ALLANGRAY

STABLE FUND

FUND DETAILS AT 30 NOVEMBER 2008

Sector:	Domestic AA - Prudential - Low Equity
Inception date:	1 July 2000
Fund manager:	Ian Liddle. (Foreign assets are invested in Orbis funds.)

Fund objective:

The Fund aims to provide a return that exceeds the return on call deposits plus 2%, on an after-tax basis, at a rate of 25%. It also seeks to provide a high level of capital stability and to minimise the risk of loss over any two-year period.

Suitable for those investors who:

- Are risk-averse and require a high degree of capital stability.
- Require a reasonable income but also some capital growth.
- Are retired or nearing retirement.
- Seek to preserve capital over any two-year period.

Compliance with Prudential Investment Guidelines:

Retirement Funds: The portfolio is managed to comply with the limits of Annexure A to Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to market value fluctuations or capital withdrawals, in which case they will be corrected within a reasonable time period. Allan Gray Unit Trust Management Limited does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 9 of Annexure A to Regulation 28).

Price:	R 22.15
Size:	R 21 389 m
Minimum lump sum:	R 5 000
Minimum monthly:	R 500
Subsequent lump sums:	R 500
No. of share holdings:	55
Income distribution: 01/10/07 - 30/09/08 (cents per unit)	Total 108.30
Average annual management fee for October (excl VAT)	1.34%

Distributes quarterly. 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 benchmark is the return of call deposits (for amounts in excess of R5m) with FirstRand Bank Limited plus 2%, on an after-tax basis at a rate of 25%, over a rolling two-year period. The fee hurdle (above which a fee greater than the minimum fee of 0.5% is charged) is performance equal to the benchmark minus 5%. For performance equal to the benchmark a fee of 1.0% (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 1.5% (excl. VAT) applies. The annual management fee is calculated on the daily value of the Fund excluding any assets invested in the Orbis funds. Assets invested in the Orbis funds incur a management fee. These along with other expenses are included in the Total Expense Ratio.

COMMENTARY

Global stock markets are currently extremely volatile. The South African stock market is no exception. Despite the FTSE/JSE All Share Index plumbing a new low during the month, it closed at a similar level to its October close.

We continue to apply our philosophy of buying shares when they are trading at a discount to our assessment of their intrinsic value. Our assessment of the intrinsic value of a company will tend to be much more stable than the company's share price, as we try and look through economic cycles and take a long-term view when valuing the company.

We do not believe we have any special ability to make consistently accurate economic forecasts, but for what it is worth, we would not be unduly surprised if the performance of the global economy continues to disappoint in 2009. It may take a long time to work out the excesses of the credit bubble. However, somewhat paradoxically, we now see attractive value in equities.

The Fund has closed the hedges it held against a decline in the South African stock market, and the net equity exposure of the Fund has increased.

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 HOLDINGS AT 30 SEPTEMBER 2008*

Company	% of portfolio
Remgro	3.8
SABMiller	3.0
MTN Group	2.8
Anglogold Ashanti	2.5
Sasol	2.4
Richemont	2.2
Sanlam	1.8
Standard Bank Group	1.6
ABSA	1.3
Shoprite Holdings	0.9

* The 'Top 10 Share Holdings' table is updated quarterly.

TOTAL EXPENSE RATIO*

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
1.79%	0.07%	0.52%	1.14%	0.06%

*A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. It is expressed as a percentage of the average value of the portfolio, calculated for the year to the end of September 2008. 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

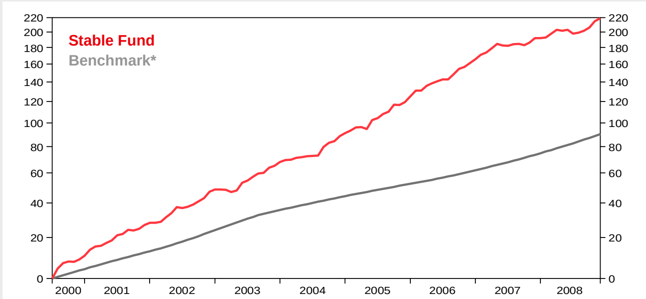
Asset class	% of fund
Net SA equities	24.1
Hedged SA equities	0.0
Listed property	0.0
Commodities (New Gold)	3.0
Money market and cash	51.4
Foreign	21.5
Total	100

Total net SA and foreign equity exposure: 35.9%.

PERFORMANCE*

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

Long-term cumulative performance (log scale)



% Returns (after tax)	Fund	Benchmark**
Since inception (unannualised)	219.3	90.2
Latest 5 years (annualised)	14.1	7.1
Latest 3 years (annualised)	13.3	7.8
Latest 1 year	9.2	9.7
Risk measures (since inception month end prices)		
Maximum drawdown***	-4.2	n/a
Percentage positive months	86.1	100.0
Annualised monthly volatility	3.9	0.5

* Fund and benchmark performance adjusted for income tax at a rate of 25%.

** The return of call deposits (for amounts in excess of R5m) with FirstRand Bank Limited plus 2%; on an after-tax basis a rate of 25%. **Source: FirstRand Bank, performance as calculated by Allan Gray as at 30 November 2008.**

*** Maximum percentage decline over any period.