

MANAGEMENT COMPANY

Allan Gray Unit Trust Management Limited
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DIRECTORS AND MANAGEMENT

M Herdman M Com CFA
SC Marais PhD (Cantab) CFA
WJC Mitchell B Com (Chairman)
MA Mun-Gavin B Com CA (SA)
ASB Pearse B Com MBA DBA
ML Ronald Dip Phil B Com CA (SA) (alt.)
HA Davies B Sc B Com (Hons) (General Manager)

INVESTMENT MANAGERS

Allan Gray Limited

ADMINISTRATORS

Marriott Unit Trust Management Company Limited

TRUSTEES

Firststrand Bank Limited
P O Box 3036, Johannesburg 2000

AUDITORS

Ernst & Young



Member of the Association of Unit trusts

Allan Gray Unit Trust Management Limited
Registration Number 1998/007756/06



ALLAN GRAY UNIT TRUSTS

A N N U A L R E P O R T 1 9 9 9

C O N T E N T S

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Allan Gray Unit Trust Management Limited is a subsidiary of Allan Gray Limited, the largest privately owned investment management firm in South Africa. Established in 1974 Allan Gray is dedicated to providing superior investment performance and service excellence. Allan Gray shares a common founder, investment approach and ethos with its international affiliate, the Orbis Group, thereby offering a consistent global investment management service.

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INTRODUCTION

The Allan Gray Equity Fund has achieved outstanding returns during the period under review. Whilst it is greatly satisfying to have performed so well in such a short space of time, these results should be viewed as exceptional within the framework of our long-term investment strategy.

In the previous Annual Report we addressed our motivation in starting the Allan Gray Equity Fund following the precipitous decline in South African share prices in 1998. Subsequently share prices have practically doubled, and although we are still finding pockets of good value, the overall market can no longer be described as cheap.

Rising markets inevitably herald the prospect of increased risk. Mindful of this

fact, we have broadened our range of unit trust services to include a 'balanced fund' which follows the Prudential Investment Guidelines for retirement funds as laid down in the Pension Funds Act. As such, the Allan Gray Balanced Fund has a ceiling of 75 per cent exposure to equities with interest-related and property assets making up the remainder of its investments. Accordingly, stock market risk is reduced.

In previous reports we have emphasised that our investment philosophy is the cornerstone of our activities. Often referred to as 'value' investing, our philosophy includes the never-ending search for shares which are priced well below their intrinsic value. By intrinsic value we mean the value a prudent businessman would determine when considering an investment using normal valuation techniques. Some of these

valuation techniques deal with future expectations which can be notoriously unreliable. Our approach at Allan Gray to the complexity of forecasting and valuing investments is addressed in your Investment Manager's Report.

Looking ahead, we are confident that our investment process will continue to deliver the superior long term returns which our clients have come to expect from Allan Gray Limited.

ALLAN GRAY EQUITY FUND

LONG TERM INVESTMENT OBJECTIVES

To earn a higher total rate of return than the average return of the South African equity market as represented by the All Share Index, including income, without assuming greater risk.

FUND CHARACTERISTICS

This general equity fund is for clients who have decided to invest in the South African share market through the Allan Gray equity selection process. Our mandate is to invest across the broad range of shares on the JSE, selecting the most attractive shares, without assuming greater risk than the All Share Index itself.

To achieve this objective, the fund will be practically fully invested in shares at all times. As a result, returns are likely to be volatile, both up and down. However, history shows that returns from long term equity investments are superior to those derived from interest-earning or property assets.

PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 1999

	<u>1 Year</u>	<u>Since Inception</u>
Allan Gray Equity Fund	117.6%	176.9%
All Share Index	61.4%	73.4%

Our investment objective is to outperform the All Share Index over the long term. The margin of outperformance over the short period since inception should be regarded as exceptional and is unlikely to be repeated. Our history of equity selection reveals that although our annual equity returns typically exceed the All Share Index, occasionally they underperform. Over the long term, significant wealth is created through the compounding effect of above-average annual returns. This is our mission on your behalf.

ALLAN GRAY BALANCED FUND

LONG TERM INVESTMENT OBJECTIVES

To earn a higher rate of return than the market value-weighted average of the Domestic Prudential Unit Trust Sector, excluding the Allan Gray Balanced Fund, without assuming any greater risk of monetary loss.

FUND CHARACTERISTICS

Our Balanced Fund is for clients who have decided to delegate to Allan Gray the allocation of their capital to the share market, interest earning assets, property or foreign assets as conditions dictate. This sectoral allocation is subject to the Prudential Investment Guidelines, as laid down in the Pension Funds Act.

THE YEAR AHEAD

In contrast to our expectations for 1999 as stated in our previous Annual Report, we believe the SA economy will improve this year, with good prospects for enhanced growth in 2001/2. Coincidentally, shares that are likely to benefit most from such a broad-based economic advance are attractively priced and well represented in both unit trust portfolios. These counters have been flagged with an asterisk at the back of this report.

Interest rates remain in a declining mode, but the cycle is now further advanced. The chances of the downtrend in rates being arrested will increase as the year progresses. Notwithstanding the recent strength in listed property, we remain confident that this neglected sector still

The selection of counters within these broad categories is anticipated to resemble our managed retirement portfolios and, of course, in the case of shares, the Allan Gray Equity Fund.

Given the spread of investments, we are confident that returns will be less volatile than those of the Equity Fund, but somewhat lower over the long term.

PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 1999

According to the Association of Unit Trusts' Code of Advertising, the minimum period for which performance may be reported is six months. Given that the Fund was initiated on 1 October 1999 our first reporting period will be for the six months ending 31 March 2000.

offers value, given some improvement in rental levels accompanying the economic upswing in addition to their current attractive yields.

Our biggest concern for the year ahead remains the extremely high level of share prices in the western world, and the USA in particular. Although many shares are well off their peak levels, the intense speculation in the 'internet' and 'high tech' sectors continues, elevating the

indices to new highs almost daily. History reveals that such speculation is unsustainable and any return to investment normality could have ramifications for all financial markets, including those in South Africa.



WJ MITCHELL
21 February 2000

Forecasting and Valuations in an Uncertain World

Any investment decision is by necessity based on a particular view of the future. Recently, the investment industry has seen considerable growth and probably employs more doctoral graduates than any other industry. Yet despite this enormous concentration of resources, market forecasts have failed to show any noticeable increase in accuracy. For example, the collapse of stock markets in South East Asia in 1998 surprised analysts as much as the Wall Street crash of 1929. The lack of success in financial forecasting is well demonstrated by unit trust performance. Few unit trusts either locally or internationally surpass the market indices over extended periods of time. At Allan Gray we have not been immune to the perils of forecasting. Barely a week after the publication of our June 1999 Quarterly Report, in which we predicted good returns for Powertech, the company issued a profit warning and the share declined by a third.

The poor record of forecasting is not limited to economics and finance. The difficulty of predicting the future was first recognised in weather forecasting. Until the 1960's it was hoped that with improved forecasting techniques it would be possible to predict weather phenomena such as the expected summer rainfall for a region. Today it is known that no matter how much science may develop in future, truly reliable forecasts will never be possible. The reason is that very small disturbances sometimes get amplified to such an extent that they can influence large, complex systems. For example, a well-known illustration is the flapping of a butterfly's wings in the Amazon rainforest eventually resulting in a hurricane on the opposite side of the world. Since it is impossible to keep track of all little disturbances, longer term predictions rapidly disintegrate to randomness.

Stock markets are similarly unpredictable. History shows that a seemingly insignificant event can lead to a huge move in share prices. The crash of 1987 is an example. To this day, nobody is certain about its exact cause. Any prediction as to the exact level of the stock market in a year's time can be no more than guesswork. The same principle is often true for fund managers trying to forecast economic growth rates or interest rates. Witness how the 'Asian Contagion' in 1998 overturned these consensus forecasts.

Does this mean that all forecasts are doomed to failure? The answer is a qualified no. Although long range weather predictions are unreliable, it is still advisable to pack warm clothes if you visit Canada, or an umbrella if you go to London. The reason is that while the weather fluctuations are random they are around well-established averages. The same point is true for shares and stock markets. Forecasting the price of a share

is a hopeless task even when looking a short period ahead. Daily price fluctuations can be the result of frantic or sporadic trading, but over time a share price will fluctuate around an average level which is driven by its long-term growth rate.

There is a crucial difference between forecasting averages for stock markets and the weather. Weather averages stay fairly constant over a human life span but the economic fundamentals of a company or industry can sometimes change radically in ways that are not foreseeable. At the turn of the 20th century, by far the largest sector in terms of value on the London Stock Exchange consisted of railroad shares. It was a relatively new industry that promised huge gains in industrial efficiency and made new enterprises like mass tourism a reality. At that stage nobody foresaw the revolution of motorised transport which effectively wiped out most railroad companies.

At Allan Gray we believe investment success lies in the application of two principles:

- It is unrewarding to predict variables such as interest rates, commodity prices or GDP. Rather our attention is focused on the fundamentals of shares we invest in and the long-term averages of economic variables that influence those businesses.
- Even with the best possible understanding of a company and the industry within which it operates, there remains a significant amount of uncertainty regarding the company's future. It is thus important to buy shares where there is little or no good news factored into the share price. If events turn out to be adverse for a company, the downside of the share is limited by the high yield or asset value-underpin. On the other hand, if and often when events turn out to be in the company's favour, there are significant gains to be made.

The robustness of our philosophy and its implementation is demonstrated in our long-term performance records. We have confidence that our tried and tested methodology will continue to deliver superior long-term results.



SC MARAIS

Chief Investment Officer

Allan Gray Limited

21 February 2000

MANAGEMENT COMPANY DETAILS

DIRECTORS	W J C Mitchell B Com (Chairman)
	M Herdman M Com, CFA
	S C Marais Ph D (Cantab), CFA
	A S B Pearse B Com, MBA, DBA
	M A Mun-Gavin B Com, CA (SA)
	M L Ronald Dip Phil B Com, CA (SA) (Alternate)
MANAGEMENT	H A Davies B Sc, B Com (Hons) (General Manager)
TRUSTEE	Firststrand Bank Limited
AUDITORS	Ernst & Young
BANKERS	First National Bank
HOLDING COMPANY	Allan Gray Limited
COMPANY REGISTRATION NUMBER	1998/007756/07
REGISTERED OFFICE	2nd Floor, 6 Durban Club Place Durban 4001
ADDRESS	Granger Bay Court, Beach Road V&A Waterfront, Cape Town 8001
	PO Box 51605, V&A Waterfront 8002
TELEPHONE	021 415 2301
FACSIMILE	021 415 2401
INTERNET	www.allangray.co.za

ALLAN GRAY EQUITY FUND



APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors of the Fund's management company are responsible for the preparation of the annual financial statements and related financial information included in this report.

The annual financial statements set out on pages 14 to 20 have been approved by the Board of Directors of Allan Gray Unit Trust Management Limited and are signed on its behalf by:



WJC MITCHELL
Chairman



M HERDMAN
Director

Cape Town
21 February 2000

REPORT OF THE INDEPENDENT AUDITORS TO THE UNITHOLDERS OF ALLAN GRAY EQUITY FUND

We have audited the annual financial statements of the Allan Gray Equity Fund set out on pages 14 to 20 for the year ended 31 December, 1999. These financial statements are the responsibility of the directors of the Fund's management company. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Fund at 31 December, 1999 and the results of its operations for the year then ended in accordance with Generally Accepted Accounting Practice, and in the manner required by the Unit Trusts Control Act No 54 of 1981 as amended.



ERNST & YOUNG
CHARTERED ACCOUNTANTS (S.A.)

Durban
21 February 2000

ALLAN GRAY EQUITY FUND

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	12 Months ended 31/12/99 R	3 Months ended 31/12/98 R
INCOME		12 431 324	333 873
Dividends	1.2	9 513 921	154 317
Interest	1.3	2 917 403	179 556
EXPENDITURE		5 408 523	57 452
Audit fee		24 415	2 876
Management Company's service charge		5 368 108	54 343
Levies		16 000	233
NET INCOME for the year		7 022 801	276 421
INCOME DISTRIBUTION 30 June 1999	3	(2 139 763)	-
INCOME DISTRIBUTION 31 December 1999	3	(4 883 038)	(276 421)
UNDISTRIBUTED INCOME		-	-

ALLAN GRAY EQUITY FUND

BALANCE SHEET

AT 31 DECEMBER 1999

	Notes	12 Months ended 31/12/99 R	3 Months ended 31/12/98 R
CAPITAL EMPLOYED			
Capital value of the trust	5	305 505 404	13 082 216
EMPLOYMENT OF CAPITAL			
INVESTMENTS AT MARKET VALUE	5	285 751 658	12 424 144
NET CURRENT ASSETS		19 753 746	658 072
CURRENT ASSETS		32 600 589	2 461 433
Accounts receivable		2 786 155	192 488
Cash resources		29 814 434	2 268 945
CURRENT LIABILITIES		12 846 843	1 803 361
Accounts payable		7 963 805	1 526 940
Unitholders for distribution		4 883 038	276 421
		305 505 404	13 082 216

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999**

1. ACCOUNTING POLICIES

- 1.1 All accounting policies followed are set out in the Trust Deed and comply with generally accepted accounting practice, and are consistent with those applied in the prior year.
- 1.2 Dividend income comprises dividends received from and accrued on investments for which the last date to register falls within the accounting year. This includes capitalisation issues with a cash dividend option.
- 1.3 Interest income is accrued for on a daily basis with the exception of interest distributions from property trusts which are accrued at the last date to register.
- 1.4 The financial statements have been prepared on the historical cost basis with the exception of the unit portfolio. In the unit portfolio all shares and securities are valued at the last transaction price on the valuation date, or, if no transactions have taken place on the valuation date, at the highest buyers price.

2. AMORTISATION OF ASSETS

There are no securities included in the unit portfolio at 31 December 1999 that require amortisation.

3. DISTRIBUTION TO UNITHOLDERS

(Cents per unit)

	1999	1998
Distribution No. 2 for the six months to 30 June		
Interest content	8.56	-
Dividend content	17.18	-
	25.74	-
Distribution No. 3 for the six months (1998:three months) to 31 December		
Interest content	7.94	13.31
Dividend content	31.74	11.43
	39.68	24.74

4. CAPITAL GAINS/(LOSSES)

Net realised gain/(loss) credited to the capital value of the trust for the year ended 31 December	26 183 956	36 411
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ALLAN GRAY EQUITY FUND

5. SCHEDULE OF INVESTMENTS

Unless otherwise stated, all shares are ordinary shares and are quoted on stock exchanges recognised in terms of the Unit Trusts Control Act. "Percentage (%) of issued capital" refers to the percentage of that class of share, issued by the company concerned, which is held by the Allan Gray Equity Fund.

Number of shares at 31/12/99	% of Issued Capital	JSE share code	COMPANY	Market Value R	% of Fund
			RESOURCE SECTOR		
			MINING RESOURCES		
			DIAMONDS		
84 700	0.02	DBR	De Beers	15 161 300	4.96
			GOLD		
16 930	0.02	ANG	Anglo Gold	5 360 038	1.75
431 200	0.09	AVG	Avgold	1 832 600	0.60
191 000	0.04	GFI	Gold Fields	5 682 250	1.86
			MINING HOLDINGS & HOUSES		
130 700	0.11	GFS	Gold Fields of SA	1 960 500	0.65
			NON-MINING RESOURCES		
			CHEMICALS, OILS & PLASTICS		
122 900	0.02	SOL	Sasol	6 280 190	2.06
			STEEL		
80 000	0.08	HVL	Highveld	1 652 000	0.54
308 720	0.12	ISC	Iskor*	7 193 176	2.35
			FINANCIAL SECTOR		
			PRIVATE EQUITY FUNDS		
837 770	2.56	SCG	Scharrighuisen	963 355	0.32
			BANKS & FINANCIAL SERVICES		
			BANKS		
589 305	0.04	SBC	Stanbic	15 056 743	4.93
			INSURANCE		
			SHORT-TERM INSURANCE		
478 000	0.20	MAF	Mutual & Federal	7 074 400	2.32
			INDUSTRIAL SECTOR (1)		
			INDUSTRIAL CONSUMER		
			BEVERAGES		
133 800	0.00	KWV	KWV*	1 364 760	0.45
			CLOTHING AND TEXTILES		
2 309 400	2.89	SRN	Seardel*	2 817 468	0.92
			FOOD		
2 814 031	0.84	AVI	AVI*	16 771 625	5.49
105 765	0.26	AVID	AVI 5% CD*	528 825	0.17
1526 200	0.69	HLH	HLH*	9 691 370	3.17
242 000	0.20	HLHP	HLH 7% C/Prefs*	1 573 000	0.51
4 386 080	1.29	OTK	OTK	15 351 280	5.02
1 080 400	0.42	RBW	Rainbow*	907 536	0.30
92 400	0.06	TIG	Tiger Oats*	6 560 400	2.15

ALLAN GRAY EQUITY FUND

166 000	0.22	ELH	RETAIL		
183 886	0.08	FOS	Ellerine*	5 395 000	1.77
951 900	3.16	HDC	Foschini*	3 098 479	1.01
1 500 000	1.54	IVT	Hudaco*	9 043 050	2.96
1 799 500	0.90	RAG	Invicta*	3 435 000	1.12
			Retail Apparel Group*	2 429 325	0.81
			INDUSTRIAL SECTOR (2)		
			DIVERSIFIED INDUSTRIAL		
			HOTELS & LEISURE		
623 800	0.70	KER	Kersaf	15 283 100	5.00
4 624 400	0.51	SIS	Sun International SA	6 242 940	2.04
			BLDS, CONST & ENGINEERING		
1 970 575	0.55	AEG	Aveng*	14 877 841	4.87
105 765	0.26	AEGD	Aveng 5% - CD*	645 167	0.21
1 711 540	4.35	ART	Argent*	2 225 002	0.73
446 800	3.35	CNC	Concor*	4 021 200	1.32
365 900	1.32	ELB	E L Bateman	2 561 300	0.84
566 800	2.46	GHO	Group Five Holdings*	2 068 820	0.68
283 700	0.89	GPN	Group Five N*	1 021 320	0.33
34 600	0.08	GRF	Group Five*	128 020	0.04
3 202 000	4.99	HWN	Howden*	3 362 100	1.10
2 142 000	0.62	MUR	Murray & Roberts*	9 938 880	3.26
118 200	0.24	PPC	Pretoria Portland Cement*	6 264 600	2.05
			ELECTRONICS & ELECTRICAL		
20 000	0.02	ATN	Altron*	134 000	0.04
2 452 200	1.29	ATNP	Altron PP*	15 081 030	4.94
1 524 300	0.56	POW	Powtech*	7 011 780	2.30
2 952 220	3.53	UHS	Unihold	7 793 808	2.55
			MEDIA		
516 300	0.18	MNS	M-Net/SS	2 994 540	0.98
			HEALTHCARE		
2 891 600	0.83	MDC	Medi-Clinic	10 756 752	3.52
			TRANSPORT		
187 100	0.55	DLV	Dorbyl*	5 584 935	1.83
381 340	0.29	DNL	Dunlop*	1 185 967	0.39
162 900	0.39	GNR	Grincor	252 495	0.08
1 581 100	2.18	GRN	Grincor N	2 371 650	0.78
1 305 800	1.08	MTK	Metkor*	5 314 606	1.74
296 800	1.12	PTC	Putco	890 400	0.29
100 600	0.25	TOY	Toyota*	1 961 700	0.64
25 800	0.31	WES	Wesco*	1 019 100	0.34
			REAL ESTATE SECTOR		
			PROPERTY UNIT TRUSTS		
966 200	0.15	MRT	Martprop	1 835 780	0.60
910 820	0.87	SYC	Sycom	5 738 166	1.88
			CASH COMPANIES		
98 960	0.03	BNS	Bransby	990	0.00
			Total EQUITIES	285 751 658	93.53
			Total LIQUIDITY	19 753 746	6.47
			Total ASSETS	305 505 404	100.00

* - (Refer page 5 of the Chairman's Report).

6. CREATION AND CANCELLATION OF UNITS

	12 Months ended 31/12/99 R	3 Months ended 31/12/98 R
Value of units created	291 845 173	12 305 633
Compulsory charges on units created	1 896 994	80 923
Value of units cancelled	(87 661 447)	(17 104)

7. REVIEW OF FLUCTUATIONS OF UNIT PRICES

(Cents per unit)

<i>Year ended</i>	<i>Subscription</i>		<i>Redemption</i>	
	<i>Price (cents)</i>		<i>Price (cents)</i>	
	<i>Lowest</i>	<i>Highest</i>	<i>Lowest</i>	<i>Highest</i>
31 December 1999	1 243.58	2 631.89	1 168.37	2 521.56
31 December 1998	1 000.00	1 316.72	939.52	1 211.78

The prices of units fluctuate in accordance with the changes in the values of the securities included in the unit portfolio.

8. DERIVATIVES

Investments in derivatives are regulated by the Financial Services Board. No derivatives were traded during the year under review.



APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors of the Fund's management company are responsible for the preparation of the annual financial statements and related financial information included in this report.

The annual financial statements set out on pages 24 to 30 have been approved by the Board of Directors of Allan Gray Unit Trust Management Limited and are signed on its behalf by:



WJC MITCHELL
Chairman



M HERDMAN
Director

Cape Town
21 February 2000

REPORT OF THE INDEPENDENT AUDITORS TO THE UNITHOLDERS OF ALLAN GRAY BALANCED FUND

We have audited the annual financial statements of the Allan Gray Balanced Fund set out on pages 24 to 30 for the period ended 31 December, 1999. These financial statements are the responsibility of the directors of the Fund's management company. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Fund at 31 December, 1999 and the results of its operations for the period then ended in accordance with Generally Accepted Accounting Practice, and in the manner required by the Unit Trusts Control Act No 54 of 1981 as amended.



ERNST & YOUNG
CHARTERED ACCOUNTANTS (S.A.)

Durban
21 February 2000

ALLAN GRAY BALANCED FUND

INCOME STATEMENT

FOR THE PERIOD 1 OCTOBER 1999 TO 31 DECEMBER 1999

	Notes	3 Months ended 31/12/99 R
INCOME		718 225
Dividends	1.2	106 330
Interest	1.3	611 895
EXPENDITURE		56 188
Audit fee		2 845
Management Company's service charge		52 840
Levies		503
NET INCOME for the period		662 037
INCOME DISTRIBUTION 31 December 1999	3	662 037
UNDISTRIBUTED INCOME		-

ALLAN GRAY BALANCED FUND

BALANCE SHEET

AT 31 DECEMBER 1999

	Notes	3 Months ended 31/12/99 R
CAPITAL EMPLOYED		
Capital value of the trust	5	42 222 520
EMPLOYMENT OF CAPITAL		
INVESTMENTS AT MARKET VALUE	5	38 212 087
NET CURRENT ASSETS		4 010 433
CURRENT ASSETS		10 293 224
Accounts receivable		419 331
Cash resources		9 873 893
CURRENT LIABILITIES		6 282 791
Accounts payable		5 620 754
Unitholders for distribution		662 037
		42 222 520

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1 OCTOBER 1999 TO 31 DECEMBER 1999

1. ACCOUNTING POLICIES

- 1.1 All accounting policies followed are set out in the Trust Deed and comply with generally accepted accounting practice.
- 1.2 Dividend income comprises dividends received from and accrued on investments for which the last date to register falls within the accounting year. This includes capitalisation issues with a cash dividend option.
- 1.3 Interest income is accrued for on a daily basis with the exception of interest distributions from property trusts which are accrued at the last date to register.
- 1.4 The financial statements have been prepared on the historical cost basis with the exception of the unit portfolio. In the unit portfolio all shares and securities are valued at the last transaction price on the valuation date, or, if no transactions have taken place on the valuation date, at the highest buyers price.

2. AMORTISATION OF ASSETS

There are no securities included in the unit portfolio at 31 December 1999 that require amortisation.

3. DISTRIBUTION TO UNITHOLDERS

(Cents per unit)	1999
Distribution No. 1 for the three months to 31 December	
Interest content	15.92
Dividend content	2.81
	<hr/>
	18.73
	<hr/> <hr/>

4. CAPITAL GAINS/(LOSSES)

Net realised gain/(loss) credited to the capital value of the trust for the period ended 31 December	106 877
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5. SCHEDULE OF INVESTMENTS

Unless otherwise stated, all shares are ordinary shares and are quoted on stock exchanges recognised in terms of the Unit Trusts Control Act. "Percentage (%) of issued capital" refers to the percentage of that class of share, issued by the company concerned, which is held by the Allan Gray Balanced Fund.

Number of shares at 31/12/99	% of Issued Capital	JSE share code	COMPANY	Market Value R	% of Fund
			RESOURCES SECTOR		
			MINING RESOURCES		
			DIAMONDS		
6 500	0.00	DBR	De Beers	1 163 500	2.76
			GOLD		
142 900	0.03	AVG	Avgold	607 325	1.44
47 200	0.01	GFI	Gold Fields	1 404 200	3.33
			MINING HOLDINGS & HOUSES		
28 000	0.02	GFS	Gold Fields of SA	420 000	0.98
			NON-MINING RESOURCES		
			CHEMICALS, OILS & PLASTICS		
11 800	0.00	SOL	Sasol	602 980	1.43
			STEEL		
30 500	0.01	ISC	Iscor*	710 650	1.68
			FINANCIAL SECTOR		
			PRIVATE EQUITY FUNDS		
135 700	0.41	SCG	Scharrighuisen	156 055	0.37
			BANKS & FINANCIAL SERVICES		
			BANKS		
47 400	0.00	SBC	Stanbic	1 211 070	2.87
			INSURANCE		
			LIFE ASSURANCE		
12 000	0.00	SLM	Sanlam	103 200	0.24
			SHORT-TERM INSURANCE		
58 800	0.02	MAF	Mutual & Federal	870 240	2.07
			INDUSTRIAL SECTOR (1)		
			INDUSTRIAL CONSUMER BEVERAGES		
59 900	0.14	KWV	KWV*	610 980	1.45
			CLOTHING AND TEXTILE		
334 500	0.42	SRN	Searidel*	408 090	0.97
			FOOD		
242 100	0.07	AVI	AVI*	1 442 916	3.42
93 000	0.04	HLH	HLH*	590 550	1.40
453 400	0.18	RBW	Rainbow*	380 856	0.90
4 500	0.00	TIG	Tiger Oats*	319 500	0.76

8 800	0.01	ELH	RETAIL		
64 400	0.21	HDC	Ellerine*	286 000	0.68
200 000	0.00	IVT	Hudaco*	611 800	1.45
54 800	0.03	RAG	Invicta*	458 000	1.08
			Retail Apparel Group*	73 980	0.16
			INDUSTRIAL SECTOR (2)		
			DIVERSIFIED INDUSTRIAL		
			HOTELS & LEISURE		
53 600	0.06	KER	Kersaf	1 313 200	3.11
323 000	0.04	SIS	Sun International SA	436 050	1.03
			BLDS, CONST & ENGINEERING		
52 600	0.01	AEG	Aveng*	397 130	0.94
123 200	0.31	ART	Argen*	160 160	0.38
61 300	0.46	CNC	Concor*	551 700	1.31
63 400	0.23	ELB	E L Bateman	443 800	1.05
1 000	0.00	GHO	Group Five Holdings*	3 650	0.01
55 100	0.17	GPV	Group Five N*	198 360	0.47
155 300	0.24	HWN	Howden*	163 065	0.39
116 700	0.03	MUR	Murray & Roberts*	541 488	1.28
13 200	0.03	PPC	Pretoria Portland Cement*	699 600	1.66
			ELECTRONICS & ELECTRICAL		
20 800	0.02	ATN	Altron*	139 360	0.33
249 000	0.13	ATNP	Altron N*	1 531 350	3.63
257 700	0.09	POW	Powtech*	1 185 420	2.81
359 500	0.43	UHS	Unihold	949 080	2.25
			HEALTHCARE		
244 400	0.07	MDC	Medi-Clinic	909 168	2.15
			TRANSPORT		
21 900	0.06	DLV	Dorbyl*	653 715	1.55
32 900	0.08	GNR	Grincor	50 995	0.12
64 500	0.09	GRN	Grincor N	96 750	0.23
172 000	0.03	MBN	Mobile N	73 960	0.18
997 800	0.34	MOB	Mobile	429 054	1.02
7 000	0.01	MTK	Metkor*	28 490	0.07
50 300	0.19	PTC	Putco	150 900	0.36
32 700	0.08	TOY	Toyota*	637 650	1.48
			REAL ESTATE SECTOR		
			PROPERTY UNIT TRUSTS		
209 500	0.13	CEN	Cenprop	523 750	1.24
317 000	0.30	SYC	Sycom	1 997 100	4.73
			Total EQUITIES	26 696 837	63.23
			Gilts - RSA		
8 500 000	0.00	R184	R184 12.50% 2006	8 089 450	19.16
			Total GILTS	8 089 450	19.16
			Semi-Gilts - Telkom		
3 500 000	0.00	TL08	TELKOM SA 13% 2004	3 425 800	8.11
			Total SEMI-GILTS	3 425 800	8.11
			Total LIQUIDITY	4 010 433	9.50
			Total ASSETS	42 222 520	100.00

* - (Refer page 5 of the Chairman's Report).

6. CREATION AND CANCELLATION OF UNITS

3 Months
ended
31/12/99
R

Value of units created	39 710 529
Compulsory charges on units created	258 118
Value of units cancelled	(1 169 149)

7. REVIEW OF FLUCTUATIONS OF UNIT PRICES

(Cents per unit)

Year ended	<i>Subscription</i>		<i>Redemption</i>	
	<i>Price (cents)</i>		<i>Price (cents)</i>	
	<i>Lowest</i>	<i>Highest</i>	<i>Lowest</i>	<i>Highest</i>
31 December 1999	1 043,86	1 264,81	1 000,00	1 211,78

The prices of units fluctuate in accordance with the changes in the values of the securities included in the unit portfolio.

8. DERIVATIVES

Investments in derivatives are regulated by the Financial Services Board. No derivatives were traded during the year under review.



APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors of the company are responsible for the preparation of the annual financial statements and related financial information included in this report.

The annual financial statements set out on pages 34 to 45 have been approved by the Board of Directors and are signed on its behalf by:



WJC MITCHELL
Chairman



M HERDMAN
Director

Cape Town
21 February 2000

CERTIFICATE BY COMPANY SECRETARY

Marriott Corporate Services (Pty) Limited, in capacity as Company Secretary, hereby confirms, in terms of the Companies Act, 1973, that for the year ended 31 December 1999, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.



MARRIOTT CORPORATE SERVICES (PTY) LIMITED

Durban
21 February 2000

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALLAN GRAY UNIT TRUST MANAGEMENT LIMITED

We have audited the annual financial statements of Allan Gray Unit Trust Management Limited set out on pages 34 to 45 for the year ended 31 December, 1999. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company at 31 December, 1999 and the results of its operations and cash flows for the year then ended in accordance with Generally Accepted Accounting Practice, and in the manner required by the Companies Act.



ERNST & YOUNG
CHARTERED ACCOUNTANTS (S.A.)

Durban
21 February 2000

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1999

The Directors have pleasure in presenting their report for the year ended 31 December 1999.

NATURE OF THE COMPANY'S BUSINESS

The principal business of the company is to manage funds registered under this scheme.

On 1 October 1998 the scheme's first unit portfolio, the Allan Gray Equity Fund, was launched as a general equity fund. The scheme's second unit portfolio, the Allan Gray Balanced Fund was launched on 1 October 1999.

SHARE CAPITAL

There have been no changes to the share capital during the year.

The issued shareholding at 31 December 1999 was as follows:

	%	Ordinary
	Holding	Shares
Allan Gray Limited and its nominees	70	700 042
Marriott Holdings Limited	30	300 018
	<u>100</u>	<u>1 000 060</u>

INVESTMENTS

In terms of the Unit Trust Control Act of 1981, the company is required to make an investment in the Unit Trusts that it manages. At 31 December 1999 the company held 71 748 units in the Allan Gray Equity Fund with a market value of R1 809 169 (1998 : 129 351 units with a market value of R1 548 711) and 149 031 units in the Allan Gray Balanced Fund with a market value of R1 805 928.

RESULTS OF THE COMPANY

The results of the company are set out in the accompanying Income Statement. No dividend has been declared nor is any proposed for the year ended 31 December 1999.

DIRECTORS

Mr M L Ronald was appointed alternate director to Mr M A Mun-Gavin on 8 February 1999.

Details of the current directors are given on page 10.

EVENTS SUBSEQUENT TO THE YEAR END

No material fact or circumstance has occurred between the accounting date and the date of this report.

ALLAN GRAY UNIT TRUST MANAGEMENT LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	12 Months ended 31/12/99 R	3 Months ended 31/12/98 R
INCOME		8 668 665	177 064
Service charge	1.4	4 755 324	47 669
Initial charge	1.3	1 060 308	12 577
Income from unit trust investments:			
- Dividends	1.2	68 493	14 812
- Interest	1.2	50 116	17 234
Interest received		421 532	84 772
Profit on sale of units		2 312 892	-
EXPENDITURE		5 065 092	186 357
Agents commission		294 689	-
Administration fees		315 000	75 000
Audit fees			
Fees for audit		48 655	15 000
Other services		38 448	
Investment management fees		2 371 357	23 834
Loss on sale of units		-	34 910
Marketing and management fees		1 080 000	-
Trustees' fees		76 843	-
Other operating expenses		840 100	37 613
PROFIT/(LOSS) from operations		3 603 573	(9 293)
Interest paid		71 344	-
NET PROFIT/(LOSS) before taxation for the year		3 532 229	(9 293)
Taxation	2	515 837	-
RETAINED INCOME / (ACCUMULATED LOSS) for the year		3 016 392	(9 293)
(ACCUMULATED LOSS) at beginning of year		(9 293)	-
RETAINED INCOME / (ACCUMULATED LOSS) at end of year		3 007 099	(9 293)

ALLAN GRAY UNIT TRUST MANAGEMENT LIMITED

BALANCE SHEET

AT 31 DECEMBER 1999

	Notes	12 Months ended 31/12/99 R	3 Months ended 31/12/98 R
CAPITAL EMPLOYED			
SHARE CAPITAL	3	1 000 060	1 000 060
SHARE PREMIUM	3	2 000 000	2 000 000
RETAINED PROFIT/ (ACCUMULATED LOSS)		3 007 099	(9 293)
		6 007 159	2 990 767
EMPLOYMENT OF CAPITAL			
INVESTMENTS	4	2 417 194	1 229 295
CURRENT ASSETS		4 532 127	1 794 632
Accounts receivable		93 009	40 825
Cash resources		4 439 118	1 753 807
CURRENT LIABILITIES		942 162	33 160
Accounts payable		426 325	33 160
Taxation		515 837	-
NET CURRENT ASSETS		3 589 965	1 761 472
		6 007 159	2 990 767

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	12 Months ended 31/12/99	3 Months ended 31/12/98
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		5 763 748	19 421
Cash paid to suppliers and employees		(4 672 227)	(118 287)
CASH GENERATED BY/(APPLIED TO) OPERATIONS			
	12	1 091 521	(98 866)
Interest paid		(71 344)	-
Interest received		471 648	102 006
Dividends received		68 493	14 812
NET CASH INFLOW FROM OPERATING ACTIVITIES			
		1 560 318	17 952
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES			
		1 124 993	(1 264 205)
Proceeds on sale of fixed investment in unit trust		2 624 993	-
Acquisition of fixed investment in unit trust		(1 500 000)	(1 264 205)
NET CASH INFLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	3 000 060
NET INCREASE in cash and cash equivalents			
		2 685 311	1 753 807
CASH AND CASH EQUIVALENTS at beginning of year			
		1 753 807	-
CASH AND CASH EQUIVALENTS at end of year			
		4 439 118	1 753 807

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies consistent with those applied in the previous year.

- 1.1 Fixed investments are held at cost.
- 1.2 Income from unit trust investments comprises income received from and accrued on investments in the Allan Gray Equity Fund and the Allan Gray Balanced Fund for which the declaration date falls within the accounting year.
- 1.3 Income from initial charges is recognised when the sale of units, which gives rise to this income, takes place.
- 1.4 Income from service charges is based on the daily market value of the Funds and accrues on a daily basis.
- 1.5 Financial instruments recognised on the balance sheet include cash, investments, trade receivables and trade creditors.
- 1.6 Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values on the balance sheet. Current tax rates are used to determine the deferred tax balance.

ALLAN GRAY UNIT TRUST MANAGEMENT LIMITED

	12 Months ended 31/12/99 R	3 Months ended 31/12/98 R
2. TAXATION		
S A Normal taxation - current	515 837	-
Reconciliation of tax rate		
	%	
Standard tax rate	30,00	-
Adjusted for		
Dividend income	(0,56)	-
Capital profit on sale of units	(14,66)	-
Assessed loss utilised in the current year	(0,18)	-
Effective tax rate	14,60	-
Estimated tax losses		
At beginning of year	20 174	-
(Utilised)/incurred	(20 174)	20 174
At end of year	-	20 174

3. SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

Authorised 3 000 000 ordinary shares of R1 each	3 000 000	3 000 000
Issued 1 000 060 ordinary shares of R1 each	1 000 060	1 000 060
Share Premium Account Arising on the issue of ordinary shares	2 000 000	2 000 000

ALLAN GRAY UNIT TRUST MANAGEMENT LIMITED

	12 Months ended 31/12/99 R	3 Months ended 31/12/98 R
4. INVESTMENTS		
71 748 (1998 : 129 351) units in Allan Gray Equity Fund at cost	917 194	1 229 295
Market value at redemption price of 2521.56 cents (1998 : 1197.29)	1 809 169	1 548 711
149 031 units in Allan Gray Balanced Fund at cost	1 500 000	-
Market value at redemption price of 1211.78 cents	1 805 928	-

5. CAPITAL RESOURCES

The company's capital resources actually employed, or immediately available for employment, for the purpose of its unit trust business at 31 December 1999 were as follows:

Shareholders' funds	6 007 159	2 990 767
Excess market value over book value of investment in the Allan Gray Equity Fund and Allan Gray Balanced Fund units	1 197 903	319 416
	7 205 062	3 310 183

6. SALES AND REDEMPTIONS OF UNITS

	12 Months ended 31/12/99 R	3 Months ended 31/12/98 R
Allan Gray Equity Fund		
Subscriptions	291 845 173	12 305 633
Redemptions	(87 661 447)	(17 194)
Allan Gray Balanced Fund		
Subscriptions	39 710 529	-
Redemptions	(1 169 149)	-

7. CHARGES

The selling price includes a compulsory charge of 0,65% which is incurred by all investors to cover the costs of brokerage and marketable securities tax. An initial charge may also be included in the selling price and if so, is payable to the management company. This is set at a maximum of 3,25% on the sale of units, plus 75% of the VAT applied to the initial charge.

The company undertakes to repurchase any number of units offered to it on the basis of prices calculated in accordance with the requirements of the Unit Trust Control Act and on the terms and conditions set out in the Trust Deed.

8. DERIVATIVE RISK MANAGEMENT

Regulations in terms of the Unit Trust Control Act were promulgated on November 19 1993, allowing the unit trusts to use derivatives (Futures and Options) as hedging instruments for efficient portfolio management. The Funds have had no exposure to derivatives during the year.

9. FINANCIAL INSTRUMENTS

FAIR VALUE

The directors are of the opinion that the market value of financial instruments approximate fair value.

Allan Gray Unit Trust Management Limited has not lent any money during the year, therefore it has had no exposure in respect of credit risk. The company incurred short term borrowings during the year, but at year end had no debt. Therefore the company has no exposure in respect of interest rate risk.

10. RELATED PARTIES

Relationships exist between Allan Gray Limited, its subsidiary Allan Gray Unit Trust Management Limited, the Allan Gray Equity Fund, the Allan Gray Balanced Fund, and Marriott Holdings Limited which has a 30% shareholding in Allan Gray Unit Trust Management Limited.

The company holds the required investment in terms of Section 9 of the Unit Trust Control Act 1981 in the Allan Gray Equity Fund and the Allan Gray Balanced Fund. The company received a service charge from these funds, and paid an investment management fee and a marketing and management fee to Allan Gray Limited the holding company, and an administration fee is paid to Marriott Unit Trust Management Company Limited, a wholly owned subsidiary of Marriott Holdings Limited. These transactions were concluded at arms length. Income received and expenses paid to related parties are set out in the income statement of Allan Gray Unit Trust Management Limited.

During the year Allan Gray Unit Trust Management Limited entered into a R2 Million loan agreement with Allan Gray Limited. The purpose of this loan was to enable the management company to purchase additional units in the Allan Gray Equity Fund in order to comply with Section 9 of the Unit Trust Control Act 1981. This loan was repaid during the year with interest at the prime overdraft rate, in April 1999.

Further, on 1 April 1999, a securities lending arrangement was entered into between Allan Gray Capital (Pty) Limited and Allan Gray Unit Trust Management Limited whereby 444 214 units in the Allan Gray Equity Fund were transferred from Allan Gray Capital (Pty) Limited to Allan Gray Unit Trust Management Limited at a market value of R7 005 929. The purpose of this arrangement was to enable the management company to comply with Section 9 of the Unit Trust Control Act 1981.

On 21 April 1999, this arrangement was terminated and these units transferred to Allan Gray Capital (Pty) Limited at the market value on 1 April 1999 as a Section 9 exemption was obtained from the Registrar of Unit Trust Companies permitting the management company to now hold a minimum investment of R1 Million in the Allan Gray Equity Fund.

11. DIRECTORS EMOLUMENTS

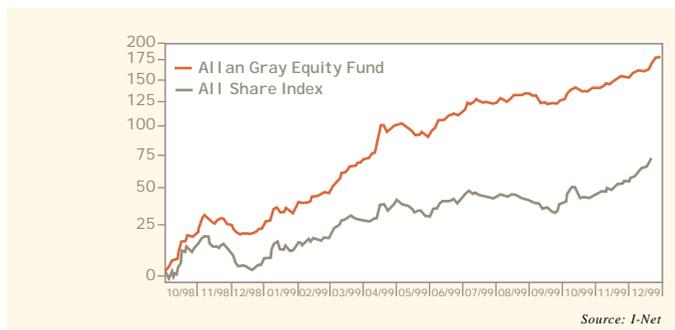
No directors emoluments were paid during the year.

12. RECONCILIATION OF NET PROFIT/(LOSS) BEFORE TAXATION TO CASH APPLIED TO OPERATIONS

	12 Months ended 31/12/99 R	3 Months ended 31/12/98 R
Net profit/(loss) before taxation	3 532 229	(9 293)
Adjustments for:	(2 781 689)	(81 908)
Interest paid	71 344	-
Interest income	(471 648)	(102 006)
Dividend income	(68 493)	(14 812)
Net (profit)/loss on sale of investments	(2 312 892)	34 910
Cash generated by/(applied to) operations before working capital changes	750 540	(91 201)
Working capital changes	340 981	(7 665)
Increase in accounts receivable	(52 184)	(40 825)
Increase in accounts payable	393 165	33 160
Cash generated by/(applied to) operations	1 091 521	(98 866)

FUND PROFILE: ALLAN GRAY EQUITY FUND

Long Term Performance
(Log scale)



Performance to 31 December 1999	1 Year
AGEF	117.6%
All Share Index	61.4%
Fund Objective	To earn a higher total rate of return than that of the average of the South African equity market as represented by the All Share Index including income, without assuming greater risk.
Fund Benchmark	All Share Index including income
Fund Characteristics	<ul style="list-style-type: none"> For clients who have decided to invest in the South African share market through Allan Gray’s equity selection process. Our mandate is to invest in the most attractive shares across the JSE. Intended to be fully invested in shares at all times. Returns can be expected to be volatile, but over the long term, history shows that equities produce the best returns.
Launch Date	1 October 1998
Fund Size	R305 505 404
Initial Charge	Maximum of 3.59% (3.25% plus VAT)
Service Charge	0% to 3.42% pa (3.0% plus VAT) performance-related
Minimum Investment	R10 000 lump sum or R500 monthly

FUND PROFILE: ALLAN GRAY BALANCED FUND

Performance to 31 December 1999	Performance may only be published after six months according to the Association of Unit Trust’s Code of Advertising.
Fund Objective	To earn a higher rate of return than the market value-weighted average of the Domestic Prudential Unit Trust Sector excluding the Allan Gray Balanced Fund, without assuming any greater risk of monetary loss.
Fund Benchmark	The market value-weighted average of the Domestic Prudential Unit Trust Sector excluding the Allan Gray Balanced Fund
Fund Characteristics	<ul style="list-style-type: none"> For clients who require us to manage their investment portfolio including their allocation of capital to the share market, interest-earning assets and property assets. Governed by the Prudential Investment Guidelines as laid down in the Pension Funds Act. Managed on the same basis as Allan Gray’s retirement fund portfolios. Share selection is similar to that of the Allan Gray Equity Fund. Both returns and volatility are expected to be lower than those of the Equity Fund over the long term.
Launch Date	1 October 1999
Fund Size	R42 222 520
Initial Charge	Maximum of 3.59% (3.25% plus VAT)
Service Charge	0.57% to 1.71% pa (0.5% to 1.5% plus VAT) performance-related
Minimum Investment	R10 000 lump sum or R500 monthly

GENERAL INFORMATION FOR INVESTORS

Copies of the audited annual financial statements of the management company and of the scheme managed by it, are available, free of charge, on request by any unitholder.

Performance is based on a lump sum investment calculated on a sell to sell basis with distributions reinvested.

The value of units may go down as well as up and past performance is not a guarantee of future results.

The buying price of units may include an initial charge up to a maximum of 3.25% (excluding VAT) of the investment amount. The buying price also includes a compulsory charge of 0.65%.

On the Allan Gray Equity Fund a performance-based Service Charge is levied monthly which varies between a minimum of 0.0% (plus VAT) per annum and a maximum of 3.42% (3.0% plus VAT) per annum of the daily value of the Fund.

On the Allan Gray Balanced Fund a performance-based Service Charge is levied monthly which varies between a minimum of 0.57% (0.5% plus VAT) per annum and a maximum of 1.71% (1.5% plus VAT) per annum of the daily value of the Fund.

Units will be repurchased by the Management Company at the ruling price in accordance with the requirements of the Unit Trust Control Act and on terms and conditions set forth in the relevant Trust Deed and paid to the unitholder.

Units are priced using the future pricing method. Investment and disinvestment instructions received after 12h00 on any day shall be processed on the following day (excluding weekends and public holidays) at the value of the units on the day that the instruction is processed.

Commission and incentives may be paid and if so, are included in the overall costs.

No provision for amortisation of the Fund's securities has been deemed necessary.

Statements will be sent to all unitholders on a quarterly basis, as well as on a transaction basis (excluding debit orders).