RE:CM MONEY MARKET Fund (Class A)

Period ended 30 April 2013

RE·CM
YOUR CAPITAL FIRST

Portfolio Manager	Piet Viljoen, Sean Neethling*
Sector	South African Interest Bearing Money Market
Inception Date	1 October 2010
Total Fund Size	R1.4 billion
Fund Size (Class A)	R271.0 million
Benchmark	SteFI Call Rate
Min. Investment	R150,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class A)	0.15% annual fee excl. VAT
Total Expense Ratio	0.18%
Income Declarations	Monthly distributions are paid in cents per unit
Regulation 28	Does not comply

About the Fund

The RE:CM Money Market Fund comprises a diversified combination of money market instruments.

Fund Objective

The Fund aims to maximise interest income, preserve capital and provide liquidity. This Fund is also suitable for risk averse investors seeking a temporary, safe holding vehicle in times of market uncertainty. Investors seeking capital preservation, requiring regular interest income and liquidity should invest in this fund.

Risk Measures

Capital losses are unlikely but can occur. For example, should one of the issuers of an asset held within the underlying Fund default and a loss occur, this loss will be borne by the Fund and the investors.

RISK STATISTICS AND PORTFOLIO DETAIL

FUND RISK PROFILE

Effective yield (%) as at 30 April 2013 (net of fees)	5.6
Fund duration (days)	53

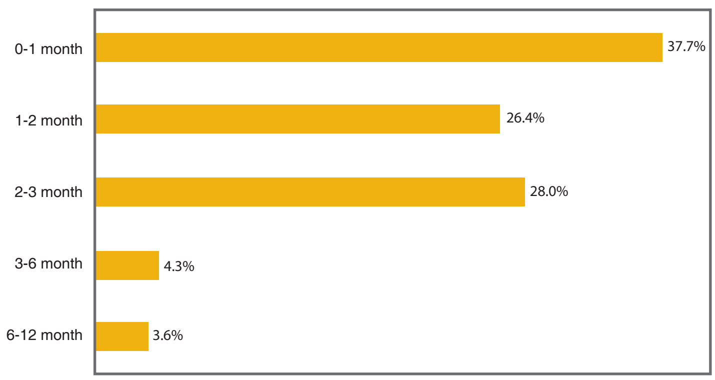
CREDIT EXPOSURE (%)

April 2013	
Government & Parastatals	2.0
Corporates	4.0
Banks	94.0
Total	100.0

COUNTERPARTY EXPOSURE (%)

April 2013	
Nedbank	29.0
ABSA	24.0
Standard Bank	23.0
Investec	14.0
Firstrand	4.0
Corporates	4.0
National Treasury	2.0
Total	100.0

DURATION BREAKDOWN (%)



PERFORMANCE AND COMMENTARY

INCOME DISTRIBUTIONS

Month	Cents Per Unit Class A
31 May 2012	0.48
30 June 2012	0.45
31 July 2012	0.50
31 August 2012	0.45
30 September 2012	0.44
31 October 2012	0.45
30 November 2012	0.44
31 December 2012	0.44
31 January 2013	0.45
28 February 2013	0.41
31 March 2013	0.46
30 April 2013	0.45

RETURNS TO END APRIL 2013

	Fund	Benchmark
1 Year	5.6%	4.9%
Since Inception	5.6%	5.2%

INVESTMENT COMMENT

The RE:CM Money Market Fund generated an income yield of 5.6% against the benchmark yield of 4.9%. The money market yield curve has flattened further over the month and the current performance of the fund is primarily attributable to the higher yields earned by the stepped rate notes in the portfolio. The portfolio duration decreased from 67 days in March to 53 days in April. The lower duration is more a consequence of instrument maturities as opposed to the fund investing in shorter dated instruments. March headline inflation came in below market consensus by remaining steady at 5.9%. South Africa currently finds itself in a stagflationary environment with low growth and rising inflation. The probability of a rate cut is however constrained by the risks posed by currency volatility, wage negotiations and a large current account deficit. PPI inflation also increased by more than market consensus to 5.7% which should dampen expectations of a rate cut from SARB. The export sector remains under pressure due to subdued demand from Europe and China and, given that domestic retail sales for February were relatively strong, a rate cut will have little effect in stimulating domestic demand. The fund currently has a 70% exposure to floating rate instruments of which the stepped rate note exposure makes up approximately 55%. These notes are yielding above primary market rates and continue to support the fund yields at very competitive levels. We have maintained a relatively short duration at 53 days as investors are currently not adequately compensated at the long end of the yield curve.

Tel: +27 21 657 3440 **Fax:** +27 21 674 1088 **Email:** info@recm.co.za **Website:** www.recm.co.za