

ALLAN GRAY STABLE FUND
Fact sheet at 31 August 2006

Sector: Domestic AA Prudential Low Equity
 Inception Date: 1 July 2000
 Fund Manager: Stephen Mildenhall
 Qualification: BCom (Hons), CA (SA), CFA

The Fund aims to achieve superior after-tax returns to bank deposits and to provide a high level of capital stability. The Fund seeks to preserve capital over any two-year period and is ideal for risk-averse investors.

Fund Details

Price: 1 866.70 cents
Size: R 11 734 463 522
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 46

Income Distribution: Quarterly
01/07/05-30/06/06 dividend (cpu): Total 54.45
 Interest 44.74, Dividend 9.70,
 Foreign Interest 0.01

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 0.57-1.71% p.a. (incl. VAT). Should the Fund produce a return of 0% or worse over a 2-year rolling period, then the firm will forego all fees.

Commentary

The Fund continues to have a relatively low exposure to South African shares given the significant rise over the last three years. The Fund is maintaining its offshore exposure as close as practically possible to the maximum of 15%. The recent weakness in the value of the Rand over the last quarter has boosted the Rand returns from these offshore investments, and augmented the performance of the Fund. The 4.1% exposure to the Newgold ETF has also benefited from Rand weakness. We continue to hold these positions in the belief that the Rand will have a negative bias until South Africa's growing current account deficit returns to more normal levels. This is consistent with the Fund's objective of seeking real returns with a high level of capital stability. The Fund has increased its holding in selected financial shares which are offering good long-term value and attractive dividend yields.

Top 10 Share Holdings at 30 June 2006*

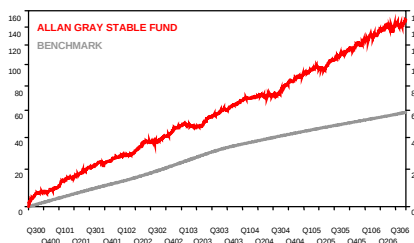
JSE Code	Company	% of portfolio
IMP	Impala	3.27
REM	Remgro	2.70
MTN	MTN Group	2.35
SBK	Stanbank	2.19
SOL	Sasol	1.74
SLM	Sanlam	1.55
SAB	SAB	1.52
FSR	Firststrand	1.23
GRY	Grayprop	1.17
AMSP	Angloplat Prefs	1.10

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

Asset Allocation

Asset Class	% of Fund
Shares (excluding Property)	26.29
Property	2.54
Commodities- Newgold ETF	4.13
Bonds	0.51
Foreign	14.55
Money Market & Cash	51.98
Total	100.00

Performance (net of fees, including income, assumes reinvestment of dividends, on a NAV to NAV basis)

Long-term cumulative performance (log-scale)


% Returns (after-tax)	Stable Fund	Benchmark*
Since Inception (unannualised)	148.8	58.4
Latest 5 years (annualised)	14.9	7.5
Latest 3 years (annualised)	15.9	6.1
Latest 1 year	18.2	5.8

Risk Measures

(Since incep. month end prices)

Maximum drawdown**	-4.2	n/a
Annualised monthly volatility	3.9	0.5

*After tax return of call deposits plus two percentage points

** Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

JC de Lange, RW Dower, GW Fury, ED Loxton, WJC Mitchell (Chairman), ER Swanepoel (Non-Executive)

Tel 0860 000 654, Fax 0860 000 655, info@allangray.co.za, www.allangray.co.za

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