ALLAN GRAY BALANCED FUND

Fact sheet at 31 May 2006

ALLANGRAY
LONG TERM INVESTMENT MANAGEMENT

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:	3 897.81 cents
Size:	R 13 929 414 636
Minimum lump sum:	R 5 000
Minimum monthly:	R 500
Subsequent lump sums:	R 500
No. of share holdings:	54

Income Distribution:	Bi-annually
01/01/05-31/12/05 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

Despite the sell off in the equity and bond markets over the last month, the funds 12-month return is still a very pleasing 34.7% (vs 32.5% for its benchmark). Last month we warned that there was a downside risk to commodity and share prices, so the correction we are experiencing at the moment is not surprising. A feature of the sell off is that it has been accompanied by Rand weakness. The Fund was protected in the sell off by its relatively cautious domestic share position, its full offshore allocation and its preference for shares with Rand hedge qualities. Rand commodity prices were partially protected by the weaker Rand. Illogically, although not without historic precedent, the drop in commodity prices was most acute for resource shares with domestic cost basis e.g. the gold and platinum producers. This is due to the immediate conversion of the share prices of offshore based resource companies with the weaker Rand. History however also shows that over the medium term fundamentals prevail, and domestic based resource companies are the eventual beneficiaries of a weaker Rand. Apart form these shares the Fund continues to favour offshore assets to domestic assets as is reflected in both its 15% offshore allocation and the preference for industrial shares with offshore operations.

Top 10 Share Holdings at 31 March 2006*

JSE Code	Company	% of portfolio
MTN	MTN Group	5.40
SOL	Sasol	4.33
AMS	Angloplat	4.32
REM	Remgro	4.14
SBK	Stanbank	3.31
HAR	Harmony	2.99
NPN	Nasionale Pers	2.38
NED	Nedbank	2.28
Sanlam	SLM	2.27
AGL	Anglo	2.12

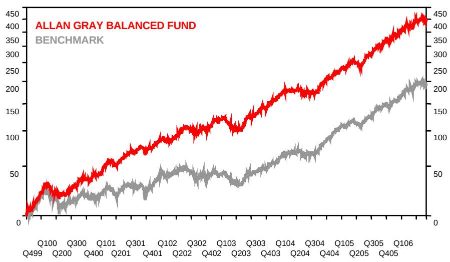
* The 'Top 10 Share Holdings' table is updated quarterly.

Asset Allocation

Asset Class	% of Fund
Shares (excluding Property)	58.34
Property	1.96
Derivatives	-0.28
Net Equity Exposure	60.02
Derivative - Contract Value	0.28
Bonds	10.29
Money Market & Cash	14.03
Foreign	15.38
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)	393.6	191.5
Latest 5 years (annualised)	24.7	17.8
Latest 3 years (annualised)	30.8	27.9
Latest 1 year	34.7	32.5
Risk Measures		
(Since incep. month end prices)		
Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	10.7	11.1

* 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)*

Tel 0860 000 654, Fax 0860 000 655, info@allangray.co.za, www.allangray.co.za

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.