ALLAN GRAY BOND FUND

Fact sheet at 31 December 2006

ALLAN GRAY
LONG TERM INVESTMENT MANAGEMENT

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:	1073.85 cents
Size:	R 35 194 379
Minimum lump sum:	R 25 000
Minimum monthly:	R 2 500
Subsequent lump sums:	R 2 500
No. of bond holdings:	16
Fund duration:	4.21
Yield:	8.33

Income Distribution:	Quarterly
01/01/06-31/12/06 dividend (cpu):	Total 78.03

Interest 78.03

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

The Fund's 12-month return was 4.9% compared to 5.5% of the All Bond Index. The yield curve remains inverted, with short dated bonds and deposits delivering significantly higher yields than long dated bonds. The portfolio is biased towards the shorter part of the yield curve.

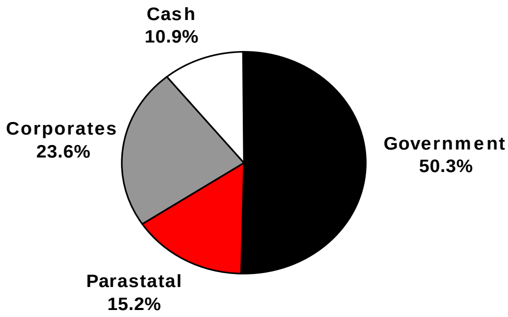
Top 10 Fund Holdings at 31 December 2006

JSE Code*	Maturity date*	Yield to maturity**	% of portfolio*
R157	15/09/2015	7.85	42.02
R201	21/12/2014	7.85	7.94
T004	01/04/2008	8.95	5.58
SMF1	27/06/2013	8.90	4.66
IV01	31/03/2012	9.11	4.55
T011	01/04/2010	8.36	3.49
MTN2	13/07/2014	9.00	3.03
SLI1	15/08/2013	8.80	2.95
E168	01/06/2008	8.96	2.92
NED5	24/04/2016	9.10	2.72

* Updated quarterly

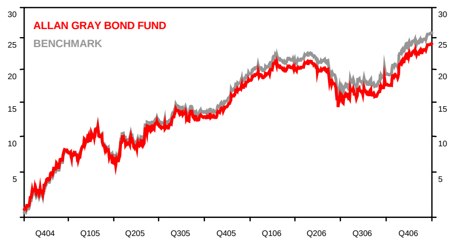
** Updated monthly

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	Benchmark*
Since Inception* (unannualised)	24.6	25.9
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	-	-
Latest 1 year	4.9	5.5

* All Bond Index

Performance as calculated by Allan Gray.

Allan Gray Unit Trust Management Limited

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