# ALLAN GRAY EQUITY FUND

**Fact sheet at 31 May 2005**

ALLANGRAY
LONG TERM INVESTMENT MANAGEMENT

| | |
|---|---|
| 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:** | 7575.74 cents |
| **Size:** | R 7 680 063 115 |
| **Minimum lump sum:** | R 10 000 |
| **Minimum monthly:** | R 500 |
| **Subsequent lump sums:** | R 500 |
| **No. of share holdings:** | 60 |

**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

The Fund returned good absolute returns for the last 12 months and marginally outperformed its benchmark over the last year. The Fund however, underperformed the average general equity fund over the same period. As we have discussed previously, 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 but which we believe offer very attractive returns on a normalised basis. The recent weakening of the rand by 11% during the month of May has benefited the Fund's resource shares and the Fund's more recent performance. Despite the rand's recent weakness we believe that it is still too strong at R6.76/dollar and we continue to find very good value in selected resource shares which we continue to add to the Fund.

## Top 10 Share Holdings at 31 March 2005*

| JSE Code | Company | % of portfolio |
|---|---|---|
| SOL | Sasol | 11.05 |
| MTN | MTN Group | 9.16 |
| SBK | Stanbank | 7.97 |
| ASA | Absa | 6.77 |
| HAR | Harmony | 6.07 |
| TBS | Tigbrands | 5.09 |
| NED | Nedcor | 4.29 |
| AMS | Angloplat | 4.21 |
| REM | Remgro | 4.05 |
| FSR | Firstrand | 3.64 |

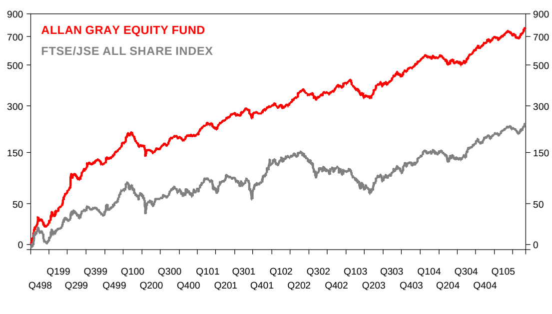
* The 'Top 10 Share Holdings' table is updated quarterly.

## Asset & Sector Allocation

| Sector | % of Fund | ALSI |
|---|---|---|
| Resources | 36.65 | 37.32 |
| Basic Industries | 0.27 | 3.07 |
| General Industrials | 0.78 | 2.92 |
| Cyclical Consumer Goods | - | 6.50 |
| Non-Cyclical Consumer Goods | 5.53 | 8.76 |
| Cyclical Services | 14.51 | 8.62 |
| Non-Cyclical Services | 11.76 | 6.34 |
| Financials | 27.77 | 25.94 |
| Information Technology | 2.13 | 0.54 |
| Liquidity | 0.60 | - |

## 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) | 765.5 | 231.0 |
| Latest 5 years (annualised) | 28.0 | 17.0 |
| Latest 3 years (annualised) | 22.5 | 10.0 |
| Latest 1 year | 37.1 | 36.4 |
| **Risk Measures** | | |
| *(Since incep. month end prices)* | | |
| Maximum drawdown* | -21.0 | -34.4 |
| Annualised monthly volatility | 19.2 | 20.5 |

* Maximum percentage decline over any period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