

ALLAN GRAY BOND FUND

Fact sheet at 31 July 2006

Sector: Domestic - Fixed Interest - Bond
 Inception Date: 1 October 2004
 Fund Managers: Sandy McGregor BSc, BA (Hons)
 Andrew Lapping BSc (Eng), BCom

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: 1 025.34 cents
Size: R 43 429 113
Minimum lump sum: R 25 000
Minimum monthly: R 2 500
Subsequent lump sums: R 2 500
No. of bond holdings: 20
Fund duration: 4.47
Yield: 8.85

Income Distribution: Quarterly
01/07/05-30/06/06 dividend (cpu): Total 77.20
 Interest 77.20

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

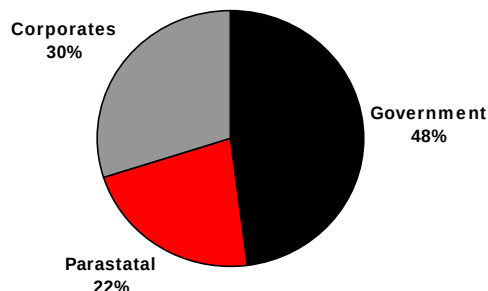
Rates have stabilised after the sell-off in June, but the consequences are to be seen in the bond returns of the past year. The Fund's twelve-month return was 3.2% compared to 3.7% of the All Bond Index. The portfolio remains focused on the middle area of the yield curve which offers the highest yields. It does not include any of the very long bonds which the managers regard as relatively expensive and risky.

Top 10 Fund Holdings at 30 June 2006*

JSE Code	Maturity date	Coupon rate	% of portfolio
R157	15/09/2015	13.50%	32.41
R201	21/12/2014	8.75%	11.01
E168	01/06/2008	11.00%	7.36
WS04	30/05/2016	12.50%	6.14
IV01	31/03/2012	16.00%	4.54
AB06	27/03/2015	8.10%	4.34
BAW1	29/07/2011	10.70%	3.74
T011	01/04/2010	16.50%	2.93
DV07	30/09/2010	14.50%	2.82
WS03	15/09/2010	13.00%	2.71

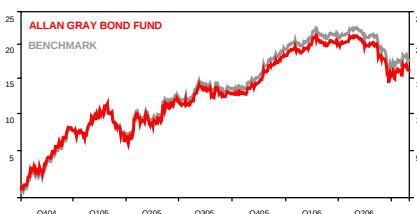
*The 'Top 10 Fund Holdings' table is updated quarterly.

Type



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

Long-term cumulative performance (log-scale)



% Returns	Bond Fund	All Bond Index
Since Inception (unannualised)	16.7	17.6
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	-	-
Latest 1 year	3.2	3.7

Allan Gray Unit Trust Management Limited

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

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