

## RECM FUND RANGE

### South African Domiciled (ZAR-Based)

Fund Name	RECM Money Market Fund*	RECM Balanced Fund*	RECM Global Flexible Fund*	RECM Equity Fund
Strategy	Money Market	Reg. 28 Balanced	Flexible Balanced	Pure Equity (>90% Equity)
Investor Category	Retail/Institutional	Retail/Institutional	Retail/Institutional	Retail/Institutional
Value Proposition	<p>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.</p> <p>This Fund is suitable for investors requiring a Tax Free Investment Solution.</p> <p>Note: This is not a bank account.</p>	<p>A unit trust which offers investors medium-to long-term income and capital growth by actively investing in a mix of local and offshore equities, bonds, property and cash. A maximum of 75% of the Fund's assets may be invested in equities at all times and a maximum of 25% offshore. Complies with Regulation 28 of the South African Pension Funds Act.</p> <p>This Fund is suitable for investors requiring a Tax Free Investment Solution.</p>	<p>A unit trust that may invest in equities, bonds, property, cash and offshore assets without any restrictions. The Fund's aim is to generate returns significantly greater than inflation over the long term while protecting capital against permanent loss through a rigorous adherence to a value-based philosophy.</p> <p>The (F Class) of this Fund is suitable for investors requiring a Tax Free Investment Solution.</p>	<p>A unit trust which invests exclusively in South African equities. The Fund's aim is to outperform the South African equity market over the long term by selecting shares based on a value philosophy. The fund will remain more than 90% invested in equities at all times.</p>
Investment Universe	SA money market instruments with a high credit rating	SA cash, bonds, equities, property; Global (up to 25%) cash, bonds, equities, property	SA: cash, bonds, equities, property; Global: cash, bonds, equities, property	SA equities only
Benchmark	Daily Call Rate	SA CPI + 5% p.a.	SA CPI + 6% p.a.	FTSE JSE All Share Index (TR)
Hurdle	N/A	N/A	N/A	N/A
Base fee excl. VAT	0.15%	0.90%	1.00%	1.00%
Performance fee excl. VAT	None	None	None	None
Access	Direct or via Glacier and Momentum	Direct or via Glacier, Investec, Allan Gray (Restricted) and Momentum	Direct or via Allan Gray(Restricted), Glacier, Investec, Momentum, PSG and AIMS	Direct or via Glacier, Investec and Momentum

\* These Funds are suitable for investors wishing to utilise their Tax-Free Investment Allowance.

	RECM FUND RANGE		
	South African Domiciled (ZAR-Based)	Offshore Domiciled (USD-Based)	South African Domiciled (ZAR-Based)
<b>Fund Name</b>	RECM Flexible Value Prescient QI Hedge Fund	RECM Global Fund	Prescient RECM Global Feeder Fund
<b>Strategy</b>	Qualified Investor** Hedge Fund	Flexible Balanced	Flexible Balanced
<b>Investor Category</b>	Retail	Retail/Institutional	Retail/Institutional
<b>Value Proposition</b>	A rand denominated fund with the benefit of a wide opportunity set that includes local and global assets, of varying size, across multiple asset classes, listed and unlisted. The Fund's aim is to outperform the South African equity market over the long term by buying assets that are mispriced because they are neglected, ignored or unloved by virtue of their size, current circumstances or lack of liquidity. With the benefit of this opportunity set, a longer time horizon and less liquidity constraints, the fund is extremely well positioned to extract value from inefficient markets. The fund utilises the Qualified Investor Hedge Fund structure in order to pursue its investment objective.	A US dollar denominated global fund that may invest in a wide array of assets without any restrictions. The Fund's aim is to generate returns significantly greater than US inflation and commensurate with equities over the long term. The fund invests mainly in large global companies at a significant discount to intrinsic value, while using the flexibility of the mandate to protect capital and enhance returns by investing in other mispriced global assets from time to time.	A rand denominated fund that provides local investors with access to the RECM Global Fund.
<b>Investment Universe</b>	Global listed and unlisted securities across all asset classes	Global listed securities across all asset classes	As per RECM Global Fund
<b>Benchmark</b>	FTSE/JSE All Share Index	MSCI All Countries World Index	As per RECM Global Fund
<b>Hurdle</b>	FTSE/JSE All Share Index + 2.5% p.a.	N/A	N/A
<b>Base fee excl. VAT</b>	1.00%	1.00%	0.25% plus Global Fund Fee
<b>Performance fee excl. VAT</b>	20% above hurdle, subject to positive performance accrual over a rolling 5 years.	None	None
<b>Access</b>	Direct	Direct or via Allan Gray (restricted), Friends Provident (UK), Glacier International, Momentum Wealth International and Old Mutual International	Direct or Allan Gray (restricted), Glacier, Investec, PSG and Momentum.

\*\*A Qualified Investor is any person, who invests a minimum amount of R1 million per hedge fund and who:-

- Has demonstrable knowledge and experience in financial and business matters which would enable the investor to assess the merits and risks of a hedge fund investment, or
- Has appointed a FSP who has demonstrable knowledge and experience to advise the investor regarding the merits and risks of a hedge fund investment.

#### Disclosure

Collective Investment Schemes are generally medium to long term investments. The value of participatory interests or investments may go down as well as up and fluctuations or movements in exchange rates may also cause the value of underlying international investments to go up or down. Returns are calculated on a lump sum investment, NAV-NAV, net of fees, with net distributions reinvested. Annualised returns are the weighted average compound growth rate earned each year over the given time period. Individual investor performance may differ as result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Past performance is not necessarily a guide to the future. The manager does not provide any guarantees either with respect to a funds' capital or investment returns. Collective investments 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 manager. Commission and incentives may be paid and if so, would be included in the overall costs. The quantifiable deduction is the annual management fee (and performance fee where applicable), whilst non-quantifiable fees included in the net asset value price may comprise brokerage, auditor's fees, bank charges, taxes, trustee and custodian fees. Collective investment prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Forward pricing is used. Where a fund is exposed to foreign securities, investors should consider the (a) potential constraints on liquidity and repatriations of funds, (b) global macro-economic risks, (c) political risks, (d) foreign exchange risks, (e) tax risks, (f) settlement risks and (g) potential limitations on the availability of market information. Funds may be closed. Prior to investing, please read the Minimum Disclosure Document for your chosen fund/s available at [www.recm.co.za](http://www.recm.co.za).

This document contains objective factual information about our products; does not constitute advice and the reader should approach a financial adviser to determine suitability before investing. No warranty is given as to the accuracy or completeness of the information and no liability is accepted for reliance upon the information.

The Manager of the RECM Funds is RECM Collective Investments (Pty) Ltd, Company Registration Number: 2004/027540/07, registered under the Collective Investment Schemes Control Act of 2002 and is a member of the Association for Savings and Investment SA (ASISA). The Investment Manager is Regarding Capital Management (Pty) Ltd, FSP No 18834 and the Trustees, the Standard Bank of SA Limited, PO Box 54, Cape Town, 8000. Cut off times for processing instructions are noted on the unit trust forms available on [www.recm.co.za](http://www.recm.co.za) and must be adhered to.

The Prescient RECM Global Feeder Fund is a portfolio that invests in a single collective investment scheme, which levies its own charges which could result in a higher fee structure for the feeder fund. . The Manager is Prescient Management Company (RF) (Pty) Ltd, Company Registration Number: 2002/022560/07, registered under the Collective Investment Schemes Control Act of 2002. The Investment Manager is Regarding Capital Management (Pty) Ltd, FSP No 18834 and the Trustees, Nedbank Investor Services Limited, 2nd floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709 Cut off times for processing instructions are noted on the unit trust forms available on [www.recm.co.za](http://www.recm.co.za) and must be adhered to.

The RECM Flexible Value Prescient QI Hedge Fund is available to qualified investors only. The Manager is Prescient Management Company (RF) (Pty) Ltd, Company Registration Number: 2002/022560/07, registered under the Collective Investment Schemes Control Act of 2002. The Investment Manager is Regarding Capital Management (Pty) Ltd, FSP No 18834 and the Trustees, Nedbank Investor Services Limited, 2nd floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709. Cut off times for processing instructions are noted on the unit trust forms available on [www.recm.co.za](http://www.recm.co.za) and must be adhered to.

The RECM Money Market Fund is not a bank deposit account. The price of each unit in the Fund is targeted at a constant value. 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 Fund.

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). Excessive withdrawals from the Fund may place the Fund under liquidity pressures; and in such circumstances a process of ring fencing of withdrawal instructions and managed pay-outs over time may be followed.

The RECM Global Fund is regulated in Guernsey and is an approved foreign collective investment scheme in South Africa. The Management Company is RECM Global Management Limited. The Custodian is Northern Trust (Guernsey) Limited; the Investment Advisor is Regarding Capital Management (Pty) Ltd, FSP No 18834 and the Administrators are JT Fund Solutions (Guernsey) Limited. Please read the Offering Memorandum in conjunction with the Minimum Disclosure Document and "Schedule of Similarities and Differences" available on [www.recm.co.za](http://www.recm.co.za) Cut off times for processing instructions are noted on the unit trust application forms available on [www.recm.co.za](http://www.recm.co.za) and must be adhered to.