

MONEY MARKET FUND

FUND DETAILS AT 31 MAY 2008

Sector: Domestic - Fixed Interest - Money Market
Inception date: 1 July 2001
Fund managers: Andrew Lapping
Fund objective:

The Fund aims to provide a return that exceeds the simple average of the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund. It also aims to provide a high degree of capital stability with minimal risk of loss.

Suitable for those investors who:

- Want to find a short-term safe haven for funds during times of market volatility.
- Are highly risk-averse.
- Require monthly income distributions.
- Have retired and have invested in a living annuity product. Underlying growth in the fund and distributions are not taxed.

Compliance with Prudential Investment Guidelines:

Retirement Funds: The Portfolio is managed to comply with the limits of Annexure A to Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately except where due to market value fluctuations or capital withdrawals in which case they will be corrected within a reasonable time period. Allan Gray Unit Trust Management Limited does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 9 of Annexure A to Regulation 28).

Price: R 1.00
Size: R5 894 m
Minimum lump sum: R 50 000
Minimum monthly: R 5 000
Subsequent lump sums: R 5 000
Monthly yield at month end: 0.96%
Annual management fee:
 Fixed fee of 0.25% (excl. VAT) per annum.

COMMENTARY

Money market interest rates rose sharply through May as the economic data releases continued to surprise the market on the downside. The most significant release was the inflation rate for April which rose to 10.38%, well above the consensus expectation. The strong comments by the governor of the Reserve Bank on his commitment to bring inflation back within the target range added to the upward pressure on interest rate expectations. The money market is now pricing in a 1% rate increase at the June Monetary Policy Meeting and a further 0.5% increase at the August meeting. With the high level of uncertainty in the money market and markets in general we have taken a cautious stance in the Allan Gray Money Market and maintained a fairly short duration of 62 days.

Tel 0860 000 654 or +27 (0)21 415 2301
 Fax 0860 000 655 or +27 (0)21 415 2492
 info@allangray.co.za www.allangray.co.za

DISTRIBUTIONS

ACTUAL PAYOUT (cents per unit)

Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007
0.72	0.76	0.79	0.79	0.83	0.83
Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008
0.89	0.90	0.85	0.92	0.91	0.96

TOTAL EXPENSE RATIO*

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
0.30%	0.00%	0.00%	0.29%	0.01%

*A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. It is expressed as a percentage of the average value of the portfolio, calculated for the year to the end of March 2008. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, VAT, UST, STRATE and insider trading levy) and other expenses. These are disclosed separately as percentages of the net asset value. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. The information provided is applicable to class A units.

PERFORMANCE

Fund performance shown net of all fees and expenses as per the TER disclosure.

% Returns	Fund	Benchmark*
Since inception (unannualised)	85.0	85.0
Latest 5 years (annualised)	8.5	8.4
Latest 3 years (annualised)	8.6	8.4
Latest 1 year	10.6	10.3

* Since inception to 31 March 2003, the benchmark was the Alexander Forbes 3-Month Deposit Index. The current benchmark is the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund. Source: Micropal, performance as calculated by Allan Gray as at 31 May 2008.