

ALLAN GRAY BALANCED FUND

Fact sheet at 31 August 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: 2030.98 cents
Size: R 2 774 499 914
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 81

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

The recovery in the local stockmarket continued with the FTSE/JSE ALSI up 25% from its April 2003 lows. The Allan Gray Balanced Fund benefited from this move due to its relatively large exposure to domestic shares. After this recovery we view the domestic stocks to be fairly valued, with their 11 PE ratio in line with the long-term historical average on normal levels of earnings. Our long-term return expectations for shares are now in line with historical norms of $\pm 7\%$ real. This still compares favourably to bonds with a real return expectation of 4.0% as depicted by the inflation linked bonds. Company earnings are likely to continue to disappoint due to the impact of the strong Rand. However further interest rate cuts should be beneficial for share and we continue to have a relatively high share exposure.

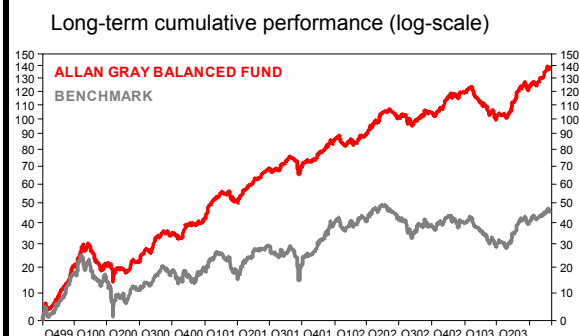
Top 10 Holdings (including foreign)

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

Asset Allocation

Sector	% of Fund
Shares	65.83
Property	1.31
Bonds	20.74
Money Market & Cash	10.30
Foreign	1.82
Total	100.00

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



% Returns	Balanced Fund	Avg Prudential Fund
Since Inception (unannualised)	139.6	45.9
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	21.1	6.8
Latest 1 year	18.5	5.0
Risk Measures		
<i>(Since incep. month end prices)</i>		
Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	11.5	12.4

* Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

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