ALLAN GRAY BALANCED FUND

Fact sheet at 31 December 2003

ALLAN GRAY
LONG TERM INVESTMENT MANAGEMENT

Sector:	Domestic AA Prudential Medium Equity
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 medium equity 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:	2292.42 cents
Size:	R 3 875 985 315
Minimum lump sum:	R 5 000
Minimum monthly:	R 500
Subsequent lump sums:	R 500
No. of share holdings:	80

01/01/03-31/12/03 dividend (cpu): Total 78.13

Interest 13.99, Dividend 29.27,
S24J Accrual 34.19, Property dividend 0.68

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

In line with international markets, the FTSE/JSE All Share index had a positive return of 16.1% during 2003. The SA market's performance was tempered by the strong Rand and returns in US$ terms were dramatic. The Fund benefited from the strong market through relatively high share exposure and superior stock selection, returning 23.2% over the year against the average prudential funds return of 16.1%. Looking forward the SA share market continues to offer attractive potential returns, both from an absolute basis and relative to competing asset classes. Although earnings will be under pressure in the short-term due to the strength of the Rand, long-term growth prospects are good, interest rates have declined significantly and companies have ample room to increase gearing and hence return on equity. We continue to favour a relatively high exposure to domestic equities.

Top 10 Holdings (including foreign)

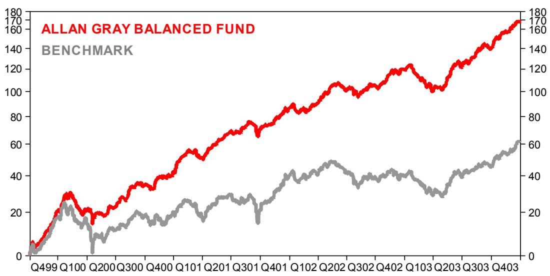
JSE Code	Company	% of portfolio
SOL	Sasol	7.42
TBS	Tigbrands	5.59
MTN	MTN - Group	4.61
SBK	Stanbank	3.04
NPN	Naspers - N	2.92
NPK	Nampak	2.90
AGL	Anglo	2.51
ASA	Absa	2.31
HAR	Harmony	2.13
WHL	Woolies	1.95

Asset Allocation

Sector	% of Fund
Shares	67.81
Property	2.42
Bonds	23.35
Money Market & Cash	5.06
Foreign	1.36
Total	100.00

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

Long-term cumulative performance (log-scale)



% Returns	Balanced Fund	Avg Prudential Fund
Since Inception (unannualised)	170.4	62.3
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	23.6	10.6
Latest 1 year	23.2	16.1
Risk Measures		
(Since incep. month end prices)		
Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	11.3	12.2

* Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

JC de Lange, GW Fury, ED Loxton, WJC Mitchell (Chairman), ML Ronald*, ER Swanepoel* *(*Non-Executive)*

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