ALLAN GRAY OPTIMAL FUND

Fact sheet at 30 September 2004

ALLANGRAY
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 stockpicking 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:	1182.36 cents
Size:	R 1 676 611 146
Minimum lump sum:	R 25 000
Minimum monthly:	R 2 500
Subsequent lump sums:	R 2 500
No. of share holdings:	59
01/07/03-30/06/04 dividend (cpu):	Total 31.90

Interest 11.84, Dividend 20.06

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 level of short-term interest rates and the ability of the Fund's equity portfolio to outperform its underlying benchmark equity index. The Fund continues to increase its weight in selected banking shares which have become relatively more attractive. Short-term interest rates have stabilised at lower levels and the interest rate dependent portion of returns is unlikely to reduce further.

Top 10 Share Holdings at 30 September 2004*

JSE Code	Company	% of portfolio
AGL	Anglo	14.76
BIL	Billiton	8.85
SOL	Sasol	6.94
SBK	Stanbank	5.55
MTN	MTN - Group	4.46
RCH	Richemont	4.12
FSR	Firstrand	4.09
ASA	Absa	3.98
SAB	SAB -Brews	3.85
HAR	Harmony	3.63

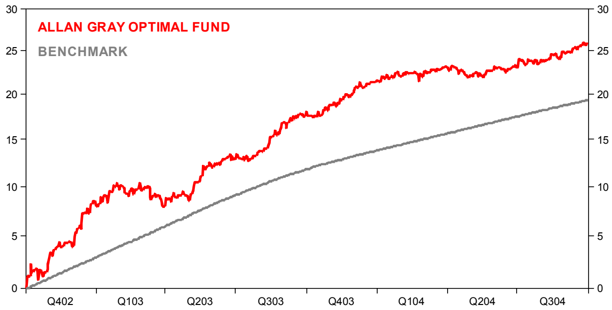
* As of 29 February 2004, the 'Top 10 Share Holdings' table will only be updated quarterly.

Asset Allocation

Asset Class	% of Fund
Equities	90.78
Derivatives	-83.80
Net Equity Exposure	6.98
Derivative - Contract Value	83.80
Money Market and Cash	9.22
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)**	25.8	19.4
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	-	-
Latest 1 year	6.5	6.7
Risk Measures		
(Since incep. month end prices)		
Maximum drawdown***	-2.2	n/a
Annualised monthly volatility	4.2	0.7

* 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 collective investments.

*** Maximum percentage decline over any period

Allan Gray Unit Trust Management Limited

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