RE:CM MONEY MARKET Fund

Period ended 30 November 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

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
✓				

- This fund has a low risk profile

CREDIT EXPOSURE (%)

November 2011	
Government and Parastatals	7.0
Corporates	2.0
Banks	91.0
TOTAL	100.0

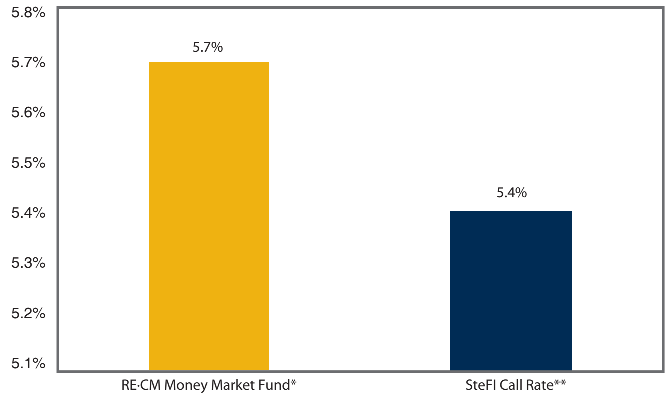
DURATION BREAKDOWN (%)

November 2011	
0 - 1 month	49.2
1 - 2 months	18.9
2 - 3 months	9.8
3 - 6 months	4.0
6 - 12 months	18.1
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 cummulative performance of the Fund versus its benchmark, the SteFI Call Rate.



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

INVESTMENT COMMENT

October inflation increased to 6% and core inflation remained flat at 3.8%. Inflation is now at the upper end of its target range but it looks like interest rate hikes may be postponed for the time being as although the MPC issued a hawkish statement after its November meeting, the 3rd quarter GDP numbers were disappointing enough to discourage any immediate interest rate hikes. Food inflation remains a key upside risk to inflation in the short-term. Maize (yellow and white) prices are trading at historical highs and continue to push food inflation upwards. Core inflation levels suggest that underlying inflation is rising at a slower pace. This is evident from the slower growth in private credit extension. Money supply and private credit growth have been lagging their long-term averages. The next MPC meeting is in January and it is unlikely that any new action will be taken. The MPC will possibly wait for the release of 4th quarter GDP numbers to see whether growth is waning or improving. The 3rd quarter GDP numbers showed that the primary sectors of the economy such as agriculture and mining were in recession and manufacturing was weakening despite high commodity prices and the weaker local currency. Europe's debt problems have extended to Italy and most of the European countries are likely to face a credit downgrade including Germany. The European debt crisis seems to be much bigger than the peripheral economies of Greece, Portugal, and Ireland, and it continues to put pressure on our local currency resulting in higher import costs. Furthermore, this crisis is raising uncertainty on the economic growth path ahead. Austerity measures will reduce the power of governments to spend leaving the struggling consumers and the private sector to steer growth. Currently the fund has a fairly high duration of 74 days and has generated a yield of 5.7% vs the benchmark yield of 5.4%. The fund is currently invested in triple A-rated counterparties, being the big five local banks, the National Treasury, and SAB Miller.

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