

FUND DETAILS AT 31 OCTOBER 2009

Sector: Domestic - Equity - General
Inception date: 1 October 1998
Fund managers: Ian Liddle, Duncan Artus, Delphine Govender,
 Andrew Lapping, Simon Raubenheimer

Fund objective:

The Fund aims to earn a higher total rate of return than that of the average of the South African equity market as represented by the FTSE/JSE All Share Index, including income, without assuming greater risk.

Suitable for those investors who:

- Seek long-term wealth creation.
- Are comfortable with market fluctuation i.e. short-term volatility.
- Typically have an investment horizon of five years plus.
- Seek an equity 'building block' for a diversified multi-asset class portfolio.

Price: R 158.11
Size: R 20 801 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: 62
Income distribution: 01/07/08 - 30/09/09 (cents per unit) Total 1431.48

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 FTSE/JSE All Share Index including income (adjusted for Fund expenses and cash flows), over a rolling two-year period. The fee hurdle (above which a fee greater than the minimum fee of 0% is charged) is performance equal to the benchmark minus 15%. For performance equal to the benchmark a fee of 1.5% (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 3% (excl.VAT) applies.

COMMENTARY

It is extremely difficult to be consistently accurate in forecasting economic variables. And even if one did have an accurate 'crystal-ball' view on the economic future, it is not clear that this would always be helpful in picking winners on the stock market. Company profits and values are affected not just by economic circumstances, but by other factors such as competition.

However, that is not to say that stock market investors should dismiss all economic data as irrelevant. Rather than obsessing over regular short-term data releases, we look for long-term imbalances and then try to understand the risks and opportunities that these imbalances may present to companies in our investment universe.

The aggressive stimulus measures many countries have employed over the last year are unsustainable. Policymakers seem to be hoping that an economic recovery will save them from having to make hard choices; but hard choices will probably have to be made. Ultimately state deficits will need to be reined in by raising taxes and/or cutting spending, and this is unlikely to impact positively on the private sector.

South Africa, too, will probably have to make some hard choices over the next decade as the country faces up to a growing fiscal deficit, rising unemployment and the loss of cheap power as one of its major competitive advantages. South African stock market investors should not be complacent in expecting the relatively favourable business conditions of the last decade to necessarily be repeated.

In his Medium-Term Budget address, the minister of finance expressed a concern that the strong rand would have a negative impact on the international competitiveness of South African industry and consequently on local employment statistics.

It is not clear that these challenges are adequately reflected in current stock market prices. Investors should continue to view the current stock market valuations with some caution.

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 HOLDINGS¹

Company	% of portfolio
SABMiller	10.2
British American Tobacco	9.1
Sasol	8.1
Anglogold Ashanti	7.6
Remgro	6.5
MTN Group	6.3
Sanlam	5.2
Mondi	4.0
Compagnie Fin Richemont SA	3.9
Harmony Gold Mining Co	3.2

¹Top 10 share holdings at 30 September 2009. Updated quarterly.

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 30 SEPTEMBER 2009²

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
3.15%	0.13%	1.30%	1.71%	0.01%

²A 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 September 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.

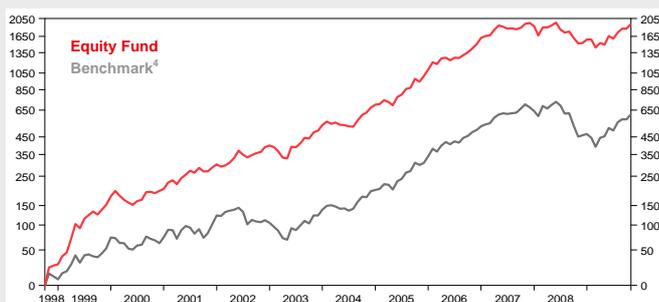
SECTOR ALLOCATION AT 30 SEPTEMBER 2009³

Sector	% of portfolio	ALSI
Oil & gas	8.1	5.2
Basic materials	22.6	38.0
Industrials	8.9	6.7
Consumer goods	27.5	12.1
Healthcare	2.1	1.6
Consumer services	5.1	8.1
Telecommunications	6.3	7.8
Financials	14.3	19.9
Technology	2.9	0.6
Fixed interest/Liquidity	1.9	-
Other	0.2	-

³The 'Sector Allocation' table is updated quarterly.

PERFORMANCE

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



% Returns	Fund	Benchmark ⁴
Since inception (unannualised)	1916.3	617.4
Latest 10 years (annualised)	23.7	17.4
Latest 5 years (annualised)	22.6	21.1
Latest 3 years (annualised)	9.8	7.1
Latest 1 year	25.2	29.2
Risk measures (Since inception month end prices)		
Maximum drawdown ⁵	-31.3	-45.4
Percentage positive months	66.9	60.2
Annualised monthly volatility	18.3	20.1

⁴ FTSE/JSE All Share Index including income. Source: I-Net Bridge, performance as calculated by Allan Gray as at 31 October 2009.

⁵ Maximum percentage decline over any period.