## **ALLAN GRAY OPTIMAL FUND**

### Fact sheet at 31 Dec 2002



Sector: Domestic Equity-Varied Specialist

Inception Date: 1 October 2002
Fund Manager: Stephen Mildenhall

Qualification: B Com(Hons), CA(SA), CFA

This is a long-term absolute return fund for the investor who wishes to avoid the volatility generally associated with stock and bond markets, but still wants exposure to specialist stock picking skills and to enjoy a positive rate of return which is higher than that of cash.

# Fund Details Commentary

Price: 1080.42 cents Size: R 143 282 712 Minimum lump sum: R 25 000 Minimum monthly: R 2 500 R 2 500 Subsequent lump sums: No. of share holdings: 67 0.65% Compulsory charges: Initial Fee: NIL - 3.38% (incl. VAT)

**Annual Management Fee:** Fixed fee of 1% (excl. VAT) per annum. Performance-fee of 20% of the daily outperformance of the benchmark. In times of underperformance no performance fees are charged until the underperformance is recovered.

The Fund invests in a portfolio of equities and substantially reduces stockmarket risk by using equity derivatives. As a result, the Fund's return should not be correlated with equity markets but is rather dependent on the ability of the Fund's equity portfolio to outperform its underlying benchmark equity index. The equity portfolio is currently overweight in South African industrial consumer and gold shares.

#### JSE Code Company % of portfolio AGL Anglo 9.85 BIL Billiton 6.34 SOL Sasol 5.24 RCH Richemont 4.48 SAB SAB 4.25 ANG Anggold 4.15

Angloplat

Harmony

Stanbic

Gfields

**Top 10 Share Holdings** 

AMS

GFI

HAR

SBK

| Asset Class           | % of Fund |  |
|-----------------------|-----------|--|
| Equities              | 77.90     |  |
| Derivatives           | -67.12    |  |
| Net Equity Exposure   | 10.78     |  |
| Money Market and Cash | 89.22     |  |
|                       |           |  |
| Total                 | 100.00    |  |
|                       | <u> </u>  |  |

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

3 61

3 14

2.64

2.45

| % Returns                     | Optimal Fund | B'mark |
|-------------------------------|--------------|--------|
| Since Inception (unannualise  | ed)** 8.04   | 3.01   |
| Latest 5 years (annualised)   | -            | -      |
| Latest 3 years (annualised)   | -            | -      |
| Latest 1 year                 | -            | -      |
|                               |              |        |
| Risk Measures                 |              |        |
| (Since incep. month end price | es)          |        |
| Maximum drawdown***           | -            | -      |
| Annualised monthly volatility | -            | -      |

- \* The daily call rate of Firstrand Bank Limited
- \*\* For internal use only as this does not comply with the code of practice of advertising of unit trusts
- \*\*\* Maximum percentage decline over any period

The Optimal Fund will:

**Asset Allocation** 

- seek absolute (i.e. positive) returns regardless of stockmarket trends;
- invest in attractive shares;
- manage the risk of loss by using equity derivatives;
- have little or no correlation to the stock and bond market;
- seek to provide lower volatilty than the typical equity fund:
- have relatively low distributions.

#### **Allan Gray Unit Trust Management Limited**

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Unit trusts are generally medium to long term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Unit trusts are traded at ruling prices. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs.