

# RECM MONEY MARKET FUND (Class A)

Minimum Disclosure Document - Period ended 30 September 2020

## FUND FACTS

Portfolio Manager	Piet Viljoen, Alex Pestana, Sam Houlie
ASISA Sector	South Africa Interest Bearing Money Market
Fund Launch Date	15 February 2010
Inception Date (Class A)	01 October 2010
Total Fund Size	R664.8 million
Fund Size (Class A)	R561.1 million
Min. Investment (Lump Sum)	R10,000
Min. Investment (Monthly)	R500
Min. Investment (Tax free)	R250
Initial Fee	No initial fee
Annual Fee	0.15% (excl. VAT)
Intermediary Fee	0.0% (excl. VAT)
Benchmark (Bmk)	STeFI Call Rate
Distribution Dates	Monthly
Latest Distribution	6.4 cents per participatory unit over the past 12 months

## INVESTMENT POLICY SUMMARY

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 by investing in a diversified portfolio of money market instruments. Capital losses are unlikely but may 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.

### FUND RISK PROFILE

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
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The Fund has a low risk profile with an actively managed and diversified portfolio of South African money market instruments which have a low credit risk and whose prices fluctuate less than other asset classes.

### TER AND TRANSACTION COSTS\* (30 June 2020)

	1 Year	3 Years
TER	0.2%	0.2%
Transaction Costs	0.0%	0.0%
<b>Total Investment Charge</b>	<b>0.2%</b>	<b>0.2%</b>

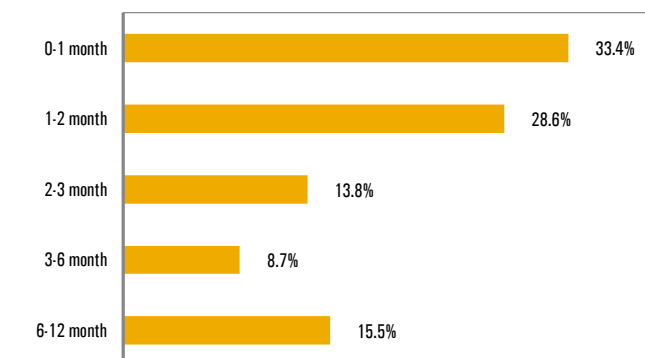
## TOP COUNTERPARTIES (%)

September 2020	
Investec Bank	27.5%
Nedbank	23.6%
Absa Bank	17.6%
Standard Bank	14.8%
African Bank	9.0%
RSA Government	7.4%
China Construction Bank	0.1%
<b>Total</b>	<b>100.0</b>

### Credit Exposure (%)

Banks	92.6
Government, Parastatals	7.4
<b>Total</b>	<b>100.0</b>

## DURATION BREAKDOWN (%)



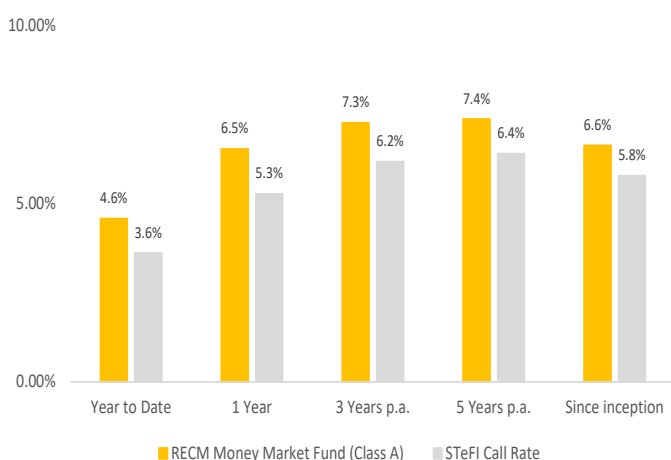
### Effective Yield

Effective yield** as at 30 September 2020 (net of fees)	4.7%
Fund duration (days)	83.5

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

## PERFORMANCE NET OF FEES AND EXPENSES

### ILLUSTRATIVE VALUE OF FUND VS STeFI CALL RATE



Source: RECM, Profile Data

## RETURNS NET OF FEES (ZAR)

	Fund	Benchmark
Year to Date	4.6%	3.6%
1 Year	6.5%	5.3%
3 Years	7.3%	6.2%
5 Years	7.4%	6.4%
Since Inception	6.6%	5.8%

All periods longer than a year are annualised

	Fund	Date Range
Highest Annual Return	7.8%	Aug 2016 - Jul 2017
Lowest Annual Return	5.4%	Oct 2010 - Sep 2011

Highest/Lowest – reflects the Fund's highest and lowest 12 month performance reported during the given period.

### MONTHLY RETURNS FOR THE PAST 12 MONTHS

Oct '19	Nov '19	Dec '19	Jan '20	Feb '20	Mar '20
0.63%	0.61%	0.62%	0.62%	0.56%	0.58%
Apr '20	May '20	Jun '20	Jul '20	Aug '20	Sept '20
0.52%	0.52%	0.45%	0.45%	0.42%	0.38%

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**Disclosures:** Collective Investment Schemes in Securities (CIS) should be considered as medium-to long-term investments. The Manager does not provide any guarantee either with respect to the capital or the return of the Fund. The value of participatory interests (units) may go up as well as down and past performance is not necessarily a guide to future performance. CIS 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. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of any underlying international investments to go up and down. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (Brokerage, STT, VAT, Auditor's fees, Bank Charges, Trustee and Custodian fees and the annual Management fee) from the portfolio divided by the number of participatory interests (units) in issue. A schedule of fees, charges and maximum commissions is available on request from the management company. Commission and incentives may be paid and if so, would be included in the overall costs. These portfolios may be closed. Different classes of units may apply in a portfolio and are subject to different fees and charges.

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## \*Total Expense Ratio (TER) and Transaction Costs

The TER reflects the percentage of this Fund's Net Asset Value that was incurred as expenses relating to the administration of this Fund, including the annual fee and the performance fee and intermediary fee if applicable. A Higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction costs are a necessary cost in administering this Fund and impacts this Fund's returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. The TER and Transaction costs are a measure of the actual expenses incurred by this Fund over a 3 year period (annualised). If this Fund is between 1 and 3 years old, the TER and Transaction Costs are calculated using the actual expenses incurred since the inception of this Fund. The sum of the TER and Transactions Costs is shown as the Total Investment Charge overleaf; these costs all being VAT inclusive.

Returns are in ZAR, on a lump sum investment, NAV-NAV, net of fees with net distributions reinvested. Source RECM, Bloomberg. Annualised returns are the weighted average compound growth rate earned each year over the given time period. Individual Investor's performances may differ due to fees, actual investment date, dates of reinvestments and dividend withholding taxes.

## Risks associated with investing in the Fund

All investments carry risk. Different investment strategies may carry different levels and kinds of risks depending on the assets held. You should consider the risks listed below in the context of your risk profile, which includes factors such as your investment timeframe, objectives and tolerance for performance volatility, income and age. We do not offer advice, nor does the Fund's investment strategy consider your individual circumstances and we cannot advise that the Fund is suitable for your circumstance.

The Manager does not guarantee the Fund's returns, its liquidity, and repayment of capital, interest nor a rate of return. Assets that are expected to provide the highest long-term returns often have the highest short-term risk. The Fund's investment strategy and the assets it invests in, will determine the Fund's sensitivity to these risk factors.

You should obtain financial advice to determine whether the Fund is suitable for your circumstances before investing in the Fund.

## Total Return

Investors' total returns are made up of interest received and any gain or loss made on any particular instrument; and that in most cases the return will merely have the effect of increasing or decreasing the daily yield, but in cases of abnormal losses it can have the effect of reducing the capital value of the portfolio.

## Yield Calculation

The Fund's yield quoted on an annual effective rate (NACA) basis. The NACA is the effective interest rate an investor can expect to earn over a 12 month period based on the nominal yield of the fund at a point in time. The nominal yield is simply the net interest accrual of all the instruments in the fund divided by the number of units in the fund (the fund NAV). The quoted NACA is always higher than the nominal yield because the calculation is based on an investor re-investing the monthly income distribution back into the fund at the nominal yield. (i.e. The NACA is the compounded annual 12-month rate).

## Interest Rate Risk

This is the possibility that fixed-rate debt instruments may decline in value as a result of a rise in interest rates.

## Credit Risk

Refers to the possibility that a fixed income instrument or money market issuer may not be able to make expected interest payments and/or principal repayment.

## Liquidity Risk

Refers to the possibility that an investor may not be able to invest or disinvest when they want to. This may occur during a period of adverse market trading conditions where the manager may not be able to buy or sell the Fund's investments because opportunities to do so are limited.

## Social/Political/Legislative Risk

Risks associated with the possibility of nationalisation, unfavourable government action or social changes resulting in a loss of value is called social or political risk which may affect the Fund.

## Inflation Risk

The Fund may invest in cash and other fixed income instruments that do not generate sufficient income and capital gains to outperform inflation.

## Key Person Risk

The Fund depends on the expertise of RECM and its investment team. The Fund could be negatively impacted if RECM does not retain key staff.

## Third Party Operational Risk

The Fund's operations depend on third parties. Investors in the Fund may suffer financial loss or disruption in the event of third party operational failure.

## Fees

An annual management fee of 0.15%, excluding VAT is levied monthly on the market value of the RECM Money Market Fund (Class A).

## Manager

RECM Collective Investments (Pty) Ltd  
P O Box 45040, Claremont, 7735  
Company Reg 2004/027540/07  
Registered under the Collective Investment  
Schemes Control Act, 2002

## Investment Manager

Counterpoint Boutique (Pty) Ltd (FSP No 44508)  
Authorised under the Financial Advisory and  
Intermediary Services Act, 2002 to act in such capacity

## Additional Documentation

Investors can access, free of charge, daily fund prices, quarterly reports, brochures, minimum disclosure documents, annual fund reports, application forms and investment insights on our website at [www.recm.co.za](http://www.recm.co.za).

## Trustee

The Standard Bank of South Africa Limited  
P O Box 54  
Cape Town, 8000

**Bloomberg Ticker**  
RCCMMKT SJ

**ISIN**  
ZAE000149886

**Transaction Cut Off Time**  
11h00 Daily

**Fund Valuation Time**  
18h00 Daily

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09 October 2020