ALLAN GRAY OPTIMAL FUND

Fact sheet at 28 February 2007

ALLAN GRAY
LONG TERM INVESTMENT MANAGEMENT

Sector:	Domestic AA Targeted Absolute Return
Inception Date:	1 October 2002
Fund Manager:	Delphine Govender

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:	1361.17 cents
Size:	R 856 159 328
Minimum lump sum:	R 25 000
Minimum monthly:	R 2 500
Subsequent lump sums:	R 2 500
No. of share holdings:	42
Income Distribution:	Bi-annually
01/01/06-31/12/06 dividend (cpu):	26.55

Interest 7.13, Dividend 19.42

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 it is dependent rather on the level of short-term interest rates and the ability of the Fund's equity portfolio to outperform the underlying benchmark equity index. Since inception the Fund has returned 52%, outperforming the benchmark return of 37.5%. For the past 12 months, the Fund returned 9.1% compared to the benchmark return of 6.6%. The correction of South African stockmarket within the month of February highlights the overall risk of the market which continues to trade at very high levels. This high absolute level of the market as well as the high level of valuation of the market as measured by the P/E ratio of over 15x does heighten the risk of lower potential equity returns from current levels. In this environment of an increased volatility and an increasing risk of capital loss from overall equity markets, we believe that the Optimal Fund's potential to deliver long-term absolute returns, uncorrelated with overall equity markets, is a particularly attractive one.

Top 10 Share Holdings at 31 December 2006*

JSE Code	Company	% of portfolio
AGL	Anglo	13.41
BIL	Billiton Plc	7.77
MTN	MTN Group	7.09
SAB	SAB	6.60
RCH	Richemont	4.61
REM	Remgro	4.52
IMP	Impala	4.39
SOL	Sasol	3.79
SBK	Stanbank	3.54
NPN	Nasionale Pers	2.90

* The 'Top 10 Share Holdings' table is updated quarterly.

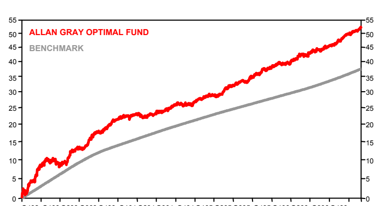
Asset Allocation

Asset Class	% of Fund
Gross SA Equities	85.6
Derivatives	-82.5
Net SA Equities	3.1
Hedged SA Equities	82.5
Property	0.8
Commodities (Newgold ETF)	0.0
Bonds	0.0
Money Market and Cash	13.6
Foreign	0.0
Total	100.0

Total net SA and foreign equity exposure: 3.3

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)	52.0	37.5
Latest 5 years (annualised)	-	-
Latest 3 years (annualised)	7.6	6.1
Latest 1 year	9.1	6.6
Risk Measures		
(Since incep. month end prices)		
Maximum drawdown**	-2.2	n/a
Annualised monthly volatility	3.1	0.7

* The daily call rate of FirstRand Bank Limited.

** Maximum percentage decline over any period.

Performance as calculated by Allan Gray.

Allan Gray Unit Trust Management Limited

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Collective Investment Schemes in Securities (unit trusts) are generally medium to long-term investments. The value of participatory interests (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 market value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio divided by the number of units in issue. Declaration of income accruals are made bi-annually. Different classes of units apply to the fund and are subject to different fees and charges. Fund valuations take place at approximately 16h00 each business day. Purchase and repurchase requests may be received by the manager by 14h00 each business day. Performance figures from Allan Gray Limited (GIPS compliant) are for lump sum investments using net asset value prices with income distributions reinvested. Permissible deductions may include management fees, brokerage, MST, auditor's fees, bank charges, trustee fees and RSC levies. The fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees and charges and maximum commissions is available on request from Allan Gray Unit Trust Management Limited. Commission and incentives may be paid and if so, would be included in the overall costs. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Forward pricing is used. This Fund may be capped at any time in order to be managed in accordance with the mandate. Member of the Association of Collective Investments.