

ALLAN GRAY BALANCED FUND

Fact sheet at 31 May 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: 2308.20 cents
Size: R 4 846 446 524
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 74

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

We continue to find broad value among domestically listed equities. Valuation disparities within the market are at historical lows. The result is that the broad sector allocation of our equities is now largely in line with those of the average manager. Within these sectors we have continued to pick the shares where we expect the most rewarding long-term returns with significant holdings in shares like Sasol, MTN, Tigerbrands and Nampak. We also continue to remain overweight selected gold shares. Although the latter position has impacted negatively on the Fund's recent performance, we remain convinced about the long-term investment case for gold and the risk diversification benefits it brings to the Fund. We also continue to favour shares to bonds.

Top 10 Share Holdings at 31 March 2004*

JSE Code	Company	% of portfolio
SOL	Sasol	7.49
MTN	MTN - Group	5.52
TBS	Tigbrands	5.25
SBK	Stanbank	3.28
NPK	Nampak	3.25
AGL	Anglo	2.90
GRY	Grayprop	2.87
ASA	Absa	2.77
HAR	Harmony	2.73
NPN	Naspers - N	2.58

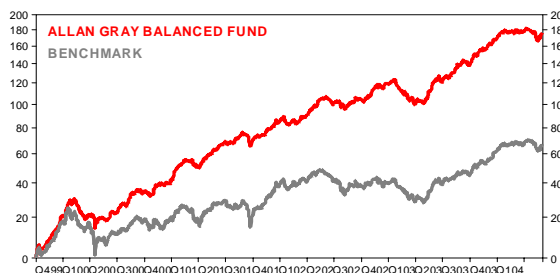
* As of 29 February 2004, the 'Top 10 Share Holdings' table will only be updated quarterly.

Asset Allocation

Sector	% of Fund
Shares	66.39
Property	4.11
Bonds	24.47
Money Market & Cash	5.03
Foreign	-
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)	176.8	66.6
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	19.1	9.1
Latest 1 year	25.5	19.6

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	11.0	11.7

* 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)
 Tel 0860 000 654, Fax 0860 000 655, info@allangray.co.za, www.allangray.co.za

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. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available from the management company/scheme. Different classes of units apply to this Fund and are subject to different fees and charges. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Member of the ACI.