

ALLAN GRAY BOND FUND

Fact sheet at 31 August 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: 1067.89 cents
Size: R 13 557 422
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

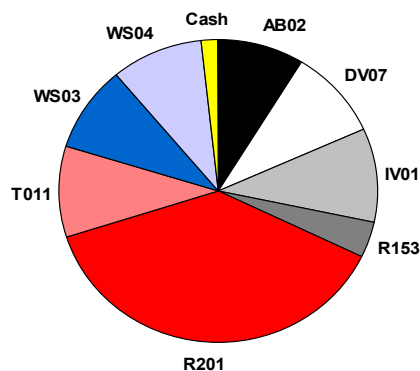
Annual Management Fee: Performance fee orientated to outperformance of the All Bond Index over a one-year rolling period. The limits are 0.285 - 0.855% p.a. (incl. VAT)

Commentary

In its first 11 months the Fund has underperformed its benchmark of the All Bond Index, returning 13% (unannualised) versus 14% for the Index. The reason for the underperformance was that the managers avoided very long government bonds which remain priced at a premium to 10-year bonds. The managers believe these very long bonds are mispriced notwithstanding that the yield gap has contracted. The Fund still has no holding in these ultra long bonds. The duration (capital movement per 1% move in rates) of the Fund remains at 5.0 which approximately equates that of the All Bond Index. Future performance relative to this benchmark will remain inversely correlated with that of ultra long bonds which, as mentioned above, are 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	14.0
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)

Tel 0860 000 654, Fax 0860 000 655, info@allangray.co.za, www.allangray.co.za

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