

FUND DETAILS AT 31 MARCH 2009

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

Fund objective:

The Fund aims to preserve capital, maintain liquidity and generate a high level of income. The benchmark of the Fund is the Domestic Fixed Interest Money Market sector excluding the Allan Gray Money Market Fund.

While capital losses are unlikely, they can occur if, for example, one of the issuers of the assets underlying the fund defaults. In this event, losses will be borne by the Fund and its investors.

Suitable for those investors who:

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

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: R 10 057 m
Minimum lump sum: R 50 000
Minimum monthly: R 5 000
Subsequent lump sums: R 5 000
Monthly yield at month end: 0.90%
Annual management fee: Fixed fee of 0.25% (excl. VAT) per annum

COMMENTARY

The announcement by the Reserve Bank on 18 March that the Monetary Policy Committee will meet monthly and the next meeting will be brought forward to 24 March caused short-term interest rates to rally about 60 basis points. The MPC proceeded to reduce rates by 100 basis points as expected on the 24 March meeting. Since the interest rate cut the three and six month area of the curve has continued to rally but interestingly 12-month negotiable certificates of deposits (NCDs) have sold off to the pre 18 March level. The market is still pricing in a further 200 basis points of rates cuts albeit with a little less conviction. We believe 200 basis points of rate cuts is the most likely outcome.

We have reduced the duration of the fund to 62 days as we do not favour the risk return profile assets longer dated than six months, however the relative attractiveness of the longer dated assets is beginning to improve.

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MONEY MARKET FUND

DISTRIBUTIONS

ACTUAL PAYOUT (cents per unit)

Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008
0.91	0.96	0.95	1.01	1.03	0.99

Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	Mar 2009
1.01	0.97	0.99	0.97	0.85	0.90

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 DECEMBER 2008¹

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%

¹A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the portfolio, calculated for the year to the end of December 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, STT, 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.

EXPOSURE BY ISSUER AT 31 MARCH 2009

Government and Parastatals	
RSA	13.3
Transnet	4.6
TCTA	3.7
Total	21.6
Corporates	
Anglo American	4.3
SAB	3.9
Unilever	3.6
Toyota	2.5
Mercedes	3.0
Total	17.3
Bank Deposits ²	
ABSA	18.0
Standard	12.6
FirstRand	9.2
Nedbank	7.4
Investec	6.7
Citibank	3.6
Total	57.5
Term Instruments less	
Accruals	1.5
Total	2.1
Total	100

² Bank Deposits include negotiable certificates of deposit (NCD's), fixed deposits and call deposits

PERFORMANCE

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

% Returns	Fund	Benchmark ³
Since inception (unannualised)	103.7	103.6
Latest 5 years (annualised)	8.9	8.8
Latest 3 years (annualised)	10.1	9.9
Latest 1 year	12.2	12.0

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: Morningstar, performance as calculated by Allan Gray as at 31 March 2009.