

ALLAN GRAY BALANCED FUND

Fact sheet at 31 May 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: 2959.81 cents
Size: R 8 223 322 608
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 54

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

The fund appreciated strongly in May, on the back of a weaker domestic currency and strong equity markets internationally. The return of the fund over the previous 12 months is a very pleasing 32.5%, in line with that of the average prudential unit trust. Investors should note that we believe this return to be unsustainably high and future return expectations should be well below these levels. The Rand: Dollar exchange rate broke a 4 year downtrend and further weakness is likely as we continue to believe the Rand at current levels to be over-valued. Momentum has now clearly shifted in favour of the more attractively valued Resource shares. The fund continues to favour Resource shares and has taken up its full 15% permissible foreign asset exposure. Both these assets we find more attractively valued than domestic industrials where the fund is now underweight.

Top 10 Share Holdings at 31 March 2005*

JSE Code	Company	% of portfolio
SOL	Sasol	9.38
MTN	MTN - Group	5.15
SBK	Stanbank	5.06
ASA	Absa	4.24
FSR	Firstrand	3.04
TBS	Tigbrands	2.82
NPK	Nampak	2.70
NPN	Naspers-N	2.60
GRY	Grayprop	2.53
HAR	Harmony	2.48

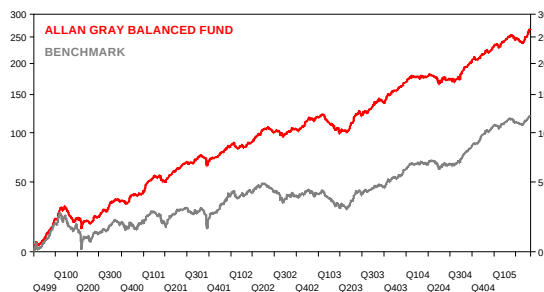
* The 'Top 10 Share Holdings' table is updated quarterly.

Asset & Sector Allocation

Asset Class	% of Fund
Shares	64.31
Property	3.65
Bonds	12.95
Money Market & Cash	4.14
Foreign	14.95
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)	266.6	120.2
Latest 5 years (annualised)	25.3	15.1
Latest 3 years (annualised)	21.0	14.6
Latest 1 year	32.5	32.1

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	10.9	11.4

* Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

JC de Lange, GW Fury, ED Loxton, WJC Mitchell (Chairman), ER Swanepoel (Non-Executive)

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