

ALLAN GRAY EQUITY FUND

Fact sheet at 31 December 2003



Sector: Domestic - Equity - General
Inception Date: 1 October 1998
Fund Manager: Stephen Mildenhall
Qualification: B Com(Hons), CA(SA), CFA

The Fund aims to earn a higher total rate of return than that of the average of the South African equity market as represented by the FTSE/JSE All Share Index, including income without assuming greater risk. Risk is higher than the Balanced Fund but less than the average general equity fund due to the low risk investment style.

Fund Details

Price: 5509.72 cents
Size: R 4 699 174 682
Minimum lump sum: R 10 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 82

01/07/02-30/06/03 dividend (cpu): Total 34.03
Interest 6.44, Dividend 27.59

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 0-3.42% p.a. (incl. VAT).

Commentary

The South African equity market has risen by approximately 41% from its lows in April 2003. While clearly not offering the great value it was, the market is still offering the prospect of reasonable long-term returns. A good indication of this is that it is difficult to find shares that are very expensive. The market is trading at the same level in dollars as it was 10 years ago despite growing its dollar earnings significantly over that period. While current year earnings for the market are likely to be under pressure because of the strength of the Rand, the long-term growth prospects are good with South African interest rates having declined significantly. South African companies are typically undergeared, and in a lower interest rate environment there is significant scope to increase gearing levels and returns on equity.

Top 10 Share Holdings

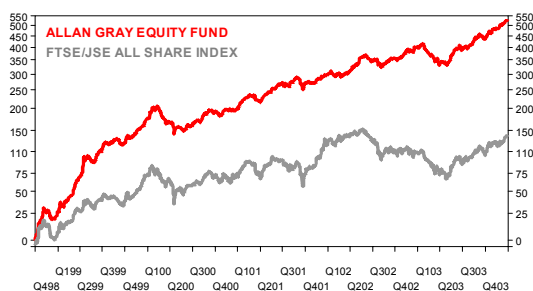
JSE Code	Company	% of portfolio
SOL	Sasol	10.56
MTN	MTN Group	8.92
TBS	Tigbrands	8.90
HAR	Harmony	5.36
ASA	Absa	4.80
SBK	Stanbank	4.68
AGL	Anglo	3.77
WHL	Woolies	3.61
ECO	Edcon	2.90
ANG	Avgold	2.51

Asset & Sector Allocation

Sector	% of Fund	ALSI
Resources	33.98	43.64
Basic Industries	0.66	3.60
General Industrials	1.79	2.79
Cyclical Consumer Goods	-	6.31
Non-Cyclical Consumer Goods	12.36	8.08
Cyclical Services	20.01	7.32
Non-Cyclical Services	10.53	3.98
Financials	14.84	23.32
Information Technology	3.00	0.96
Liquidity	2.83	0.00

Performance (net of fees, including income, assumes reinvestment of dividends, on a NAV to NAV basis)

Long-term cumulative performance (log-scale)



% Returns

	Equity Fund	ALSI
Since Inception (unannualised)	529.5	139.1
Latest 5 years (annualised)	37.7	17.4
Latest 3 years (annualised)	27.6	11.3
Latest 1 year	26.1	16.1

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-21.0	-34.4
Annualised monthly volatility	20.4	21.9

* 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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