ALLAN GRAY OPTIMAL FUND

Fact sheet at 31 December 2003

ALLAN GRAY
LONG TERM INVESTMENT MANAGEMENT

Sector:	Domestic AA Targeted Absolute Return
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. This is a low risk fund.

Fund Details

Price:	1174.80 cents
Size:	R 1 317 255 357
Minimum lump sum:	R 25 000
Minimum monthly:	R 2 500
Subsequent lump sums:	R 2 500
No. of share holdings:	69
01/01/03-31/12/03 dividend (cpu):	Total 41.18

Interest 19.27, Dividend 21.91

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 continues to be overweight in South African industrial consumer and gold shares. The Fund has also continued to increase its exposure to selected non-gold resource shares. The Fund remains underweight in financial shares (but to a smaller extent) as there is considered to be better value elsewhere in the market.

Top 10 Share Holdings

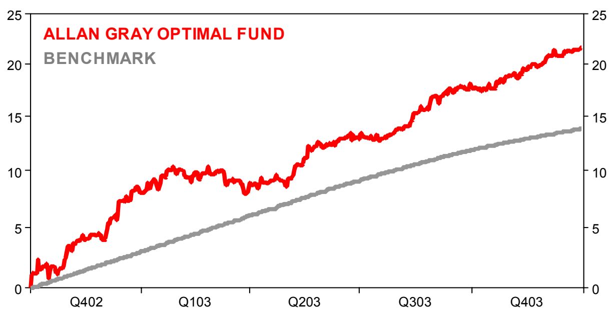
JSE Code	Company	% of portfolio
AGL	Anglo	14.71
BIL	Billiton	8.51
SOL	Sasol	5.95
SAB	SAB-Brews	4.73
SBK	Stanbank	4.26
RCH	Richemont	4.11
MTN	MTN-Group	4.01
ANG	Anggold	3.81
HAR	Harmony	3.59
ASA	Absa	2.99

Asset Allocation

Asset Class	% of Fund
Equities	89.81
Derivatives	-81.82
Net Equity Exposure	7.99
Derivative - Contract Value	81.82
Money Market and Cash	10.19
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	Optimal Fund	Benchmark*
Since Inception (unannualised)**	21.6	13.9
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	-	-
Latest 1 year	12.5	10.6
Risk Measures		
(Since incep. month end prices)		
Maximum drawdown***	-2.2	n/a
Annualised monthly volatility	4.7	0.6

* The daily call rate of FirstRand 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

Allan Gray Unit Trust Management Limited

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