

ALLAN GRAY EQUITY FUND

Fact sheet at 31 January 2005



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: 7002.60 cents
Size: R 6 869 051 890
Minimum lump sum: R 10 000
Minimum monthly: R 500
Subsequent lump sums: R 500
No. of share holdings: 64

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

While the Fund has outperformed its benchmark and returned good absolute returns for the last 12 months, it underperformed the average general equity fund over the last year. This was mainly as a result of the Fund's higher exposure to selected South African focused resource shares which were hurt by the strong Rand. Our investment philosophy has always been based on seeking out investments that we believe will provide superior long-term returns. We are also quite willing to have portfolios that are different to that of the average manager. Three years ago when the Rand/dollar exchange rate was R12/dollar, we were underweight resources relative to the average manager at a time when general consensus was that the Rand would stay weak and even weaken further. Based on our bottom-up analysis, the Fund benefited significantly from its low exposure to resources and high exposure to specific industrials as the Rand returned to more normal levels. With the 2004 year-end rate of R5.64/dollar, we notice that we are overweight resources and underweight industrials at a time when there is general consensus that the Rand will stay strong and even get stronger. We believe that the Rand is now too strong and that the Fund's resource holdings offer very attractive returns on a normalised basis. The Fund is also overweight banking shares, which we find more attractive than many of the industrial shares which are now trading on reasonably high multiples on high earnings.

Top 10 Share Holdings at 31 December 2004*

JSE Code	Company	% of portfolio
SOL	Sasol	10.24
MTN	MTN Group	9.81
SBK	Stanbank	9.24
ASA	Absa	7.56
TBS	Tigbrands	5.60
HAR	Harmony	5.47
NED	Nedcor	4.82
FSR	Firststrand	3.98
NPK	Nampak	3.69
WHL	Woolies	3.57

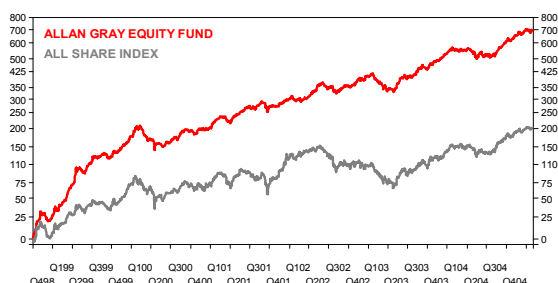
* The 'Top 10 Share Holdings' table is updated quarterly.

Asset & Sector Allocation

Sector	% of Fund	ALSI
Resources	24.74	34.06
Basic Industries	0.24	3.50
General Industrials	0.86	3.33
Cyclical Consumer Goods	-	6.40
Non-Cyclical Consumer Goods	7.44	8.53
Cyclical Services	18.71	9.65
Non-Cyclical Services	12.95	6.72
Financials	32.48	27.19
Information Technology	2.07	0.61
Liquidity	0.50	-

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)	700.0	203.5
Latest 5 years (annualised)	22.0	12.0
Latest 3 years (annualised)	26.9	11.1
Latest 1 year	21.9	21.5

Risk Measures

(Since incep. month end prices)

Maximum drawdown*	-21.0	-34.4
Annualised monthly volatility	19.2	20.6

* Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

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