RE:CM MONEY MARKET Fund

Period ended 31 August 2011

RE·CM
YOUR CAPITAL FIRST

Portfolio Manager	Piet Viljoen, Thompson Ganyeka
Sector	Domestic Fixed Interest Money Market
Inception Date	1 October 2010
Fund Size	R1.1 billion
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	Not available at present
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 PROFILE

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
✓				

- This fund has a low risk profile

CREDIT EXPOSURE (%)

August 2011	
Government and Parastatals	6.3
Corporates	
Banks	93.7
TOTAL	100.0

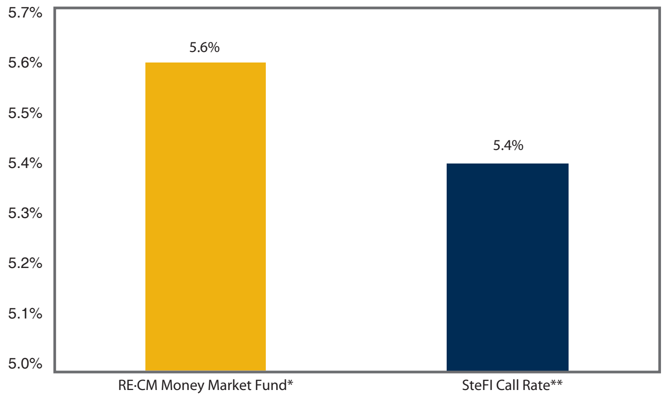
DURATION BREAKDOWN (%)

August 2011	
0 - 1 month	44.3
1 - 2 months	0.0
2 - 3 months	35.4
3 - 6 months	3.7
6 - 12 months	16.6
TOTAL	100.0

PERFORMANCE AND COMMENTARY

PERFORMANCE

This Fund was launched on the 1st October 2010. As such, it does not yet have a full performance history to report. Over time this document will include the monthly performance of the Fund versus its benchmark, as well as the cummulative performance of the Fund versus its benchmark, the SteFI Call Rate.



* Yield is calculated using an annualised 7 day rolling average as at 31 August 2011 (gross of fees)
**Source: I-Net Bridge

INVESTMENT COMMENT

Inflation has increased to 5.3% compared to July's reading of 5.0%. Headline inflation is expected to come under pressure due to rising input costs and lower productivity from the country-wide strike. The Reserve Bank Monetary Policy Committee now finds itself in an interesting position with weak economic growth on one hand and rising inflation on the other. Economic data released in the month of August suggests that the local economy continues to remain under pressure. Job creation is scarce and credit consumption remains subdued. The forward-looking PMI index was weaker than previously, indicating that manufacturing growth is in decline. The Minister of Finance and the Governor of the Reserve Bank indicated that they would do everything in their power to ensure that the local economy avoids a recession. These statements alone are a signal that our economic growth is likely to remain sluggish.

The weak economic data has also pushed deposit rates significantly lower. The forward market is showing a 50% chance of an interest rate cut three months from now. In June the interest rate market was expecting an interest rate hike in September or November. The fund continues to maintain high duration exposure just below 90 days due to the low interest rate environment. The deposit instruments in the fund remain invested in high quality, rated counterparties. The fund generated a yield of 5.6% versus the benchmark yield of 5.4%.

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