

ALLAN GRAY EQUITY FUND

Fact sheet at 31 May 2007

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.

Fund Details

Price: 16 972.70 cents
Size: R 19 738 929 605
Minimum lump sum: R 10 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 44
Income distribution: Bi-annually
01/07/03-30/06/04 dividend(cpu): Total 25.79: Interest 0.65, Dividend 25.14

Total Expense Ratio*

Total Expense Ratio	Included in TER	
	Trading Costs	Performance Component
3.52%	0.13%	1.68%

*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 December 2006. Included in the TER is the proportion of costs that are incurred in the performance component and trading costs. These are disclosed separately as percentages of the net asset value.

Annual management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark, the FTSE/JSE All Share Index, over a rolling two-year period. The fee hurdle (above which a fee greater than the minimum fee of 0% is charged) is performance equal to the benchmark minus 15%. For performance equal to the benchmark a fee of 1.5% (excl.VAT) per annum is payable. The manager's sharing rate is 10% of the under- and outperformance of the benchmark over a rolling two-year period and a maximum fee of 3% (excl.VAT) applies.

Commentary

The benchmark FTSE/JSE All Share Index delivered another strong performance over the last year with a return of 42.9%. This brings the three-year annualised return for the market to 44.0%. 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 represented 29.4% of the portfolio at 31 March 2007. 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.

Top 10 Share Holdings at 31 March 2007*

JSE Code	Company	% of portfolio
MTN	MTN Group	11.8
REM	Remgro	9.3
SBK	Stanbank	8.4
IMP	Impala	7.9
SLM	Sanlam	6.5
SAB	SAB	6.3
ASA	ABSA	5.1
AMS	Angloplat	4.6
HAR	Harmony	4.4
NED	Nedbank	4.1

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

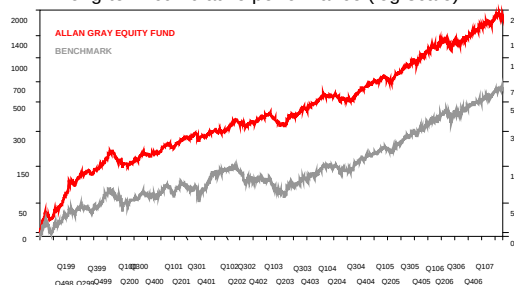
Sector Allocation at 31 March 2007*

Sector	% of Fund	ALSI
Oil & Gas	1.4	3.9
Basic Materials	22.2	40.0
Industrials	11.2	8.3
Consumer Goods	9.8	12.3
Healthcare	-	1.2
Consumer Services	13.1	7.1
Telecommunications	11.8	5.9
Financials	29.4	20.8
Technology	1.0	0.5
Fixed Interest/Liquidity	0.1	-

*The 'Sector Allocation' table is updated quarterly.

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)	1 848.0	624.9
Latest 5 years (annualised)	32.9	24.3
Latest 3 years (annualised)	45.6	44.0
Latest 1 year	46.6	42.9
Risk Measures		
<i>(Since incep. month end prices)</i>		
Maximum drawdown**	-21.0	-34.4
Annualised monthly volatility	18.0	19.1

* FTSE/JSE All Share Index.

** Maximum percentage decline over any period.

Performance as calculated by Allan Gray.

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

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