

ALLAN GRAY BALANCED FUND

Fact sheet at 30 June 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: 3 973.68 cents
Size: R 14 278 058 021
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 51

Income Distribution: Bi-annually
01/07/05-30/06/06 dividend (cpu): 80.30
Interest 42.44, Dividend 37.85,
Foreign Interest 0.01

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 improved both its absolute and relative returns during June as the market recovered from the sell-off during May and the early part of June. The recovery was mainly driven by Rand hedge stocks on the back of a weaker Rand. As predicted domestic resource producers performed best during the recovery, aided by the leverage their operations have to a weaker Rand. The Fund, with its overweight position in platinum and gold shares, benefited from these movements. Although we used the sell-off to increase the Fund's share exposure, investors should note that the market is within 5% of its previous all time high. Our previous concerns regarding the level of domestic asset prices have returned and investors are again cautioned against too optimistic return expectations going forward. We continue to favour offshore assets, as is reflected in the Fund's 15% offshore allocation and its preference for domestically based exporters and companies with offshore operations.

Top 10 Share Holdings at 30 June 2006*

JSE Code	Company	% of portfolio
AMS	Angloplat	5.61
REM	Remgro	5.22
MTN	MTN Group	5.04
SOL	Sasol	4.21
IMP	Impala	3.44
HAR	Harmony	3.32
SBK	Stanbank	3.03
SLM	Sanlam	2.62
NPN	Nasionale Pers	2.21
ASA	ABSA	2.17

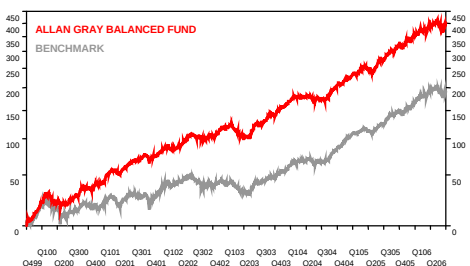
* The 'Top 10 Share Holdings' table is updated quarterly.

Asset Allocation

Asset Class	% of Fund
Shares (excluding Property)	62.20
Property	1.7
Derivatives	0.00
Net Equity Exposure	63.90
Derivative - Contract Value	0.00
Bonds	9.71
Money Market & Cash	11.71
Foreign	14.68
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)	403.2	191.0
Latest 5 years (annualised)	24.4	17.6
Latest 3 years (annualised)	31.3	27.7
Latest 1 year	34.6	29.8

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.