

ALLAN GRAY BALANCED FUND

Fact sheet at 31 August 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: 3181.57 cents
Size: R 9 650 062 698
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 60

01/07/04-30/06/05 dividend (cpu): Total 65.29
Interest 20.74, Dividend 32.32,
S24J Accrual 11.85, Foreign Interest 0.38

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

For the 12 months ended 31 August the Fund returned a very handsome 35.6%, slightly ahead of that of the average prudential fund of 35.2%. Investors are once again cautioned that we believe these returns to be abnormally high and unlikely to be sustained over the longer term. These high returns were driven by strong equity markets globally and particularly in South Africa. Our market continues to rally on the back of strong earnings growth and low interest rates. Profitability of domestic businesses has now increased to levels that we believe to be unsustainable over the longer term. Therefore, even though it could be argued that our market's current PE multiple of ± 15 times is appropriate given current low interest rates, a normalisation of profitability levels will reveal a far higher market rating. This is confirmed by the fact that we increasingly struggle to find attractively valued domestic shares for inclusion into the Fund's share portfolio. Exposure to shares, especially domestic orientated shares, has therefore been reducing.

Top 10 Share Holdings at 30 June 2005*

JSE Code	Company	% of portfolio
SOL	Sasol	10.07
SBK	Stanbank	4.45
MTN	MTN - Group	4.45
ASA	Absa	4.02
AMS	Angloplat	3.24
HAR	Harmony	2.77
NPN	Naspers-N	2.64
FSR	Firststrand	2.45
GRY	Grayprop	2.36
TBS	Tigbrands	2.32

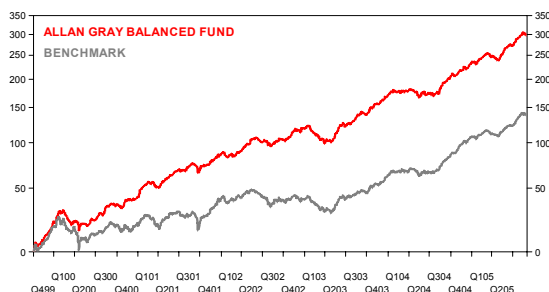
* The 'Top 10 Share Holdings' table is updated quarterly.

Asset Allocation

Asset Class	% of Fund
Shares	62.88
Property	3.30
Bonds	10.99
Money Market & Cash	8.14
Foreign	14.69
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)	298.7	140.0
Latest 5 years (annualised)	24.2	14.9
Latest 3 years (annualised)	25.4	20.0
Latest 1 year	35.6	35.2

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	10.7	11.3

* 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.