

ALLAN GRAY STABLE FUND

Fact sheet at 31 January 2005



Sector: Domestic AA Prudential Low Equity
Inception Date: 1 July 2000
Fund Manager: Stephen Mildenhall
Qualification: B Com(Hons), CA(SA), CFA

The Fund aims to achieve superior after-tax returns to bank deposits and to provide a high level of capital stability. The Fund seeks to preserve capital over any two-year period and is ideal for risk-averse investors.

Fund Details

Price: 1511.81 cents
Size: R 3 391 984 496
Minimum lump sum: R 5 000
Minimum monthly: R 500
Subsequent lump sums: R 500

01/01/04-31/12/04 dividend (cpu): Total 70.67
Int 47.93, Div 12.73, S24J Acc 9.79, Foreign Int 0.22

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 0.57-1.71% p.a. (incl. VAT). Should the Fund produce a return of 0% or worse over a 2-year rolling period, then the firm will forego all fees.

Commentary

The Fund's aim is to provide a high level of capital stability. As a result, the Fund has a low equity exposure. After the significant rise in the South African equity market in recent months, it is likely that the Fund's equity exposure will be reduced from current levels. The Fund has a reasonable exposure to selected banking shares that are now offering good long-term value and attractive dividend yields. The trend towards lower dividend covers amongst South Africa's typically undergeared companies is also positive for the share component of the Fund. As indicated previously, following Reserve Bank approval, we took a portion of the assets offshore at what we believed was an attractive exchange rate. The Fund has an 11% exposure to foreign assets, of which only a third is invested in equities and the remaining two-thirds in absolute return funds.

Top 10 Share Holdings at 31 December 2004*

JSE Code	Company	% of portfolio
GRY	Grayprop	3.20
SOL	Sasol	2.76
SBK	Stanbank	2.35
MTN	MTN - Group	2.27
ASA	Absa	2.13
TBS	Tigbrands	1.94
AMSP	AngloPlattCC	1.52
KGM	KGMedia	1.36
AHH	Ahealth	1.29
NPK	Nampak	1.24

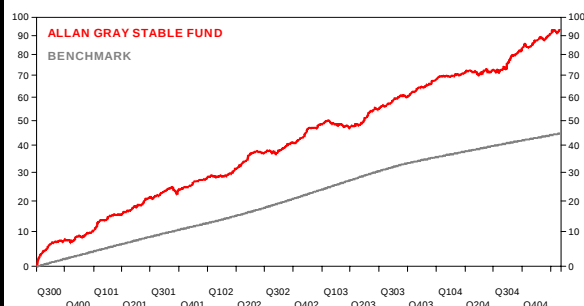
* The 'Top 10 Share Holdings' table is updated quarterly.

Asset Allocation

Asset Class	% of Fund
Shares	30.14
Property	4.97
Bonds	5.51
Foreign	10.84
Money Market & Cash	48.54
Total	100.00

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

Long-term cumulative performance (log-scale)



% Returns (after-tax)	Stable Fund	Benchmark*
Since Inception (unannualised)	93.5	45.0
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	14.7	8.5
Latest 1 year	14.0	6.3

Risk Measures

(Since incep. month end prices)

Maximum drawdown**	-2.3	n/a
Annualised monthly volatility	3.8	0.4

*After tax return of call deposits plus two percentage points

** 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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