

ALLAN GRAY BALANCED FUND

Fact sheet at 31 August 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: 2400.64 cents
Size: R 5 716 936 547
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 70

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

The surprise during August came from the unexpected 0.5% interest rate cut. Although not the claimed intent, the Rand immediately weakened, and resource and other Rand-hedge shares appreciated in value. While this action may not be indicative of the future value of the Rand, it does illustrate the risk to a portfolio of being underweight these shares, at a time when they are offering reasonable value and the Rand is overbought. We continue to believe the Rand to be unsustainably strong and that selected resource shares offer good value. We are also finding investment opportunities elsewhere in the world with competitive return expectations e.g. Japan. We therefore used the recent Rand strength and Reserve Bank approval to increase the Funds holdings in offshore assets and selected resource shares. In response to relative valuation moves, we also continued to rotate the Fund out of industrial shares, especially retailers, in favour of resource and banking shares.

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

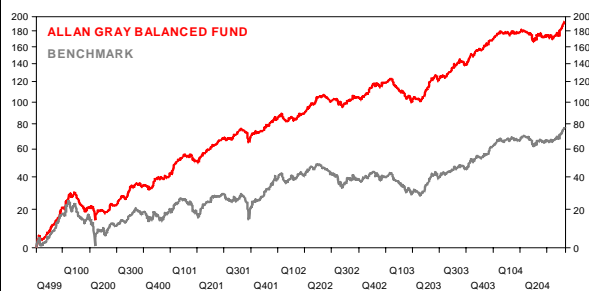
* As of 29 February 2004, the 'Top 10 Share Holdings' table will only be updated quarterly.

Asset Allocation

Sector	% of Fund
Shares	64.78
Property	3.95
Bonds	17.06
Money Market & Cash	6.38
Foreign	7.83
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)	194.1	77.6
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	18.9	11.4
Latest 1 year	22.8	21.7

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	11.1	11.6

* Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

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Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of participatory interests (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 on request from Allan Gray Unit Trust Management Limited. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. All of the unit trusts may be capped at any time in order for them to be managed in accordance with their mandates. Member of the ACI.