

ALLAN GRAY BALANCED FUND
Fact sheet at 28 February 2006


Sector: Domestic AA Prudential Medium Equity
 Inception Date: 1 October 1999
 Fund Manager: Arjen Lugtenburg
 Qualification: M Com, CA(SA), CFA

The Fund's investment strategy is to earn a higher rate of return than the market value-weighted average of the domestic medium equity prudential unit trust sector excluding the Allan Gray Balanced Fund without assuming any greater monetary risk. Risk will be higher than the Stable Fund but less than the Equity Fund.

Fund Details

Price: 3725.31 cents
Size: R 12 805 903 955
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 54

01/01/05-31/12 dividend (cpu): 73.47

Interest 35.49, Dividend 37.92,

Foreign Interest 0.05

Annual Management Fee: The monthly charge rate is directly related to the rolling two-year return of the Fund compared with that of its benchmark. The limits are 0.57-1.71% p.a. (incl. VAT).

Commentary

The Fund continues to have very pleasing absolute and relative returns, with a 12 month return of 34.5%, versus that of the average prudential fund, its benchmark, of 31.0%. In February, we witnessed a small correction in the JSE with it selling off 3.3% during the month. After the market's strong run this is not a surprising development. The Fund only depreciated by 1.1% over the month. Although these are very short-term developments, they do illustrate the protection investors get from: firstly, the diversification inherent in an asset allocation fund; secondly, the somewhat cautious exposure of the Fund towards the JSE and; thirdly, the downside protection inherent in the Fund's share portfolio. We are maintaining a somewhat subdued exposure to the domestic equity market. We continue to favour domestically focused resource shares, financials and select industrials whose earnings are not cyclically high and growth prospects are better than average such as MTN, Remgro, Sun International and Shoprite. Offshore exposure was maintained at close to the maximum 15% level.

Top 10 Share Holdings at 31 December 2005*

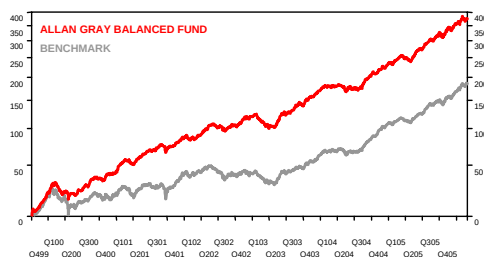
JSE Code	Company	% of portfolio
SOL	Sasol	7.47
MTN	MTN	5.78
AMS	Angloplat	4.24
REM	Remgro	3.32
HAR	Harmony	2.90
SBK	Stanbank	2.77
AGL	Anglo	2.64
NPN	Naspers-N	2.43
ASA	Absa	2.09
NPK	Nampak	2.04

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

Asset Allocation

Asset Class	% of Fund
Shares	58.66
Derivatives	-1.36
Net Equity Exposure	57.30
Derivative - Contract Value	1.36
Property	2.03
Bonds	9.69
Money Market & Cash	14.25
Foreign	15.37
Total	100.00

Performance (net of fees, including income, assumes reinvestment of dividends, on a NAV to NAV basis)

Long-term cumulative performance (log-scale)


% Returns	Balanced Fund	Avg Prudential Fund
Since Inception (unannualised)	371.8	182.8
Latest 5 years (annualised)	25.0	18.0
Latest 3 years (annualised)	31.1	28.2
Latest 1 year	34.5	31.0

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	10.8	11.2

* Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

JC de Lange, RW Dower, GW Fury, ED Loxton, WJC Mitchell (Chairman), ER Swanepoel (Non-Executive)

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Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of participatory interests (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 value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. 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 Allan Gray Unit Trust Management Limited. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. All of the unit trusts may be capped at any time in order for them to be managed in accordance with their mandates. Member of the ACI.