

RE-CM MONEY MARKET Fund

Period ended 31 May 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

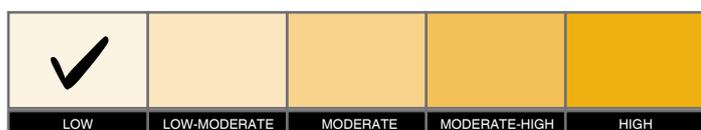
The Fund aims to maximise interest income, preserve capital and provide liquidity. This Fund is also suitable for risk averse investors seeking a temporary, safe holding vehicle in times of market uncertainty. Investors seeking capital preservation, requiring regular interest income and liquidity should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

May 2011	
Government and Parastatals	29.5
Corporates	0.0
Banks	70.5
TOTAL	100.0

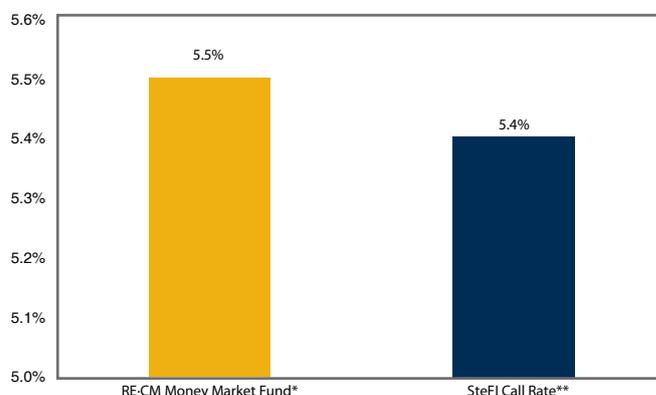
DURATION BREAKDOWN (%)

May 2011	
0 - 1 month	66.3
1 - 2 months	11.7
2 - 3 months	3.6
3 - 6 months	18.4
6 - 12 months	0.0
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.



* 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 latest inflation reading of 4.2% (CPI) for April suggests that inflation has been rising since it touched a low of 3.2% in September last year. The main drivers pushing inflation upwards have been cost factors such as higher grain prices (maize and wheat), higher fuel prices and electricity. The market expects the monetary policy committee (MPC) of the local central bank to hike interest rates by 50 basis points later this year. The private sector credit only grew by 6.2% on a year-on-year basis in April indicating that consumers are reluctant to borrow and credit providers are being more stringent in lending. The slow growth in private sector credit suggests that there is little evidence of demand-pull inflation and hence it's probably unlikely that the central bank will be aggressive with hiking interest rates in the short term. The forward rates have remained flat on the short end of the curve but there has been a notable downward move (35 basis points) on the duration longer than 12 months. The Euro recovered some of its losses following some optimism that Greece will receive additional financial support in the short-term while the local currency gained some strength against the Dollar due to Euro strength.

The fund continues to be conservatively invested in money market instruments and counterparties that generate decent yields. The duration of the fund is 53 days as we believe that short-term rates may rise later this year. Furthermore there is little value-add in lengthening our duration considering the opportunities in 1 month and 3 month deposits. The fund generated a yield of 5.49% versus the benchmark yield of 5.42%. 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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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.