont SA	4.5
Standard Bank	3.5
Sanlam	2.5
Harmony Gold Mining Co	2.4

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

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2009²

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
2.02%	0.30%	0.56%	1.14%	0.02%

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.

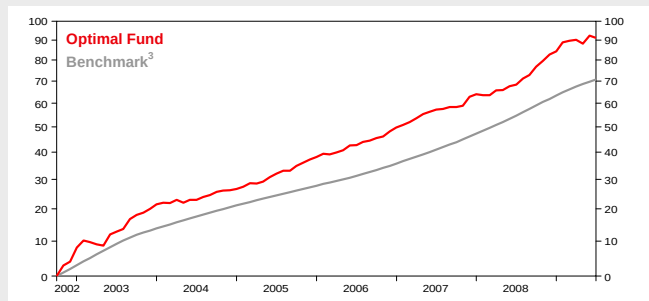
ASSET ALLOCATION AT 30 JUNE 2009

Asset class	% of portfolio
Net SA equities	2.7
Hedged SA equities	83.2
Listed property	0.4
Foreign	0.4
Money market and cash	13.3
Total	100

PERFORMANCE

Fund performance shown net of all fees and expenses as per the TER disclosure.

Long-term cumulative performance (log scale)



% Returns	Fund	Benchmark ³
Since inception (unannualised)	91.2	70.6
Latest 5 years (annualised)	9.2	7.7
Latest 3 years (annualised)	10.2	9.1
Latest 1 year	13.6	10.3
Risk measures (Since inception month end prices)		
Maximum drawdown ⁴	-2.2	n/a
Percentage positive months	85.2	100.0
Annualised monthly volatility	3.0	0.7

³ The return on call deposits with FirstRand Bank Limited (for amounts in excess of R5m).

Source: FirstRand Bank, performance as calculated by Allan Gray as at 30 June 2009.

⁴ Maximum percentage decline over any period.