

ALLAN GRAY

FUND DETAILS AT 30 JUNE 2011

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

Fund objective:

The Fund aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period while producing returns that are superior to bank deposits on an after-tax basis.

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: R22.70
Size: R26 129 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: 60
Income distribution: 01/07/10 - 30/06/11 (cents per unit) Total 71.81
 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 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. Assets invested in the Orbis funds incur a management fee. These along with other expenses are included in the total expense ratio.

COMMENTARY

The FTSE/JSE All Share Index traded in a range between 30 000 to 33 000 points over the first half of the year, but it ended the first half at much the same level as it started the year. The Fund sidestepped most of this volatility as it maintained a relatively low net exposure to South African shares over the first half. The FTSE/JSE All Share Index is currently priced at 18 times its average annual inflation-adjusted profits over the last decade. This is expensive compared with its 41-year average of 13.5 times. The current 2.5% dividend yield on the index is low compared to its long-term average of 4.4%. At the current high prices for most South African shares, we believe that the risk of loss from holding shares over the next two years is unacceptably high for the Fund. The bulk of the Fund's exposure to South African shares is currently hedged by a short position in futures contracts on the FTSE/JSE Top 40 Index. This allows the Fund to benefit should its stock selections outperform the overall market while substantially reducing its exposure to the overall direction of the stockmarket. The Fund has maintained its full foreign exposure.

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

* Only available to South African residents.

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 trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. 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 and fund valuations take place at approximately 16:00 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 decision. The 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 Guidelines: The Fund is managed to comply with Regulation 28 of the Pension Funds Act (with total foreign exposure limit of 25% as per FSB Circular 6 of 2010). 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 with section 19(4) of the Pension Funds Act (item 9 of Annexure A to Regulation 28). Allan Gray Unit Trust Management Limited is a member of the Association for Savings & Investment SA (ASISA). Allan Gray Limited, an authorised financial services provider, is the appointed investment manager of Allan Gray Unit Trust Management Limited. Allan Gray Unit Trust Management Limited has been approved by the Regulatory Authority of Botswana to market its unit trusts in Botswana, however the Company is not supervised or licensed in Botswana. It is incorporated and registered under the laws of South Africa and is supervised by the Financial Services Board.

ALLAN GRAY STABLE FUND

TOP 10 SHARE HOLDINGS¹

Company	% of portfolio
British American Tobacco ²	4.2
SABMiller	3.4
Sasol	3.3
Remgro	1.8
AngloGold Ashanti	1.5
Sanlam	1.1
Standard Bank	0.8
Reinet Investments SA	0.7
MTN	0.7
Gold Fields	0.6

1. Top 10 share holdings at 30 June 2011. Updated quarterly.

2. In December 2010, National Treasury announced, along with the increase in foreign exposure allowance, that the holding of foreign inward listed shares, such as British American Tobacco, are to form part of an institutional investor's overall foreign allowance.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2011³

Total expense ratio	Included in TER			
	Investment management fee ⁴		Trading costs	Other expenses
	Performance component	Fee at benchmark		
1.28%	0.05%	1.15%	0.06%	0.02%

3. A Total Expense Ratio (TER) is a measure of a unit trust's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the unit trust, calculated for the year to the end of March 2011. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, STT, STRATE and insider trading levy), VAT 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.

4. The investment management fee rate for the three months ending 30 June 2011 was 1.25% (annualised).

ASSET ALLOCATION AT 30 JUNE 2011

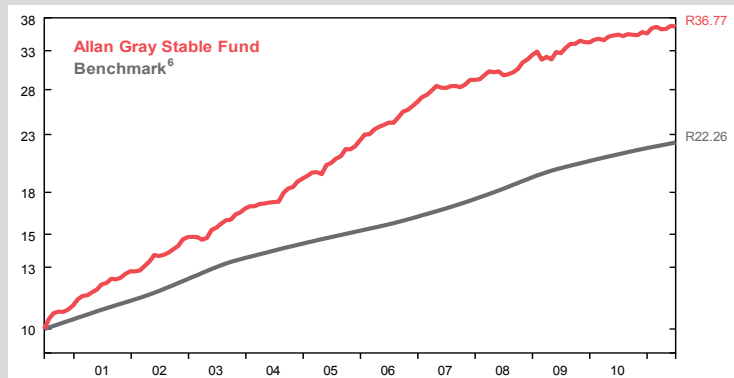
Asset class	% of portfolio		
	Total	SA	Foreign
Net Equities	18.6	4.8	13.8
Hedged Equities	27.9	17.8	10.1
Property	0.2	0.2	-
Commodities (Gold)	4.6	4.6	-
Bonds	10.2	10.2	-
Money Market and Bank Deposits	38.5	37.1	1.4
Total	100.0	74.7	25.3

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

PERFORMANCE⁵

Fund performance shown net of all fees and expenses.

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark ⁶
Since inception (unannualised)	267.7	122.7
Latest 10 years (annualised)	11.7	7.4
Latest 5 years (annualised)	8.6	7.3
Latest 3 years (annualised)	7.2	6.8
Latest 1 year	3.5	5.2
Risk measures		
(Since inception month end prices)		
Maximum drawdown ⁷	-4.3	-
Percentage positive months	80.3	100
Annualised monthly volatility	4.2	0.5

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

6. 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 30 June 2011.

7. Maximum percentage decline over any period.