ALLANGRAY

STABLE FUND

FUND DETAILS AT 30 SEPTEMBER 2009

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 an assumed 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.

Price:	R 22.19
Size:	R 28 456 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:	40
Average annual management fee for September (excl VAT)	1.08%
Income distribution: 01/10/08 - 30/09/09 (cents per unit)	Total 187.74

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.

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 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. If however, the Fund's cumulative return over a rolling two-year period is equal to or less than 0%, no annual management fee will be charged. 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

The Fund continued to reduce its net equity exposure by hedging its stock market exposure into the recent stock market strength. The Fund's net equity exposure is down to 18.2% and its net exposure to SA Equities is down to 10.5%.

The Fund's offshore exposure has been a significant drag on recent performance as the rand has strengthened from an extreme of R11.85/US$ in October 2008 to around R7.50/US$. However, investors should remember that the offshore exposure will positively contribute to performance in the event of the rand weakening. We believe that offshore exposure provides an important source of diversification for the Fund, and we expect it to contribute positively to the Fund's future long-term performance.

The Fund has recently increased its position in the Newgold debenture to 4% of the Fund. What happens to the gold price in the short term is anyone's guess, but we believe that the Fund's gold holding provides it with some further protection from a potential weakening of the rand.

TOP 10 SHARE HOLDINGS[1]

Company	% of portfolio
SABMiller	2.8
Anglogold Ashanti	2.0
British American Tobacco	1.9
Sasol	1.6
Remgro	1.5
MTN Group Limited	1.3
Sanlam	1.1
Compagnie Fin Richemont SA	0.9
Sappi	0.8
Standard Bank Group	0.7

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

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 30 JUNE 2009[2]

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
1.34%	0.04%	0.14%	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 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.

ASSET ALLOCATION AS AT 30 SEPTEMBER 2009

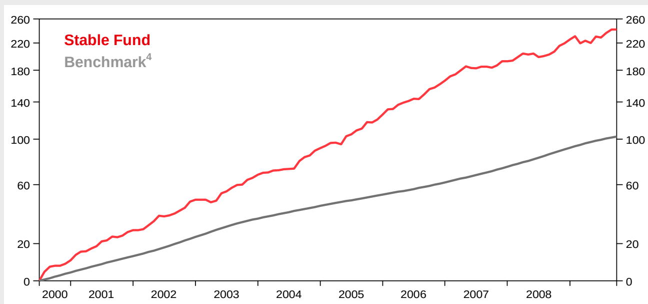
Asset class	% of portfolio
Net SA equities	10.5
Hedged SA equities	9.4
Listed property	0.0
Commodities (New Gold)	4.0
Money market and cash	55.9
Foreign	20.2
Total	100

Total net SA and foreign equity exposure: 18.19%.

PERFORMANCE[3]

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 [4]
Since inception (unannualised)	241.5	102.6
Latest 5 years (annualised)	13.3	7.3
Latest 3 years (annualised)	10.2	8.4
Latest 1 year	11.5	8.3
Risk measures (since inception month end prices)		
Maximum drawdown[5]	-4.3	n/a
Percentage positive months	84.7	100.0
Annualised monthly volatility	4.2	0.5

[3] Fund and benchmark performance adjusted for income tax at a rate of 25%.
[4] 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 September 2009.**
[5] Maximum percentage decline over any period.

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