

ALLAN GRAY BALANCED FUND
Fact sheet at 31 August 2006

Sector: Domestic AA Prudential Medium Equity
 Inception Date: 1 October 1999
 Fund Managers: Stephen Mildenhall, Arjen Lugtenberg, Duncan Artus, Ian Liddle, Delphine Govender, Orbis Investment Management Limited

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: 4 047.95 cents
Size: R 15 207 335 334
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 52

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 invests in a variety of asset classes both in and outside South Africa. Close to 15% of the Fund is now invested in Rand cash (including the "synthetic cash" arising from the derivative position). This reflects the 15% maximum limit on the Fund's foreign exposure, which prevents the Fund from adding to its offshore investments. But it also reflects the relatively high current valuations for long-term South African assets such as equities, bonds and property. With the markets showing such optimism for South African assets, we prefer to keep some powder dry today so that the Fund can take advantage of any potential pessimism in the future. Having said that, South African shares still account for the bulk of the Fund's value, and these companies continue to report growing profits. While it is impossible to predict relative performance over short periods of time, we remain convinced that the South African shares in the Fund represent better value than the average South African share, and that this should contribute to the Fund's continued out-performance over the long run.

Top 10 Share Holdings at 30 June 2006*

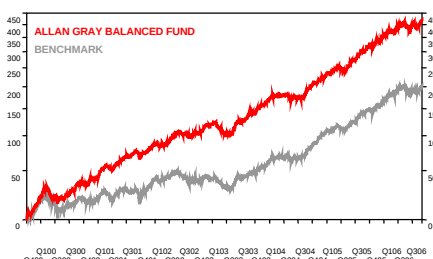
JSE Code	Company	% of portfolio
AMS	Angloplat	5.61
REM	Remgro	5.22
MTN	MTN Group	5.04
SOL	Sasol	4.21
IMP	Impala	3.44
HAR	Harmony	3.32
SBK	Stanbank	3.03
SLM	Sanlam	2.62
NPN	Nasionale Pers	2.21
ASA	ABSA	2.17

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

Asset Allocation

Asset Class	% of Fund
Shares (excluding Property)	60.37
Property	1.74
Derivatives	-1.43
Net Equity Exposure	60.68
Derivative - Contract Value	1.43
Bonds	9.45
Money Market & Cash	13.39
Foreign	15.05
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)	418.3	201.7
Latest 5 years (annualised)	24.3	18.6
Latest 3 years (annualised)	29.3	27.4
Latest 1 year	30.0	25.7

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	10.6	11.0

* Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

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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.