

# ALLAN GRAY BALANCED FUND

Fact sheet at 31 May 2003



Sector: Domestic-Asset Allocation-Prudential  
Inception Date: 1 October 1999  
Fund Manager: Arjen Lugtenburg  
Qualification: M Com, CA(SA), CFA

The Fund's investment strategy is to earn a higher rate of return than the market value-weighted average of the domestic prudential unit trust sector excluding the Allan Gray Balanced Fund without assuming any greater monetary risk. Risk will be higher than the Stable Fund but less than the Equity Fund.

## Fund Details

**Price:** 1910.17 cents  
**Size:** R 2 296 897 058  
**Minimum lump sum:** R 5 000  
**Minimum monthly:** R 500  
**Subsequent lump sums:** R 500  
**No. of share holdings:** 86

**01/04/02-31/12/02 dividend (cpu):** Total 81.3  
Interest 21.65, Dividend 27.6,  
Property dividend 0.7, S24J Accrual 31.35

**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).

## Commentary

During May the domestic stock market, in line with international markets, recovered from very over sold levels. The fund benefited from this. With the revision of the inflation numbers, domestic bonds also appreciated strongly. Despite these rallies, prospective long term returns for an investment in domestic shares are not only attractive in their own right, but are also decidedly more attractive than returns offered by bonds. Substantial potential declines in domestic interest rates should also be supportive of share prices, while bonds seem to discount these declines. We therefore continue to favour relatively high exposure to domestic shares.

## Top 10 Holdings (including foreign)

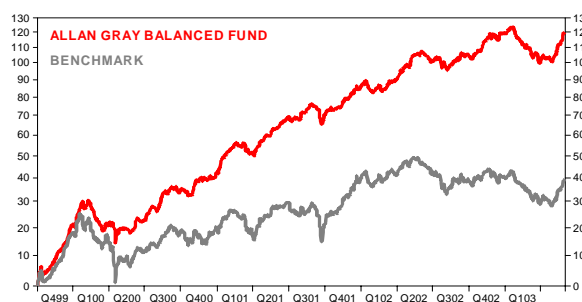
JSE Code	Company	% of portfolio
AGL	Anglo	Figures are only available at quarter end
AOD	Armgold	
APN	Aspen	
ECO	Edcon	
NPK	Nampak	
NPN	Naspers - N	
NCL	Nuclicks	
SOL	Sasol	
TBS	Tigbrands	
WHL	Woolies	

## Asset Allocation

Sector	% of Fund
Shares (net exposure)	67.16
Property	1.56
Bonds	22.16
Money Market & Cash	6.88
Foreign	2.24
<b>Total</b>	<b>100.00</b>

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

Long-term cumulative performance (log-scale)



% Returns

	Balanced Fund	Avg Prudential Fund
Since Inception (unannualised)	120.5	39.3
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	22.9	8.5
Latest 1 year	6.5	-4.7
<b>Risk Measures</b>		
<i>(Since incep. month end prices)</i>		
Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	11.8	12.8

\* Maximum percentage decline over any period

## Allan Gray Unit Trust Management Limited

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Unit trusts are medium- to long-term investments. The value of 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 value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. A schedule of fees and charges and maximum commissions is available from the management company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Different classes of units apply to this Fund and are subject to different fees and charges. Member of the AUT.