

ALLAN GRAY BALANCED FUND

Fact sheet at 31 January 2005



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: 2734.45 cents
Size: R 7 097 246 548
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 61

01/01/04-31/12/04 dividend (cpu): Total 78.11
Interest 11.61, Dividend 33.97,
S24J Accrual 32.20, Foreign Interest 0.33

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

While, on a 12-month basis, the Fund continues to lag behind most of its peers, it nevertheless delivered a strong absolute return of 21.5%. This met the Funds long-term objective of producing consistent and strong absolute returns and its 5-year annualised return now stands at 21.5%. Over the last year, value has shifted away from industrial shares in favour of resource shares, and the portfolio has followed this valuation shift with increased resource exposure at the expense of industrial exposure. We also continue to favour the banking shares over industrials. Some weakness in the Rand during January did interrupt the positive momentum in the financial and industrial shares and the negative momentum in the resource shares, but it is too early to call this a change in trend. On a relative basis we find low risk offshore assets increasingly attractive and we will endeavour to increase exposure to this asset-class to the full 15% permissible level.

Top 10 Share Holdings at 31 December 2004*

JSE Code	Company	% of portfolio
SOL	Sasol	7.68
SBK	Stanbank	5.75
MTN	MTN - Group	5.41
ASA	Absa	4.64
TBS	Tigbrands	3.67
FSR	Firststrand	3.26
NPN	Naspers-N	2.99
NPK	Nampak	2.90
HAR	Harmony	2.68
GRY	Grayprop	2.66

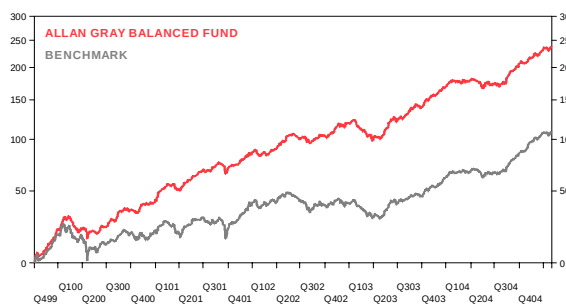
* The 'Top 10 Share Holdings' table is updated quarterly.

Asset & Sector Allocation

Sector	% of Fund
Shares	65.62
Property	3.98
Bonds	14.30
Money Market & Cash	4.49
Foreign	11.61
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)	238.6	110.3
Latest 5 years (annualised)	21.5	12.1
Latest 3 years (annualised)	22.9	15.5
Latest 1 year	21.5	26.4

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	10.7	11.5

* 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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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.