

ALLAN GRAY OPTIMAL FUND

Fact sheet at 31 March 2003



Sector: Domestic Equity-Variied 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. Low risk Fund.

Fund Details

Price: 1075.29 cents
Size: R 302 073 025
Minimum lump sum: R 25 000
Minimum monthly: R 2 500
Subsequent lump sums: R 2 500
No. of share holdings: 70
Initial Fee: NIL - 3.42% (incl. VAT)
01/10/02-31/12/02 dividend (cpu): Total 14.12
Interest 10.21, Dividend 3.91

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.

Commentary

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. The Fund has also been increasing its exposure to selected resource shares, which have derated as a result of the strengthening of the Rand.

Top 10 Share Holdings

JSE Code	Company	% of portfolio
AGL	Anglo	9.76
SOL	Sasol	6.08
BIL	Billiton	5.04
RCH	Richemont	4.05
SAB	SAB - Brews	3.93
ANG	Anggold	3.56
GFI	Gfields	3.56
AMS	Angloplat	2.77
SBK	Stanbank	2.23
HAR	Harmony	1.89

Asset Allocation

Asset Class	% of Fund
Equities	74.95
Derivatives	-63.50
Net Equity Exposure	11.45
Derivative - Contract Value	63.50
Money Market and Cash	25.05
Total	100.00

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

% Returns	Optimal Fund B'mark*	
Since Inception (unannualised)**	8.9	6.1
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	-	-
Latest 1 year	-	-
Risk Measures		
<i>(Since incep. month end prices)</i>		
Maximum drawdown***	-	-
Annualised monthly volatility	-	-

* The daily call rate of Firststrand Bank Limited

** For internal use only as this does not comply with the code of practice for advertising of unit trusts

*** Maximum percentage decline over any period

The Optimal Fund will:

- 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 volatility than the typical equity fund;
- have relatively low distributions.

Allan Gray Unit Trust Management Limited

J C de Lange, M Herdman, E D Loxton, W J C Mitchell (Chairman), M L Ronald * (NonExecutive)

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Unit trusts are 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 trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. A schedule of fees and charges and maximum commissions is available from the management company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Member of the AUT.

