ALLANGRAY
LONG TERM INVESTMENT MANAGEMENT

BALANCED FUND

FUND DETAILS AT 29 FEBRUARY 2008

Sector:	Domestic AA - Prudential - Variable Equity
Inception date:	1 October 1999
Fund managers:	Ian Liddle, Duncan Artus, Delphine Govender, Andrew Lapping, Orbis Investment Management Limited

Fund objective:
The Fund's investment strategy is to earn a higher rate of return than the market value-weighted average of its sector, excluding the Allan Gray Balanced Fund, without assuming greater risk.

Suitable for those investors who:
- Seek long-term wealth creation.
- Have an appetite for risk similar to the average person investing in pension funds.
- Typically have an investment horizon of three years plus.
- Wish to delegate the asset allocation decision to Allan Gray.

Compliance with Prudential Investment Guidelines:
Retirement Funds: The Portfolio is managed to comply with the limits of Annexure A to Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately except where due to market value fluctuations or capital withdrawals in which case they will be corrected within a reasonable time period. Allan Gray Unit Trust Management Limited does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 9 of Annexure A to Regulation 28).

Price:	R 51.40
Size:	R 25 472 m
Minimum lump sum:	R 5 000
Minimum monthly:	R 500
Subsequent lump sums:	R 500
No. of share holdings:	53
Income distribution: 01/01/07 - 31/12/07 (cents per unit)	Total 100.45

Annual management fee:
The annual management fee rate is dependent on the return of the Fund relative to its benchmark, the daily average return weighted by market value of funds in both the Domestic Asset Allocation Prudential Medium and Prudential Variable Equity categories excluding the Allan Gray Balanced Fund, over a rolling two-year period. The fee hurdle (above which a fee greater than the minimum fee of 0.5% is charged) is performance equal to the benchmark minus 5%. For performance equal to the benchmark a fee of 1.0% (excl. VAT) per annum is payable. The manager's sharing rate is 10% of the under- and outperformance of the benchmark over a rolling two-year period and a maximum fee of 1.5% (excl. VAT) applies. The annual management fee is calculated on the daily value of the Fund excluding any underlying assets invested in Orbis funds.

COMMENTARY

Volatility in equity markets creates opportunities. The allocation of the Fund to equities was increased at opportune times in the first two months of the year and the Fund had a net equity exposure of 67% at the end of February. However, the South African stockmarket has now rebounded back to levels close to its all-time high. We are once again concerned about the high valuation of our market (particularly in US dollar terms). Our concerns about the unsustainably strong Rand have proven well-founded with the Rand weakening substantially against most major currencies this year. While there is always the possibility of a short-term pullback when a currency loses value with such alacrity, we remain concerned about the long-term sustainability of the Rand's value even at these weaker levels. We expect that many of the shares in the Fund will benefit from a weaker Rand. The pending increase in the Regulation 28 limit on the Fund's foreign exposure from 15% to 20% will present the Fund with further opportunity to diversify and protect itself from Rand weakness.

TOP 10 SHARE HOLDINGS AT 31 DECEMBER 2007*

Company	% of portfolio
Remgro	6.7
SABMiller	6.1
MTN Group	5.3
Richemont	3.9
Sanlam	3.8
Sasol	3.5
Anglogold Ashanti	3.0
Sappi	2.7
ABSA	2.4
Stanbank	2.3

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

TOTAL EXPENSE RATIO*

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
2.09%	0.22%	0.59%	1.25%	0.03%

*A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. It is expressed as a percentage of the average value of the portfolio, calculated for the year to the end of September 2007. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, VAT, UST, STRATE and insider trading levy) and other expenses. These are disclosed separately as percentages of the net asset value. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. The information provided is applicable to class A units.

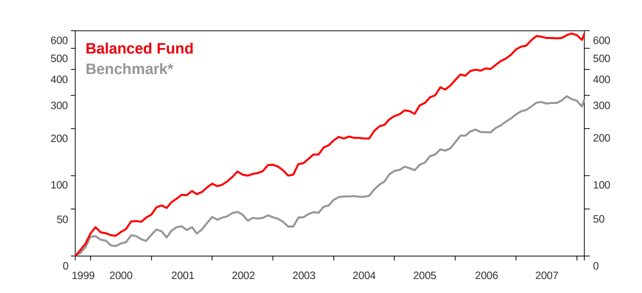
ASSET ALLOCATION

Asset class	% of fund
Net SA equities	58.7
Hedged SA equities	8.1
Listed property	1.3
Commodities (Newgold ETF)	2.3
Bonds	3.7
Money market and cash	11.1
Foreign	14.8
Total	100.0

Total net SA and foreign equity exposure: 66.9%.

PERFORMANCE

Fund performance shown net of all fees and expenses as per the TER disclosure.
Long-term cumulative performance (log scale)



% Returns	Fund	Benchmark*
Since inception (unannualised)	578.6	286.5
Latest 5 years (annualised)	26.5	23.5
Latest 3 years (annualised)	24.6	21.4
Latest 1 year	10.7	9.7
Risk measures (Since inception month end prices)		
Maximum drawdown**	-12.5	-19.2
Percentage positive months	70.3	69.3
Annualised monthly volatility	10.2	10.7

* The daily average return weighted by market value of funds in both the Domestic Asset Allocation Prudential Medium and Prudential Variable Equity categories excluding the Allan Gray Balanced Fund. **Source: Micropal, performance as calculated by Allan Gray as at 29 February 2008.**

** Maximum percentage decline over any period.

Tel 0860 000 654 or +27 (0)21 415 2301
Fax 0860 000 655 or +27 (0)21 415 2492
info@allangray.co.za www.allangray.co.za