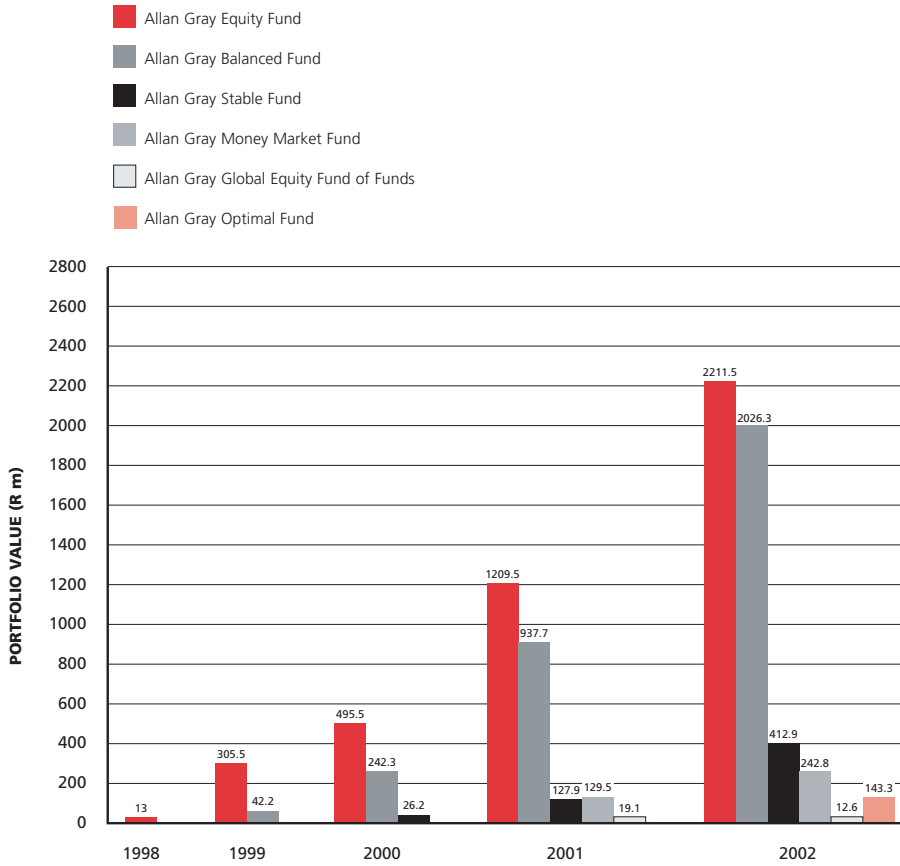


Allan Gray Unit Trust Management Limited
Annual Report
2002

Growth in Allan Gray Unit Trusts

as at 31 December 2002



Contents

Chairman's Report	2 - 6
Corporate Governance Report	7
Approval of Annual Financial Statements	8
Allan Gray Unit Trusts	
Report of the Independent Auditors	9
Income Statements	10 - 11
Balance Sheets	12 - 13
Notes to the Annual Financial Statements	14 - 37
Allan Gray Unit Trust Management Limited	
Approval of Annual Financial Statements	38
Report of the Independent Auditors	39
Report of the Directors	40
Income Statement	41
Balance Sheet	42
Statement of Changes in Equity	43
Cashflow Statement	44
Notes to the Financial Statements	45 - 51
General Information for Investors	52

Allan Gray Unit Trusts

Chairman's Report

Introduction

2002 was another positive year for the Allan Gray suite of unit trusts. Assets under management doubled from R2.5bn to R5bn and the number of unitholders increased from 4331 to 8453. Net sales for the year amounted to R2.1bn. In addition, the Optimal Fund was launched on 1 October 2002.

The Allan Gray Balanced Fund received further recognition from the unit trust industry at the annual 'Raging Bull'* awards function for top performance over the three-year period ending December 31, 2002 in the Domestic Asset Allocation Prudential Funds category.

Information on the following funds is detailed below:

- Allan Gray Equity Fund
- Allan Gray Balanced Fund
- Allan Gray Stable Fund
- Allan Gray Money Market Fund
- Allan Gray Global Equity Fund of Funds
- Allan Gray Optimal Fund

* Awarded by The Association of Unit Trusts in conjunction with Personal Finance

Allan Gray Equity Fund

Long-term Investment Objective

To earn a higher total rate of return than the average return of the South African equity market as represented by the FTSE/JSE All Share Index, including income, without assuming greater risk.

Fund Characteristics

Our Equity Fund is for clients who have decided to invest in the South African share market through the Allan Gray equity selection process. Our mandate is to invest across the broad range of shares on the FTSE/JSE, selecting the most attractive shares, without assuming greater risk than the FTSE/JSE All Share Index.

To achieve this objective, the Fund is virtually fully invested in shares at all times. As a result, returns are likely to be volatile, both up and down. However, history shows that returns from long-term equity investments are superior to those derived from interest-earning or property assets.

Performance to December 2002

	Since Inception 1 October 1998 Unannualised	2002 Annualised
Allan Gray Equity Fund	399.0%	24.2%
FTSE/JSE All Share Index	106.0%	-8.1%
Sector Medium	66.1%	-2.7%
Outperformance	293.0%	32.3%

Our investment objective, to outperform the FTSE/JSE All Share Index, has again been comfortably achieved in 2002 as it has since inception. Our history of equity selection reveals that, although our annual equity returns typically exceed the FTSE/JSE All Share Index, occasionally they do underperform. The margin of outperformance since inception should be regarded as exceptional. Over the long-term, the compounding effect of above-average annual returns creates considerable real wealth. This is our mission on your behalf.

Allan Gray Balanced Fund

Long-term Investment Objective

To earn a higher rate of return than the market value-weighted average of the Domestic Prudential Unit Trust Sector, excluding the Allan Gray Balanced Fund, without assuming any greater risk of monetary loss.

Fund Characteristics

Our Balanced Fund is for clients who have decided to delegate to Allan Gray the allocation of their capital to

Allan Gray Unit Trusts

Chairman's Report

the share market, interest earning assets, property or foreign assets as conditions dictate. This sectoral allocation is subject to the Prudential Investment Guidelines, as laid down in the Pension Funds Act.

The selection of counters within these broad categories is anticipated to resemble our managed retirement portfolios and in the case of shares, the Allan Gray Equity Fund.

Given the spread of investments, we are confident that returns will be less volatile than those of the Equity Fund, but somewhat lower over the long-term.

Performance to December 2002

	Since Inception 1 October 1999 Unannualised	2002 Annualised
Allan Gray Balanced	119.2%	17.3%
Benchmark*	39.8%	-0.2%
Outperformance	79.4%	17.5%

* The market value-weighted average of the Domestic Prudential Unit Trust Sector excluding the Allan Gray Balanced Fund.

Our investment objective to outperform the benchmark has again been comfortably achieved in 2002 as it has since inception. The margin of outperformance since inception should be regarded as exceptional. Over the long-term, significant wealth is created through the compounding effect of above-average annual returns. This continues to be our mission on your behalf.

Allan Gray Stable Fund

Investment Objectives

The Fund has an absolute return objective and aims to provide a return that exceeds the return on bank deposits plus 2% on an after-tax basis. The Fund also aims to provide a high level of capital stability and to minimise the risk of loss over any two-year period.

Fund Characteristics

With the risk-averse and yield-conscious investor in mind, we introduced the Allan Gray Stable Fund in July 2000 to complement the existing Allan Gray Equity Fund and Allan Gray Balanced Fund. The Stable Fund should appeal to those individuals who seek capital security together with a high income return.

In line with the Balanced Fund, the sectoral allocation of the Stable Fund is subject to the Prudential Investment Guidelines, as laid down in the Pension Funds Act. In terms of the Fund's own rules, the maximum equity exposure is limited to 60%. However, unless the stockmarket offers exceptional value, the Fund's share exposure will be significantly lower. Through our proprietary analysis, shares in sound companies with good prospects are periodically uncovered which, surprisingly, generate dividend yields that approach bank deposit returns - especially on an after-tax basis. Such shares are selected not only for their high level of tax-free income but also because they tend to behave quite differently to the rest of the stockmarket. If the overall stockmarket rises or declines, these shares tend to move less in percentage terms. They therefore provide an element of capital stability together with a better yield.

This Fund thus offers a high income stream with low risk of permanent capital loss.

Allan Gray Unit Trusts

Chairman's Report

Performance to December 2002 (After-tax*)

	Since Inception 1 July 2000 Unannualised	2002 Annualised
Allan Gray Stable Fund	48.6%	15.9%
Call deposits + 2% p.a.	23.9%	9.8%
Outperformance	24.7%	6.1%

* Fund and benchmark performance adjusted for income tax at an average rate of 25%.

In 2002 and since inception the Stable Fund has easily achieved its goal of outperforming bank deposits plus 2% before and after allowing for tax. Once again the extent of outperformance should be seen as exceptional.

Allan Gray Money Market Fund

Investment Objectives

The Fund aims to provide a return that exceeds the Alexander Forbes three-month deposit index.

Fund Characteristics

The Fund was launched on 1 July 2001 in order to accommodate the highly risk-averse investor and those investors seeking a short-term 'parking place' for their funds.

Performance to December 2002

	Since Inception 1 July 2001 Unannualised	2002 Annualised
Allan Gray Money Market Fund	16.6%	11.3%
Alexander Forbes 3-month deposit	17.1%	11.8%
Outperformance	-0.5%	-0.5%

Although the Fund did underperform, it was positioned 12th out of 20 in a category where the difference in performance is fractional. Also, at the time of deciding on the benchmark, the pricing of the underlying instruments was different. We are in the process of revising our benchmark to an index more suitable.

Allan Gray Global Equity Fund of Funds

Investment Objective

The Fund aims to exceed the return of the Morgan Stanley Capital International Index.

Fund Characteristics

The Fund was launched on 1 December 2001 to cater for South African Rand investors wishing to gain exposure to international shares. The Fund allows them access to shares that are not available locally and, importantly, are independent of any change in the value of the Rand.

Since inception, the Fund has been invested in the Orbis Global Equity Fund and the Allan Gray Money Market Fund. The Fund always holds at least 85% offshore. Recently the Orbis Optimal (US\$) Fund gained FSB approval to be marketed and distributed in South Africa. We are therefore currently considering including the Orbis Optimal (US\$) Fund as part of the foreign investment strategy within the Allan Gray Global Equity Fund of Funds.

Performance to December 2002*

	Since Inception 1 December 2001 Unannualised	2002 Annualised
Fund return in dollars	-13.2%	-7.1%
Benchmark return in dollars	-20.5%	-19.6%
Outperformance	7.3%	12.5%

* Figures are also available in Rands

The Global Fund was adversely affected by weak world stockmarkets and also the stronger Rand. Notwithstanding the fact that it was positioned fifth out of 27 funds in its category last year, the return was -7.1% in US\$ versus its benchmark of -19.6%. Therefore, although this might be cold comfort to investors, the share selection was 12.5% better than the average.

Allan Gray Unit Trusts

Chairman's Report

Allan Gray Optimal Fund

Investment Objective

The Fund has an absolute return objective and aims to exceed the return of the daily call rate of Firststrand Bank Limited.

Fund Characteristics

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 unique Fund is designed to carry low risk of capital loss.

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, being dependent instead on the ability of the Fund's equity portfolio to outperform its underlying benchmark equity index (FTSE/JSE All Share Index).

Performance to December 2002

Due to industry regulations, performance is only published after the Fund has been in existence for 6 months.

INVESTMENT OUTLOOK FOR 2003

Over the past few years we have repeatedly shared our concerns with you over the high level of international share prices especially in the USA and Euroland. While it is fashionable to point to terrorism or the potential conflict in Iraq as the root-cause of the current weakness in share prices, we are convinced that the reasons are much more profound. Notwithstanding the fact that share indices in the USA have almost halved since 2000, in our book they still do not represent sound value.

History teaches us that following prolonged periods of rising share prices, typically culminating in a speculative surge such as in 1929 or 1966, the ensuing corrective phases last at least a decade and often significantly longer. Of course, the stockmarket is never one-way traffic, so within each extended bear market, big rallies occur – leading investors to believe, falsely, that the bull market has re-emerged.

Whilst earnings multiples, dividend yields and share prices relative to net asset value show that investors have become more realistic, share ratings remain well above long-term norms. Eventually, they will return to their long-term averages. Furthermore, it is sobering to remember that averages represent the mid-point between high and low readings. Therefore, it is also implied that ratings such as the price earnings multiple will be lower than average from time to time. On this reasoning stockmarkets still hold significant risk.

Turning to the outlook for South African shares, the valuation background is much more promising. For instance, price earnings multiples have halved from nearly 20 times earnings in 2000 to just 10 times earnings currently, a level which incidentally represents long-term normality. Bond yields are at similar levels, so on an after tax basis, shares offer value.

However, some trouble spots lie ahead. After the Rand's slump in 2001, we expressed the view that it was 'too cheap' (trading around R12 to the Dollar) in both the December quarterly report and last year's annual report. Recent Rand strength is going to pressurise the Rand earnings of SA exporters and companies that have large offshore businesses. Also, last year's increase in

Allan Gray Unit Trusts

Chairman's Report

borrowing costs, in order to control inflation stemming from the weak Rand, will impact negatively on consumer expenditure this year and probably next. Therefore, while current ratings appear attractive, underlying earnings are suspect.

Further complicating the SA investment outlook is the revival of international interest in precious metals, gold in particular. Gold which has been in a bear market since 1980 turned up strongly last year. Importantly from a South African perspective, it holds an inverse relationship with world financial markets. Although the gold price is notoriously difficult to predict, our view is that the background remains favourable. This is due not only to bearish world markets but because all three of the world's major currencies, namely the US dollar, the Euro and the Yen are suffering from some lack of confidence. Moreover, interest rates, which are a hurdle rate for gold, are extremely low. Notwithstanding gold's recent rise, it is notable that in real terms it is presently at the same value as it traded at in 1973 and less than 25 percent of the real value it attained in 1980. Naturally then we continue to favour selected gold shares.

From the above, it can be seen that the prospects for SA shares in general in 2003 are mixed. Suffice to say, we strongly believe that selected shares are overwhelmingly attractive relative to interest related investments and will reward our unitholders handsomely in the years to come.



W J C MITCHELL

14 March 2003

Allan Gray Unit Trusts

Corporate Governance Report

The Directors endorse the Code of Corporate Practices and Conduct as set out in the King II Report issued in March 2002. By supporting the Code, the Directors recognise the need to conduct the affairs of the Company with openness, integrity and accountability.

Where appropriate, the principles advocated by the Code are dealt with at Group level by the company's holding company, Allan Gray Ltd ('Allan Gray'). As a subsidiary of Allan Gray, the company is subject to their corporate governance measures.

Board of Directors

The Board of Directors' role is to direct, control and monitor the business affairs of the company while at the same time protecting the interests of all unitholders. The Board is responsible for risk management.

In fulfilling this responsibility, the Board, amongst other functions:

- provides strategic direction and in so doing reviews, evaluates and gives guidance on strategies, policies and business plans;
- reviews management reports and monitors ongoing performance against strategic plans, budgets and targets;
- monitors development of the process to identify key risk areas and key performance indicators;
- monitors compliance with sound codes of business practice and its management of those non-financial aspects which are relevant to its business; and
- ensures that there is open and timeous communication with the shareholders.

The Board of Directors consist of four executive Directors and one non-executive Director. The roles of Chairman and Chief Operating Officer are separate.

All Directors have access to the advice and services of the Company Secretary.

Operations and Audit Committees

The Board of Directors meets twice a year and is assisted by an operations committee as well as Allan Gray's audit committee. The operations committee meets monthly and continually reviews the effectiveness of the Company's systems of internal control. The audit committee, chaired by a non-executive Allan Gray Director, meets four times per annum.

These board committees are responsible for ensuring compliance with relevant laws and regulations as well as the Code.

Staff Training and Employment Equity

The Company is dedicated to providing exceptionally good training and development for all employees. The Company will continue to contribute to the broader Southern African community in a meaningful way. In particular, the Company recognises that positive action is needed by the business community to address the skills shortage in Southern Africa.

The Company promotes equal opportunity in the workplace and is committed to eliminate unfair discrimination in any employment policy or practice.

The Company recognises that additional corrective steps need to be taken in order that those who have been historically disadvantaged by unfair discrimination are able to derive full benefit from an equitable employment environment.

Code of Ethics

Allan Gray has adopted The Code of Ethics and The Standards of Professional Conduct of the Association of Investment Management and Research ('AIMR').

Directors and associates are required to maintain the highest ethical standards.

Allan Gray Unit Trusts

Approval of the Annual Financial Statements

The Directors of the Funds' Management Company are responsible for the preparation of the annual financial statements and related financial information included in this report.

The annual financial statements set out on pages 10 to 37 have been approved by the Board of Directors of Allan Gray Unit Trust Management Limited and are signed on its behalf by:



W J C MITCHELL
Chairman



M HERDMAN
Director

Cape Town
14 March 2003

Allan Gray Unit Trusts

Report of the Independent Auditors to the Unitholders of:

Allan Gray Equity Fund
Allan Gray Balanced Fund
Allan Gray Stable Fund
Allan Gray Money Market Fund
Allan Gray Global Equity Fund of Funds
Allan Gray Optimal Fund
(the "Funds")

We have audited the annual financial statements of the Allan Gray Unit Trust Funds set out on pages 10 to 37 for the year ended 31 December 2002. These financial statements are the responsibility of the Directors of the Funds' Management Company. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

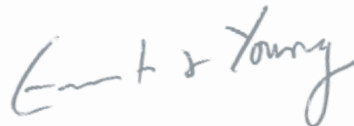
We conducted our audit in accordance with Statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit Opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Funds at 31 December 2002 and the results of their operations for the year/period then ended in accordance with South African generally accepted accounting practice, and in the manner required by the Unit Trusts Control Act No. 54 of 1981 as amended, in South Africa.



ERNST & YOUNG

Registered Accountants and Auditors
Chartered Accountants (SA)

Durban
14 March 2003

Allan Gray Unit Trusts

Income Statements

for the year/period ended 31 December 2002

		Notes	Equity Fund		Balanced Fund	
			2002	2001	2002	2001
			R	R	R	R
Revenue	1.1		65 657 825	34 354 331	98 561 622	37 619 222
Dividends			53 076 541	25 011 847	34 820 697	11 189 609
Interest			12 581 284	9 342 484	63 740 925	26 429 613
Expenses			51 761 104	31 880 418	24 855 052	9 202 476
Audit fee			11 495	11 401	11 430	11 370
Management Company's service charge	1.5		51 623 000	31 822 609	24 718 933	9 148 428
Levies			126 609	46 408	124 689	42 678
Net Income						
for the year/period			13 896 721	2 473 913	73 706 570	28 416 746
Capital Transfer			-	-	-	-
Income Distributions						
For the year	3					
- 31 January			-	-	-	-
- 28 February			-	-	-	-
- 31 March			(2 207 149)	-	(11 298 743)	-
- 30 April			-	-	-	-
- 31 May			-	-	-	-
- 30 June			(471 254)	(3 962 038)	(14 065 273)	(10 844 393)
- 31 July			-	-	-	-
- 31 August			-	-	-	-
- 30 September			-	-	-	-
- 31 October			-	-	-	-
- 30 November	-		-	-	-	-
- 31 December			(11 218 318)	-	(48 342 554)	(17 572 353)
Income Overdistributed						
at year/period end			-	(1 488 125)	-	-

Stable Fund		Money Market Fund		Global Equity Fund of Funds		Optimal Fund	
2002 R	2001 R	2002 R	6 Months Ended 2001 R	2002 R	1 Month Ended 2001 R	3 Months Ended 2002 R	
26 992 436	6 209 197	16 383 044	2 614 260	101 171	12 892	2 082 295	
3 718 831	667 669	-	-	-	-	576 112	
23 273 605	5 541 528	16 383 044	2 614 260	101 171	12 892	1 506 183	
4 199 677	1 083 100	841 267	134 761	234 774	21 445	184 894	
11 366	11 404	11 401	5 685	11 401	812	2 842	
4 154 409	1 064 293	807 538	125 562	223 232	20 617	180 878	
33 902	7 403	22 328	3 514	141	16	1 174	
22 792 759	5 126 097	15 541 777	2 479 499	(133 603)	(8 553)	1 897 401	
-	-	-	-	133 603	-	-	
-	-	(1 005 381)	-	-	-	-	
-	-	(971 526)	-	-	-	-	
(2 866 039)	(771 869)	(1 080 525)	-	-	-	-	
-	-	(895 648)	-	-	-	-	
-	-	(930 865)	-	-	-	-	
(4 365 908)	(1 198 238)	(839 367)	-	-	-	-	
-	-	(1 025 441)	(113 295)	-	-	-	
-	-	(1 237 996)	(185 840)	-	-	-	
(6 648 955)	(1 143 291)	(1 310 114)	(300 494)	-	-	-	
-	-	(1 759 219)	(509 742)	-	-	-	
-	-	(2 074 567)	(610 889)	-	-	-	
(8 911 857)	(2 012 699)	(2 411 128)	(759 239)	-	-	(1 897 401)	
-	-	-	-	-	(8 553)	-	

Allan Gray Unit Trusts

Balance Sheets

at 31 December 2002

		Notes	Equity Fund		Balanced Fund	
			2002	2001	2002	2001
			R	R	R	R
Assets						
Non-Current Assets						
Investments at market value	9		2 216 520 314	1 138 881 297	2 050 376 093	830 301 394
Current Assets						
34 072 815						
Accounts receivable			6 508 352	3 325 227	15 229 229	8 965 816
Cash and cash equivalents			27 564 463	82 553 318	30 486 417	132 528 540
			2 250 593 129	1 224 759 842	2 096 091 739	971 795 750
Equity and Liabilities						
Capital and Reserves						
2 211 482 000						
Capital value of the trust	9		2 211 482 000	1 209 525 187	2 026 263 552	937 714 567
Income overdistributed			-	(1 488 125)	-	-
Current Liabilities						
39 111 129						
Accounts payable			27 892 811	16 722 780	21 485 633	16 508 830
Unitholders for distribution			11 218 318	-	48 342 554	17 572 353
			2 250 593 129	1 224 759 842	2 096 091 739	971 795 750

Stable Fund		Money Market Fund		Global Equity Fund of Funds		Optimal Fund
2002 R	2001 R	2002 R	2001 R	2002 R	2001 R	2002 R
412 893 532	121 996 449	238 731 268	129 093 463	12 628 675	19 117 769	120 175 094
12 998 125	9 099 277	6 544 492	1 287 963	9 686	12 884	39 551 965
6 180 596	2 879 651	4 456 130	1 277 963	9 201	12 884	422 392
6 817 529	6 219 626	2 088 362	10 000	485	-	39 129 573
425 891 657	131 095 726	245 275 760	130 381 426	12 638 361	19 130 653	159 727 059
412 914 348	127 899 877	242 849 917	129 483 139	12 590 208	19 088 986	143 282 712
412 914 348	127 899 877	242 849 917	129 483 139	12 590 208	19 097 539	143 282 712
-	-	-	-	-	(8 553)	-
12 977 309	3 195 849	2 425 843	898 287	48 153	41 667	16 444 347
4 065 452	1 183 150	14 715	139 048	48 153	41 667	14 546 946
8 911 857	2 012 699	2 411 128	759 239	-	-	1 897 401
425 891 657	131 095 726	245 275 760	130 381 426	12 638 361	19 130 653	159 727 059

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

1. Accounting Policies

The financial statements have been prepared on the historical cost basis with the exception of the unit portfolio as fully detailed in 1.2 below. All accounting policies comply with the Trust Deed where applicable; and all accounting policies comply with generally accepted accounting practice in South Africa, and are consistent with those applied in the prior year.

1.1 Revenue Recognition

Dividend income comprises dividends received from and accrued on investments for which the last date to register falls within the accounting period. This includes capitalisation issues with a cash dividend option.

Interest income is accrued for on a daily basis with the exception of interest distributions from property trusts, which are accrued on the last date to register.

1.2 Investments

In the unit portfolio all shares and securities are valued at the last transaction price on the valuation date, or, if no transactions have taken place on the valuation date at the highest buyers' price. Gains and losses on the revaluation of investments are credited and debited respectively to the capital value of the trust funds. Gains and losses on investments denominated in a foreign currency are credited and debited respectively to the capital value of the trust funds.

1.3 Financial Instruments

Financial instruments recognised on the balance sheet include cash and cash equivalents, derivative instruments, money market instruments, investments, receivables and payables.

Gains and losses on derivatives are credited and debited respectively to the capital value of the trust funds. Derivatives are used for hedging purposes in accordance

with the requirements of the Unit Trust Control Act No. 54 of 1981.

1.4 Foreign Currencies

Foreign currency income is recorded at the exchange rate ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Realised and unrealised gains and losses arising from the translation of investments denominated in a foreign currency are credited and debited respectively to the capital value of the trust funds.

1.5 Management Company's Service Charge

The Management Company's service charge is based on the daily market value of the Funds and accrues on a daily basis. Service charges per Fund are either performance based or fixed as set out in the 'General Information for Investors' on page 52 of this report. As a consequence of the performance-fee orientation, the Management Company's service charge will typically be higher following periods where the Funds' total investment performance (income plus capital appreciation) has outperformed their respective benchmarks and lower in the case of under-performance. This ensures that the Management Company's interests are aligned with those of our unitholders.

1.6 Recovery of Service Charges

Income vis-a-vis the expenses in the Funds may result in a shortfall from one distribution period to another, resulting in an overdistribution or a zero distribution. This can be due to market fluctuations, dividend declaration dates or the nature of the investments in the underlying portfolio.

The Supplemental Trust Deed of the Allan Gray Global Equity Fund of Funds stipulates that where the service charge of the fund exceeds income, the shortfall shall be funded from the capital account.

2. Amortisation of Assets

There are no securities included in the unit portfolio at 31 December 2002 that require amortisation.

3. Distribution to Unitholders (Cents per unit)

Date	Equity Fund 'Class A'	Equity Fund 'Class B'	Balanced Fund 'Class A'	Balanced Fund 'Class B'	Stable Fund	Money Market Fund	Optimal Fund
31.12.2002	22,35	17,94	45,56	40,11	27,72	1,0640	14,12
30.11.2002	-	-	-	-	-	1,0233	-
31.10.2002	-	-	-	-	-	1,0365	-
30.09.2002	-	-	-	-	27,26	0,9588	-
31.08.2002	-	-	-	-	-	0,9636	-
31.07.2002	-	-	-	-	-	0,9458	-
30.06.2002	1,11	11,65	18,02	19,94	23,06	0,8616	-
31.05.2002	-	-	-	-	-	0,8721	-
30.04.2002	-	-	-	-	-	0,7793	-
31.03.2002	7,06	-	17,72	-	21,18	0,8044	-
28.02.2002	-	-	-	-	-	0,6727	-
31.01.2002	-	-	-	-	-	0,7309	-
31.12.2001	-	-	31,64	-	18,57	0,6857	-
30.11.2001	-	-	-	-	-	0,7032	-
31.10.2001	-	-	-	-	-	0,7540	-
30.09.2001	-	-	-	-	20,79	0,7931	-
31.08.2001	-	-	-	-	-	0,8297	-
31.07.2001	-	-	-	-	-	0,9791	-
30.06.2001	12,80	-	32,75	-	22,11	-	-
31.03.2001	-	-	-	-	19,80	-	-
31.12.2000	11,15	-	26,24	-	18,81	-	-
30.09.2000	-	-	-	-	20,24	-	-
30.06.2000	6,85	-	30,29	-	-	-	-

The Allan Gray Global Equity Fund of Funds did not declare any distributions in the period.

Allan Gray Unit Trusts

Notes to the Annual Financial Statements for the year ended 31 December 2002

4. Capital Gains

Net realised gains/(losses) credited to the capital value of the trust for the period ended 31 December 2002:

Fund	2002 R	2001 R
Equity	277 695 720	67 333 312
Balanced	97 447 304	11 011 766
Stable	(499 239)	(1 050 790)
Money Market	-	-
Global Equity Fund of Funds	-	-
Optimal Fund	(72 154)	-

5. Creation and Cancellation of Units

	2002	2001
	R	R
Equity Fund Class 'A'		
Value of units created	1 201 052 109	734 784 218
Compulsory charges on units created	7 804 558	4 776 000
Value of units cancelled	(579 357 683)	(256 075 001)
Equity Fund Class 'B'		
Value of units created	62 583 092	-
Compulsory charges on units created	226 642	-
Value of units cancelled	(2 822 319)	-
Balanced Fund Class 'A'		
Value of units created	1 061 557 668	632 416 426
Compulsory charges on units created	6 892 022	4 110 666
Value of units cancelled	(240 330 113)	(50 366 942)
Balanced Fund Class 'B'		
Value of units created	97 466 505	-
Compulsory charges on units created	347 799	-
Value of units cancelled	(5 276 767)	-
Stable Fund		
Value of units created	326 683 393	115 222 945
Compulsory charges on units created	2 123 383	749 003
Value of units cancelled	(63 720 302)	(18 789 022)
Money Market Fund		
Value of units created	230 613 553	183 628 555
Compulsory charges on units created	-	-
Value of units cancelled	(117 246 778)	(54 145 416)
Global Equity Fund of Funds		
Value of units created	414	17 180 619
Compulsory charges on units created	1	42 952
Value of units cancelled	(113 667)	-
Optimal Fund		
Value of units created	150 052 763	-
Compulsory charges on units created	978 292	-
Value of units cancelled	(11 158 566)	-

The Optimal Fund was launched on 1 October 2002.

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

6. Review of Fluctuations of Unit Prices

Fund Year / Period ended	Subscription Price (cents)		Redemption Price (cents)	
	Lowest	Highest	Lowest	Highest
Equity Fund Class 'A'				
31 December 2002	3 583,91	4 632,28	3 443,70	4 447,44
31 December 2001	2 775,52	3 697,71	2 658,05	3 553,00
31 December 2000	2 262,26	2 863,02	2 166,52	2 742,68
Equity Fund Class 'B'				
31 December 2002	3 867,60	4 627,61	3 713,21	4 442,93
31 December 2001	-	-	-	-
Balanced Fund Class 'A'				
31 December 2002	1 716,89	2 033,20	1 649,75	1 952,30
31 December 2001	1 394,13	1 790,92	1 335,13	1 721,03
31 December 2000	1 174,21	1 428,89	1 124,66	1 368,58
Balanced Fund Class 'B'				
31 December 2002	1 800,24	2 027,79	1 728,43	1 947,07
31 December 2001	-	-	-	-
Stable Fund				
31 December 2002	1 227,57	1 366,66	1 179,54	1 312,27
31 December 2001	1 122,28	1 247,05	1 074,79	1 198,37
31 December 2000	1 044,19	1 142,48	1 000,00	1 094,25
Money Market Fund				
31 December 2002	100,00	100,00	100,00	100,00
31 December 2001	100,00	100,00	100,00	100,00
Global Equity Fund of Funds				
31 December 2002	765,69	1 217,01	738,05	1 174,05
31 December 2001	1 330,20	1 036,59	1 283,24	1 000,00
Optimal Fund				
31 December 2002	1 041,60	1 130,58	1 000,00	1 085,52

The prices of units fluctuate in accordance with the changes in the values of the securities included in the unit portfolio.

7. Derivatives

Investments in derivatives are regulated by the Financial Services Board. Financial futures were traded during the period under review. Submissions were made to the Financial Services Board at the end of each quarter during the period under review in terms of Regulation GN. R1256 of the Unit Trust Control Act No. 54 of 1981.

8. Financial Instruments

Currency Risk

The Allan Gray Balanced Fund and the Allan Gray Global Equity Fund of Funds, both have an investment in a foreign global equity fund and are therefore exposed to the risk in respect of changes in foreign exchange rates. The risk of loss due to adverse foreign exchange rate movements is monitored on an ongoing basis.

Market Risk

The Funds are exposed to changes in the market values of the individual securities underlying each unit portfolio. The asset allocation within each of the Funds is continuously monitored in terms of each individual Fund's stated investment objectives.

Interest Rate Risk

The value of the Funds' interest bearing money market instruments varies in accordance with changes in market interest rates e.g money market investments are based on expected movements in interest rates.

Liquidity Risk

The Allan Gray Equity Fund, Allan Gray Balanced Fund, Allan Gray Stable Fund, Allan Gray Global Equity Fund of Funds and the Allan Gray Optimal Fund are required to maintain a minimum investment of 5% of the market value of the Fund in liquid assets in accordance with the Unit Trust Control Act No. 54 of 1981.

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

9. Schedule of Investments

Unless otherwise stated, all shares are ordinary shares and are quoted on stock exchanges recognised in terms of the Unit Trust Control Act.

'(%) of Issued Capital' refers to the Fund's holdings of that class of share as a percentage of the Company's total shares of that class in issue.

Equity Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
RESOURCES						
MINING						
961 811	1,01	AOD	LLC	African Rainbow	76 031 160	3,44
724 604	0,05	AGL	LLC	Anglo	91 662 406	4,15
242 221	0,11	AMS	LLC	Angloplat	76 541 836	3,46
8 146 258	1,21	AVG	LLC	Avgold	85 535 709	3,87
1 411 762	1,26	AIN	LLC	Avmin	55 764 599	2,52
208 909	0,04	GFI	LLC	Gfields	25 048 189	1,13
278 600	0,16	HAR	LLC	Harmony	40 954 200	1,85
10 232 271	0,58	JCD	LLC	JCI	5 832 394	0,26
520 395	0,26	JCDD	LLC	JCI - D	546 415	0,02
2 546 068	1,10	NHM	LLC	Northam	48 884 506	2,22
547 509	1,25	RNG	LLC	Rangold	13 277 093	0,60
3 820 964	2,98	SCN	LLC	Schamin	2 025 111	0,09
2 366 965	2,25	WAR	LLC	Wes-Areas	104 146 460	4,71
OILS & GAS						
1 879 520	0,28	SOL	LLC	Sasol	197 349 600	8,94
Total RESOURCES					823 599 678	37,26
BASIC INDUSTRIES						
CONSTRUCTION & BLDG MATERIALS						
660 000	4,94	CNC	LLC	Concor	6 666 000	0,30
490 200	1,59	ELR	LLC	Elb Group	1 617 660	0,07
103 400	0,19	PPC	LLC	PPC	10 526 120	0,48
Total BASIC INDUSTRIES					18 809 780	0,85

9. Schedule of Investments (Continued)

Equity Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
GENERAL INDUSTRIALS						
DIVERSIFIED INDUSTRIALS						
2 024 233	3,84	ART	LLC	Argent	6 679 969	0,30
347 300	1,05	DLV	LLC	Dorbyl	9 654 940	0,44
ELECTRONIC & ELECTRICAL						
537 836	0,51	ALT	LLC	Altech	12 908 064	0,58
236 000	0,24	ATN	LLC	Altron	2 065 000	0,09
3 432 600	1,71	ATNP	LLC	Altron - PP	28 250 298	1,28
ENGINEERING & MACHINERY						
951 900	3,08	HDC	LLC	Hudaco	16 372 680	0,74
3 273 900	4,98	HWN	LLC	Howden	2 684 598	0,12
1 989 544	2,73	IVT	LLC	Invicta	10 743 538	0,49
Total GENERAL INDUSTRIALS					89 359 087	4,04
NON-CYCLICAL CONSUMER GOODS						
FOOD PRODUCERS & PROCESSORS						
2 368 420	0,67	AFR	LLC	Afgri	13 263 152	0,60
1 014 063	2,37	ARL	LLC	Astral	15 819 383	0,72
1 394 554	0,41	AVI	LLC	AVI	21 197 221	0,95
2 558 129	0,77	ILV	LLC	Illovo	20 720 845	0,93
2 196 500	0,84	RBW	LLC	Rainbow	7 028 800	0,32
1 590 957	0,95	TBS	LLC	Tigbrands	113 594 329	5,14
HEALTH						
2 926 683	0,84	MDC	LLC	Medclin	23 062 262	1,04
PHARMACEUTICALS & BIOTECHNOLOGY						
743 702	0,20	APN	LLC	Aspen	5 726 505	0,25
Total NON-CYCLICAL CONSUMER GOODS					220 412 497	9,95
CYCLICAL SERVICES						
GENERAL RETAILERS						
1 068 025	1,89	ECO	LLC	Edcon	54 469 275	2,46
880 200	1,19	ELH	LLC	Ellerine	15 755 580	0,71
5 949 020	2,47	FOS	LLC	Foschini	67 818 828	3,07
5 297 798	2,42	MPC	LLC	Mr Price	31 786 788	1,44
4 138 418	1,18	NCL	LLC	Nuclicks	28 968 926	1,31
1 093 212	0,23	TRU	LLC	Truwths	7 269 859	0,33
15 613 649	1,68	WHL	LLC	Woolies	80 410 292	3,64
3 585 620	1,29	WLN	LLC	Wooltru - N	824 693	0,04
2 658 023	1,34	WLO	LLC	Wooltru	637 925	0,03
LEISURE, ENTERTAINMENT & HOTELS						
1 020 000	1,13	KER	LLC	Kersaf	27 132 000	1,23
20 774 060	1,77	SIS	LLC	SISA	40 301 676	1,82
2 690 000	2,76	SUR	LLC	Spurcorp	8 903 900	0,40

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

9. Schedule of Investments (Continued)

Equity Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
MEDIA & PHOTOGRAPHY						
1 741 901	1,67	JCM	LLC	Johncom	25 605 945	1,16
945 800	0,74	KGM	LLC	Kgmedia	2 979 270	0,13
4 036 940	1,38	NPN	LLC	Naspers - N	95 271 784	4,31
226 600	0,45	PMA	LLC	Prime	1 078 616	0,05
1 878 145	1,07	PMN	LLC	Prime - N	7 606 487	0,34
SUPPORT SERVICES						
1 591 459	3,74	ADR	LLC	Adcorp	10 026 192	0,45
2 709 100	2,51	APK	LLC	Astrapak	10 294 580	0,47
1 992 200	2,29	BCF	LLC	Bowcalf	5 378 940	0,24
3 441 077	0,54	NPK	LLC	Nampak	48 691 240	2,20
1 693 777	0,87	RBV	LLC	Rebserv	13 025 145	0,59
TRANSPORT						
11 000 000	2,62	COM	LLC	Comair	10 230 000	0,46
9 979 703	1,66	MBN	LLC	Mobile - N	6 985 792	0,32
41 399	0,14	MOB	LLC	Mobile	273 206	0,01
71 491	0,13	MOBD	LLC	Mobile - 6% C/Debs	144 412	0,01
30 000	0,10	TED2	LLC	Trencor - 6% C/Debs	270 000	0,01
1 390 600	0,91	TRE	LLC	Trencor	12 028 690	0,54
Total CYCLICAL SERVICES					614 170 041	27,77
NON-CYCLICAL SERVICES						
FOOD & DRUG RETAILERS						
3 614 788	0,67	SHP	LLC	Shoprit	25 664 995	1,16
Total NON-CYCLICAL SERVICES					25 664 995	1,16
FINANCIALS						
BANKS						
1 631 700	0,03	FSR	LLC	Firstrand	12 009 312	0,53
842 200	0,07	RMH	LLC	RMBH	8 624 128	0,39
1 231 881	0,09	SBK	LLC	Stanbank	37 141 212	1,68
INVESTMENT COMPANIES						
375 000	0,27	AQL	LLC	Aquila	607 500	0,03
11 209 284	3,02	RAH	LLC	RA - Hold	51 002 242	2,31
496 655	0,10	VNF	LLC	Venfin	8 746 095	0,40
SPECIALITY & OTHER FINANCE						
2 451 400	0,86	AHV	LLC	Af - Harv	4 167 380	0,19
1 657 100	1,43	AMB	LLC	AMB	9 611 180	0,43
225 120	0,81	CRH	LLC	Corohld	11 537 400	0,52
1 116 520	2,04	CRN	LLC	Corohold - N	58 003 214	2,62
Total FINANCIALS					201 449 663	9,10

9. Schedule of Investments (Continued)

Equity Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
INFORMATION TECHNOLOGY						
IT HARDWARE						
3 825 800	1,64	APL	LLE	Applied - Tech	12 625 140	0,57
SOFTWARE & COMP SERVICES						
3 948 710	2,60	BTG	LLE	Bytes	16 426 634	0,74
4 861 900	1,65	CPX	LLE	Comparex	26 497 355	1,20
465 500	0,34	DTC	LLE	Datatec	3 142 125	0,14
8 061 700	0,60	DDT	LLE	Didata	30 715 077	1,39
7 019 700	4,44	FRO	LLE	Frontrange	11 933 490	0,54
2 679 300	4,57	SPS	LLE	Spescom	1 714 752	0,08
Total INFORMATION TECHNOLOGY					103 054 573	4,66
Total EQUITIES					2 096 520 314	94,79
LIQUIDITY						
MONEY MARKET INSTRUMENTS						
25 000 000	0,00	-	LMM	BOE Call Deposit	25 000 000	1,13
28 000 000	0,00	-	LMM	Gensec Call Deposit	28 000 000	1,27
67 000 000	0,00	-	LMM	RMB Secured Deposit	67 000 000	2,71
Total MONEY MARKET INSTRUMENTS					120 000 000	5,43
RSA Cash					(5 038 314)	(0,22)
Total LIQUIDITY					114 961 686	5,21
Total ASSETS					2 211 482 000	100,00
Adjusted for LIQUIDITY					5 038 314	
INVESTMENTS AT MARKET VALUE					2 216 520 314	

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

9. Schedule of Investments (Continued)

Balanced Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
RESOURCES						
MINING						
665 340	0,70	AOD	LLC	African Rainbow	52 595 127	2,60
544 941	0,04	AGL	LLC	Anglo	68 935 037	3,40
104 724	0,05	AMS	LLC	Angloplat	33 092 784	1,63
3 516 825	0,52	AVG	LLC	Avgold	36 926 663	1,82
525 941	0,47	AIN	LLC	Avmin	20 774 669	1,03
150 000	0,03	GFI	LLC	Gfields	17 985 000	0,89
7 274 451	0,42	JCD	LLC	JCI	4 146 437	0,20
207 788	0,10	JCDD	LLC	JCI - D	218 177	0,01
2 038 543	0,88	NHM	LLC	Northam	39 140 026	1,93
988 700	0,94	WAR	LLC	Wes-Areas	43 502 800	2,15
OILS & GAS						
1 169 484	0,18	SOL	LLC	Sasol	122 795 820	6,06
Total RESOURCES					440 112 540	21,72
BASIC INDUSTRIES						
CONSTRUCTION & BLDG MATERIALS						
761 700	0,23	MUR	LLC	M&R - Hld	9 673 590	0,48
57 200	0,11	PPC	LLC	PPC	5 822 960	0,28
Total BASIC INDUSTRIES					15 496 550	0,76
GENERAL INDUSTRIALS						
DIVERSIFIED INDUSTRIALS						
1 341 481	2,55	ART	LLC	Argent	4 426 887	0,22
102 200	0,31	DLV	LLC	Dorbyl	2 841 160	0,14
ELECTRONIC & ELECTRICAL						
644 792	0,61	ALT	LLC	Altech	15 475 008	0,76
95 700	0,10	ATN	LLC	Altron	837 375	0,04
1 439 500	0,72	ATNP	LLC	Altron - PP	11 847 085	0,59
ENGINEERING & MACHINERY						
354 400	1,15	HDC	LLC	Hudaco	6 095 680	0,30
669 900	0,92	IVT	LLC	Invicta	3 617 460	0,19
Total GENERAL INDUSTRIALS					45 140 655	2,24
NON-CYCLICAL CONSUMER GOODS						
FOOD PRODUCERS & PROCESSORS						
1 047 000	0,30	AFR	LLC	Afgri	5 863 200	0,29
313 450	0,73	ARL	LLC	Astral	889 820	0,24
553 427	0,16	AVI	LLC	AVI	8 412 090	0,41
4 305 758	1,30	ILV	LLC	Illovo	34 876 640	1,72
951 500	0,36	RBW	LLC	Rainbow	3 044 800	0,15
945 174	0,57	TBS	LLC	Tigbrands	67 485 424	3,33

9. Schedule of Investments (Continued)

Balanced Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
				HEALTH		
1 352 347	0,39	MDC	LLC	Medclin	10 656 494	0,53
				PHARMACEUTICALS & BIOTECHNOLOGY		
4 267 580	1,15	APN	LLC	Aspen	32 860 366	1,62
				Total NON-CYCLICAL CONSUMER GOODS	168 088 834	8,29
				CYCLICAL SERVICES		
				GENERAL RETAILERS		
588 500	1,04	ECO	LLC	Edcon	30 013 500	1,48
514 905	0,70	ELH	LLC	Ellerine	9 216 800	0,45
1 374 023	0,57	FOS	LLC	Foschini	15 663 862	0,77
807 234	0,41	MSM	LLC	Massmart	14 772 382	0,73
2 518 805	1,15	MPC	LLC	Mr Price	15 112 830	0,75
6 305 352	1,79	NCL	LLC	Nuclicks	44 137 464	2,18
1 615 732	0,73	PEP	LLC	Pepkor	8 644 166	0,43
2 492 485	0,53	TRU	LLC	Truwths	16 575 025	0,82
7 210 680	0,78	WHL	LLC	Woolies	37 135 002	1,83
				LEISURE, ENTERTAINMENT & HOTELS		
378 261	0,90	CLH	LLC	Cityldg	6 354 785	0,31
372 400	0,41	KER	LLC	Kersaf	9 905 840	0,49
8 162 305	0,69	SIS	LLC	SISA	15 834 872	0,78
4 314 523	4,42	SUR	LLC	Spurcorp	14 281 071	0,70
				MEDIA & PHOTOGRAPHY		
1 349 709	0,29	CAT	LLC	Caxton	7 828 312	0,39
1 133 038	1,09	JCM	LLC	Johncom	16 655 659	0,82
367 753	0,29	KGM	LLC	Kgmedia	1 158 422	0,06
4 155 049	4,89	MNY	LLC	Moneyweb	1 329 616	0,07
927 074	0,79	NAN	LLC	Nail - N	5 284 322	0,26
2 638 421	0,90	NPN	LLC	Naspers - N	62 266 736	3,07
187 300	0,38	PMA	LLC	Prime	891 548	0,04
1 196 945	0,68	PMN	LLC	Prime - N	4 847 627	0,24
				SUPPORT SERVICES		
1 762 674	4,14	ADR	LLC	Adcorp	11 104 846	0,55
1 076 120	1,00	APK	LLC	Astrapak	4 089 256	0,20
2 443 193	2,81	BCF	LLC	Bowcalf	6 596 621	0,33
3 939 566	0,62	NPK	LLC	Nampak	55 744 859	2,75
1 830 422	0,94	RBV	LLC	Rebserv	14 075 945	0,69
				TRANSPORT		
11 000 000	2,62	COM	LLC	Comair	10 230 000	0,50
1 357 894	0,46	MOB	LLC	Mobile	896 210	0,05
2 979 623	0,50	MBN	LLC	Mobile - N	2 085 736	0,10
219 750	0,14	TRE	LLC	Trencor	1 900 838	0,11
34 000	0,12	TED2	LLC	Trencor - 6% C/Debs	306 000	0,02
				Total CYCLICAL SERVICES	444 940 151	21,97

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

9. Schedule of Investments (Continued)

Balanced Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
NON CYCLICAL SERVICES						
FOOD & DRUG RETAILERS						
3 255 921	0,60	SHP	LLE	Shoprit	23 117 039	1,14
TELECOMM SERVICES						
66 206	0,04	JNC	LLE	Johnnic	3 013 035	0,15
Total NON CYCLICAL SERVICES					26 130 074	1,29
FINANCIALS						
BANKS						
122 600	0,02	ASA	LLE	Absa	3 874 160	0,19
1 644 500	0,03	FSR	LLE	Firststrand	12 103 520	0,60
1 371 232	0,12	RMH	LLE	RMBH	14 041 416	0,69
1 417 414	0,11	SBK	LLE	Stanbank	42 735 032	2,11
INVESTMENT COMPANIES						
4 581 311	1,23	RAH	LLE	RA - Hold	20 844 965	1,03
1 435 442	0,30	VNF	LLE	Venfin	25 278 133	1,25
REAL ESTATE						
3 100 000	0,48	MTP	LLE	Martprop	5 549 000	0,27
456 000	0,27	SYC	LLE	Sycom	4 012 800	0,20
SPECIALITY & OTHER FINANCE						
1 680 127	0,59	AHV	LLE	Af - Harv	2 856 216	0,14
691 100	0,59	AMB	LLE	AMB	4 008 380	0,19
4 855 652	4,22	BJM	LLE	BJM	11 653 565	0,58
91 580	0,33	CRH	LLE	Corohld	4 693 475	0,23
543 163	0,99	CRN	LLE	Corohld - N	28 217 318	1,39
107 439	0,28	INL	LLE	Inv Ltd	12 140 607	0,60
2 450	0,00	INP	LLE	Inv Plc	276 899	0,01
Total FINANCIALS					192 285 486	9,48
INFORMATION TECHNOLOGY						
IT HARDWARE						
4 594 538	1,97	APL	LLE	Applied - Tech	15 161 975	0,75
SOFTWARE & COMPUTER SERVICES						
1 377 726	0,91	BTG	LLE	Bytes	5 731 340	0,28
1 767 273	0,60	CPX	LLE	Comparex	9 631 638	0,48
588 670	0,43	DTC	LLE	Datatec	3 973 523	0,20
7 722 008	0,58	DDT	LLE	Didata	29 420 850	1,45
2 725 700	1,73	FRO	LLE	Frontrange	4 633 690	0,22
Total INFORMATION TECHNOLOGY					68 553 016	3,38
Total EQUITIES					1 400 747 306	69,13

9. Schedule of Investments (Continued)

Balanced Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Coupon Rate	Maturity Date	Market Value R	% of Unit Portfolio
LIQUIDITY								
MONEY MARKET INSTRUMENTS								
GILTS								
R.S.A								
58 630 000	0,00	-	LLB	R153	13,00%	31/08/2010	65 380 658	3,23
130 000 000	0,00	-	LLB	R194	10,00%	28/02/2008	125 733 400	6,21
Total GILTS							191 114 058	9,44
SEMI - GILTS								
31 000 000	0,00	-	LLB	BOE	12,75%	12/12/2003	30 994 420	1,51
20 000 000	0,00	-	LLB	Nedbank	11,30%	20/09/2006	19 523 800	0,96
10 000 000	0,00	-	LLB	Standard Bank	15,50%	01/06/2005	10 998 600	0,54
15 910 000	0,00	-	LLB	Standard Bank	11,25%	31/12/2008	15 394 516	0,76
2 000 000	0,00	-	LLB	Telkom	10,75%	30/09/2003	1 970 020	0,10
31 500 000	0,00	-	LLB	Telkom SA	13,00%	31/05/2004	31 952 026	1,58
50 000 000	0,00	-	LLB	Trans Cal Tunn Auth	12,00%	01/12/2005	50 826 000	2,51
60 000 000	0,00	-	LLB	Transnet	7,50%	01/04/2008	51 561 600	2,54
40 000 000	0,00	-	LLB	Transnet	12,00%	15/03/2006	40 688 000	2,01
Total SEMI - GILTS							253 908 982	12,51
NCDS AND NOTES								
15 000 000	0,00	-	LMM	BOE Promissory	Note	26/03/2003	15 000 000	0,74
20 000 000	0,00	-	LMM	Investec Promissory	Note	25/06/2002	20 000 000	0,99
20 000 000	0,00	-	LMM	Nedbank	NCD	26/02/2003	20 000 000	0,99
10 000 000	0,00	-	LMM	Standard Bank Promissory	Note	25/06/2003	10 000 000	0,48
Total NCDS AND NOTES							65 000 000	3,20
DEPOSITS								
16 000 000	0,00	-	LMM	Secured Deposit - R157		09/01/2003	20 057 035	0,99
11 900 000	0,00	-	LMM	Cape of Good Hope Call Deposit		-	11 900 000	0,59
6 000 000	0,00	-	LMM	Gensec Call Deposit		-	6 000 000	0,30
50 000 000	0,00	-	LMM	RMB Secured Deposit		-	50 000 000	2,46
Total DEPOSITS							87 957 035	4,34
Total MONEY INSTRUMENTS							597 980 075	29,49
RSA Cash							(24 112 541)	(1,18)
Total LIQUIDITY							573 867 534	28,31

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

9. Schedule of Investments (Continued)

Balanced Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
FOREIGN ASSETS						
INTERNATIONAL EQUITY UNIT TRUSTS						
132 078	0,46	-	FA	Orbis Global Equity Fund	51 643 827	2,55
INTERNATIONAL CASH						
568	0,00	-	FC	Foreign Interest	4 885	0,00
Total FOREIGN ASSETS					51 648 712	2,55
Total ASSETS					2 026 263 552	100,00
Adjusted for LIQUIDITY					24 112 541	
INVESTMENTS AT MARKET VALUE					2 050 376 093	

9. Schedule of Investments (Continued)

Stable Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
RESOURCES						
MINING						
7 900	0,00	AMS	LL	Angloplat	2 496 400	0,60
13 693	0,01	AOD	LL	Armgold	1 082 432	0,26
270 200	0,04	AVG	LL	Avgold	2 837 100	0,69
28 500	0,03	AIN	LL	Avmin	1 125 750	0,27
16 000	0,00	GFI	LL	Gfields	1 918 400	0,46
100 716	0,01	JCD	LL	JCI	57 408	0,01
949 486	0,47	JCDD	LL	JCI - D	996 960	0,24
230 200	0,10	NHM	LL	Northam	4 419 840	1,07
10 000	0,04	PAM	LL	Palamin	699 900	0,17
877 797	1,46	SCN	LL	Schamin	995 232	0,24
89 889	0,09	WAR	LL	Wes-Areas	3 955 116	0,96
OILS & GAS						
70 180	0,01	SOL	LL	Sasol	7 368 900	1,78
Total RESOURCES					27 953 438	6,75
BASIC INDUSTRIES						
CONSTRUCTION & BLDG MATERIALS						
101 000	0,43	CSB	LL	Cashbil	909 000	0,22
42 800	0,14	ELR	LL	Elb Group	141 240	0,03
3 500	0,01	PPC	LL	PPC	356 300	0,09
Total BASIC INDUSTRIES					1 406 540	0,34
GENERAL INDUSTRIALS						
DIVERSIFIED INDUSTRIALS						
307 400	0,58	ART	LL	Argent	1 014 420	0,25
51 200	0,15	DLV	LL	Dorbyl	1 423 360	0,34
ELECTRONIC & ELECTRICAL						
49 109	0,05	ALT	LL	Altech	1 178 616	0,29
11 300	0,01	ATN	LL	Altron	98 875	0,02
140 400	0,07	ATNP	LL	Altron - PP	1 155 492	0,28
ENGINEERING & MACHINERY						
16 000	0,05	HDC	LL	Hudaco	275 200	0,07
Total GENERAL INDUSTRIALS					5 145 963	1,25
CYCLICAL CONSUMER GOODS						
AUTOMOBILES & PARTS						
295 400	0,19	BDS	LL	Bridgestn	540 582	0,13
Total CYCLICAL CONSUMER GOODS					540 582	0,13
NON-CYCLICAL CONSUMER GOODS						
BEVERAGES						
108 100	0,07	ABI	LL	ABI	5 188 800	1,26
145 900	0,35	KWV	LL	KWV	2 772 100	0,67

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

9. Schedule of Investments (Continued)

Stable Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
FOOD PRODUCERS & PROCESSORS						
79 700	0,02	AFR	LLC	Afgri	446 320	0,11
56 200	0,13	ARL	LLC	Astral	876 720	0,21
489 800	0,15	ILV	LLC	Illovo	3 967 380	0,96
64 000	0,02	RBW	LLC	Rainbow	204 800	0,05
98 207	0,06	TBS	LLC	Tigbrands	7 011 980	1,70
Total NON-CYCLICAL CONSUMER GOODS					20 468 100	4,96
CYCLICAL SERVICES						
GENERAL RETAILERS						
81 700	0,14	ECO	LLC	Edcon	4 166 700	1,01
154 700	0,06	FOS	LLC	Foschini	1 763 580	0,43
76 967	0,04	MSM	LLC	Massmart	1 408 496	0,34
436 478	0,20	MPC	LLC	Mr Price	2 618 868	0,63
576 260	0,16	NCL	LLC	Nuclicks	4 033 820	0,98
237 656	0,05	TRU	LLC	Truwths	1 580 413	0,38
698 168	0,08	WHL	LLC	Woolies	3 595 565	0,87
67 500	0,03	WLO	LLC	Wooltru	16 200	0,00
395 000	0,14	WLN	LLC	Wooltru - N	90 850	0,02
LEISURE, ENTERTAINMENT & HOTELS						
216 000	0,51	CLH	LLC	Cityldg	3 628 800	0,88
111 200	0,05	GDF	LLC	Goldreef	305 800	0,07
456 200	0,04	SIS	LLC	SISA	885 028	0,21
1 260 395	1,29	SUR	LLC	Spurcorp	4 171 907	1,01
MEDIA & PHOTOGRAPHY						
407 193	0,09	CAT	LLC	Caxton	2 361 719	0,57
170 800	0,16	JCM	LLC	Johncom	2 510 760	0,61
SUPPORT SERVICES						
219 561	0,52	ADR	LLC	Adcorp	1 383 234	0,33
495 460	0,46	APK	LLC	Astrapak	1 882 748	0,46
248 026	0,29	BCF	LLC	Bowcalf	669 671	0,17
236 900	0,04	NPK	LLC	Nampak	3 352 135	0,81
366 967	0,19	RBV	LLC	Rebserv	2 821 976	0,71
Total CYCLICAL SERVICES					43 248 270	10,49
NON-CYCLICAL SERVICES						
FOOD & DRUG RETAILERS						
289 668	0,05	SHP	LLC	Shoprit	2 056 643	0,50
Total NON-CYCLICAL SERVICES					2 056 643	0,50

9. Schedule of Investments (Continued)

Stable Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Coupon Maturity Rate	Market Value Date	R	% of Unit Portfolio
FINANCIALS								
BANKS								
82 700	0,01	RMH	LLB	RMBH			846 848	0,21
86 200	0,01	SBK	LLB	Stanbank			2 598 930	0,63
INVESTMENT COMPANIES								
1 464 600	1,07	AQL	LLB	Aquila			2 372 652	0,57
570 426	0,15	RAH	LLB	RA - Hold			2 595 438	0,63
REAL ESTATE								
4 578 768	0,49	GRY	LLB	Grayprop			10 989 043	2,66
36 700	0,13	PPR	LLB	Putprop			147 534	0,04
1 595 900	0,94	SYC	LLB	Sycom			14 043 920	3,40
SPECIALITY & OTHER FINANCE								
295 300	0,10	AHV	LLB	Af - Harv			502 010	0,12
693 820	0,60	BJM	LLB	BJM			1 665 168	0,40
24 898	0,09	CRH	LLB	Corohld			1 276 023	0,31
64 190	0,12	CRN	LLB	Corohld - N			3 334 671	0,81
1 059 600	0,17	MEL	LLB	Mettle			529 800	0,13
225 150	0,02	PGH	LLB	Psgbankh			153 102	0,03
Total FINANCIALS						41 055 139	9,94	
INFORMATION TECHNOLOGY								
SOFTWARE & COMPUTER SERVICES								
143 237	0,09	BTG	LLB	Bytes			595 866	0,14
Total INFORMATION TECHNOLOGY						595 866	0,14	
Total EQUITIES						142 470 541	34,50	
LIQUIDITY								
MONEY MARKET INSTRUMENTS								
GILTS								
R.S.A								
32 500 000	0,00	-	LLB	R 194	10,00%	28/02/2008	31 433 350	7,61
Total GILTS						31 433 350	7,61	
SEMI - GILTS								
1 000 000	0,00	-	LLB	Telkom	10,75%	30/09/2003	985 010	0,24
1 000 000	0,00	-	LLB	Telkom SA	13,00%	31/05/2004	1 014 350	0,25
3 000 000	0,00	-	LLB	Nedbank	11,30%	20/09/2006	2 928 570	0,70
7 000 000	0,00	-	LLB	BOE	12,75%	12/12/2003	6 998 740	1,69
Total SEMI - GILTS						11 926 670	2,88	

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

9. Schedule of Investments (Continued)

Stable Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Coupon Rate	Maturity Date	Market Value R	% of Unit Portfolio
NCDS AND NOTES								
10 000 000	0,00	-	LMM	Absa	NCD	28/08/2003	10 000 000	2,42
15 000 000	0,00	-	LMM	Absa	NCD	30/06/2003	15 000 000	3,63
15 000 000	0,00	-	LMM	BOE Promissory	Note	26/06/2003	15 000 000	3,63
10 000 000	0,00	-	LMM	Firststrand	NCD	29/08/2003	10 000 000	2,42
15 000 000	0,00	-	LMM	Firststrand Promissory	Note	27/06/2003	13 599 360	3,29
10 000 000	0,00	-	LMM	Investec Promissory	Note	25/06/2003	10 000 000	2,42
10 000 000	0,00	-	LMM	Nedbank	NCD	26/02/2003	10 000 000	2,42
9 000 000	0,00	-	LMM	Sasol Promissory	Note	17/04/2003	8 406 576	2,04
5 000 000	0,00	-	LMM	Standard Bank	NCD	03/02/2003	5 000 000	1,22
5 000 000	0,00	-	LMM	Standard Bank Promissory	Note	25/06/2003	5 000 000	1,22
10 000 000	0,00	-	LMM	Standard Bank Promissory	Note	28/03/2003	10 000 000	2,44
Total NCDS AND NOTES							112 005 936	27,15
DEPOSITS								
1 600 000	0,00	-	LMM	Secured Deposit - R157		09/01/2003	20 057 035	4,86
25 000 000	0,00	-	LMM	BOE Call Deposit			25 000 000	6,05
15 000 000	0,00	-	LMM	Citibank Fixed Deposit		13/01/2003	15 000 000	3,63
5 000 000	0,00	-	LMM	Deutsche Bank Call Deposit			5 000 000	1,21
20 000 000	0,00	-	LMM	Gensec Call Deposit			20 000 000	4,84
5 000 000	0,00	-	LMM	RMB Fixed Deposit		06/01/2003	5 000 000	1,21
5 000 000	0,00	-	LMM	RMB Secured Deposit			5 000 000	1,21
20 000 000	0,00	-	LMM	Trns Cald'n Auth Call Bond			20 000 000	4,84
Total DEPOSITS							115 057 035	27,85
Total MONEY MARKET INSTRUMENTS							270 422 991	65,50
RSA Cash							20 816	0,00
Total LIQUIDITY							270 443 807	65,50
Total ASSETS							412 914 348	100,00
Adjusted for LIQUIDITY							(20 816)	
INVESTMENTS AT MARKET VALUE							412 893 532	

9. Schedule of Investments (Continued)

Money Market Fund

Concern or Body	Type of Money Market Instrument	Market Value R	% of Unit Portfolio	Maturity Date	Days to Maturity	
					From Date of Inclusion	From Quarter End
ABSA	Ncd	5 000 000	2,06	3-Feb-03	182	34
	Ncd	4 000 000	1,65	18-Apr-03	119	108
	Ncd	10 000 000	4,12	24-Apr-03	121	114
	Ncd	4 000 000	1,65	28-Aug-03	364	240
	Ncd	18 000 000	7,41	30-Apr-03	182	120
	Ncd	3 000 000	1,23	26-Mar-03	365	85
BOE	Call Deposit	120 000	0,05	31-Dec-02	89	0
	Ncd	5 000 000	2,06	30-Apr-03	181	120
	Promissory Note	5 000 000	2,06	7-Mar-03	119	66
	Promissory Note	5 000 000	2,06	26-Jun-03	273	177
CITI BANK	Ncd	3 000 000	1,23	29-Apr-03	181	119
FIRSTRAND	Promissory Note	4 539 894	1,87	23-Jun-03	271	174
	Ncd	6 000 000	2,47	12-Feb-03	181	43
GENSEC	Call Deposit	33 310 000	13,72	31-Dec-02	85	0
GOVERNMENT	Secured Deposit	40 114 070	16,52	9-Jan-03	21	9
INVESTEC	Promissory Note	12 000 000	4,94	7-May-03	181	127
	Promissory Note	5 000 000	2,06	25-Jun-03	273	176
NEDBANK	Ncd	5 000 000	2,06	13-Feb-03	184	44
RMB	Fixed Deposit	10 000 000	4,12	6-Jan-03	46	6
	Promissory Note	6 774 520	2,79	11-Mar-03	91	70
	Promissory Note	4 789 775	1,97	16-Apr-03	120	106
	Promissory Note	9 576 548	3,94	26-Mar-03	120	85
SASOL	Promissory Note	6 538 451	2,69	17-Apr-03	181	107
STANDARD BANK	Ncd	5 000 000	2,06	3-Feb-03	182	34
	Ncd	6 000 000	2,47	29-Aug-03	365	241
	Promissory Note	9 370 370	3,86	22-May-03	181	142
	Promissory Note	12 597 640	5,19	7-Mar-03	87	66
TOTAL MONEY INSTRUMENTS		238 731 268	98,31			
LIQUIDITY		4 118 649	1,69			
Total ASSETS		242 849 917	100,00			
Adjusted for LIQUIDITY		(4 118 649)				
INVESTMENTS AT MARKET VALUE		238 731 268				

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

9. Schedule of Investments (Continued)

Global Equity Fund of Funds

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
FOREIGN ASSETS						
INTERNATIONAL EQUITY UNIT TRUSTS						
30 131	0,00	OGEF	FA	Orbis Global Equity Fund	11 781 470	93,58
UNIT TRUSTS						
847 205	0,35	AGMF	LUT	Allan Gray Money Market Fund	847 205	6,73
				RSA Cash	(38 467)	(0,31)
Total LIQUIDITY					808 738	6,42
Total ASSETS					12 590 208	100,00
Adjusted for LIQUIDITY					38 467	
INVESTMENTS AT MARKET VALUE					12 628 675	

9. Schedule of Investments (Continued)

Optimal Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
RESOURCES						
MINING						
20 470	0,01	ANG	LLC	Anggold	5 946 535	4,15
111 528	0,01	AGL	LLC	Anglo	14 108 292	9,85
16 350	0,01	AMS	LLC	Angloplat	5 166 600	3,61
17 707	0,02	AOD	LLC	Armgold	1 399 738	0,98
94 412	0,01	AVG	LLC	Avgold	991 326	0,69
24 441	0,02	AIN	LLC	Avmin	965 420	0,67
201 722	0,01	BIL	LLC	Billiton	9 087 576	6,34
45 014	0,02	DUR	LLC	Dbn Dp	1 476 459	1,03
37 558	0,01	GFI	LLC	Gfields	4 503 204	3,14
25 758	0,01	HAR	LLC	Harmony	3 786 426	2,64
4 621	0,01	IMP	LLC	Implats	2 518 445	1,76
2 114 127	0,12	JCD	LLC	JCI	1 205 053	0,84
1 501	0,00	JCDD	LLC	JCI - D	1 576	0,00
28 271	0,01	KMB	LLC	Kumba	920 221	0,64
29 129	0,01	NHM	LLC	Northam	559 277	0,39
44 900	0,10	RNG	LLC	Rangold	1 088 825	0,76
21 744	0,02	WAR	LLC	Wes-Areas	956 736	0,67
OILS & GAS						
71 420	0,01	SOL	LLC	Sasol	7 499 100	5,24
Total RESOURCES					62 180 809	43,40
BASIC INDUSTRIES						
CHEMICALS						
96	0,00	AFX	LLC	Afrox	1 392	0,00
CONSTRUCTION & BUILDINGS						
656	0,00	PPC	LLC	PPC	66 781	0,05
FORESTRY & PAPER						
4 968	0,00	SAP	LLC	Sappi	568 836	0,39
Total BASIC INDUSTRIES					637 009	0,44
GENERAL INDUSTRIALS						
ELECTRONIC & ELECTRICAL						
23 366	0,02	ALT	LLC	Altech	560 784	0,39
25 890	0,03	ATN	LLC	Altron	226 537	0,16
86 598	0,04	ATNP	LLC	Altron - PP	712 702	0,50
Total GENERAL INDUSTRIALS					1 500 023	1,05
CYCLICAL CONSUMER GOODS						
HOUSEHOLD GOODS & TEXTILE						
403 462	0,01	RCH	LLC	Richemont	6 415 046	4,48
Total CYCLICAL CONSUMER GOODS					6 415 046	4,48

Allan Gray Unit Trusts

Notes to the Annual Financial Statements

for the year ended 31 December 2002

9. Schedule of Investments (Continued)

Optimal Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
				BEVERAGES		
100 219	0,01	SAB	LL E	SAB	6 093 315	4,25
				FOOD PRODUCERS & PROCESSORS		
112 364	0,03	AFR	LL E	Afgri	629 238	0,44
714	0,00	ARL	LL E	Astral	11 138	0,01
41 295	0,01	AVI	LL E	AVI	627 684	0,44
147 045	0,04	ILV	LL E	Illovo	1 191 065	0,83
28 577	0,02	TBS	LL E	Tigbrands	2 040 398	1,42
				PHARMACEUTICALS & BIOTECHNOLOGY		
141 108	0,04	APN	LL E	Aspen	1 086 532	0,76
				Total NON-CYCLICAL CONSUMER GOODS	11 679 370	8,15
				CYCLICAL SERVICES		
				GENERAL RETAILERS		
15 450	0,03	ECO	LL E	Edcon	787 950	0,55
75 525	0,03	FOS	LL E	Foschini	860 985	0,60
122 200	0,06	MPC	LL E	Mr Price	733 200	0,51
104 126	0,03	NCL	LL E	Nuclicks	728 882	0,51
165 815	0,02	WHL	LL E	Woolies	853 947	0,60
				LEISURE, ENTERTAINMENT & HOTELS		
41 200	0,05	KER	LL E	Kersaf	1 095 920	0,76
439 316	0,04	SIS	LL E	SISA	852 273	0,59
				MEDIA & PHOTOGRAPHY		
159 848	0,03	CAT	LL E	Caxton	927 118	0,65
39 474	0,04	JCM	LL E	Johncom	580 268	0,40
46 226	0,02	NPN	LL E	Naspers - N	1 090 934	0,76
91 938	0,05	PMN	LL E	Prime - N	372 349	0,26
				SUPPORT SERVICES		
132 946	0,02	NPK	LL E	Nampak	1 881 186	1,31
141 506	0,07	RBV	LL E	Rebserv	1 088 181	0,77
				TRANSPORT		
129 888	0,02	MBN	LL E	Mobile - N	90 922	0,06
81 600	0,03	MOB	LL E	Mobile	53 856	0,04
42 385	0,03	TRE	LL E	Trencor	366 630	0,27
				Total CYCLICAL SERVICES	12 364 601	8,64
				NON-CYCLICAL SERVICES		
				FOOD & DRUG RETAILERS		
27 531	0,01	PIK	LL E	Pick n Pay	366 162	0,25
76 464	0,01	SHP	LL E	Shoprit	542 894	0,38
				TELECOM SERVICES		
12 766	0,01	JNC	LL E	Johnnic	580 981	0,40
				Total NON-CYCLICAL SERVICES	1 490 037	1,03

9. Schedule of Investments (Continued)

Optimal Fund

Number of shares at 31/12/2002	% of Issued Capital	JSE Share Code	Asset Class	Company	Market Value R	% of Unit Portfolio
FINANCIALS						
BANKS						
110 663	0,00	FSR	LLE	Firststrand	814 480	0,57
87 912	0,01	RMH	LLE	RMBH	900 219	0,63
116 250	0,01	SBK	LLE	Stanbank	3 504 938	2,45
INVESTMENT COMPANIES						
13 260	0,00	RAH	LLE	RA - Hold	60 333	0,04
13 394	0,00	REM	LLE	Remgro	829 089	0,58
51 162	0,01	VNF	LLE	Venfin	900 963	0,63
REAL ESTATE						
4 337	0,00	LBT	LLE	Lib - Int	341 712	0,24
SPECIALITY & OTHER FINANCE						
41 328	0,04	BAT	LLE	Brait	351 288	0,25
5 716	0,02	CRH	LLE	Corohld	292 945	0,20
18 269	0,03	CRN	LLE	Corohld - N	949 074	0,66
2 468	0,01	INL	LLE	Inv Ltd	278 884	0,19
LIFE ASSURANCE						
206 050	0,01	OML	LLE	Old Mutual	2 482 902	1,73
216 389	0,01	SLM	LLE	Sanlam	1 644 556	1,15
Total FINANCIALS					13 351 383	9,32
INFORMATION TECHNOLOGY						
IT HARDWARE						
179 132	0,08	APL	LLE	Applied Tech	591 136	0,41
SOFTWARE & COMPUTER SERVICES						
82 724	0,06	DTC	LLE	Datatec	558 387	0,39
221 161	0,02	DDT	LLE	Didata	842 623	0,59
Total INFORMATION TECHNOLOGY					1 992 146	1,39
Total EQUITIES					111 610 424	77,90
DERIVATIVES						
FUTURES CONTRACT						
1 090	0,00	-	ED	ALSI Mar 2003	(96 170 700)	(67,12)
Total DERIVATIVES					(96 170 700)	(67,12)
Net EQUITY EXPOSURE					15 439 724	10,78
Contract Value					96 170 700	67,12
					111 610 424	77,90
FIXED DEPOSIT						
7 630 000	0,00	-	-	Initial Margin	7 630 000	5,32
934 671	0,00	-	-	Variation Margin	934 671	0,65
Total FIXED DEPOSIT					8 564 671	5,97
RSA Cash					23 107 618	16,13
Total ASSETS					143 282 712	100,00
Adjusted for LIQUIDITY					(23 107 618)	
INVESTMENTS AT MARKET VALUE					120 175 094	

Allan Gray Unit Trusts Management Limited

Approval of the Annual Financial Statements

The Directors of the Company are responsible for the preparation of the annual financial statements and related financial information included in this report.

The annual financial statements set out on pages 10 to 37 have been approved by the Board of Directors and are signed on its behalf by:



W J C MITCHELL

Chairman



M HERDMAN

Director

Cape Town
14 March 2003

Certificate by Company Secretary

Marriott Corporate Services (Pty) Limited, in its capacity as Company Secretary, hereby confirms, in terms of the Companies Act, 1973, that for the year ended 31 December 2002 the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.



MARRIOTT CORPORATE SERVICES (PTY) LIMITED

Durban
14 March 2003

Allan Gray Unit Trusts Management Limited

Report of the Independent Auditors to the Members of Allan Gray Unit Trust Management Limited

We have audited the annual financial statements of Allan Gray Unit Trust Management Limited set out on pages 10 to 37 for the year ended 31 December 2002. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope


We conducted our audit in accordance with Statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit Opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company at 31 December 2002 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.



ERNST & YOUNG

Registered Accountants and Auditors
Chartered Accountants (SA)

Durban
14 March 2003

Allan Gray Unit Trusts Management Limited

Report of the Directors

for the year ended 31 December 2002

The Directors have pleasure in presenting their report for the year ended 31 December 2002.

Nature of the Company's Business

The principal business of the company is to manage funds registered under this scheme.

Name of Fund	Fund Launch Date
Allan Gray Equity Fund	1 October 1998
Allan Gray Balanced Fund	1 October 1999
Allan Gray Stable Fund	1 July 2000
Allan Gray Money Market Fund	1 July 2001
Allan Gray Global Equity Fund of Funds	1 December 2001
Allan Gray Optimal Fund	1 October 2002

Share Capital

The issued shareholding at 31 December 2002 was as follows:

	% Holding	Ordinary Shares
Allan Gray Limited and its nominees	100	1 000 060

Investments

In terms of the Unit Trust Control Act No. 54 of 1981, the Company is required to make an investment in the Unit Trust Funds that it manages. At 31 December 2002 the Company held 71 748 units in the Allan Gray Equity Fund with a market value of R3 158 401 (2001 : 71 748 units with a market value of R2 549 227), 149 031 units in the Allan Gray Balanced Fund with a market value of R2 897 511 (2001 : 149 031 units with a market value of R 2 562 966), 149 031 units in the Allan Gray Stable Fund with a market value of R1 955 350 (2001 : 149 031 units with a market value of R1 785 946), 1 000 000 units in the Allan Gray Money Market Fund with a market value of R1 000 000 (2001 : 1 000 000 units with a market

value of R1 000 000), 99 750 units in the Allan Gray Global Equity Fund of Funds with a market value of R736 209 (2001 : 99 750 units with a market value of R1 108 818) and 99 354 units in the Allan Gray Optimal Fund with a market value of R1 073 443.

In addition to the fixed investment required in terms of the Unit Trust Control Act No. 54 of 1981, the Company held a further 113 338 units in the Allan Gray Optimal Fund with a market value of R1 224 532 at 31 December 2002.

Results of the Company

The results of the Company are set out in the accompanying Income Statement.

Dividends

Ordinary No	Declaration date	Cents per share	
		2002	2001
1	1 October 2001	-	4,99
2	20 March 2002	4,99	-
3	19 September 2002	2,99	-

Directors

Mr J C de Lange was appointed as a Director on 1 April 2002.

Dr S C Marais resigned as a Director on 21 August 2002, following his relocation to London to further strengthen our global investment management activities through Orbis. Details of the current Directors are given on the back cover.

Events Subsequent to the Year End

No material fact or circumstance has occurred between the accounting date and the date of this report.

Allan Gray Unit Trusts Management Limited

Income Statement

for the year ended 31 December 2002

	Notes	2002 R	2001 R
Revenue	1.3	81 472 173	43 596 262
Service charge		71 673 633	37 001 324
Initial charge		3 400 190	2 409 008
Income from unit trust investments:			
- Dividends		89 129	51 000
- Interest		1 198 896	498 598
Interest received		2 199 582	1 668 217
Profit on sale of units		169 212	1 876 322
Management fees		2 712 470	91 793
Dividend income		5 564	-
Exchange gain		23 497	-
Expenses		64 053 524	28 502 865
Agents' commission		2 437 814	1 735 268
Administration fees		1 055 000	560 000
Audit fees			
- Fees for audit		91 426	75 473
- Underprovision prior year		3 666	-
- Other services		126 660	97 250
Investment management fees	1.6	45 015 983	21 727 844
Loss on sale of investments		44 713	-
Marketing and management fee		8 377 233	1 800 000
Trustees' fees		875 127	424 499
Other operating expenses		6 025 902	2 082 531
Net Profit before taxation for the year		17 418 649	15 093 397
Taxation	2	6 212 609	5 138 741
Net Profit for the year		11 206 040	9 954 656

Allan Gray Unit Trusts Management Limited

Balance Sheet

for the year ended 31 December 2002

	Notes	2002 R	2001 R
Assets			
Non-Current Assets			
Investments	3	12 045 447	9 006 957
Current Assets			
Trade and other receivables	4	1 852 451	3 943 072
Cash and cash equivalents		21 652 504	14 089 758
Total Assets		35 550 402	27 039 787
Equity and Liabilities			
Share Capital	5	1 000 060	1 000 060
Share Premium	5	2 000 000	2 000 000
Revaluation Reserve		3 752 931	2 989 850
Accumulated Profit		15 059 152	11 853 112
		21 812 143	17 843 022
Non-Current Liabilities			
Deferred tax	6	234 570	99 913
Current Liabilities			
Trade and other payables	7	12 804 632	5 410 789
Taxation		699 057	3 686 063
Total Equity and Liabilities		35 550 402	27 039 787

Allan Gray Unit Trusts Management Limited

Statement of Changes in Equity

for the year ended 31 December 2002

	Share Capital R	Share Premium R	Revaluation Reserve R	Accumulated Profit R	Total R
Balance at 1 January 2001	1 000 060	2 000 000	-	6 898 456	9 898 516
Surplus after deferred tax on revaluation of investments to fair value, not recognised through income statement	-	-	2 989 850	-	2 989 850
Net profit for the year	-	-	-	9 954 656	9 954 656
Ordinary dividend	-	-	-	(5 000 000)	(5 000 000)
Balance at 31 December 2001	1 000 060	2 000 000	2 989 850	11 853 112	17 843 022
Surplus after deferred tax on revaluation of investments to fair value, not recognised through income statement	-	-	763 081	-	763 081
Net profit for the year	-	-	-	11 206 040	11 206 040
Ordinary dividend	-	-	-	(8 000 000)	(8 000 000)
Balance at 31 December 2002	1 000 060	2 000 000	3 752 931	15 059 152	21 812 143

Allan Gray Unit Trusts Management Limited

Cashflow Statement

for the year ended 31 December 2002

	Notes	2002 R	2001 R
Cash flow from operating activities			
Cash receipts from customers		80 069 623	37 645 815
Cash paid to suppliers		(56 659 681)	(23 759 238)
Cash generated by operations	16.1	23 409 942	13 886 577
Interest received		3 398 478	2 166 815
Dividends received		94 693	51 000
Dividends paid	16.2	(8 000 000)	(5 000 000)
Taxation paid	16.3	(9 199 615)	(2 860 478)
Net cash inflow from operating activities		9 703 498	8 243 914
Net cash outflow from investing activities			
Acquisition of fixed investment in unit trusts		(2 140 752)	(2 000 000)
Acquisition of manager's investment in unit trusts		(1 000 000)	(2 000 000)
		(1 140 752)	-
Net increase in cash and cash equivalents		7 562 746	6 243 914
Cash and cash equivalents at beginning of year		14 089 758	7 845 844
Cash and cash equivalents at end of year	16.4	21 652 504	14 089 758

Allan Gray Unit Trusts Management Limited

Notes to the Financial Statements

for the year ended 31 December 2002

1. Accounting Policies

The financial statements are prepared on the historical cost basis, with the exception of the financial instruments which are valued at fair value. The Company's accounting policies comply with South African Statements of Generally Accepted Accounting Practice and are consistent with those applied in the previous year.

1.1 Investments

Fixed and manager's investments are held at fair value in terms of the accounting statement dealing with the measurement and recognition of financial instruments AC133. This statement has been applied in advance of its effective date, being all years commencing after 1 July 2002.

1.2 Manager's Units

It is not the policy of the Funds' managers to maintain a trading stock of manager's units. Units are created as and when required.

1.3 Revenue Recognition

Income from unit trust investments comprises income received from and accrued on investments in the Allan Gray Equity Fund, the Allan Gray Balanced Fund, the Allan Gray Stable Fund, the Allan Gray Money Market Fund, the Allan Gray Global Equity Fund of Funds and the Allan Gray Optimal Fund for which the declaration date falls within the accounting year.

Income from initial charges is recognised when the sale of units, which gives rise to this income, takes place.

Income from service charges is based on the daily market value of the Funds and accrues on a daily basis. Service charges per Fund are either performance-based or fixed as set out in the 'General Information for Investors' on page 52 of this report. As a consequence of the performance fee orientation, service charges will

typically be higher following periods where the Funds' total investment performance (income plus capital appreciation) has outperformed their respective benchmarks and lower in the case of underperformance. This ensures that the Management Company's interests are aligned with those of our unitholders.

Profit on the sale of units is recognised when the sale of units which gives rise to the profit takes place.

Interest is recognised on a time proportion basis which takes into account the effective yield on the asset over the period it is expected to be held.

Management fees earned in respect of the marketing of Orbis products in terms of Section 37A of the Unit Trust Control Act are recognised on a quarterly basis.

1.4 Financial Instruments

Financial instruments recognised on the balance sheet include cash, investments, trade receivables and trade creditors. Financial instruments are stated at fair value. Fair value of the investments has been determined on the following basis:

- Unit Trust investments are valued at the repurchase price ruling at the balance sheet date.
- Investments are accounted for on acquisition at trade date.
- Any surplus or deficit arising on subsequent measurement of financial instruments is credited or charged directly to equity by way of a revaluation reserve and presented in the statement of changes in equity. Unrealised surpluses in the revaluation reserve will be released to operating income on realisation of these instruments. A deficit on the revaluation reserve is charged directly to the income statement if it is considered permanent.

Allan Gray Unit Trusts Management Limited

Notes to the Financial Statements

for the year ended 31 December 2002

1.5 Deferred Tax

Deferred tax is provided on the comprehensive basis, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values on the balance sheet. Current tax rates are used to determine the deferred tax balance. Provision is made for deferred tax at the rate of capital gains tax on the fair value adjustment of the fixed investments and manager's investment in units.

1.6 Investment Management Fees

Investment management fees are either performance-based or fixed and linked to the service charges received from the Funds to align the interests of the Investment Manager with those of the Management Company and unitholders.

1.7 Foreign Currencies

Foreign currency income is recorded at the exchange rate ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Realised gains and losses arising from the translation of assets and liabilities denominated in a foreign currency are credited and debited respectively to the income statement.

2. Taxation

	2002 R	2001 R
S A Normal taxation		
- current	5 212 606	4 513 741
- prior year under provision	3	-
- secondary tax on companies	1 000 000	625 000
	6 212 609	5 138 741
Reconciliation of tax rate		
Standard tax rate	30,00	30,00
Adjusted for		
Exempt income	-	(0,01)
Dividend income	(0,16)	(0,09)
Loss on sale of investments	0,08	-
Secondary tax on companies	5,74	4,14
Effective tax rate	35,66	34,04

Allan Gray Unit Trusts

Notes to the Financial Statements

for the year ended 31 December 2002

3. Investments

	2002 R	2001 R
Total cost of investments in Unit Trust Funds	8 057 946	5 917 194
Total market value of investments in Unit Trust Funds	12 045 447	9 006 957
Fixed investment in units		
Equity Fund		
71 748 (2001 : 71 748) units in Allan Gray Equity Fund at cost	917 194	917 194
Market value at redemption price of 4 402,04 cents (2001 : 3 553,00 cents)	3 158 401	2 549 227
Balanced Fund		
149 031 (2001 : 149 031) units in Allan Gray Balanced Fund at cost	1 500 000	1 500 000
Market value at redemption price of 1 944,23 cents (2001 : 1 719,75 cents)	2 897 511	2 562 966
Stable Fund		
149 031 (2001 : 149 031) units in Allan Gray Stable Fund at cost	1 500 000	1 500 000
Market value at redemption price of 1 312,04 cents (2001 : 1 198,37 cents)	1 955 350	1 785 946
Money Market Fund		
Market value at redemption price of 100,00 cents (2001 : 100,00 cents)	1 000 000	1 000 000
Global Equity Fund of Funds		
99 750 (2001 : 99 750) units in Allan Gray Global Equity Fund of Funds at cost	1 000 000	1 000 000
* Market value at redemption price of 738,05 cents (2001 : 1 111,59 cents)	736 210	1 108 818
* In terms of S9(1)(a) of the Unit Trust Control Act, the Manager is required to hold units with a minimum market value of R1 million in its unit portfolio's. During the reporting period, the market value of this Fund dropped below the required R1 million as a result of market movement. Due to the Fund being capped, additional units could not be created to increase the value to R1 million. The FSB has been advised.		
Optimal Fund		
99 354 units in Allan Gray Optimal Fund at cost	1 000 000	-
Market value at redemption price of 1 080,42 cents	1 073 443	-
Manager's investment in units		
Optimal Fund		
113 338 units in Allan Gray Optimal Fund at cost	1 140 752	-
Market value at redemption price of 1 080,42 cents	1 224 532	-

Allan Gray Unit Trusts

Notes to the Financial Statements for the year ended 31 December 2002

4. Trade and other Receivables

	2002 R	2001 R
Trade receivables	41 964	3 497 452
Investment income due	556 910	290 125
Receivables from related parties	717 926	-
Other receivables	535 651	155 495
	1 852 451	3 943 072

5. Share Capital and Share Premium Account

	2002 R	2001 R
Authorised 3 000 000 ordinary shares of R1 each	3 000 000	3 000 000
Issued 1 000 060 ordinary shares of R1 each	1 000 060	1 000 060
Share Premium Account Arising on the issue of ordinary shares	2 000 000	2 000 000

6. Deferred Tax

Deferred tax liability

The balance of the deferred tax is made up as follows:

	Balance at 1 January 2002 R	Charged directly to equity R	Balance at 31 December 2002 R
Revaluation of fixed and manager's investments in units based on capital gains since 1 October 2001. Deferred tax has been calculated at 15%.	99 913	134 657	234 570

7. Trade and other payables

	2002 R	2001 R
Trade payables	8 451 432	1 944 589
Payables to related parties	3 400 428	3 108 877
Accruals and other payables	952 772	357 323
	12 804 632	5 410 789

Allan Gray Unit Trusts

Notes to the Financial Statements

for the year ended 31 December 2002

8. Capital Resources

The Company's capital resources actually employed, or immediately available for employment, for the purpose of its unit trust business at 31 December 2002 were as follows:

Shareholder's funds (excluding revaluation reserve)

Excess market value over book value of investment in the

Allan Gray Equity Fund, Allan Gray Balanced Fund,

Allan Gray Stable Fund, Allan Gray Money Market Fund,

Allan Gray Global Equity Fund of Funds and

Allan Gray Optimal Fund units

Less: Deferred tax

	2002 R	2001 R
Shareholder's funds (excluding revaluation reserve)	18 059 212	14 853 172
Excess market value over book value of investment in the Allan Gray Equity Fund, Allan Gray Balanced Fund, Allan Gray Stable Fund, Allan Gray Money Market Fund, Allan Gray Global Equity Fund of Funds and Allan Gray Optimal Fund units	3 987 501	3 089 763
Less: Deferred tax	(234 570)	(99 913)
	21 812 143	17 843 022

9. Creation and Cancellation of Units

		2002 R	2001 R
Allan Gray Equity Fund 'Class A'	Creation	1 201 052 109	734 784 218
	Cancellation	(579 357 683)	(256 075 001)
Allan Gray Equity Fund 'Class B'	Creation	62 583 092	-
	Cancellation	(2 822 319)	-
Allan Gray Balanced Fund 'Class A'	Creation	1 061 557 668	632 416 426
	Cancellation	(240 330 113)	(50 366 942)
Allan Gray Balanced Fund 'Class B'	Creation	97 466 505	-
	Cancellation	(5 276 767)	-
Allan Gray Stable Fund	Creation	326 683 393	115 222 945
	Cancellation	(63 720 302)	(18 789 022)
Allan Gray Money Market Fund	Creation	230 613 553	183 628 555
	Cancellation	(117 246 778)	(54 145 416)
Allan Gray Global Equity Fund of Funds	Creation	414	17 180 619
	Cancellation	(113 667)	-
Allan Gray Optimal Fund	Creation	150 052 763	-
	Cancellation	(11 158 566)	-

The Company undertakes to repurchase any number of units offered to it on the basis of prices calculated in accordance with the requirements of the Unit Trust Control Act no. 54 of 1981 and on terms and conditions set out in the Trust Deeds of the Funds.

Allan Gray Unit Trusts

Notes to the Financial Statements

for the year ended 31 December 2002

10. Charges

The buying price includes a compulsory charge of 0,65 % for the Allan Gray Equity, Allan Gray Balanced, Allan Gray Stable and Allan Gray Optimal Funds and 0,25% in respect of the Allan Gray Global Equity Fund of Funds which is incurred by all investors to cover the costs of brokerage and marketable securities tax. An initial charge (to cover agent's commission) may also be included in the buying price and if so, is payable to the Management Company. This is set at a maximum of 3,0% on the sale of units (plus VAT at 71% of the standard rate of 14% up to the end of February 2002, and 91% of the standard rate of 14% thereafter applied to the initial charge) for all the funds excluding the Allan Gray Money Market Fund.

11. Derivative Risk Management

Regulations in terms of the Unit Trust Control Act No. 54 of 1981 were promulgated on 19 November 1993, allowing the unit trusts to use derivatives (Futures and Options) as hedging instruments for efficient portfolio management. Exposure to derivatives is controlled on a daily basis in accordance with the requirements of these regulations. Regulation No. 1256 which was promulgated on 30 November 2001 effectively does not limit a Fund from holding 100% in derivatives subject to adhering to the 5% liquidity requirement of the Act. The Unit Trusts' independent auditors report to the Financial Services Board on a quarterly basis on compliance with the regulations.

12. Financial Instruments

12.1 Fair Value

Investments in the Unit Trust Funds have been stated at fair value. The Directors are of the opinion that the market value of all remaining financial instruments approximates fair value.

12.2 Market Risk

A large portion of the company's income is derived from service charges levied on the funds. As the service charges

are dependent on the monthly market value of the Allan Gray Unit Trust Funds, any market movements may affect the company accordingly.

13. Financial Risk Management

Allan Gray Unit Trust Management Limited has not lent any money during the year, therefore it has had no exposure in respect of credit risk. The company did not incur any short-term borrowings during the year and therefore has had no exposure in respect of interest rate risk.

14. Related Parties

The Company has appointed its holding company, Allan Gray Limited as investment manager of the Scheme and to undertake certain administrative and marketing functions in respect thereof. For this, Allan Gray Limited receives a fee as set out below.

Relationships exist between Allan Gray Limited, its subsidiary Allan Gray Unit Trust Management Limited, the Allan Gray Equity Fund, the Allan Gray Balanced Fund, the Allan Gray Stable Fund, the Allan Gray Money Market Fund, the Allan Gray Global Equity Fund of Funds, and the Allan Gray Optimal Fund.

The Company holds the required investment in terms of Section 9 of the Unit Trust Control Act No. 54 of 1981 in the Allan Gray Equity Fund, the Allan Gray Balanced Fund, the Allan Gray Stable Fund, the Allan Gray Money Market Fund, the Allan Gray Global Equity Fund of Funds, and the Allan Gray Optimal Fund.

The Company received a service charge of R71,67m (2001: R37m) from these Funds, and paid an investment management fee of R45m (2001: R21,7m) and a management fee of R8,38m (2001: R1,8m) to Allan Gray Limited, its holding company.

Allan Gray Unit Trusts

Notes to the Financial Statements

for the year ended 31 December 2002

An administration fee is paid to Marriott Unit Trust Management Company Limited, a wholly owned subsidiary of Marriott Holdings Limited.

These transactions were concluded at arms length. Income received and expenses paid to related parties are set out in the income statement of Allan Gray Unit Trust Management Limited. The balance owed by Allan Gray Unit Trust Management Limited to Allan Gray Limited as at 31 December 2002 is R3 400 428 (2001 : R3 108 877).

A related party relationship exists between the group and Orbis Investment Management Limited by virtue of a common shareholder with significant influence.

Management fees of R2 712 470 were earned during the year from Orbis Funds of which R717 926 was outstanding at 31 December 2002.

Living Annuity policies issued by Allan Gray Life Limited invest in the Unit Trust funds at arms length.

15. Directors' Emoluments

No Directors' emoluments were paid during the year (2001 : Rnil).

16. Notes to Cash Flow Statement

16.1 Reconciliation of net profit before taxation to cash generated by operations

	2002 R	2001 R
Net profit before taxation	17 418 649	15 093 397
Adjustments for:	(3 493 171)	(2 217 815)
Interest income	(3 398 478)	(2 166 815)
Dividend income	(94 693)	(51 000)
Cash generated by operations before working capital changes	13 925 478	12 875 582
Cash generated by operations before working capital changes		
Working capital changes	9 484 464	1 010 995
Decrease/(Increase) in trade receivables	2 090 621	(3 732 632)
Increase in trade payables	7 393 843	4 743 627
Cash generated by operations	23 409 942	13 886 577

16.2 Dividends Paid

Amount owing at the beginning of the year	-	-
Amount transferred from reserves	8 000 000	5 000 000
Amount owing at end of the year	-	-
Amount paid	8 000 000	5 000 000

16.3 Taxation Paid

Amount owing at the beginning of the year	3 686 063	1 407 800
Amount charged per the income statement	6 212 609	5 138 741
Amount owing at the end of the year	(699 057)	(3 686 063)
Amount paid	9 199 615	2 860 478

16.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value.

	21 652 504	14 089 758
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Allan Gray Unit Trusts

General Information for Investors

- Copies of the audited annual financial statements of the Management Company and of the scheme managed by it, are available, free of charge, on request by any unitholder.
- Performance data is based on a lump sum investment calculated on a sell to sell basis with distributions reinvested for the Class A units. The source of the figures quoted is the University of Pretoria's Unit Trust Survey for the period ending 31 December 2002.
- Unit trusts are generally medium to long-term investments. Except for the Allan Gray Money Market Fund, where a constant unit price will be maintained, the value of units may go down as well as up and past performance is not a guarantee of future results. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts are traded at ruling prices. Different classes of units apply to the Equity and Balanced Funds only and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Company. The Funds are valued daily at 16h00.
- The buying price of units may include an initial charge up to a maximum of 3.38% (3% plus VAT) of the investment amount. The buying price also includes a compulsory charge of 0.65% for the Allan Gray Equity, Allan Gray Balanced, Allan Gray Stable and Allan Gray Optimal Funds and 0.25% in respect of the Allan Gray Global Equity Fund of Funds. No initial fees or compulsory charges are levied on the Allan Gray Money Market Fund. With effect from 10 March 2003, the single price (NAV) per unit reflects the total assets of a portfolio less permissible deductions, divided by the number of units in issue. Permissible deductions include any costs related to running a portfolio e.g. trustee/custodian fees, bank charges, audit fees, manager's annual service fee and regional services council levies, MST and brokerage.
- On the Allan Gray Equity Fund a performance-based service charge is levied daily on the Class A units which varies between a minimum of 0.0% (plus VAT) per annum and a maximum of 3.42% (3.0% plus VAT) per annum of the daily value of the Fund and for the Class B units the above charges vary between 1.71% (1.5% plus VAT) and 4.67% (4.1% plus VAT).
- On the Allan Gray Balanced Fund a performance-based service charge is levied daily on the Class A units which varies between a minimum of 0.57% (0.5% plus VAT) per annum and a maximum of 1.71% (1.5% plus VAT) per annum of the daily value of the Fund and for the Class B units the above charges vary between 1.82% (1.6% plus VAT) and 2.96% (2.6% plus VAT).
- On the Allan Gray Stable Fund a performance-based service charge is levied daily which varies between a minimum of 0.0% (plus VAT) per annum and a maximum of 1.71% (1.5% plus VAT) per annum of the daily value of the Fund.
- On the Allan Gray Money Market Fund a fixed fee of 0.57% (0.5% plus VAT) per annum is levied daily on the daily value of the Fund.
- On the Allan Gray Global Equity Fund of Funds, in addition to the charges levied within the underlying funds, a fixed fee of 1.43% (1.25% plus VAT) per annum is levied daily on the daily value of the Fund.
- On the Allan Gray Optimal Fund a fixed fee of 1.14% (1% plus VAT) per annum is levied daily on the daily value of the Fund. In addition, a performance-fee of 20% (excluding VAT) of the daily outperformance to the benchmark is also levied. However, a high watermark principle applies in that no fees are charged in times of underperformance, until such time as the underperformance is recovered.
- Units will be repurchased by the Management Company at the ruling price in accordance with the requirements of the Unit Trust Control Act and on terms and conditions set forth in the relevant Trust Deed and paid to the unitholder.
- Units are priced using the future pricing method. Investment, redemption and switching instructions received after 12h00 on any day shall be processed on the following day (excluding weekends and public holidays) at the value of the units on the day that the instruction is processed.
- Commission and incentives may be paid and if so, are included in the overall costs.
- Institutional investors should note that, compared to retirement funds, unit trusts operate under different tax rules. The former are not taxed on gains derived from selling securities. Whilst unit trusts are in practice also not so taxed, they do not enjoy automatic tax exemption.
- No provision for amortisation of the Funds' securities has been deemed necessary.
- Statements are mailed to all unitholders on a quarterly basis, and advices on a transaction basis (excluding debit orders).
- The FTSE/JSE Africa Index Series is calculated by FTSE International Limited ('FTSE') in conjunction with the JSE Securities Exchange South Africa ('JSE') in accordance with standard criteria. The FTSE/JSE Africa Index series is the proprietary information of FTSE and the JSE. All copyright subsisting in the FTSE/JSE Africa Index Series index values and constituent lists vests in FTSE and the JSE jointly. All their rights are reserved.

Allan Gray Unit Trusts

Characteristics and Objectives

	Equity Fund	Balanced Fund	Stable Fund	Optimal Fund	Money Market Fund	Global Equity Fund of Funds
Benchmark	All Share Index including income.	The average (market value-weighted) of the Domestic Prudential Unit Trust Sector excluding the Allan Gray Balanced Fund.	After tax return of call deposits with one of the large banks plus two percentage points.	The daily call rate of Firstrand Bank Limited.	The Alexander Forbes three-month deposit index.	Morgan Stanley Capital International Index.
Maximum equity exposure	95%	75%	60%	15%	0%	95%
Portfolio orientation	A portfolio selected for superior long-term returns.	A portfolio which can include all asset classes selected for superior long-term returns.	A portfolio which can include all asset classes chosen for its high income yielding potential.	A portfolio of carefully selected equities. The stockmarket risk inherent in these share investments will be substantially reduced by using equity derivatives.	Invested in selected money market instruments providing a high income yield.	Invested in the Orbis Global Equity Fund and the Allan Gray Money Market Fund. The fund will always hold 85% offshore.
Return objectives	Superior long-term returns.	Superior long-term returns.	Superior after-tax returns to bank deposits.	Superior returns to bank deposits.	Superior money market returns.	Superior long-term returns.
Risk of monetary loss	Risk higher than Balanced Fund but less than average General Equity Fund due to low risk investment style.	Risk will be higher than the Stable Fund but less than the Equity Fund.	<ul style="list-style-type: none"> Limited capital volatility. Seeks to preserve capital over any two-year period. 	<ul style="list-style-type: none"> Low risk. Little or no correlation to stock or bond markets. 	<ul style="list-style-type: none"> Low risk. High degree of capital stability. 	Risk higher than Balanced Fund but less than average foreign fund.
Target market	Investors seeking long-term wealth-creation who have delegated the equity selection function to Allan Gray.	Investors seeking long-term wealth-creation who have delegated the asset allocation decision to Allan Gray.	Risk-averse investors eg. investors in bank deposits or money market funds.	<ul style="list-style-type: none"> Risk averse investors. Retired investors. Investors who wish to diversify a portfolio of equities or bonds. Retirement schemes and Multi-Managers who wish to add a product with an alternative investment strategy to their overall portfolio. Individuals who have lump sum contractual savings (like Living Annuities, Preservation Funds, and Retirement Annuities). 	<ul style="list-style-type: none"> Highly risk-averse investors Investors seeking a short-term parking place for their funds. 	Investors <ul style="list-style-type: none"> seeking to invest locally in Rands and benefit from offshore exposure. wanting to gain exposure to markets and industries that are not available locally. who desire to hedge their investments against any Rand depreciation.
Income	Lowest income yield in the Allan Gray suite of funds.	Average income yield in the Allan Gray suite of funds.	Higher income yield than the Balanced Fund in the Allan Gray suite of funds.	Low income yield.	Highest income yield in the Allan Gray suite of funds.	Low income yield.
Income distribution	Distributed bi-annually.	Distributed bi-annually.	Distributed quarterly.	Distributed bi-annually.	Distributed monthly.	None.
Compliance with Pension Fund Investment Regulations	Does not comply.	Complies.	Complies.	Does not comply.	Complies.	Does not comply.
Pricing	Prices are calculated on a net asset value basis.	Prices are calculated on a net asset value basis.	Prices are calculated on a net asset value basis.	Prices are calculated on a net asset value basis.	Prices are calculated on a net asset value basis.	Prices are calculated on a net asset value basis.
Fee principles	Performance-fee orientated to outperformance of the JSE All Share Index.	Performance-fee orientated to outperformance of the average Prudential Sector Fund.	Performance-fee orientated to outperformance of taxed bank deposits. No fees if there is a negative return experienced over a two-year rolling period.	Fixed fee of 1.0% (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.	Fixed fee of 0.5% (excluding VAT) per annum.	Fixed fee of 1.25% (excluding VAT) per annum. The underlying funds also have their own fee structure.
Minimum lump sum investment requirement	R10,000	R5,000	R5,000	R25,000	R50,000	R25,000
Portfolio Manager	Stephen Mildenhall	Arjen Lugtenburg	Stephen Mildenhall	Stephen Mildenhall	Michael Moyle	Stephen Mildenhall

ALLAN GRAY

LONG TERM INVESTMENT MANAGEMENT

MANAGEMENT COMPANY

Allan Gray Unit Trust Management Limited.
This Company is a wholly owned subsidiary of Allan Gray Limited. Some of the Directors of Allan Gray Unit Trust Management Limited are shareholders in the holding Company, Allan Gray Limited.

DIRECTORS

Executive Directors

W J C Mitchell	B Com	(Chairman)
M Herdman	M Com, CFA	
S C Marais	Ph D (Cantab), CFA	(resigned 21 August 2002)
E D Loxton	B Com (Hons), MBA	
J C de Lange	B Proc CFP	(appointed 01 April 2002)

Non-executive Director

M L Ronald Dip Phil, B Com, CA (SA)

PORTFOLIO MANAGEMENT

Allan Gray Limited

TRUSTEES

FirstRand Bank Limited

AUDITORS

Ernst & Young

BANKERS

First National Bank of Southern Africa Limited

COMPANY SECRETARY

Marriott Corporate Services (Pty) Ltd

COMPANY REGISTRATION NUMBER

1998/007756/06

REGISTERED OFFICE

Marriott at Kingsmead
Kingsmead Office Park
Durban
4001

ADDRESS

Granger Bay Court
Beach Road
V&A Waterfront
Cape Town
8001

PO Box 51605

V&A Waterfront
8002

TELEPHONE

+27 (0) 21 415 2301

Customer Service Line 0860 000 654

FACSIMILE

+27 (0) 21 415 2492

Customer Service Facsimile 0860 000 655

E-MAIL

info@allangray.co.za

INTERNET

www.allangray.co.za