

# ALLAN GRAY BALANCED FUND

Fact sheet at 30 September 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:** 2493.76 cents  
**Size:** R 6 038 909 588  
**Minimum lump sum:** R 5 000  
**Minimum monthly:** R 500  
**Subsequent lump sums:** R 500  
**No. of share holdings:** 69

**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 South African stockmarket appreciated strongly in September and is up 20% since July 2004 and 60% from its lows in April last year. Bonds also appreciated strongly since the interest rate cut in August. Although clearly not as attractive as in July or April last year, we still prefer domestic shares to bonds and cash. The strongest appreciation came from industrial shares, especially retailers, on the back of strong earnings growth. In certain cases we believe earnings now to be unsustainably high. We continue to rotate the Fund out of these industrial shares into banking and selected resource shares where we now find valuations more attractive. The Fund continues to hold a reasonable exposure to resource shares and foreign assets, based on attractive valuations and what we believe to be an unsustainably strong Rand.

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

JSE Code	Company	% of portfolio
SOL	Sasol	8.34
SBK	Stanbank	4.77
TBS	Tigbrands	4.59
MTN	MTN - Group	4.51
ASA	Absa	4.43
HAR	Harmony	4.19
FSR	Firststrand	3.38
AGL	Anglo	2.94
NPK	Nampak	2.68
GRY	Grayprop	2.57

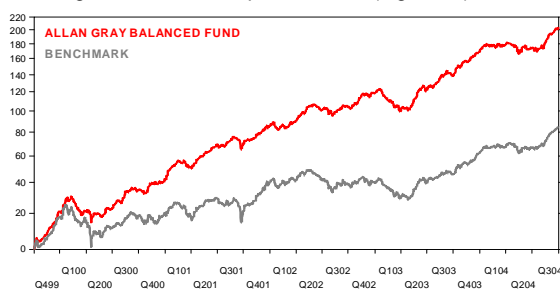
\* As of 29 February 2004, the 'Top 10 Share Holdings' table will only be updated quarterly.

## Asset Allocation

Sector	% of Fund
Shares	65.57
Property	3.94
Bonds	16.16
Money Market & Cash	3.71
Foreign	10.62
<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)	205.5	85.1
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	21.5	15.1
Latest 1 year	27.4	27.4
<b>Risk Measures</b>		
<i>(Since incep. month end prices)</i>		
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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