

# RE:CM MONEY MARKET Fund (Class A)

Period ended 31 January 2013

<b>Portfolio Manager</b>	Piet Viljoen
<b>Sector</b>	South African Interest Bearing Money Market
<b>Inception Date</b>	1 October 2010
<b>Total Fund Size</b>	R1.6 billion
<b>Fund Size (Class A)</b>	R379.3 million
<b>Benchmark</b>	SteFI Call Rate
<b>Min. Investment</b>	R150,000 initial investment
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class A)</b>	0.15% annual fee excl. VAT
<b>Total Expense Ratio</b>	0.19%
<b>Income Declarations</b>	Monthly distributions are paid in cents per unit
<b>Regulation 28</b>	Does not comply

## About the Fund

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

## Fund Objective

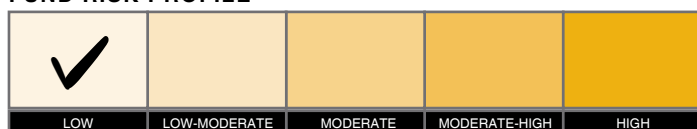
The Fund aims to maximise interest income, preserve capital and provide liquidity. This Fund is also suitable for risk averse investors seeking a temporary, safe holding vehicle in times of market uncertainty. Investors seeking capital preservation, requiring regular interest income and liquidity should 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 31 January 2013 (net of fees)	5.4
Fund duration (days)	71

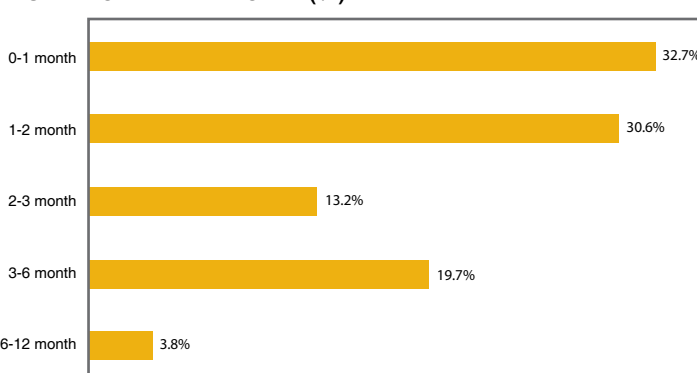
### CREDIT EXPOSURE (%)

January 2013	
Government & Parastatals	2.0
Corporates	5.0
Banks	93.0
<b>Total</b>	<b>100.0</b>

### COUNTERPARTY EXPOSURE (%)

January 2013	
Nedbank	26.0
ABSA	24.0
Standard Bank	21.0
Investec	15.0
Firstrand	7.0
Corporates	5.0
National Treasury	2.0
<b>Total</b>	<b>100.0</b>

### DURATION BREAKDOWN (%)



## PERFORMANCE AND COMMENTARY

### INCOME DISTRIBUTIONS

Month	Cents Per Unit Class A
29 February 2012	0.45
31 March 2012	0.46
30 April 2012	0.48
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

### RETURNS TO END JANUARY 2013

Term	Fund	Benchmark
1 Year	5.7%	5.0%
Since Inception	5.6%	5.2%

### INVESTMENT COMMENT

The RE:CM Money Market Fund generated an income yield of 5.4% against the benchmark yield of 5.1% at the end of January 2013. The portfolio duration increased from 52 days to 71 days due to the purchase of floating rate instruments which continue to provide good value relative to fixed rate instruments in the current interest rate environment. SARB kept the repo rate unchanged at 5% at the MPC meeting in January. December headline inflation was unchanged from November at 5.7% and was in line with market consensus. The Reserve Bank expects CPI to average 5.8% in 2013 with inflation to remain under pressure due to rising food costs, higher wage settlements and a weaker currency. The depreciation of the Rand combined with the increased price of Brent Crude oil has also resulted in an under-recovery in the basic petrol price and inflation will be further stoked by an expected increase of approximately 40c/litre during February. The on-going recession in the Eurozone continues to dampen the outlook for the domestic economy and SARB has revised its 2013 growth forecasts from 2.9% to 2.5%. The Fund is positioned to deliver incremental returns in a flat or rising interest rate environment. We currently favour shorter maturity floating rate instruments given that longer dated fixed deposits do not adequately compensate investors for duration risk. Floating rate instruments make up 65% of the portfolio and include stepped rate notes and primary market bank notes. We have also increased exposure to highly rated corporate bonds as these investments offer investors good yield pickup at low risk.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: [info@reem.co.za](mailto:info@reem.co.za)

Website: [www.reem.co.za](http://www.reem.co.za)

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