ALLAN GRAY BALANCED FUND

Fact sheet at 31 July 2003

ALLANGRAY
LONG TERM INVESTMENT MANAGEMENT

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:	1954.24 cents
Size:	R 2 547 971 718
Minimum lump sum:	R 5 000
Minimum monthly:	R 500
Subsequent lump sums:	R 500
No. of share holdings:	80

01/07/02-30/06/03 dividend (cpu): Total 86.24

Interest 17.55, Dividend 33.32,
S24J Accrual 35.37

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

Despite a strong recovery in domestic shares from their April lows, prospective long-term returns continue to be not only attractive in their own right, but remain decidedly more attractive than returns offered by bonds. Substantial further 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.

Top 10 Holdings (including foreign)

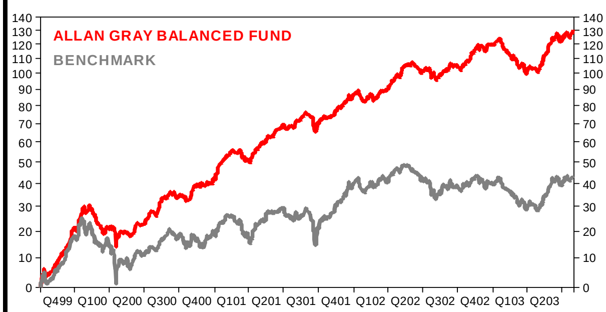
JSE Code	Company	% of portfolio
AGL	Anglo	Figures are only available at quarter end
AOD	Armgold	
ECO	Edcon	
NCL	Nuclicks	
NPK	Nampak	
NPN	Naspers - N	
SBK	Stanbank	
SOL	Sasol	
TBS	Tigbrands	
WHL	Woolies	

Asset Allocation

Sector	% of Fund
Shares	65.63
Property	1.47
Bonds	22.86
Money Market & Cash	8.06
Foreign	1.98
Total	100.00

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)	130.5	43.6
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	22.4	8.4
Latest 1 year	15.5	6.0
Risk Measures		
(Since incep. month end prices)		
Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	11.6	12.5

* Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

J C de Lange, M Herdman, E D Loxton, W J C Mitchell (Chairman), M L Ronald * *(Non-Executive)*

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