

# RECM FLEXIBLE VALUE PRESCIENT QI HEDGE FUND (Class A)

Minimum Disclosure Document - Period ended 31 December 2019

# RECM

## FUND FACTS

Portfolio Managers	Jan van Niekerk & Richard Court*
Fund Classification	Qualified Investor Hedge Fund
Fund Launch Date	02 May 2017
Inception Date (Class A)	02 May 2017
Total Fund Size	R73.9 million
Fund Size (Class A)	R73.9 million
Min. Investment (Lump Sum)	R1 000 000 initial investment
Initial Fee	No initial fee
Annual Fee	1.0% (excl. VAT)
Intermediary Fee	0.0% (excl. VAT)
Performance Fee	20% of the outperformance of the hurdle over 5 years rolling
Benchmark (Bmk)	FTSE/JSE All Share Index
Performance Hurdle	FTSE/JSE All Share Index + 2.5% p.a.
Distribution Date (Annually)	31 March
Latest Distribution	169.9 cpu (Mar 2019)

## FUND RISK PROFILE

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
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The Fund has a high risk profile as it is actively managed across South African and global multi asset classes.

## INVESTMENT OBJECTIVES

The RECM Flexible Value Prescient QI Hedge Fund aims to achieve medium to long-term capital growth for investors. The fund seeks to capitalise on all investment opportunities across all asset classes and sectors. The fund has maximum flexibility to invest in a diversified range of instruments including, but not limited to, equities, money market instruments, bonds, property, debentures, options, warrants, convertible debt securities, debt instruments, commodities, repurchase agreements, over the counter securities, swaps, forward rate agreements (FRAs), futures and any other listed and unlisted financial instrument in line with conditions as determined by legislation from time to time. The leverage will not be more than 3:1 (being adjusted gross exposure to net asset value). The manager shall use the commitment method to calculate the Fund's total exposure.

## TER AND TRANSACTION COSTS\*\*\* (30 September 2019)

	1 Year
TER	1.3%
Performance Fee (included in TER above)	-0.3%
Transaction Costs	0.1%
<b>Total Investment Charge</b>	<b>1.4%</b>

## TOP FIVE HOLDINGS \*\*

December 2019
African Bank Index Linked Bond
ELB Group Ltd
FNB Junior Loan
Regergen Limited
Rolfes Holdings Limited

\*\* In alphabetical order

## REGIONAL EXPOSURE (%)

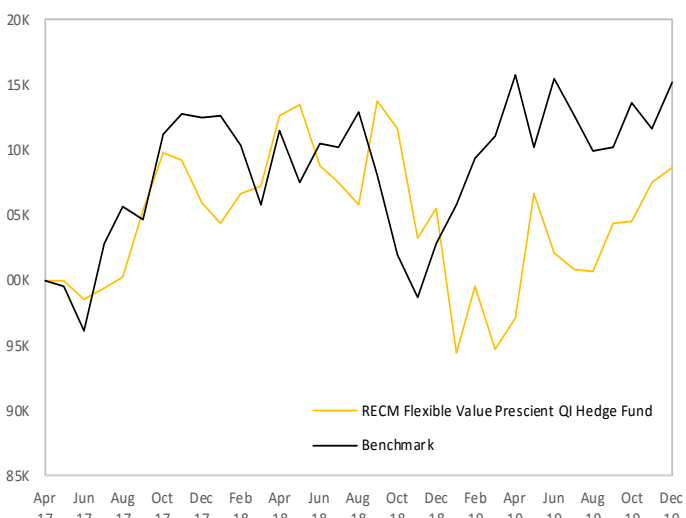
December 2019	
South Africa	95.0
Global	5.0
<b>Total</b>	<b>100.0</b>

## ASSET EXPOSURE (%)

December 2019	
Long Equity	67.1
Short Equity	-28.4
Long Credit	20.9
Cash	40.3
<b>Total</b>	<b>100.0</b>
Gross Equity Exposure	95.5%
Net Equity Exposure	38.8%
Net Credit Exposure	20.9%

## PERFORMANCE NET OF FEES AND EXPENSES

### ILLUSTRATIVE VALUE OF FUND VS FTSE/JSE ALSI



Source: RECM

## RETURNS NET OF FEES (ZAR)

	Fund	Benchmark
Year to Date	3.0%	12.0%
1 Year	3.0%	12.0%
Since Inception	3.2%	5.5%

All periods longer than a year are annualised

	Fund	Date Range
Highest Annual Return	13.4%	Jun 2017 - May 2018
Lowest Annual Return	-13.7%	May 2018 - Apr 2019

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

## MONTHLY RETURNS FOR THE PAST 12 MONTHS

Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19
-10.5%	5.4%	-4.8%	2.5%	9.8%	-4.2%
Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19
-1.2%	-0.2%	3.7%	0.1%	2.8%	1.1%

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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 Service Charge 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. Investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date. \*Acting under the supervision of Jan van Niekerk.