

# ALLAN GRAY EQUITY FUND

Fact sheet at 31 January 2004



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:** 5744.23 cents  
**Size:** R 5 167 789 710  
**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 47% 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 at 31 December 2003\*

| 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           |

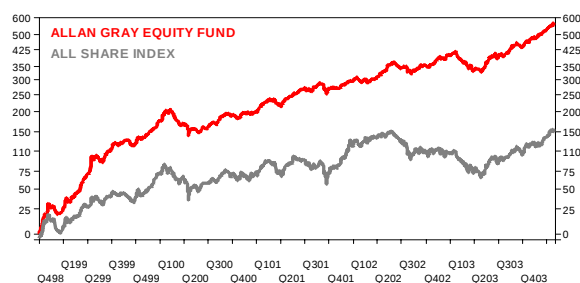
\*As of 1 February 2004, the 'Top 10 Holdings' table will only be updated quarterly.

## Asset & Sector Allocation

| Sector                      | % of Fund | ALSI  |
|-----------------------------|-----------|-------|
| Resources                   | 34.03     | 43.80 |
| Basic Industries            | 0.57      | 3.49  |
| General Industrials         | 1.63      | 2.68  |
| Cyclical Consumer Goods     | -         | 6.96  |
| Non-Cyclical Consumer Goods | 11.96     | 7.81  |
| Cyclical Services           | 20.15     | 7.04  |
| Non-Cyclical Services       | 10.83     | 3.96  |
| Financials                  | 16.20     | 23.19 |
| Information Technology      | 3.07      | 1.07  |
| Liquidity                   | 1.56      | -     |

## 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) | 556.2       | 150.2 |
| Latest 5 years (annualised)    | 36.3        | 16.8  |
| Latest 3 years (annualised)    | 26.3        | 9.7   |
| Latest 1 year                  | 34.3        | 27.8  |

### Risk Measures

(Since incep. month end prices)

|                               |       |       |
|-------------------------------|-------|-------|
| Maximum drawdown*             | -21.0 | -34.4 |
| Annualised monthly volatility | 20.2  | 21.8  |

\* Maximum percentage decline over any period

## Allan Gray Unit Trust Management Limited

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