

# RECM MONEY MARKET Fund (Class A)

Period ended 30 November 2013

# RE·CM

YOUR CAPITAL FIRST

<b>Portfolio Manager</b>	Piet Viljoen, Sean Neethling*
<b>Sector</b>	South African Interest Bearing Money Market
<b>Inception Date</b>	1 October 2010
<b>Total Fund Size</b>	R1.7 billion
<b>Fund Size (Class A)</b>	R481.6 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 RECM 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

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
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Effective yield (%) as at 30 November 2013 (net of fees)	5.73
Fund duration (days)	81

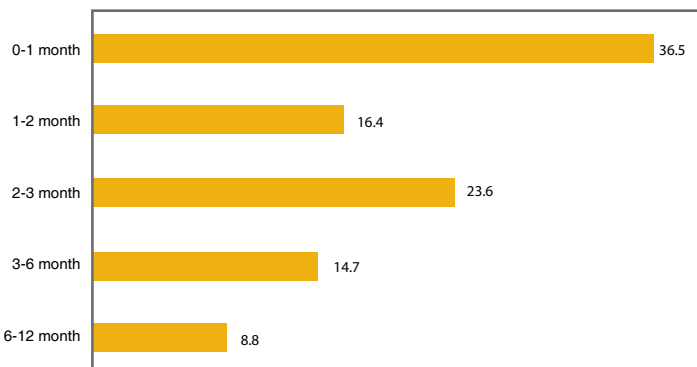
### CREDIT EXPOSURE (%)

November 2013	
Government & Parastatals	0.0
Corporates	3.0
Banks	97.0
Total	100.0

### COUNTERPARTY EXPOSURE (%)

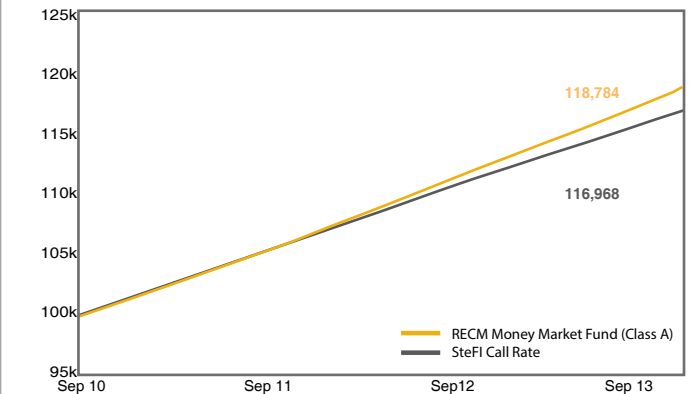
November 2013	
Nedbank	27.0
Standard Bank	27.0
ABSA	19.0
Investec	15.0
Firstrand	9.0
Corporates	3.0
National Treasury	0.0%

### DURATION BREAKDOWN (%)



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### MONTHLY RETURNS

Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13
0.44%	0.45%	0.41%	0.46%	0.45%	0.46%
Jun '13	Jul '13	Aug '13	Sep '13	Oct '13	Nov '13
0.45%	0.46%	0.47%	0.45%	0.48%	0.46%

### RETURNS TO END NOVEMBER 2013

	Fund	Benchmark
1 Year	5.6%	4.7%
2 Years	5.7%	4.9%
3 Years	5.6%	5.0%
Since Inception	5.6%	5.1%

### INVESTMENT COMMENT

The RECM Money Market Fund generated an income yield of 5.7% against the benchmark yield of 4.7% as at the end of November 2013. Fund duration increased from 73 days in October to 81 days at the end of November. Fund duration is being managed towards the upper end of the maximum 90 day duration limit following the pick in longer maturity bank rates over the month. Banks have also increased Jibar-linked spreads which has allowed the fund to maintain a 55% exposure to floating rate instruments. Domestic headline inflation came in at 5.5% in October from 6% in September and was below the market consensus of 5.8%. The Reserve Bank kept the repo rate unchanged at 5% following the MPC meeting citing the upside risks to inflation arising from currency volatility as a cause for concern. The forward market reacted negatively to MPC comments and is pricing in a 100% probability of an interest rate hike in 6 months. Growth fundamentals remain under pressure and any interest rate decision by the SARB will be influenced by weaker GDP growth. Volatility in the domestic bond and currency markets has provided the opportunity to invest in longer maturity fixed assets. Given the steepening of the money market yield curve we currently have a preference for bank assets, with less than 5% of the fund exposed to corporate bonds or commercial paper.

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