

FUND DETAILS AT 31 MAY 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 10 184 m
Minimum lump sum per investor account: R 20 000
Minimum lump sum per fund: R 5 000
Additional lump sum per fund: R 500
Monthly yield at month end: 0.80%
Annual management fee: Fixed fee of 0.25% (excl. VAT) per annum

COMMENTARY

The Monetary Policy Committee (MPC) decided to reduce the repo rate by 1% to 7.5% on 28 May. The market had widely anticipated this action. Money market interest rates rallied sharply in anticipation of the interest rate decision with 12-month JIBAR trading down to 7.53%. After the meeting the market was pricing in a further 50 basis point rate cut. Since the MPC meeting, term interest rates have increased, indicating that the market's expectation for further rate cuts has faded. The 12-month JIBAR is now 7.92%. There is a possibility of a further interest rate cut at the next MPC meeting, but the outcome is uncertain.

The duration of the Fund is unchanged at 75 days.

MONEY MARKET FUND

DISTRIBUTIONS

ACTUAL PAYOUT (cents per unit)

Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008
0.95	1.01	1.03	0.99	1.01	0.97

Dec 2008	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009
0.99	0.97	0.85	0.90	0.81	0.80

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2009¹

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 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 31 MAY 2009

Government and Parastatals	
RSA	8.9
Transnet	4.0
TCTA	2.7
ACSA	1.0
Denel	0.8
Eskom	0.4
Total	17.8
Corporates	
Anglo American	3.8
SAB	2.6
Unilever	3.5
Toyota	1.6
Mercedes	2.9
Total	14.4
Banks ²	
ABSA	18.8
Standard	18.9
FirstRand	12.0
Nedbank	7.4
Investec	7.1
Citibank	3.6
Total	67.8
Total	100

² Banks include negotiable certificates of deposit (NCDs), 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)	106.9	106.8
Latest 5 years (annualised)	9.0	8.9
Latest 3 years (annualised)	10.3	10.1
Latest 1 year	11.8	11.7

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 May 2009.

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