

ALLAN GRAY BOND FUND

Fact sheet at 31 August 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: 1 025.76 cents
Size: R 40 544 430
Minimum lump sum: R 25 000
Minimum monthly: R 2 500
Subsequent lump sums: R 2 500
No. of bond holdings: 19
Fund duration: 4.55
Yield: 8.91

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

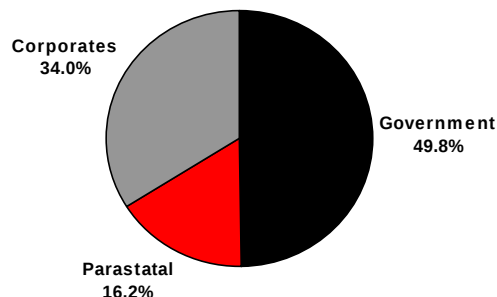
Bond yields have continued to rise. The Fund's twelve-month return was 3.3% compared to 3.7% of the All Bond Index. The portfolio remains focused on the middle area of the yield curve which offers the highest yields. It does not include any of the very long bonds which the managers regard as relatively expensive.

Top 10 Fund Holdings at 30 June 2006*

JSE Code	Maturity date	Yield to maturity	% of portfolio
R157	15/09/2015	8.65	32.41
R201	21/12/2014	8.66	11.01
E168	01/06/2008	8.68	7.36
WS04	30/05/2016	8.85	6.14
IV01	31/03/2012	9.51	4.54
AB06	27/03/2015	9.45	4.34
BAW1	29/07/2011	9.27	3.74
T011	01/04/2010	8.75	2.93
DV07	30/09/2010	8.83	2.82
WS03	15/09/2010	8.72	2.71

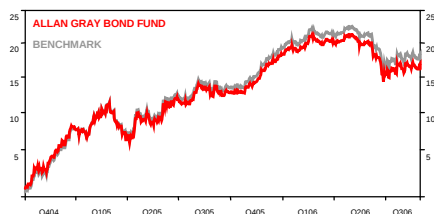
*The 'Top 10 Fund Holdings' table is updated quarterly.

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	17.7
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	-	-
Latest 1 year	3.3	3.7

Allan Gray Unit Trust Management Limited

JC de Lange, RW Dower, 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

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from Allan Gray Unit Trust Management Limited. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. All of the unit trusts may be capped at any time in order for them to be managed in accordance with their mandates. Member of the ACI.