

FUND DETAILS AT 31 MAY 2010

 Sector:
 Domestic AA - Prudential - Low Equity

 Inception date:
 1 July 2000

 Fund manager:
 lan 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 22.46
Size:	R31 112m
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:	56
Income distribution: 01/04/09 - 31/03/10 (cents per unit)	Total 93.96
Distributes quarterly. To the extent that the total expenses exceed 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 out- and underperformance 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 incur a management fee. These along with other expenses are included in the Total Expense Ratio.

COMMENTARY

One of the ways in which the Fund seeks to achieve its dual objectives of real returns and capital stability is to vary its exposure to the equity markets depending on the value that they offer. When investors' expectations are low and stock markets offer good value, the Fund is attracted to the limited downside and the potential for upside from positive surprises. Vice versa, when stock markets offer little value, the Fund is particularly concerned about the potential downside and it reduces its equity market exposure.

With many South African financial and industrial shares trading close to their 2007-2008 highs, and the FTSE/JSE All Share Index up 50% from its low in the first quarter of 2009, it, it should be no surprise that the Fund has reduced its net equity exposure from a high 31.8% at the end of the first quarter last year, to the current 14.0%.

The bulk of this reduction in net equity exposure has been effected by the selling of stock index futures. This means that 38.1% of the Fund is still exposed to the potential, for us and Orbis, to add value through stock picking.

We actively manage the portion of the Fund invested in the money and bond markets aiming for real returns at low risk.

The Fund's offshore exposure has been a significant drag on performance over the last year as the rand has strengthened. But we would expect it to contribute positively over the long term if the rand weakens (which we regard as more likely than long-term strength from this point).

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STABLE FUND

TOP 10 SHARE HOLDINGS¹

Company	% of portfolio
SABMiller	2.9
Sasol	2.1
British American Tobacco	1.9
Anglogold Ashanti	1.7
Remgro	1.6
Sanlam	1.2
MTN	1.0
Sappi	0.8
Standard Bank	0.7
Tongaat-Hulett	0.7

¹ The Top 10 share holdings at 31 March 2010. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2010 ²

	Included in TER			
Total expense ratio	Trading costs	Performance component	Fee at benchmark	Other expenses
1.37%	0.05%	0.14%	1.15%	0.03%

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 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.

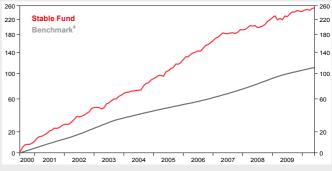
ASSET ALLOCATION AS AT 31 MAY 2010

	% of portfolio		
Asset class	Total	SA	Foreign
Net Equities	14.0	6.5	7.5
Hedged Equities	24.1	13.4	10.7
Property	0.2	0.2	-
Commodities (Gold)	4.1	4.1	-
Bonds	5.9	5.9	-
Money Market and Bank Deposits	51.7	49.9	1.8
Total	100.0	80.2	19.8

Note: There may be slight discrepancies in the totals due to rounding.

PERFORMANCE 3

Fund performance shown net of all fees and expenses as per the TER disclosure. **Long-term cumulative performance (log scale)**



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% Returns (after-tax)	Funa	Benchmark '
Since inception (unannualised)	254.0	110.7
Latest 5 years (annualised)	11.8	7.4
Latest 3 years (annualised)	7.8	8.1
Latest 1 year	7.4	6.2
Risk measures (since inception month end prices)		
Maximum drawdown ⁵	-4.3	n/a
Percentage positive months	83.2	100.0
Annualised monthly volatility	4.2	0.5

³ Fund and benchmark performance adjusted for income tax at a rate of 25%.

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio divided by the number of units in issue. Declarations of income accruals are made quarterly. Purchase and redemption requests must be received by the manager by 14:00 each business day. Forward pricing is therefore used. Fluctuations and movements in exchange rates may also cause the value of underlying international investments to go up or down. Performance figures are from Allan Gray Limited (GIPS compliant) and are for lump sum investments with income distributions reinvested. Permissible deductions may include management fees, brokerage, STT, auditor's fees, bank charges and trustee fees. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the manager. Commission and incentives may be paid and if so, would be included in the overall costs. The Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. Total Expense Ratio (TER): When investing, costs are only a part of an investment objective of the Fund should be compared with the investor's objective and then the performance of the investment and whether it represents value for money should be evaluated as part of the financial planning process. All Allan Gray performance figures and values are quoted after the deduction of costs incurred within the Fund so the TER is not a new cost. Compliance with Prudential Investment 20% (FSB Circular 3 of 2009). ASISA regards a prudential fund with foreign exposurer of up to 20%, as conforming to Regulation 28 for fund classificat

⁴ 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%. Source: FirstRand Bank, performance as calculated by Allan Gray as at 31 May 2010.

⁵ Maximum percentage decline over any period.