

RE:CM MONEY MARKET Fund

Period ended 31 December 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	0.19%
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

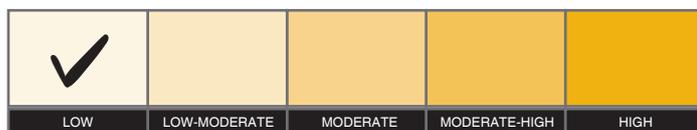
The Fund aims to maximise interest income, preserve capital and provide liquidity. This Fund is also suitable for risk averse investors seeking a temporary, safe holding vehicle in times of market uncertainty. Investors seeking capital preservation, requiring regular interest income and liquidity should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



- This fund has a low risk profile

CREDIT EXPOSURE (%)

December 2011	
Government and Parastatals	4.0
Corporates	2.0
Banks	94.0
TOTAL	100.0

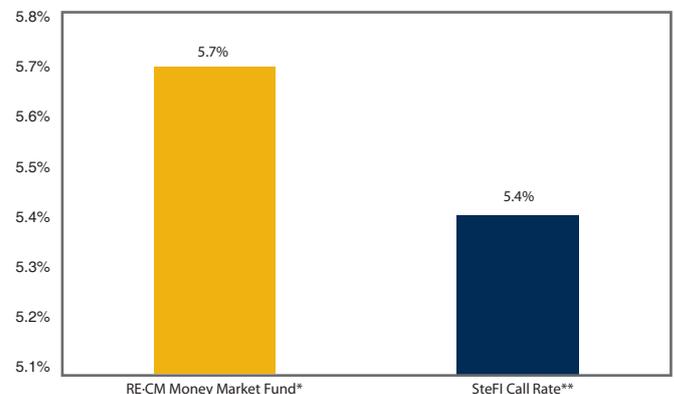
DURATION BREAKDOWN (%)

December 2011	
0 - 1 month	49.0
1 - 2 months	16.0
2 - 3 months	13.0
3 - 6 months	4.0
6 - 12 months	18.0
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 cumulative performance of the Fund versus its benchmark, the SteFI Call Rate.



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

INVESTMENT COMMENT

November inflation breached above the upper inflation target of 6% to 6.1% and core inflation remained muted at 3.9%. The main drivers of inflation have remained the same, being food and petrol prices. The weaker currency also contributed to higher imported inflation resulting in increased commodity prices such as Wheat, Maize, and Crude Oil. While target inflation has been steadily increasing, the lacklustre growth in core inflation potentially indicates that the MPC is unlikely to hike interest rates any time soon. However, if the local economic growth factors improve materially, the MPC may act to counter further inflationary economic growth. With Europe's debt problems not being resolved completely, there remains an overhang on the global economic growth assumptions. European economies are likely to generate flat to negative growth due to further austerity measures. However, the deleveraging of Europe's debt mountain will take much longer and affect economic growth in the medium term. This slow growth will ultimately affect South Africa's economic performance in the medium term - another reason why the MPC is reluctant to push interest rates upwards too early. The European Central Bank reduced interest rates by 25 basis points in December in order to alleviate the cost of funding for banks and sovereign states. The fund has a duration of 62 days and generated a yield of 5.7% versus the benchmark yield of 5.4%. The fund is currently invested in triple A-rated counterparties such as the big five local banks, National Treasury, and SAB Miller.

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Disclaimer: Collective Investment Schemes in Securities (Unit trusts) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to future performance. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The manager may borrow up to 10% of the market value of the portfolio where insufficient liquidity exists. A schedule of fees and charges and maximum commissions is available on request from the management company, RE:CM Collective Investments (Pty) Ltd (RE:CM). Commission and incentives may be paid and if so, would be included in the overall costs. The price of each unit in the RE:CM Money Market Fund is aimed at a constant value. 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. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the Fund. Forward pricing is used. Funds are valued daily at 15h00. Instructions must reach RE:CM before 14h00 to ensure same day value (11h00 for the RE:CM Money Market Fund). Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of units apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, defined as the total market value of all assets in the unit portfolio including any income accruals and less any permissible deductions (brokerage, uncertified securities tax, VAT, auditors' fees, bank charges, custodian fees, trustee fees, annual management fee and performance fees) from the portfolio divided by the number of units in issue. These portfolios may be closed. RE:CM Collective Investments (Pty) Ltd, Company Registration Number: 2004/027540/07, is a member of the Association for Savings and Investment SA (ASISA). Trustees: The Standard Bank of SA Limited, PO Box 54, Cape Town, 8000.