

**ALLAN GRAY STABLE FUND**
**Fact sheet at 30 September 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:** 1 914.27 cents  
**Size:** R 12 386 155 020  
**Minimum lump sum:** R 5 000  
**Minimum monthly:** R 500  
**Subsequent lump sums:** R 500  
**No. of share holdings:** 50

**Income Distribution:** Quarterly  
**01/10/05-30/09/06 dividend (cpu):** Total 57.46  
 Interest 46.88, Dividend 10.57,  
 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 September 2006\***

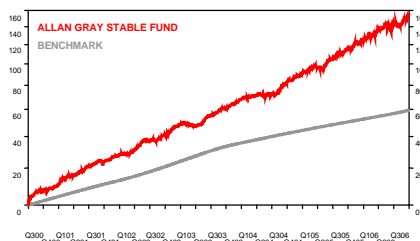
JSE Code	Company	% of portfolio
MTN	MTN Group	3.18
REM	Remgro	2.79
IMP	Impala	2.65
SLM	Sanlam	2.06
ASA	Absa	2.06
SBK	Stanbank	1.86
SAB	SAB	1.41
FSR	Firststrand	1.38
GRY	Grayprop	1.04
AMSP	Angloplat Prefs	1.02

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

**Asset Allocation**

Asset Class	% of Fund
Shares (excluding Property)	27.48
Property	2.46
Commodities- Newgold ETF	4.07
Bonds	0.42
Foreign	15.03
Money Market & Cash	50.54
<b>Total</b>	<b>100.00</b>

**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)	155.0	59.2
Latest 5 years (annualised)	15.5	7.5
Latest 3 years (annualised)	16.8	6.1
Latest 1 year	17.5	5.8
<b>Risk Measures</b>		
<i>(Since incep. month end prices)</i>		
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.

Performance as calculated by Allan Gray.

**Allan Gray Unit Trust Management Limited**

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

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