

ALLAN GRAY STABLE FUND

Fact sheet at 30 September 2007

Sector: Domestic AA - Prudential - Low Equity
Inception Date: 1 July 2000
Fund Manager: Stephen Mildenhall

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: 2 068.31 cents
Size: R21 160 318 726
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 52
Income distribution: Quarterly
01/10/06-30/09/07 dividend (cpu): Total 78.11
 Interest 65.48, Dividend 12.61, Foreign Interest and Dividend 0.02

Total Expense Ratio*

Total Expense Ratio	Trading Costs	Performance Component	Fee at Benchmark	Other Expenses
2.07%	0.10%	0.61%	1.32%	0.04%

*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 June 2007. 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 after-tax return of daily call deposits of FirstRand Bank Limited plus two percentage points, over a rolling two-year period. The fee hurdle (above which a fee greater than the minimum fee of 0.5% is charged) is performance equal to the benchmark minus 5%. For performance equal to the benchmark a fee of 1.0% (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 1.5% (excl. VAT) applies.

Commentary

The Fund returned 11.1% for the latest year compared to the benchmark return of 7.5%. The Fund now maintains a very low net share exposure given the aims of the Fund and the very high level of equity markets. This means that should the equity market rise further in the short-term, the Fund should only benefit to a limited extent. The Fund aims to achieve real returns and to provide a high level of capital stability. We believe that these aims are currently best served by a low net share exposure, a meaningful exposure to hedged equities, a large weighting in a conservative offshore portfolio and substantial cash holdings. Over the last several years tremendous value in South African equities have provided the opportunity to meaningfully enhance the returns of the Fund with relatively low risk. Those opportunities are currently limited. The Fund however is positioned to take advantage of opportunities to increase share exposure when market circumstances once again provide attractive investment opportunities. The hedged equity portion of the Fund provides an 'interest-like' return plus or minus the extent to which the Fund's shares out- or underperform the index. We believe that in the current environment this asset class is particularly attractive and is consistent with the Fund's objectives. Recent Rand strength has reduced the returns of the offshore component of the Fund. We continue to believe that the Rand will have a negative bias until South Africa's current account deficit returns to more normal levels. A more normal weaker Rand should benefit the Fund's Rand returns in future.

Top 10 Share Holdings at 30 September 2007*

JSE Code	Company	% of portfolio
REM	Remgro	2.7
MTN	MTN Group	2.7
SLM	Sanlam	2.5
SAB	SAB	2.4
RCH	Richemont	2.2
SOL	Sasol	1.8
ANG	Anglogold Ashanti	1.6
ASA	ABSA	1.6
TBS	Tiger Brands Limited	1.4
SBK	Stanbank	1.3

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

Asset Allocation

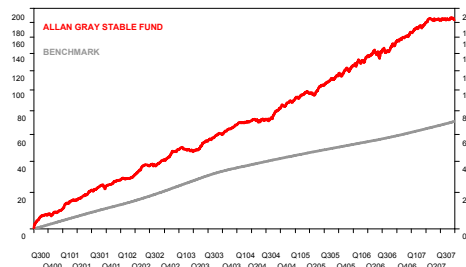
Asset Class	% of Fund
Gross SA Equities*	29.9
Derivatives	-16.4
Net SA Equities*	13.5
Hedged SA Equities	16.4
Property	1.7
Commodities (Newgold ETF)	1.2
Bonds	0.5
Money Market and Cash	52.2
Foreign	14.5
Total	100.0

* Listed property excluded.

Total net SA and foreign equity exposure: 19.19%

Performance (net of all fees and expenses as per the TER disclosure, 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)	183.5	71.0
Latest 5 years (annualised)	15.0	7.2
Latest 3 years (annualised)	15.7	6.4
Latest 1 year	11.1	7.5
Risk Measures		
<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 with FirstRand Bank Limited plus 2%

** Maximum percentage decline over any period.

Source: FNB, performance as calculated by Allan Gray on 30 September 2007.

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

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Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of participatory interests (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 accrual and less any permissible deductions from the portfolio divided by the number of units in issue. Declaration of income accruals are made quarterly. Different classes of units apply to the Fund and are subject to different fees and charges. Fund valuations take place at approximately 16h00 each business day. Purchase and repurchase requests may be received by the manager by 14h00 each business day. Performance figures from Allan Gray Limited (GIPS compliant) are for lump sum investments using net asset value prices with income distributions reinvested. Permissible deductions may include management fees, brokerage, UST, auditor's fees, bank charges, trustee fees and RSC levies. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees and charges and maximum commissions is available on request from Allan Gray Unit Trust Management Limited. Commission and incentives may be paid and if so, would be included in the overall costs. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Forward pricing is used. This Fund may be capped at any time in order to be managed in accordance with the mandate. Member of the ACI. 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. A high TER will 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 TER's. The Portfolio is managed to comply with the limits of Annexure A to 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).