

ALLAN GRAY EQUITY FUND

Fact sheet at 31 December 2006

Sector: Domestic - Equity - General
 Inception Date: 1 October 1998
 Fund Managers: Stephen Mildenhall, Arjen Lugtenberg, Duncan Artus, Ian Liddle, Delphine Govender, Orbis Investment Management Limited

The Fund aims to earn a higher total rate of return than that of the average of the South African equity market as represented by the FTSE/JSE All Share Index, including income without assuming greater risk. Risk is higher than the Balanced Fund but less than the average general equity fund due to the low risk investment style.

Fund Details	Commentary
<p>Price: 14 932.22 cents Size: R 17 043 584 845 Minimum lump sum: R 10 000 Minimum monthly: R 500 Subsequent lump sums: R 500 No. of share holdings: 41</p> <p>Income Distribution: Bi-annually 01/07/03-30/06/04 dividend (cpu): Total 25.79 Interest 0.65, Dividend 25.14</p> <p>Annual Management Fee: The monthly charge rate is directly related to the rolling two-year return of the Fund compared with that of its benchmark. The limits are 0-3.42% p.a. (incl. VAT).</p>	<p>The benchmark FTSE/JSE All Share Index delivered another strong performance during 2006 with a return of 41.2%. This brings the three year annualised return for the market to 37.6%. These levels of returns from equities are clearly unsustainable in the long-term. We have been cautioning for some time that expectations for returns from the market should be tempered. While we have clearly been too conservative to date, we continue to believe that the FTSE/JSE All Share Index currently offers much lower future return prospects and is unlikely to be immune to the increased volatility that inevitably comes from higher equity prices. Nonetheless, we remain confident of our ability to outperform the benchmark index and through our proprietary fundamental research continue to find investments that should generate attractive long-term returns for our investors. Many of these counters are high quality businesses whose earnings are expected to grow faster than the market and which can be acquired at attractive valuations. The Fund has continued to increase its exposure to selected financial shares which now represent 27.6% of the portfolio. We believe that the earnings of these shares are likely to outperform those of the market over the medium-term and can still be acquired at ratings that are well below that of the market.</p>

Top 10 Share Holdings at 31 December 2006*	Sector Allocation																																																																		
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Performance (net of fees, including income, assumes reinvestment of dividends, on a NAV to NAV basis)

Long-term cumulative performance (log-scale)	% Returns	Equity Fund	Benchmark*
	Since Inception (unannualised)	1613.8	523.7
	Latest 5 years (annualised)	33.7	22.7
	Latest 3 years (annualised)	39.6	37.6
	Latest 1 year	43.5	41.2
Risk Measures			
<i>(Since incep. month end prices)</i>			
Maximum drawdown**		-21.0	-34.4
Annualised monthly volatility		18.3	19.5
<p>* FTSE/JSE All Share Index ** Maximum percentage decline over any period. Performance as calculated by Allan Gray.</p>			

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