

ALLAN GRAY BOND FUND

Fact sheet at 30 September 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: 1069.94 cents
Size: R 17 514 829
Minimum lump sum: R 25 000
Minimum monthly: R 2 500
Subsequent lump sums: R 2 500
No. of bond holdings: 9

01/10/04-30/09/05 dividend (cpu): Total 80.42
 Int 62.96, S24J Acc 17.46

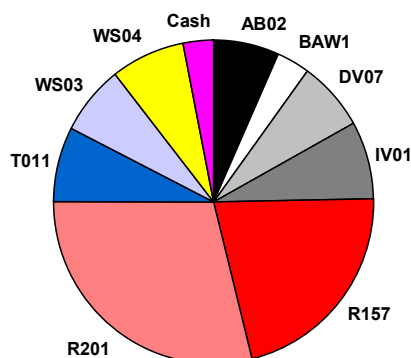
Annual Management Fee: Performance fee orientated to outperformance of the All Bond Index over a one-year rolling period. The limits are 0.285 - 0.855% p.a. (incl. VAT)

Commentary

At 30 September the Fund celebrated its first anniversary having marginally underperformed the benchmark. Our return for the year amounted to 13.2% versus 13.6% for the All Bond Index. As the minimum management fee is 0.285% it can readily be seen that the bulk of the deficit was sourced in this cost. The managers remain of the view that the very long bonds are overpriced. This together with their characteristic of high capital volatility ("duration") or high risk keeps them in the unattractive category. Future performance relative to the benchmark will still therefore be inversely correlated to these long bonds.

Fund Holdings at 30 September 2005*

JSE Code	Maturity date	Coupon rate	% of portfolio
R201	21/12/2014	8.75%	29.04
R157	15/09/2015	13.50%	21.48
IV01	31/03/2012	16.00%	7.59
T011	01/04/2010	16.50%	7.49
WS04	30/05/2016	12.50%	7.37
DV07	30/09/2010	14.50%	7.14
WS03	15/09/2010	13.00%	6.85
AB02	22/03/2009	14.25%	6.76
BAW1	29/07/2011	10.70%	3.12
Cash	-	-	3.16



*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)	13.2	13.6
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	-	-
Latest 1 year	13.2	13.6

Allan Gray Unit Trust Management Limited

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

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