

RE-CM MONEY MARKET Fund

Period ended 31 March 2011

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



- This fund has a low risk profile

CREDIT EXPOSURE (%)

March 2011	
Government and Parastatals	24
Corporates	0
Banks	76
TOTAL	100

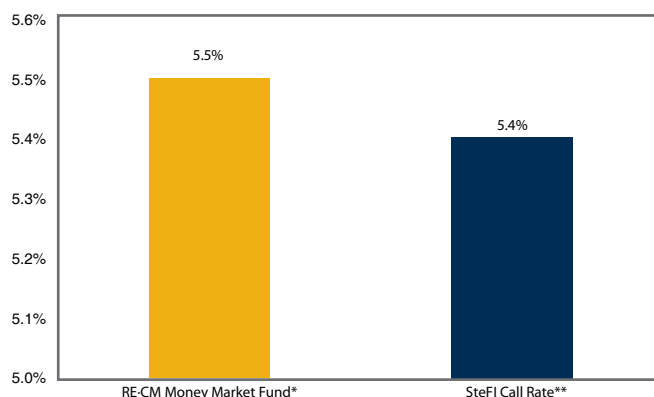
DURATION BREAKDOWN (%)

March 2011	
0 - 1 month	54
1 - 2 months	23
2 - 3 months	11
3 - 6 months	5
6 - 12 months	7
TOTAL	100

PERFORMANCE AND COMMENTARY

PERFORMANCE

This Fund was launched on the 1st October 2010. As such, it does not yet have a performance history to report. Going forward 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 28 Feb 2011 (gross of fees)
**Source: I-Net Bridge

INVESTMENT COMMENT

Money market rates have remained fairly flat compared to February levels. It seems there is real upward pressure in first round inflation if you consider hikes of 71 cents and 54 cents for diesel and petrol respectively. Electricity costs are expected to go up by 25% in the month of April and this is likely to put further upward pressure on inflation. The local currency has been fairly stable in the month of March thus limiting short-term pressure on inflation. Forward interest rates have remained fairly flat through the month of March. However, forward rates show a potential interest rate hike over the next six months. The Monetary Policy Committee (MPC) left interest rates unchanged but the Reserve Bank governor indicated that there were upside pressures on the inflation rate.

On the global front most of the central banks are beginning to adopt the hawkish stance towards inflation. The market consensus suggests that the European Central Bank (ECB) will hike interest rates by 25 basis points. This hike is on the back of the deteriorating inflation environment in Europe.

The fund continues to be fully invested in money market instruments that generate yields better than the market. The duration of the fund has declined below sixty days because the longer-dated instruments are not showing great value. The fund generated a yield of 5.5% in March relative to a daily call benchmark yield of 5.4%. The deposit instruments in our fund are currently invested with local top-rated banks as well as the South African government.

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