ALLAN GRAY BALANCED FUND

Fact sheet at 31 October 2005

ALLAN GRAY
LONG TERM INVESTMENT MANAGEMENT

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:	3349.23 cents
Size:	R 10 374 532 515
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 October, rolling 12-month returns accelerated to 35.5%, ahead of that of the average prudential fund of 30.2%. Investors are 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. The Fund over the last year benefited from its overweight positions in gold, platinum and particularly Sasol. We now increasingly struggle to find attractively valued shares for inclusion into the Fund's share portfolio. This is indicative of a domestic equity market which has become more fully valued. This is especially so if the exceptionally high levels of profitability of domestic industrial counters are taken into account. This lack of value is reflected in the Fund's declining share exposure. We have also used derivatives to further reduce exposure to the domestic share market.

Top 10 Share Holdings at 30 September 2005*

JSE Code	Company	% of portfolio
SOL	Sasol	11.42
MTN	MTN	5.62
AMS	Angloplat	3.99
SBK	Stanbank	3.60
AGL	Anglo	2.97
HAR	Harmony	2.78
NPN	Naspers-N	2.68
REM	Remgro	2.55
ASA	Absa	2.22
NED	Nedcor	2.13

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

Asset Allocation

Asset Class	% of Fund
Shares	58.96
Derivatives	-2.88
Net Equity Exposure	56.08
Derivative - Contract Value	2.88
Property	2.58
Bonds	10.14
Money Market & Cash	13.44
Foreign	14.88
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)

ALLAN GRAY BALANCED FUND
BENCHMARK
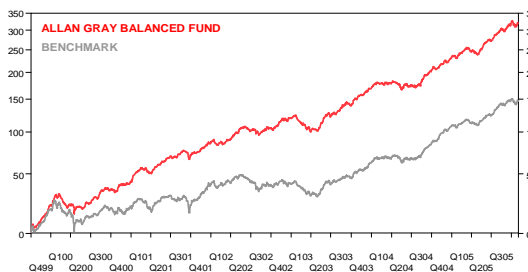
% Returns	Balanced Fund	Avg Prudential Fund
Since Inception (unannualised)	319.7	148.0
Latest 5 years (annualised)	25.6	16.5
Latest 3 years (annualised)	26.4	21.3
Latest 1 year	35.5	30.2
Risk Measures		
(Since incep. month end prices)		
Maximum drawdown*	-12.5	-19.2
Annualised monthly volatility	10.9	11.3

* Maximum percentage decline over any period