



+KEY FEATURES

INCEPTION

1 March 2006

BENCHMARK

StefI Composite

SECTOR

Domestic - Fixed Interest - Money Market

RISK PROFILE

Low

ASSET COMPOSITION

Money market instruments

MINIMUM INVESTMENT

Lump sum: R20 000

Monthly: R1 000

Ad hoc: R500

INITIAL FEE

0%

ANNUAL MANAGEMENT FEE

0.25% (excluding VAT)

INCOME DECLARATION

Monthly – 0.459699 cpu @ 30 June 2011

INCOME PAYMENT

1st working day after declaration date

FUND SIZE

R2.842 billion

FUND MANAGER

Adré Smit

FUND OBJECTIVE

The fund aims to deliver high levels of income in excess of returns available through fixed term deposits and call accounts offered by banks, while providing investors with capital protection and the stability of monthly returns and liquidity. The fund's average duration may not exceed 90 days. While capital losses are unlikely, they can occur if, for example, one of the issuers of the assets underlying the fund defaults. In this event, losses will be borne by the fund and its investors.

INVESTMENT PROCESS

A disciplined process is followed to arrive at the optimum area of the money market yield curve we wish to invest in. The fund's returns are further enhanced by the inclusion of selected, highly rated, corporate paper.

PORTFOLIO MANAGER COMMENT

The world has been watching with more than a passing interest at riots that have been taking place in Greece as the local populace has been objecting to the austerity measures that the Greek parliament has just voted in. This was to ensure that the European Central Bank would make funding available to Greece to avoid a default on their debt. Many see this as just delaying the inevitable, but it does give them time to hopefully grow out of their problems. A near-term default could put the whole European banking system at risk, which could spill over into the global financial system.

In the United States the 2nd round of quantitative easing has just come to an end and this would have been one of the factors that has resulted in the US 10 year government bond rate rising by 16 basis points (bps) over the month to 3.16%. We have also seen a slight weakening in the US \$ relative to the Euro. On the back of the US releasing some of their strategic oil reserves we saw the oil price decline by \$4.57 over the month to \$111.85.

The emerging market bond spread declined from 288 to 262 bps over the month and, similarly, the South African sovereign spread declined from 149 to 139 bps. In line with this reduction in risk aversion we also saw the gold price decline by \$30.05 over the month from \$1506.75. The Rand strengthened slightly from R\$6.79 to R\$6.74 over the month and we saw foreigners as big buyers of local bonds to the tune of R12.8 billion.

The local inflation numbers were mixed this month with CPI coming out at 4.6%, up from last month's 4.2% and higher than the expected 4.3%, while PPI came out at 6.9%, higher than the previous month's 6.6%, but lower than the expected 7.1%. Money supply growth, as measured by M3, came out at 6.1% which was up from last month's 6.1%, whereas private sector credit growth came out at 5.2%, which was down from the previous month's 6.2%.

Notwithstanding the foreign buying of local bonds we saw a steepening of the yield curve over the month. As a result the market benchmark All Bond Index (ALBI) had a return of only 0.16% over the month.

We also had a steepening of the money market yield curve over the past month. The three-month NCD rate was once again unchanged at 5.50% and the 12-month NCD increased by 5 bps to 6.35%. The money market benchmark Stefi composite had a return of 0.46% over the month.

Our view remains that we are likely to see the first hike in the interest rate cycle at the November meeting of the Monetary Policy Committee of the Reserve Bank. As a result, we are not looking at entering into fixed rate investment beyond that period. We are prepared to commit funds for up to 12 months, but any investment beyond November will be on a floating rate basis.

CONTACT DETAILS

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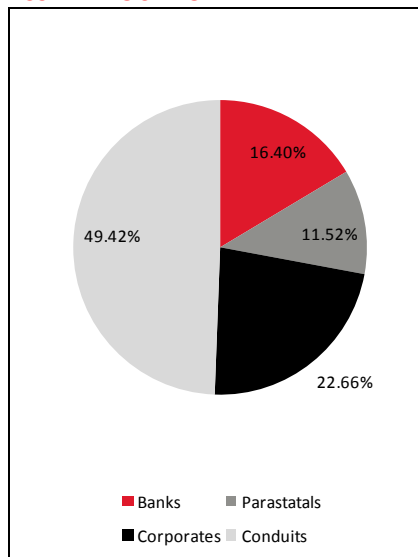
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ASSET ALLOCATION



Weighted average maturity 71 days

HOLDINGS (% OF PORTFOLIO) – JUNE 2011	
Call	2.25%
0 – 1 month	10.83%
1 – 3 months	63.37%
3 – 6 months	19.21%
6 – 9 months	0.46%
6 – 9 months	3.87%
PERFORMANCE	
1 Year	6.31%
2 Years (annualised)	7.15%
3 Years (annualised)	8.71%
4 Years (annualised)	9.26%
5 Years (annualised)	9.14%
Since inception (1/3/06) annualised	9.02%
Effective Yield @ 30 June 2011	5.76%

Source: Morningstar

TOTAL EXPENSE RATIO*	
TER as at 30 June 2011	0.29%

Source: Cadiz Asset Management

* Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. It is expressed as a percentage of the average value of the portfolio, annualised.