

ALLAN GRAY BALANCED FUND

Fact sheet at 31 January 2004



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: 2325.30 cents
Size: R 4 218 135 404
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 78

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

The SA stockmarket continued its advance during January 2004 and the market is now up nearly 50% from its April 2003 lows. The market PE is approaching 14 times and the dividend yield has dropped to 3%. The market is clearly no longer as attractive as it was during 2003. However, there are two mitigating factors which calls for continued exposure to domestic equities e.g: (1) The potential of an era of sustained low interest rates. Not only will this justify higher PE ratios going forward, but it also allows for financial restructuring of the very conservative financial structures of most domestic companies, thereby unlocking value; and (2) We continue to find shares where prospective returns are attractive relative to bonds, where the low interest rates appear to be fully discounted.

Top 10 Holdings at 31 December 2003*

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

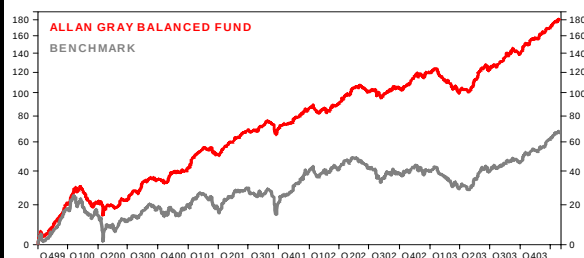
*As of 1 February 2004, the 'Top 10 Holdings' table will only be updated quarterly.

Asset Allocation

Sector	% of Fund
Shares	68.58
Property	4.31
Bonds	21.22
Money Market & Cash	4.52
Foreign	1.37
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)	178.8	66.4
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	22.5	9.8
Latest 1 year	29.1	20.7

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	11.2	12.1

* 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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