

# ALLAN GRAY BALANCED FUND

Fact sheet at 31 March 2007

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:** 4 949.83 cents  
**Size:** R 21 998 461 232  
**Minimum lump sum:** R 5 000  
**Minimum monthly:** R 500  
**Subsequent lump sums:** R 500  
**No. of share holdings:** 53

**Income Distribution:** Bi-annually  
**01/01/06-31/12/06 dividend (cpu):** 91.62  
Interest 48.65, Dividend 42.95,  
Foreign Interest 0.02

**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 South African share market has rebounded to new highs since the writing of the last fact sheet. The volatility of the share market will be reflected in the returns of the Fund as the major portion of the Balanced Fund is invested in equities. But volatility should be less than that of the Equity Fund. Unfortunately we are not able to predict future stock market movements. The net SA equity exposure of the Fund (63.7%) is not a result of a strategic asset allocation decision, but is rather the result of assessing the potential long-term returns of each share in the portfolio versus the potential long-term returns of property, bonds and the money market. It will be more difficult for equities to out-perform alternative asset classes from today's starting point, because of the current high level of share prices. Nonetheless we remain confident that the shares in the Fund will deliver superior returns in the long term, albeit with more volatility than the money market.

## Top 10 Share Holdings at 31 March 2007\*

| JSE Code | Company        | % of portfolio |
|----------|----------------|----------------|
| MTN      | MTN Group      | 8.01           |
| REM      | Remgro         | 6.04           |
| AMS      | Angloplat      | 4.89           |
| SLM      | Sanlam         | 4.30           |
| IMP      | Impala         | 4.24           |
| SAB      | SAB            | 4.23           |
| SBK      | Stanbank       | 4.05           |
| ASA      | ABSA           | 3.00           |
| NED      | Nedbank        | 2.93           |
| NPN      | Nasionale Pers | 2.45           |

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

## Asset Allocation

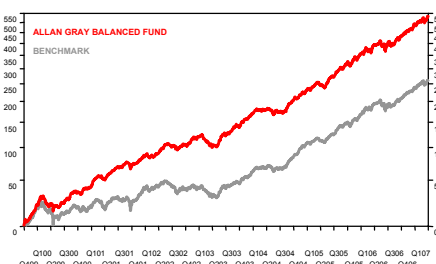
| Asset Class               | % of Fund |
|---------------------------|-----------|
| Gross SA Equities*        | 68.9      |
| Derivatives               | -5.2      |
| Net SA Equities*          | 63.7      |
| Hedged SA Equities        | 5.2       |
| Property                  | 1.8       |
| Commodities (Newgold ETF) | 0.0       |
| Bonds                     | 5.5       |
| Money Market and Cash     | 9.6       |
| Foreign                   | 14.2      |
| Total                     | 100.0     |

\*Listed property excluded

Total net SA and foreign equity exposure: 72.90

## 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 | Benchmark* |
|----------------------------------------|---------------|------------|
| Since Inception (unannualised)         | 540.4         | 263.1      |
| Latest 5 years (annualised)            | 27.4          | 20.9       |
| Latest 3 years (annualised)            | 31.9          | 29.5       |
| Latest 1 year                          | 30.3          | 24.0       |
| <b>Risk Measures</b>                   |               |            |
| <i>(Since incep. month end prices)</i> |               |            |
| Maximum drawdown**                     | -12.5         | -19.2      |
| Annualised monthly volatility          | 10.3          | 10.7       |

\* Average Prudential Fund

\*\* Maximum percentage decline over any period.

Performance as calculated by Allan Gray.

## 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 market value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio divided by the number of units in issue. Declaration of income accruals are made bi-annually. Different classes of units apply to the fund and are subject to different fees and charges. Fund valuations take place at approximately 16h00 each business day. Purchase and repurchase requests may be received by the manager by 14h00 each business day. Performance figures from Allan Gray Limited (GIPS compliant) are for lump sum investments using net asset value prices with income distributions reinvested. Permissible deductions may include management fees, brokerage, MST, auditor's fees, bank charges, trustee fees and RSC levies. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. 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. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Forward pricing is used. This Fund may be capped at any time in order to be managed in accordance with the mandate. Member of the Association of Collective Investments.