

# ALLAN GRAY BOND FUND

Fact sheet at 30 November 2007

**Sector:** Domestic - Fixed Interest - Bond  
**Inception Date:** 1 October 2004  
**Fund Managers:** Sandy McGregor, Andrew Lapping

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:** 1 036.61 cents  
**Size:** R 71 740 600  
**Minimum lump sum:** R 25 000  
**Minimum monthly:** R 2 500  
**Subsequent lump sums:** R 2 500  
**No. of bond holdings:** 17  
**Fund duration:** 2.94  
**Yield:** 9.65  
**Income distribution:** Quarterly  
**01/10/06-30/09/07 dividend (cpu):** Total 82.59: Interest 82.59  
**Annual management fee:**

### Total Expense Ratio\*

| Total Expense Ratio | Included in TER |                       |                  |                |
|---------------------|-----------------|-----------------------|------------------|----------------|
|                     | Trading Costs   | Performance Component | Fee at Benchmark | Other Expenses |
| 0.53%               | 0.00%           | 0.04%                 | 0.29%            | 0.20%          |

\*A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses (incl. VAT). It is expressed as a percentage of the average value of the portfolio, calculated for the year to the end of June 2007. Included in the TER is the proportion of costs that are incurred in the performance component and trading costs including brokerage and expenses related to the settling of transactions and taxes on these items eg. VAT on brokerage and UST. These are disclosed separately as percentages of the net asset value.

The annual management fee rate is dependent on the return of the Fund relative to its benchmark, the BEASSA Total Return All Bond Index over (adjusted for fund expenses & cash flows) a rolling one-year period. The fee hurdle (above which a fee greater than the minimum fee of 0.25% is charged) is performance equal to the benchmark. The manager's sharing rate is 25% of the outperformance of the benchmark over a rolling one-year period with a maximum fee of 0.75% (excl. VAT) per annum.

## Commentary

The yield curve remains extremely inverted, with short-dated bonds and deposits offering significantly higher yields than long-dated bonds. The Portfolio is biased to the short end of the yield curve where we see more value.

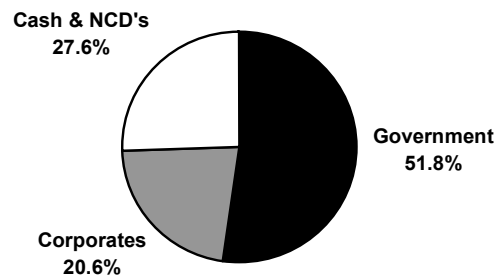
## Top 10 Fund Holdings

| JSE Code* | Maturity date* | Yield to maturity** | %of portfolio* |
|-----------|----------------|---------------------|----------------|
| R153      | 31/08/2010     | 9.490               | 20.8           |
| R201      | 21/12/2014     | 8.580               | 19.3           |
| R157      | 15/09/2015     | 8.510               | 17.0           |
| AG01      | 28/08/2008     | 11.585              | 2.3            |
| SPG1      | 25/06/2008     | 11.705              | 2.2            |
| IV03      | 31/03/2012     | 10.645              | 2.2            |
| SMF1      | 27/06/2013     | 10.530              | 2.2            |
| SMF2      | 14/10/2011     | 10.990              | 1.6            |
| SLI1      | 15/08/2013     | 9.930               | 1.5            |
| LGL1      | 12/09/2012     | 10.440              | 1.5            |

\* Updated quarterly.

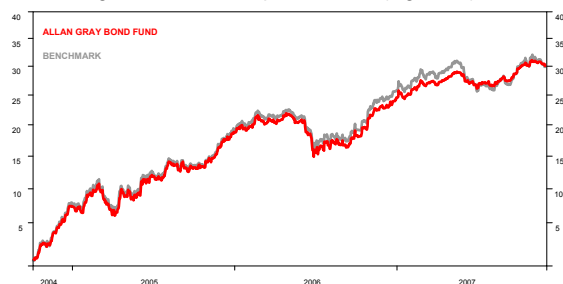
\*\* Updated monthly.

## Type



## Performance (shown net of all management fees and other expenses.)

### Long-term cumulative performance (log-scale)



| % Returns                      | Bond Fund | Benchmark* |
|--------------------------------|-----------|------------|
| Since Inception (unannualised) | 30.1      | 30.2       |
| Latest 5 years (annualised)    | -         | -          |
| Latest 3 years (annualised)    | 7.7       | 7.6        |
| Latest 1 year                  | 6.0       | 5.0        |

\* All Bond Index.

Source: INET, performance as calculated by Allan Gray on 30 November 2007.

## Allan Gray Unit Trust Management Limited (Registration Number 1998/007756/06)

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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 market value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio divided by the number of units in issue. Declaration of income accruals are made quarterly. Fund valuations take place at approximately 16h00 each business day. Purchase and repurchase requests may be received by the manager by 14h00 each business day. Performance figures from Allan Gray Limited (GIPS compliant) are for lump sum investments using net asset value prices with income distributions reinvested. Permissible deductions may include management fees, brokerage, UST, auditor's fees, bank charges, trustee fees and RSC levies. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. 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. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Forward pricing is used. The Fund may be capped at any time in order to be managed in accordance with the mandate. Member of the ACI. Total Expense Ratio (TER): When investing, costs are only a part of an investment decision. The investment objective of the Fund should be compared with the investor's objective and then the performance of the investment and whether it represents value for money should be evaluated as part of the financial planning process. All Allan Gray performance figures and values are quoted after the deduction of costs incurred within the Fund so the TER is not a new cost. A high TER will not necessarily imply a poor return nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. The Portfolio is managed to comply with the limits of Annexure A to Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately except where due to market value fluctuations or capital withdrawals in which case they will be corrected within a reasonable time period. Allan Gray Unit Trust Management Limited does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 9 of Annexure A to Regulation 28).