

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

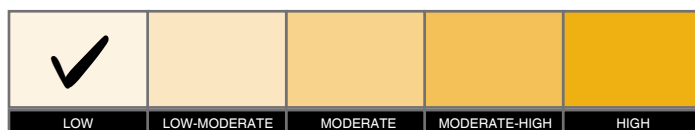
The Fund aims to maximise interest income, preserve capital and provide liquidity. This Fund is also suitable for risk averse investors seeking a temporary, safe holding vehicle in times of market uncertainty. Investors seeking capital preservation, requiring regular interest income and liquidity should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



- This fund has a low risk profile

### CREDIT EXPOSURE (%)

June 2011	
Government and Parastatals	4.6
Corporates	0.0
Banks	95.4
<b>TOTAL</b>	<b>100.0</b>

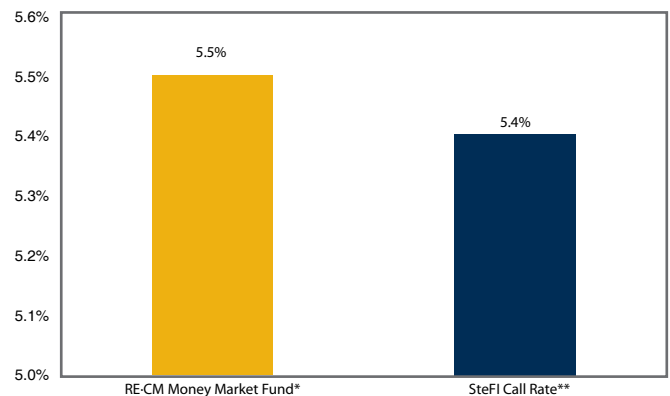
### DURATION BREAKDOWN (%)

June 2011	
0 - 1 month	45.8
1 - 2 months	0.0
2 - 3 months	44.5
3 - 6 months	2.3
6 - 12 months	7.4
<b>TOTAL</b>	<b>100.0</b>

## 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.



\* The yield is calculated using an annualised 7 day rolling average as at 30 Apr 2011 (gross of fees)  
 \*\*Source: I-Net Bridge

### INVESTMENT COMMENT

The May inflation reading was 4.6% versus expected inflation of 4.3%. The main drivers of headline inflation were higher oil and food prices. However core inflation which excludes food and fuel inflation was 3.7%, suggesting that there has been little growth in general inflation. Although the reserve bank has indicated that higher inflation caused by exogenous factors like grain or oil prices will not result in short-term rates rising, market expectations are that there will be an interest rate hike in November. And while one may argue that the slowing local economic growth is not yet ready for interest rate hikes, the imminent Eskom tariff hike of 25% is expected to push headline inflation higher over the next twelve months, which will ultimately push core inflation higher also.

The fund continues to be conservatively invested in money market instruments and counterparties that generate decent yields. The deposit instruments in our fund are currently invested with local top-rated banks. The duration of the fund has increased above 60 days after investing in some longer-dated and higher yielding deposits. As a result we are sufficiently invested to benefit from the potential upside in rising interest rates over the next twelve to eighteen months. The fund generated a yield of 5.5% versus the benchmark yield of 5.4%.