

FUND DETAILS AT 30 APRIL 2010

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.

Suitable for those investors who:

- Are looking for returns in excess of that provided by money market or cash investments
- Seek a bond 'building block' for a diversified multi-asset class portfolio
- Are prepared to accept some risk of capital depreciation in exchange for the prospect of earning increased returns
- Want to draw a regular income stream without consuming capital

Price:	R 10.57
Size:	R 171 m
Minimum lump sum per investor account:	R20 000
Minimum lump sum per fund:	R5 000
Minimum debit order per fund:	R 500
Additional lump sum per fund:	R 500
No. of bond holdings:	34
Fund duration:	3.87
Gross yield (before fees as at 30 April 2010):	8.55%

Income distribution: 01/04/09 - 31/03/10 (cents per unit) Total 86.99 Distributes quarterly.

Annual management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark, the BEASSA Total Return All Bond Index (adjusted for fund expenses and cash flows) over 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 government's 2010-2011 budget estimated that the public sector borrowing requirement will be in excess of R260 billion per year until 2013. Funding these deficits is a formidable challenge and has put upward pressure on interest rates, especially at the long end of the yield curve. This is especially problematic because South Africa has a low savings rate and is dependent on inflows of foreign capital. We continue to favour bonds with a short- to medium-term duration, and the average duration of the Fund is substantially less than that of the All Bond Index benchmark

Tel 0860 000 654 or +27 (0)21 415 2301 Fax 0860 000 655 or +27 (0)21 415 2492 info@allangray.co.za www.allangray.co.za

BOND FUND

po

17

1.5

Maturity date

15/09/2017

15/01/2014

25/01/2023

30/05/2016 17/09/2015

14/11/2017

15/01/2020

15/09/2014

31/08/2010

TOP 10 FUND HOLDINGS 1

JSE code

R203

R206

ES23

WS04

ND11 **TN17**

R207

FRB3

FRB1

SZ18

6 of	Yield to Maturity ² 31 March 2010		
30.7	8.350		
18.2	7.700		
5.0	9.240		
5.0	8.365		
3.0	10.725		
2.6	9.570		
22	8.550		

10.215

7.820

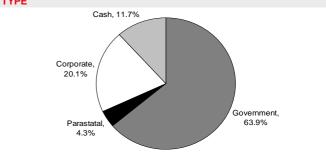
8.325

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2010 $^{\rm 3}$

	Included in TER			
Total expense ratio	Trading costs	Performance component	Fee at benchmark	Other expenses
0.73%	0.00%	0.37%	0.29%	0.07%

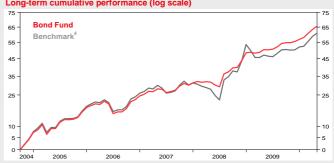
3 A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the portfolio, calculated for the year to the end of March 2010. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, VAT, STT, STRATE and insider trading levy) and other expenses These are disclosed separately as percentages of the net asset value. A higher TER ratio does 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 TERs. The information provided is applicable to

TYPE



PERFORMANCE

Fund performance shown net of all fees and expenses as per the TER disclosure Long-term cumulative performance (log scale)



% Returns	Fund	Benchmark ⁴
Since inception (unannualised)	65.5	60.8
Latest 5 years (annualised)	8.7	8.0
Latest 3 years (annualised)	8.9	7.4
Latest 1 year	10.0	9.4
Risk measures (Since inception month end prices)		
Percentage positive months	76.1	68.7
Annualised monthly volatility	4.9	7.0

All Bond Index. Source: I-Net Bridge, performance as calculated by Allan Gray as at 30 April 2010.

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of 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 accruals are made quarterly. Purchase and redemption requests must be received by the manager by 14:00 each business day and fund valuations take place at approximately 16:00 each business day. Forward pricing is therefore a formal pricing is therefore and trustee fees. The Fund may borrow Alan Gray Limited (GIPS compliant) and are for lump sum investments with income distributions reinvested. Permissible deductions may include management fees, brokerage, STT, auditor's fees. The Fund may borrow value and trustee fees. The Fund may borrow the properties of the properties of the fundamental properties Only continued of the portfolio to bridge insufficient liquidity. A schedule of fees and charges and maximum commissions is available on request from the manager. No commissions or incentives are paid. The Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. 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. Compliance with Prudential Investment Guidelines for retirement funds: The Portfolio is managed to comply with 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). Allan Gray Unit Trust Management Limited is a member of the Association for Savings & Investment SA (ASISA). Allan Gray Limited, an authorised financial services provider, is the appointed investment manager of Allan Gray Unit Trust Management Limited.

^{30/09/2015} ¹ Top 10 Fund holdings at 31 March 2010. Updated quarterly

² Updated monthly.