

ALLAN GRAY

FUND DETAILS AT 31 MAY 2011

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.

While capital losses are unlikely, they 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.

Price: R1.00
Size: R8 229 m
Minimum lump sum per investor account: R20 000
Minimum lump sum per fund: R5 000
Minimum debit order per fund: R500*
Additional lump sum per fund: R500
Monthly yield at month end: 0.47%
Annual management fee: Fixed fee of 0.25% (excl. VAT) per annum

COMMENTARY

Money market rates were once again stable through the month. The market continues to anticipate an increase in inflation later in the year, however the stable rand is tempering expectations. We continue to expect the Monetary Policy Committee to increase interest rates in the latter half of the year as inflation ticks up and therefore still favour the risk reward profile of the six-month area of the curve. The six-month assets offer a slightly higher interest rate but are still relatively short duration, which is an important feature at the bottom of the interest rate cycle where there is more upside risk to interest rates.

The Fund's duration was unchanged at 67 days.

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* Only available to South African residents.

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 trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. 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. Performance figures are from Allan Gray Limited (GIPS compliant) and are for lump sum investments with income distributions reinvested. Permissible deductions may include management fees, brokerage, STT, auditor's fees, bank charges and trustee fees. 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. 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 and then the performance of the investment and whether it represents value for money should be evaluated as part of the financial planning process. All Allan Gray performance figures and values are quoted after the deduction of costs incurred within the Fund so the TER is not a new cost. Compliance with Prudential Investment Guidelines: The Fund is managed to comply with 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). Allan Gray Unit Trust Management Limited is a member of the Association for Savings & Investment SA (ASISA). Allan Gray Limited, an authorised financial services provider, is the appointed investment manager of Allan Gray Unit Trust Management Limited. Allan Gray Unit Trust Management Limited has been approved by the Regulatory Authority of Botswana to market its unit trusts in Botswana, however the Company is not supervised or licensed in Botswana. It is incorporated and registered under the laws of South Africa and is supervised by the Financial Services Board.

ALLAN GRAY MONEY MARKET FUND

DISTRIBUTIONS

ACTUAL PAYOUT (cents per unit)

June 2010	July 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010
0.57	0.57	0.58	0.55	0.55	0.52
Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
0.51	0.50	0.44	0.49	0.46	0.47

TOTAL EXPENSE RATIO FOR THE YEAR ENDED 31 MARCH 2011¹

Total expense ratio	Included in TER			
	Investment management fee ² 0.29%		Trading costs	Other expenses
	Performance component	Fee at benchmark		
0.30%	0.00%	0.29%	0.00%	0.01%

1. A Total Expense Ratio (TER) is a measure of a unit trust's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the unit trust, calculated for the year to the end of March 2011. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, STT, STRATE and insider trading levy), VAT 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.
2. The investment management fee rate for the three months ending 31 May 2011 was 0.29% (annualised).

EXPOSURE BY ISSUER AT 31 MAY 2011

Government and parastatals	
RSA	21.5
Denel	2.8
Trans Caledon Tunnel	1.1
ACSA	0.5
Eskom	1.8
Total	27.7
Corporates	
Sanlam	1.6
Toyota	1.5
MTN	1.1
Total	4.2
Banks ³	
FirstRand Bank	19.2
Standard Bank	15.4
ABSA	16.7
Nedbank	12.7
Investec	4.2
Total	68.2
Total	100

Note: There may be slight discrepancies in the totals due to rounding.

3. Banks include negotiable certificates of deposit (NCDs), fixed deposits and call deposits.

PERFORMANCE

Fund performance shown net of all fees and expenses.

% Returns	Fund	Benchmark ⁴
Since inception (unannualised)	137.5	136.2
Latest 5 years (annualised)	9.0	8.8
Latest 3 years (annualised)	8.7	8.5
Latest 1 year	6.4	6.1

4. 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 2011.