

ALLAN GRAY EQUITY FUND

Fact sheet at 31 August 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: 5810.16 cents
Size: R 5 401 672 846
Minimum lump sum: R 10 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 66

01/07/03-30/06/04 dividend (cpu): Total 25.79
Interest 0.65, Dividend 25.14

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

We continue to find reasonably broad based value within the market from a long-term perspective. We continue to reduce our holdings in selected industrial shares which have rerated significantly on the back of a very strong earnings growth. We believe that in certain cases these companies earnings are now above normal. We have used the proceeds to further increase our exposure to attractively priced banking shares. Financial shares now constitute more than 25% of the Fund. The surprise 0.5% interest rate cut caused a moderate weakening in the Rand/Dollar exchange rate from very strong levels. The Rand is however stronger than 12 months ago. While the Fund's weighting in resources is lower than the ALSI, it is higher than that of the average general equity fund. This has impacted the short-term performance of the Fund compared to the average general equity fund. We continue to believe that the Fund's resource holdings offer very good value on a normalised basis.

Top 10 Share Holdings at 30 June 2004*

JSE Code	Company	% of portfolio
SOL	Sasol	10.56
TBS	Tigbrands	10.27
MTN	MTN Group	9.77
ASA	Absa	6.99
HAR	Harmony	6.90
SBK	Stanbank	6.33
NPK	Nampak	4.29
WHL	Woolies	3.39
AGL	Anglo	3.11
NED	Nedcor	2.69

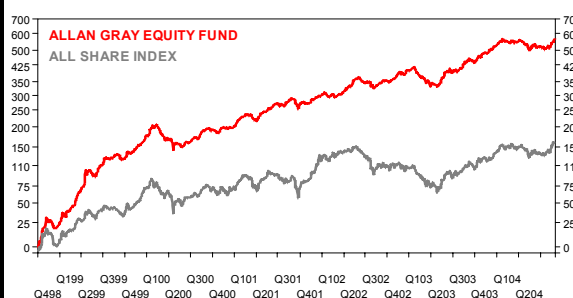
* As of 29 February 2004, the 'Top 10 Share Holdings' table will only be updated quarterly.

Asset & Sector Allocation

Sector	% of Fund	ALSI
Resources	30.38	41.02
Basic Industries	0.28	3.67
General Industrials	0.85	2.85
Cyclical Consumer Goods	-	6.49
Non-Cyclical Consumer Goods	10.85	8.82
Cyclical Services	18.60	7.70
Non-Cyclical Services	12.13	4.51
Financials	25.43	24.37
Information Technology	1.47	0.56
Liquidity	0.78	-

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)	566.9	162.4
Latest 5 years (annualised)	23.4	11.1
Latest 3 years (annualised)	20.0	11.2
Latest 1 year	22.6	24.8

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-21.0	-34.4
Annualised monthly volatility	19.7	21.1

* 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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