

# RE:CM MONEY MARKET Fund (Class A)

Period ended 31 May 2013

<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>	R1.5 billion
<b>Fund Size (Class A)</b>	R282.0 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 RE:CM 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



Effective yield (%) as at 31 May 2013 (net of fees)	5.6
Fund duration (days)	79.8

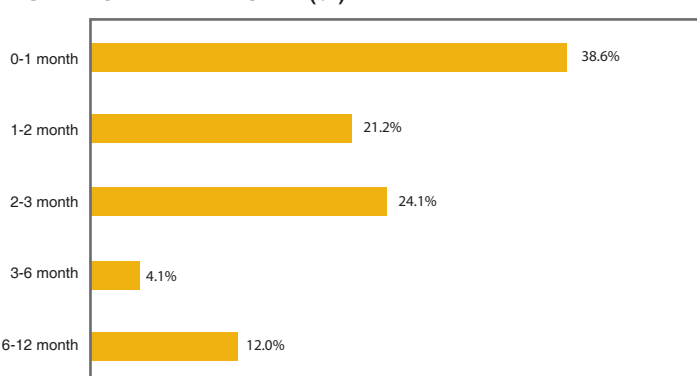
### CREDIT EXPOSURE (%)

May 2013	
Government & Parastatals	0.0
Corporates	11.0
Banks	89.0
<b>Total</b>	<b>100.0</b>

### COUNTERPARTY EXPOSURE (%)

May 2013	
ABSA	23.0
Standard Bank	22.0
Nedbank	20.0
Investec	17.0
Corporates	11.0
Firstrand	7.0
National Treasury	0.0
<b>Total</b>	<b>100.0</b>

### DURATION BREAKDOWN (%)



## PERFORMANCE AND COMMENTARY

### INCOME DISTRIBUTIONS

Month	Cents Per Unit Class A
30 June 2012	0.45
31 July 2012	0.50
31 August 2012	0.45
30 September 2012	0.44
31 October 2012	0.45
30 November 2012	0.44
31 December 2012	0.44
31 January 2013	0.45
28 February 2013	0.41
31 March 2013	0.46
30 April 2013	0.45
31 May 2013	0.46

### RETURNS TO END MAY 2013

	Fund	Benchmark
1 Year	5.6%	4.8%
Since Inception	5.6%	5.1%

### INVESTMENT COMMENT

The RE:CM Money Market Fund generated an income yield of 5.6% against the benchmark yield of 4.9%. The portfolio duration increased from 53 days in April 2013 to 80 days at the end of May 2013. The money market yield curve steepened off the back of higher government bond yields over the month and fund duration was increased to benefit from the increased rates on longer maturity instruments. The South African Reserve Bank (SARB) kept the repo rate at 5% following the MPC meeting in May. April headline inflation was also unchanged from March at 5.4% (below the market consensus of 5.7%). Domestic economic growth disappointed at 0.9% for the first quarter of the year and was the lowest since the recession in 2009. SARB revised its annual growth forecast from 2.7% to 2.4% for 2013 while the growth outlook on the global front also remains weak. Wage negotiations and electricity outages are expected to place additional pressure on production over the next few months and export demand especially from Europe remains subdued. The depreciation of the Rand to 4-year lows should boost exports but the current negative sentiment towards the country would make it difficult for SARB to cut rates in the short term. The Fund remains competitively positioned in the current interest rate cycle. We have increased our holdings of longer dated fixed maturity bank paper as volatility in the currency and bond markets provided a window of opportunity to acquire these instruments at attractive yields. Floating rate instruments make up 65% of the portfolio which includes exposure to higher rated corporate bonds at 10%.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: [info@reem.co.za](mailto:info@reem.co.za)

Website: [www.reem.co.za](http://www.reem.co.za)

**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, RE:CM Collective Investments (Pty) Ltd (RE:CM). Commission and incentives may be paid and if so, would be included in the overall costs. The price of each unit in the RE:CM 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. Funds are valued daily at 15h00 with the exception of the RE:CM Money Market Fund which is valued before 18h00. Instructions must reach RE:CM before 14h00 to ensure same day value (11h00 for the RE:CM Money Market Fund). Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of units apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, defined as the total market value of all assets in the unit portfolio including any income accruals and less any permissible deductions (brokerage, uncertified securities tax, VAT, auditors' fees, bank charges, custodian fees, trustee fees, annual management fee and performance fees) from the portfolio divided by the number of units in issue. These portfolios may be closed. RE:CM 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 supervision from Piet Viljoen.

# RE:CM Global FLEXIBLE Fund (Class A)

Period ended 31 May 2013

# RE:CM

YOUR CAPITAL FIRST

<b>Portfolio Manager</b>	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
<b>Sector</b>	Worldwide Multi Asset Flexible
<b>Inception Date</b>	3 April 2003
<b>Total Fund Size</b>	R1.6 billion
<b>Fund Size (Class A)</b>	R1.0 billion
<b>Benchmark</b>	Inflation (CPI) + 8%
<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>	1% annual fee (excl. VAT)
<b>Hurdle Rate</b>	CPI + 8%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Total Expense Ratio</b>	2.56%
<b>Income Declarations</b>	31 March, 30 June, 30 September, 31 December
<b>Regulation 28</b>	Does not comply

## About the Fund

The RE:CM Global Flexible Fund is a rand denominated worldwide balanced fund that may invest in equities, bonds, property, cash and offshore assets. Funds are shifted between various asset classes to take advantage of areas of value.

## Fund Objective

The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

## Risk Measures

We look at risk in terms of losing money, not in terms of volatility. Our main risk management tool is our investment philosophy. As value investors, we aim to buy and hold good quality companies and do so with a margin of safety. Our ability to move between asset classes assists in reducing the risk in the fund.

## RISK STATISTICS AND PORTFOLIO DETAIL

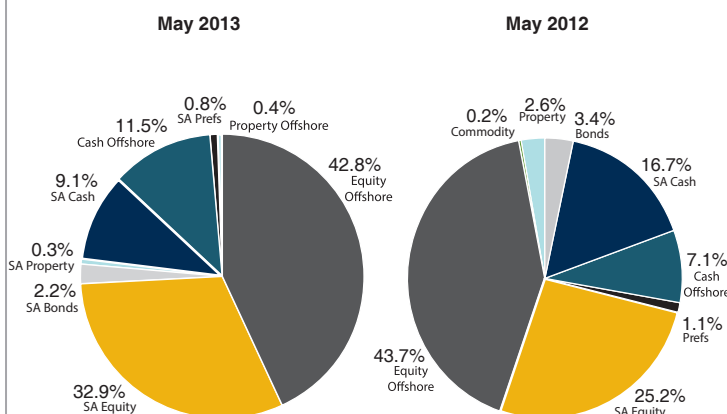
### FUND RISK PROFILE



### TOP HOLDINGS (%)

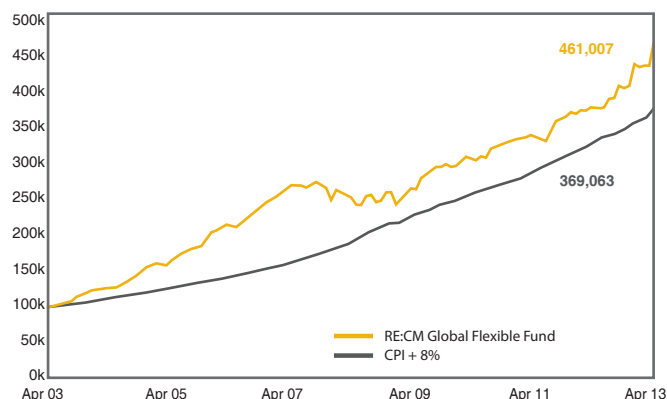
	May 2013	May 2012	
Amplats	4.7	Sun International	5.5
Microsoft	4.2	Microsoft	4.0
Carrefour	3.8	Amplats	3.9
Anglo American	3.4	Johnson & Johnson	3.8
Lonmin	3.0	Carrefour	3.5
Arcelor Mittal	3.0	Berkshire Hathaway	3.2
Sun International	2.9	BP	2.8
BP	2.7	Coca-Cola Hellenic	2.7
Ultra Petroleum	2.6	Discovery	2.4
Impala Platinum	2.4	Tokyo Gas	2.0

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END MAY 2013

	Fund	Benchmark
1 Year	24.5%	13.9%
3 Years	15.3%	13.4%
5 Years	13.1%	14.0%
Since Inception	16.4%	13.8%
Maximum Drawdown*	-11.5%	-1.0%

- \* Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- \* Periods greater than 1 year are annualised
- \* Inception Date, 3 April 2003
- \* Life of Fund

### INVESTMENT COMMENT

Other than our investment in JD Group, the RE:CM Global Flexible Fund carries very little investment exposure to the potential risks of a breaking bubble in unsecured lending practices. In JD Group's case their lending business accounts for about 70% of our valuation appraisal following their business restructuring in 2012. As with any other unfolding problem that could turn into a crisis, we find ourselves drawn to the significant recent price declines in this area of the SA equity market. If there are any investment opportunities we will act on them. We are also keeping a close eye on the price to value developments in the property and bond sectors of the market following recent price declines. But one or two poor months following a very long bull market does not imply or guarantee cheap asset prices. We are ready to act if and when acceptable margins of safety are offered. The Japanese equity market rallied very strongly year to date, coupled with significant Yen currency weakness against the US Dollar. Interestingly it has been a broad based rally across the small, mid and large cap spectrum, fuelled by speculative day-trading activities. We continue to calculate and expect decent prospective investment returns from the quality small and mid-cap equity segments in Japan; more specifically from the Fund's investments in those segments.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: [info@reem.co.za](mailto:info@reem.co.za)

Website: [www.reem.co.za](http://www.reem.co.za)

**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, RE:CM Collective Investments (Pty) Ltd (RE:CM). Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Funds are valued daily at 15h00. Instructions must reach RE:CM before 14h00 to ensure same day value. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of units apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, defined as the total market value of all assets in the unit portfolio including any income accruals and less any permissible deductions (brokerage, uncertificated securities tax, VAT, auditors' fees, bank charges, custodian fees, trustee fees, annual management fee and performance fees) from the portfolio divided by the number of units in issue. These portfolios may be closed. RE:CM 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. The RE:CM Global Flexible Fund Class A has a Total Expense Ratio of 2.56%. For the period from 01 April 2012 to 31 March 2013, 2.56% of the average Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. Inclusive of the TER of 2.56%, a performance fee of 1.24% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.

# RE:CM Flexible EQUITY Fund (Class B)

Period ended 31 May 2013

<b>Portfolio Manager</b>	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
<b>Sector</b>	South African Multi Asset Flexible
<b>Inception Date</b>	2 March 2005
<b>Total Fund Size</b>	R387.9 million
<b>Fund Size (Class B)</b>	R100.8 million
<b>Benchmark</b>	FTSE/JSE All Share Index
<b>Min. Investment</b>	R150,000 initial investment
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class B)</b>	0.5% annual fee (excl. VAT)
<b>Hurdle Rate</b>	JSE All Share Index + 2.5%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Total Expense Ratio</b>	0.59%
<b>Income Declarations</b>	31 March & 30 September
<b>Regulation 28</b>	Does not comply

## About the Fund

The RE:CM Flexible Equity Fund is an SA Equity Fund and has the flexibility to default to cash when we can't find value in equities. It aims to generate better returns than the FTSE JSE All Share Index (including income) over the long term with lower than average risk of capital loss and with less volatility than the index. This fund is suited to investors seeking long-term wealth creation through SA equity exposure, and who are comfortable with short-term volatility.

## Fund Objective

The portfolio objective is to seek long-term capital growth with a level of risk acceptable to the more aggressive investor.

## Risk Measures

We look at risk in terms of losing money, not in terms of volatility. Our main risk management tool is our investment philosophy. As value investors, we aim to buy and hold good quality companies and do so with a margin of safety. Our ability to hold cash offers additional comfort when equities are expensive.

## RISK STATISTICS AND PORTFOLIO DETAIL

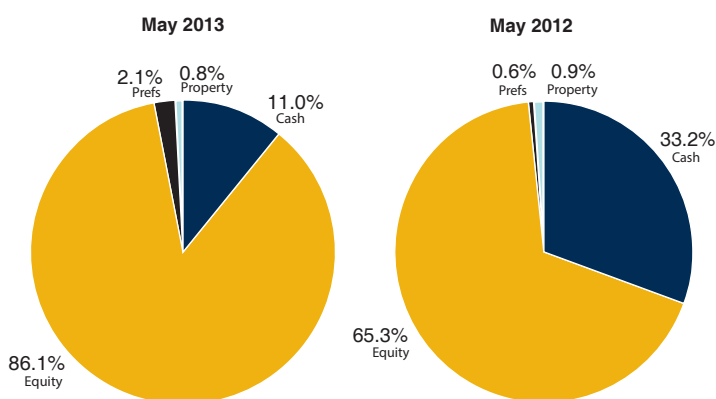
### FUND RISK PROFILE



### TOP HOLDINGS (%)

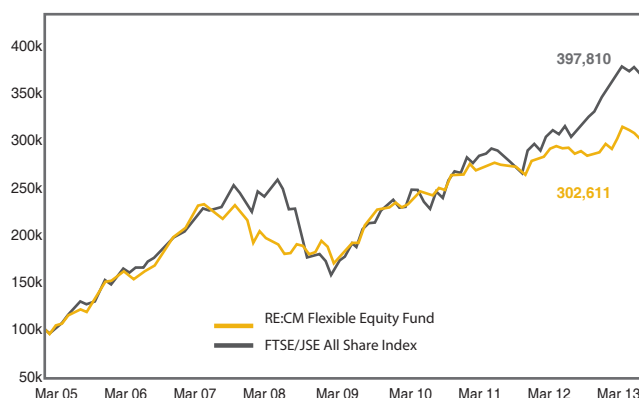
	May 2013	May 2012	
Amplats	6.8	Sun International	8.8
Anglo American	6.0	Amplats	6.0
Sun International	5.9	Discovery	4.8
HCI	5.8	HCI	4.7
Lonmin	5.7	Harmony Gold	3.4
Arcelor Mittal	5.6	Lonmin	3.3
Impala Platinum	4.2	MMI Holdings	3.1
Sasol	3.8	Telkom	3.0
Standard Bank	3.8	Old Mutual	2.6
JD Group	3.6	JD Group	2.4

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END MAY 2013

	Fund	Benchmark
1 Year	5.0%	30.7%
3 Years	7.4%	19.2%
5 Years	9.7%	8.9%
Since Inception	14.5%	18.4%
Maximum Drawdown*	-27.1%	-40.4%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- Periods greater than 1 year are annualised
- Inception Date, 2 March 2005
- \* Life of Fund

### INVESTMENT COMMENT

In May we allocated capital to existing investment ideas JD Group, Amplats, Arcelor Mittal, Implats and Anglo American. Despite the Fund owning many of these over the past 2 years we would classify each of them as 'new' ideas. Our buying programs are designed so that the fund can be fully invested at all-time low valuation multiples for these businesses. So unless we get really lucky, we would typically start with a smaller position and increase it as and when the margin of safety increases. This means that our first purchases could temporarily be 'out of the money', but with each new buying tranche at lower prices we continue averaging down the cost base. These purchases were funded by capital realizations made in HCI, Tsogo, Omnia, Old Mutual and Discovery, all of whom had delivered excellent investment returns over the past year. In addition, we completed our selling program in Peregrine. Our investment thesis had developed fully while the margin of safety closed simultaneously.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: info@reem.co.za

Website: www.reem.co.za

**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, RE:CM Collective Investments (Pty) Ltd (RE:CM). Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Funds are valued daily at 15h00. Instructions must reach RE:CM before 14h00 to ensure same day value. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of units apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, defined as the total market value of all assets in the unit portfolio including any income accruals and less any permissible deductions (brokerage, uncertificated securities tax, VAT, auditors' fees, bank charges, custodian fees, trustee fees, annual management fee and performance fees) from the portfolio divided by the number of units in issue. These portfolios may be closed. RE:CM 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. The RE:CM Flexible Equity Fund Class B has a Total Expense Ratio of 0.59%. For the period from 01 April 2012 to 31 March 2012, 0.59% of the average Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. Inclusive of the TER of 0.59%, a performance fee of 0.0% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.

# RE:CM Global FEEDER Fund (Class A)

Period ended 31 May 2013

# RE·CM

YOUR CAPITAL FIRST

<b>Portfolio Manager</b>	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
<b>Sector</b>	Global Multi Asset Flexible
<b>Inception Date</b>	1 April 2007
<b>Total Fund Size</b>	R876.2 million
<b>Fund Size (Class A)</b>	R528.7 million
<b>Benchmark</b>	MSCI World Index (ZAR)
<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>	0.3% annual fee (excl. VAT)
<b>Total Expense Ratio</b>	0.93%*
	*The total expense ratio includes the fee of the underlying fund, the RE:CM Global Fund.
<b>Pricing Frequency</b>	Daily
<b>Income Declarations</b>	None
<b>Regulation 28</b>	Does not comply

## About the Fund

The RE:CM Global Feeder Fund is a rand denominated fund that provides local investors with access to the Guernsey-domiciled RE:CM Global Fund. The RE:CM Global Fund invests predominantly in large global companies listed on recognised exchanges across all markets. The Top Holdings, Geographical Allocation, Asset Allocation and Investment Comment found below, relate to the RE:CM Global Fund.

## Fund Objective

The primary objective of the underlying fund portfolio is to outperform the MSCI World Index, in USD (including income) over the long term with lower than average risk of capital loss and with less volatility than the index.

## Risk Measures

Whilst the risk is higher than that of a global balanced fund, our investment process is designed to minimise the risk of losing money over the long term.

## RISK STATISTICS AND PORTFOLIO DETAIL

### FUND RISK PROFILE



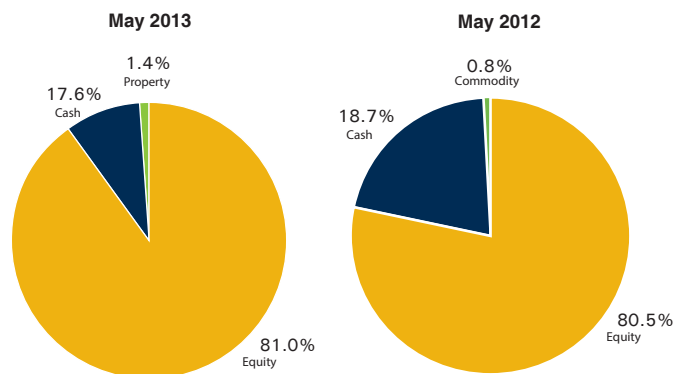
### TOP HOLDINGS (%)

May 2013			
Microsoft	6.3	Amplats	4.1
Ichirizuka Master Fund	5.2	Arcelor Mittal	3.5
Carrefour	4.6	BP	3.3
Ultra Petroleum	4.3	Sonae	2.9
Intel	4.1	Wellpoint	2.9

### GEOGRAPHICAL ALLOCATION (%)

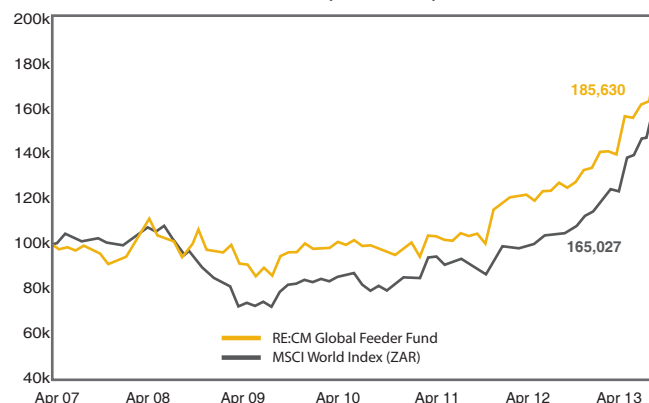
May 2013			
United States of America	44.0	United Kingdom	4.2
Eurozone	24.1	Hong Kong	2.7
Japan	13.8	Australia	0.4
South Africa	10.8	Canada	0.0

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END MAY 2013

	Fund	Benchmark
1 Year	46.5%	57.1%
3 Years	23.3%	26.2%
5 Years	12.6%	8.7%
Since Inception	10.6%	8.5%
Maximum Drawdown*	-22.8%	-33.7%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- Periods greater than 1 year are annualised
- Inception Date, 1 April 2007
- Life of Fund

### INVESTMENT COMMENT

The Japanese equity market rallied very strongly year to date, coupled with significant Yen currency weakness against the US Dollar. Interestingly it has been a broad based rally across the small, mid and large cap spectrum, fuelled by speculative day-trading activities. We continue to calculate and expect decent prospective investment returns from the quality small and mid-cap equity segments in Japan; more specifically from the Fund's investments in those segments. In addition, the Yen has weakened to such an extent that we now consider it meaningfully undervalued on a purchasing power parity basis, in the order of 20%, which puts it on par with the investment opportunity it offered in 2007. In combination this makes investment in cheap Japanese assets particularly compelling from a US Dollar perspective. The current RE:CM Global Fund exposure to Japanese assets is 10.9%, against the MSCI World Index weighting to Japan of 9%. This can be referred to as being 'overweight' Japan. We don't spend any time worrying about whether our fund positions are 'underweight' or 'overweight' that of index constituents. We invest where we find cheap assets and thereafter we observe and comment on outcomes at the Fund level; if it makes sense to do so.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: [info@reem.co.za](mailto:info@reem.co.za)

Website: [www.reem.co.za](http://www.reem.co.za)

**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, RE:CM Collective Investments (Pty) Ltd (RE:CM). Commission and incentives may be paid and if so, would be included in the overall costs. A Feeder Fund is a portfolio that, apart from assets in liquid form, consists solely of participatory interests in a single portfolio of a collective investment scheme. Forward pricing is used. Funds are valued daily at 15h00. Instructions must reach RE:CM before 14h00 to ensure same day value. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of units apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, defined as the total market value of all assets in the unit portfolio including any income accruals and less any permissible deductions (brokerage, uncertificated securities tax, VAT, auditors' fees, bank charges, custodian fees, trustee fees, annual management fee and performance fees) from the portfolio divided by the number of units in issue. RE:CM 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. The RE:CM Global Feeder Fund Class A has a Total Expense Ratio of 0.93%. For the period from 01 April 2012 to 31 March 2013, 0.93% of the average Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. Inclusive of the TER of 0.93%, a performance fee of 0% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.

# RE:CM GLOBAL Fund (Class A)

Period ended 31 May 2013

# RE:CM

YOUR CAPITAL FIRST

<b>Portfolio Manager</b>	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
<b>Sector</b>	Global Equity
<b>Inception Date</b>	31 March 2006
<b>Total Fund Size</b>	US \$496.5 million
<b>Fund Size (Class A)</b>	US \$455.6 million
<b>Benchmark</b>	MSCI World Index
<b>Min. Investment</b>	\$50,000 initial investment
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class A)</b>	0.5% annual fee
<b>Hurdle Rate</b>	MSCI World + 2.5%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Pricing Frequency</b>	Weekly
<b>Administrators</b>	Kleinwort Benson
<b>Domicile</b>	Guernsey
<b>Total Expense Ratio</b>	0.58%
<b>Income Declarations</b>	None
<b>Regulation 28</b>	Does not comply

## About the Fund

The RE:CM Global Fund is a US dollar denominated equity-centric fund domiciled in Guernsey. It invests predominantly in large global companies listed on recognised exchanges across all markets. A prospectus is available from RE:CM Collective Investments (Pty) Ltd.

## Fund Objective

The portfolio aims to outperform the MSCI World Index in USD (including income) over the long term with lower than average risk of capital loss and with less volatility than the index.

## Risk Measures

Whilst the risk is higher than that of a global balanced fund, our investment process is designed to minimise the risk of losing money over the long term.

## RISK STATISTICS AND PORTFOLIO DETAIL

### FUND RISK PROFILE



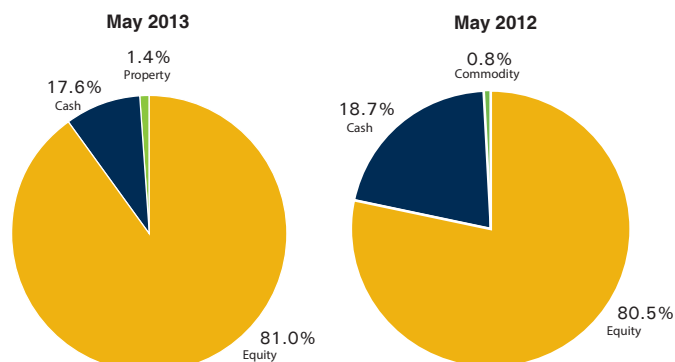
### TOP HOLDINGS (%)

May 2013			
Microsoft	6.3	Amplats	4.1
Ichirizuka Master Fund	5.2	Arcelor Mittal	3.5
Carrefour	4.6	BP	3.3
Ultra Petroleum	4.3	Sonae	2.9
Intel	4.1	Wellpoint	2.9

### GEOGRAPHICAL ALLOCATION (%)

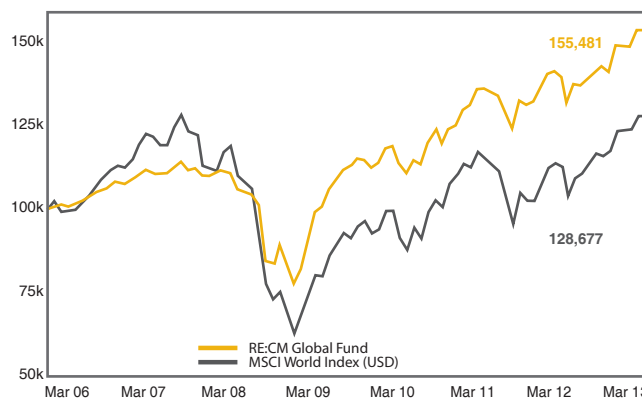
May 2013			
United States of America	44.0	United Kingdom	4.2
Eurozone	24.1	Hong Kong	2.7
Japan	13.8	Australia	0.4
South Africa	10.8	Canada	0.0

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END MAY 2013

	Fund	Benchmark
1 Year	22.9%	28.5%
3 Years	12.8%	14.0%
5 Years	7.9%	2.1%
Since Inception	7.1%	4.2%
Maximum Drawdown*	-33.1%	-53.7%

- Returns are in USD net of fees with distributions re-invested. Source: RE:CM Analyst, Bloomberg.
- Periods greater than 1 year are annualised
- Inception Date, 31 March 2006
- \* Life of Fund

### INVESTMENT COMMENT

The Japanese equity market rallied very strongly year to date, coupled with significant Yen currency weakness against the US Dollar. Interestingly it has been a broad based rally across the small, mid and large cap spectrum, fuelled by speculative day-trading activities. We continue to calculate and expect decent prospective investment returns from the quality small and mid-cap equity segments in Japan; more specifically from the Fund's investments in those segments. In addition, the Yen has weakened to such an extent that we now consider it meaningfully undervalued on a purchasing power parity basis, in the order of 20%, which puts it on par with the investment opportunity it offered in 2007. In combination this makes investment in cheap Japanese assets particularly compelling from a US Dollar perspective. The current RE:CM Global Fund exposure to Japanese assets is 10.9%, against the MSCI World Index weighting to Japan of 9%. This can be referred to as being 'overweight' Japan. We don't spend any time worrying about whether our fund positions are 'underweight' or 'overweight' that of index constituents. We invest where we find cheap assets and thereafter we observe and comment on outcomes at the Fund level; if it makes sense to do so.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: [info@reem.co.za](mailto:info@reem.co.za)

Website: [www.reem.co.za](http://www.reem.co.za)

**Disclaimer:** Collective Investment Schemes in Securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Collective investments are traded at ruling prices and can engage in 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 from the company/ scheme. 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), whilst non-quantifiable fees included in the net asset value price may comprise brokerage, auditor's fees, bank charges, UST, 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 accrued and less any permissible deductions from the portfolio. Forward pricing is used. Fund valuations take place at 11 pm Guernsey time on the first business day of each week. Withdrawal requests and contributions must be received by the Manager by 4 pm Guernsey time on the first business day of the week to be processed that week. The Management Company is RE:CM Guernsey Management Company Limited. The Custodian is Royal Bank of Canada (Channel Islands) Limited and the Administrators are Kleinwort Benson. This fact sheet should be read in conjunction with the "Schedule of Similarities and Differences" available on the website. RE:CM Collective Investments (Pty) Ltd is a member of the Association for Savings and Investment SA (ASISA).

A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA