

ALLAN GRAY BALANCED FUND

Fact sheet at 31 October 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: 2528.87 cents
Size: R 6 232 406 849
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

During October domestic industrial shares (and to a lesser extent financials) continued to rally on the back of a booming domestic consumer economy. A stronger Rand exerted pressure on resource stocks. Strong credit extension by retailers saw credit based retailers among the strongest performers. Although forward ratings of these shares do not appear excessive, we believe prospective earnings now to be well above normal levels. In line with our investment philosophy, the Fund has cut its exposure to these shares, where we were previously very overweight, when their share prices exceeded our fair value targets e.g. the Fund bought Edcon in 2002 at R27.50 and sold the position earlier this year at R145. Although we can be criticised for selling out of the Edcon position too early, we believe the prudence of this philosophy is clearly illustrated by the Fund's longer term performance and risk track record. Over 12 months the Fund has delivered a respectable 21.7%.

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

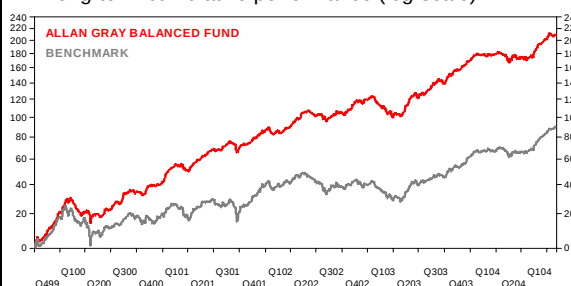
* As of 29 February 2004, the 'Top 10 Share Holdings' table will only be updated quarterly.

Asset Allocation

Sector	% of Fund
Shares	65.25
Property	3.87
Bonds	15.93
Money Market & Cash	2.21
Foreign	12.74
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)	209.8	90.5
Latest 5 years (annualised)	24.1	13.1
Latest 3 years (annualised)	21.3	14.9
Latest 1 year	21.7	24.6

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	10.9	11.5

* 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.