

## **FUND DETAILS AT 30 APRIL 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 Regulation 28 of the Pension Funds Act.

| Price:                      | R 1.00                                   |
|-----------------------------|--|
| Size:                       | R 10 170 m                               |
| Minimum lump sum:           | R 50 000                                 |
| Minimum monthly:            | R 5 000                                  |
| Subsequent lump sums:       | R 5 000                                  |
| Monthly yield at month end: | 0.81%                                    |
| Annual management fee:      | Fixed fee of 0.25% (excl. VAT) per annum |

### COMMENTARY

Another month, another rate cut. The Monetary Policy Committee reduced the repo rate by 1%, as expected by the market. The market is expecting a further 50 to 100 basis points of rate cuts. Interest rates are now 150 basis points above the level where rates bottomed in 2005/2006. If economic weakness was the only consideration further cuts of at least 100 basis points would be a foregone conclusion. However, the caveat to this is the inflation rate which is not falling as rapidly as expected.

We increased the duration of the Fund to 75 days over the past month as there seems to be good value in the 12 month area of the money market curve.

# **MONEY MARKET FUND**

# DISTRIBUTIONS

ACTUAL PAYOUT (cents per unit)

| May 2008 | Jun 2008 | Jul 2008 | Aug 2008 | Sep 2008 | Oct 2008 |
|----------|----------|----------|----------|----------|----------|
| 0.96     | 0.95     | 1.01     | 1.03     | 0.99     | 1.01     |
|          |          |          |          |          |          |
| Nov 2008 | Dec 2008 | Jan 2009 | Feb 2009 | Mar 2009 | Apr 2009 |
| 0.97     | 0.99     | 0.97     | 0.85     | 0.90     | 0.81     |

## TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 20091

|                     | Included in TER |                       |                     |                |  |
|---------------------|-----------------|-----------------------|---------------------|----------------|--|
| Total expense ratio | Trading costs   | Performance component | Fee at<br>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. The total operating expenses are expressed as a percentage of the average value of the portfolio, calculated for the year to the end of March 2009. 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 30 APRIL 2009**

| EXPOSURE BY ISSUER AT 30 APRIL 2009 |      |
|-------------------------------------|------|
| Government and Parastatals          |      |
| RSA                                 | 8.7  |
| Transnet                            | 4.1  |
| TCTA                                | 2.6  |
| ACSA                                | 0.9  |
| Eskom                               | 0.4  |
| Total                               | 16.7 |
| Corporates                          |      |
| Anglo American                      | 3.8  |
| SAB                                 | 3.2  |
| Unilever                            | 3.5  |
| Toyota                              | 1.9  |
| Mercedes                            | 3.0  |
| Total                               | 15.4 |
| Bank Deposits <sup>2</sup>          |      |
| ABSA                                | 19.4 |
| Standard                            | 19.1 |
| FirstRand                           | 11.9 |
| Nedbank                             | 7.0  |
| Investec                            | 7.1  |
| Citibank                            | 3.6  |
| Total                               | 68.1 |
| Total                               | 100  |

 $<sup>^{2}</sup>$  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 <sup>3</sup> |
|--------------------------------|-------|------------------------|
| Since inception (unannualised) | 105.3 | 105.3                  |
| Latest 5 years (annualised)    | 9.0   | 8.8                    |
| Latest 3 years (annualised)    | 10.2  | 10.0                   |
| Latest 1 year                  | 12.0  | 11.9                   |

<sup>&</sup>lt;sup>3</sup> 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 30 April 2009.

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Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. Past performance is not necessarily a guide to the future. Unit trust prices are calculated on a net asset value basis, which, for money market funds, is the total book value of all assets in the portfolio divided by the number of units in issue. The Fund aims to maintain a constant price of 100 cents per unit. The total return to the investor is primarily made up of interest received but may also include any gain or loss made on any particular instrument held. In most cases this will have the effect of increasing or decreasing the daily yield, but in some cases, for example in the event of a default on the part of an issuer of any instrument held by the fund, it can have the effect of a capital loss. Such losses will be borne by the Fund and its investors and in order to maintain a constant price of 100 cents per unit, investors' unit holdings will be reduced to the extent of such losses. Declaration of income accruals are made daily and paid out monthly. Purchase and repurchase requests must be received by the manager by 14:00 each business day and fund valuations take place at approximately 16:00 each business day. Forward pricing is therefore used. Permissible deductions may include management fees, brokerage, STT, auditor's fees, bank charges rustee fees and RSC levies. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees and charges and maximum commissions is available on request from the manager. No commissions or incentives are paid. The manager is a member of ASISA. Total Expense Ratio (TER): When investing, costs are only a part of an investment decision. The investment objective of the Fund should be compared with the investor's objective anew cost, pliance with Prudential Investment Guidelines: Retirement Funds: The Portfolio is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will