

RECM MONEY MARKET FUND (Class A)

Period ended 31 January 2015

RECM

The RECM Money Market Fund is a money market unit trust that provides a sensible cash portfolio with very competitive fees. The Fund aims to maximise interest income, preserve capital and provide liquidity. 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.

| | |
|---------------------|--|
| Portfolio Managers | Piet Viljoen, Sean Neethling*** |
| ASISA Sector | South Africa Interest Bearing Money Market |
| Inception Date | 1 October 2010 |
| Total Fund Size | R1.9 billion |
| Fund Size (Class A) | R991.7 million |
| Benchmark* | STeFI Call Rate |

| | |
|---------------------|--|
| Min. Investment | R150,000 initial investment |
| Initial Fee | No initial fee |
| Annual Fee | 0.15% annual fee excl. VAT |
| Total Expense Ratio | 0.19% for the period ending 31 December 2014 |
| Income Declarations | Monthly distributions are paid in cents per unit |

PORTFOLIO DETAIL

FUND RISK PROFILE

| | | | | |
|-----|--------------|----------|---------------|------|
| LOW | LOW-MODERATE | MODERATE | MODERATE-HIGH | HIGH |
|-----|--------------|----------|---------------|------|

| | |
|---|------|
| Effective yield** as at 31 January 2015 (net of fees) | 6.8% |
| Fund duration (days) | 82.2 |

**Annualised 12 month yield based on the position of the fund as at date

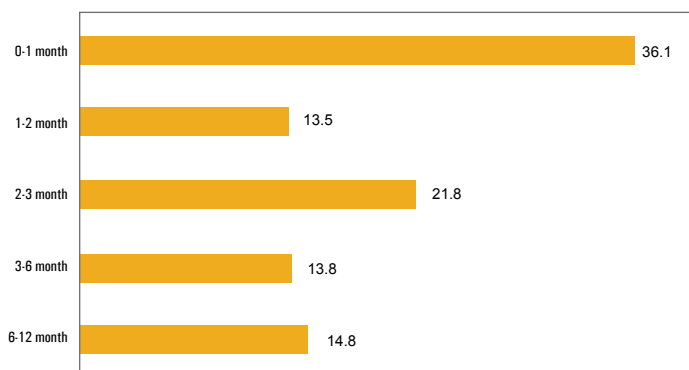
CREDIT EXPOSURE (%)

| January 2015 | |
|--------------------------|-------|
| Banks | 100.0 |
| Corporates | 0.0 |
| Government & Parastatals | 0.0 |
| Total | 100.0 |

TOP COUNTERPARTIES (%)

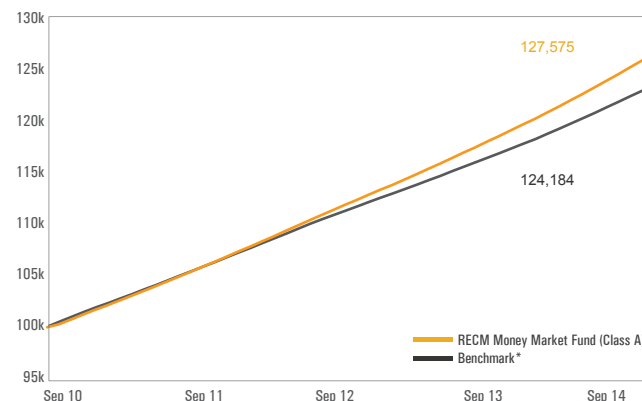
| January 2015 | |
|---------------|-------|
| Standard Bank | 27.0 |
| Nedbank | 26.0 |
| ABSA | 20.0 |
| Investec | 17.0 |
| Firststrand | 10.0 |
| Total | 100.0 |

DURATION BREAKDOWN (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

VALUE OF R100,000 INVESTED AT INCEPTION WITH ALL DISTRIBUTIONS REINVESTED



MONTHLY RETURNS

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| Feb '14 | Mar '14 | Apr '14 | May '14 | Jun '14 | Jul '14 |
| 0.45% | 0.50% | 0.49% | 0.51% | 0.50% | 0.52% |
| Aug '14 | Sep '14 | Oct '14 | Nov '14 | Dec '14 | Jan '15 |
| 0.53% | 0.52% | 0.54% | 0.53% | 0.55% | 0.55% |

ANNUALISED RETURNS TO END JANUARY 2015

| | Fund | Benchmark* |
|-----------------|------|------------|
| 1 Year | 6.3% | 5.3% |
| 3 Years | 5.9% | 5.0% |
| Since Inception | 5.8% | 5.1% |

* Returns are in ZAR net of fees. Source: RECM Analyst, Bloomberg.

INVESTMENT COMMENT

The RECM Money Market Fund is positioned to deliver an effective yield of 6.8% over the next 12 months. For the month of January the fund returned 0.55% versus the STeFI Call Rate return of 0.42%. Fund duration decreased marginally from 84 to 82 days during the month. Largely attributable to lower fuel and food costs, domestic headline inflation decreased ahead of expectations from 5.8% to 5.3% in December. The SARB kept the repo rate unchanged at 5.75% following the MPC meeting, citing lower inflation as a determining factor in pausing the interest rate normalisation process – particularly given continued weak economic fundamentals. The outcome was almost fully priced in the market. The portfolio is competitively positioned with an approximate weighting of 50% between fixed and floating rate instruments. Currently we have no exposure to corporate instruments but we continue to look in both primary and secondary markets for attractive value.

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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, RECM Collective Investments (Pty) Ltd (RECM). Commission and incentives may be paid and if so, would be included in the overall costs. The price of each unit in the RECM 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. Different classes of units apply to these portfolios and are subject to different fees and charges. Fluctuations or movements in exchange rates may cause the value of underlying international instruments to go up or down. These portfolios may be closed. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. RECM 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. ***Acting under the supervision of Piet Viljoen.