

# ALLAN GRAY BALANCED FUND

Fact sheet at 30 June 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:** 2291.62 cents  
**Size:** R 4 981 987 527  
**Minimum lump sum:** R 5 000  
**Minimum monthly:** R 500  
**Subsequent lump sums:** R 500  
**No. of share holdings:** 76

**01/07/03-30/06/04 dividend (cpu):** Total 85.77  
 Interest 12.94, Dividend 34.50,  
 S24J Accrual 37.66, 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

Value remains broad based through the JSE. However, the ever strengthening Rand and strong domestic economy is causing rotation in the market towards industrial shares away from resource shares. With industrial shares becoming more expensive, we have continued to rotate our portfolio away from them (where we were very overweight 12 months ago), in favour of financials (mainly banks) and selected resource shares. These changes in the portfolio are being driven by relative value changes. Our existing and increasing resource exposure has impacted negatively on the funds relative performance. We however believe this position is prudent due to an unsustainably strong Rand and the increasing value to be found in some resource shares. We have also obtained Reserve Bank approval to take some funds offshore and with the current Rand strength, we thought it prudent to do so.

## Top 10 Share Holdings at 30 June 2004\*

JSE Code	Company	% of portfolio
SOL	Sasol	8.13
TBS	Tigbrands	5.16
MTN	MTN - Group	5.16
SBK	Stanbank	3.61
HAR	Harmony	3.34
NPK	Nampak	3.34
ASA	Absa	3.17
GRY	Grayprop	2.68
NPN	Naspers - N	2.52
AGL	Anglo	2.38

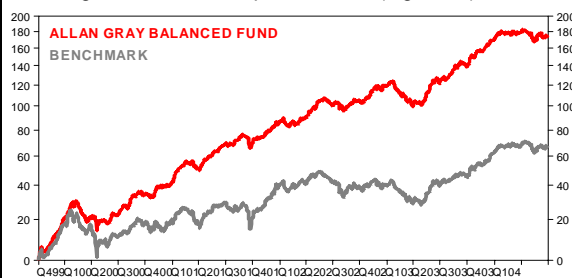
\* As of 29 February 2004, the 'Top 10 Share Holdings' table will only be updated quarterly.

## Asset Allocation

Sector	% of Fund
Shares	65.47
Property	4.01
Bonds	23.83
Money Market & Cash	2.15
Foreign	4.54
<b>Total</b>	<b>100.00</b>

## 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)	174.8	66.8
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	17.5	8.8
Latest 1 year	23.6	19.4

### Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	11.0	11.6

\* 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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