

ALLAN GRAY BALANCED FUND

Fact sheet at 30 June 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	Commentary
<p>Price: 1925.66 cents</p> <p>Size: R 2 383 120 874</p> <p>Minimum lump sum: R 5 000</p> <p>Minimum monthly: R 500</p> <p>Subsequent lump sums: R 500</p> <p>No. of share holdings: 84</p> <p>01/07/02-30/06/03 dividend (cpu): Total 86.24 Interest 17.55, Dividend 33.32, S24J Accrual 35.37</p> <p>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).</p>	<p>While world stockmarkets continued their recovery in June, the domestic stockmarket came under pressure from the stronger Rand. Domestic bonds appreciated further on the back of the interest rate cuts and inflation numbers continue to surprise on the low side. Prospective long-term returns for an investment in domestic shares are not only attractive in their own right, but are now decidedly more attractive than returns offered by bonds. Substantial potential declines in domestic interest rates should also be supportive of share prices, while bonds now seem to discount these declines. While the superior value of shares over the longer term is clear, the short-term is a little uncertain due to the negative impact that persistently high interest rates and a strong currency are likely to have on company earnings. We do however continue to favour a relatively high exposure to domestic shares. We will also endeavour to increase the offshore component of the portfolio if and when regulations allow us to do so.</p>

Top 10 Holdings (including foreign)	Asset Allocation																																															
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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)	122.3	39.7
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	21.6	7.8
Latest 1 year	10.2	-2.1

Risk Measures
 (Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	11.7	12.6

* 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 ACI.