

ALLAN GRAY BOND FUND

Fact sheet at 31 July 2005



Sector: Domestic - Fixed Interest - Bond
 Inception Date: 1 October 2004
 Fund Managers: Jack Mitchell (B Com) and Sandy McGregor B Sc, BA (Hons)

The objective of the Fund is to provide investors with a return superior to the All Bond Index, at no greater risk, over an interest rate cycle. The Fund will seek to preserve at least the nominal value of investors' capital.

Fund Details

Price: 1068.30 cents
Size: R 13 672 479
Minimum lump sum: R 25 000
Minimum monthly: R 2 500
Subsequent lump sums: R 2 500
No. of bond holdings: 8

01/07/04-30/06/05 dividend (cpu): Total 59.65
 Int 42.19, S24J Acc 17.46

Annual Management Fee: Performance fee orientated to outperformance of the All Bond Index over a one-year rolling period. The limits are 0.285 - 0.855% p.a. (incl. VAT)

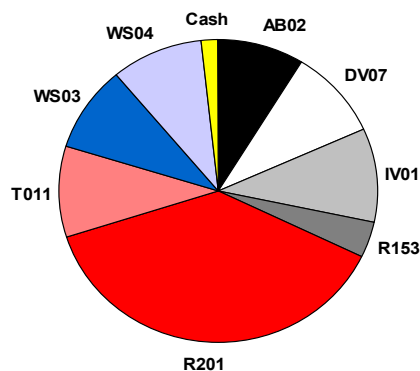
Commentary

In its first nine months the Fund has underperformed its benchmark of the All Bond Index, returning 11.9% (unannualised) versus 12.8% for the Index. The reason for the underperformance was that the managers avoided the very long government bond, the R186 maturing in 2025, which remains priced at a lower yield than 10-year bonds. The managers believe the R186 is mispriced notwithstanding that the yield gap has contracted. The Fund still has no holding in this ultra long bond. Recently the duration (capital movement per 1% move in rates) of the Fund is 5.0 which approximately equates that of the All Bond Index. Future performance relative to this benchmark will remain inversely correlated with that of the ultra long bond which, as mentioned above, is still being avoided.

Fund Holdings at 30 June 2005*

JSE Code	Maturity date	Coupon rate	% of portfolio
R201	21/12/2014	8.75%	37.81
IV01	31/03/2012	16.00%	9.97
T011	01/04/2010	16.50%	9.89
WS04	30/05/2016	12.50%	9.62
DV07	30/09/2010	14.50%	9.37
WS03	15/09/2010	13.00%	8.98
AB02	22/03/2009	14.25%	8.86
R153	13/08/2010	13.00%	3.90
Cash	-	-	1.60

*The 'Fund Holdings' table is updated quarterly.



Performance (net of fees, including income, assumes reinvestment of dividends, on a NAV to NAV basis)

Graph will be available after a one-year track record.

% Returns	Bond Fund	All Bond Index
Since Inception (unannualised)	13.0	13.9
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	-	-
Latest 1 year	-	-

Allan Gray Unit Trust Management Limited

JC de Lange, GW Fury, ED Loxton, WJC Mitchell (Chairman), ER Swanepoel (Non-Executive)

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