

# RE:CM Global FLEXIBLE Fund (Class C)

Period ended 31 August 2012

# RE:CM

YOUR CAPITAL FIRST

<b>Portfolio Manager</b>	Daniel Malan, Piet Viljoen, Wilhelm Hertzog, Paul Whitburn
<b>Sector</b>	Worldwide Asset Allocation Flexible
<b>Inception Date</b>	1 June 2005
<b>Total Fund Size</b>	R1.23 billion
<b>Fund Size (Class C)</b>	R356.2million
<b>Benchmark</b>	Inflation (CPI) + 8%
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee</b>	1.5% annual fee excl. VAT
<b>Hurdle Rate</b>	CPI + 8%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Total Expense Ratio</b>	1.89%
<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

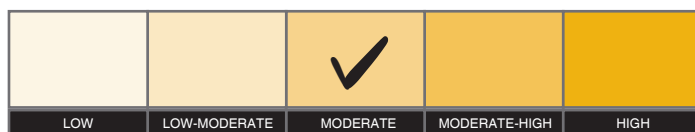
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

## 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 PROFILE

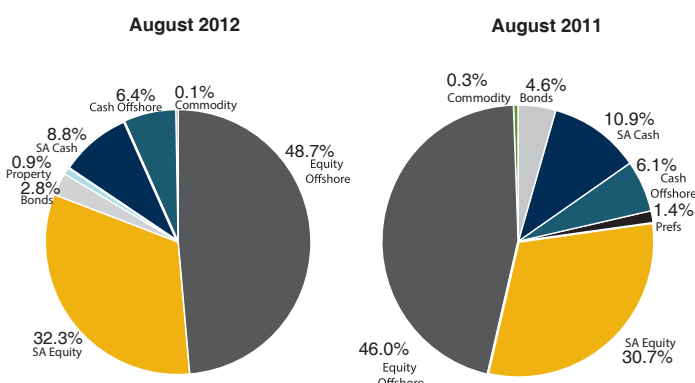


• This fund has a moderate risk profile

### TOP HOLDINGS (%)

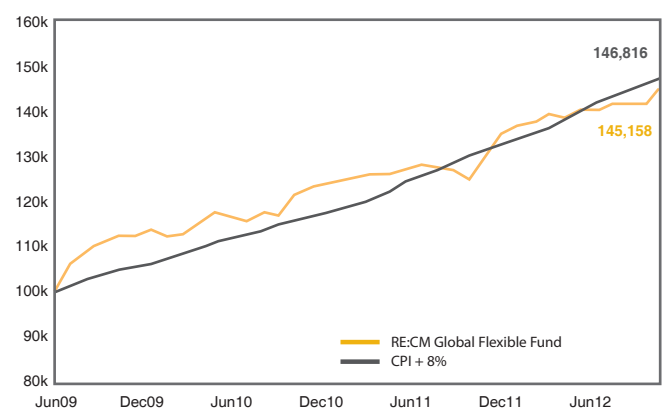
August 2012		August 2011	
Carrefour	7.0	Sun International	5.5
Sun International	5.4	Johnson & Johnson	5.1
Amplats	4.6	Telkom	3.2
Microsoft	3.9	Microsoft	3.0
Anglo American	3.1	Discovery	2.9
Berkshire Hathaway	2.9	BP	2.9
BP	2.9	Tokyo Gas	2.6
Tokyo Gas	2.6	Amplats	2.6
Coca-Cola Hellenic	2.6	Walmart	2.5
Lonmin	2.2	Vividend Income Fund	1.8

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END AUGUST 2012 (%)

	Fund	Benchmark
1 Year	16.4%	12.9%
3 Years	9.9%	12.7%
Since Inception*	12.5%	12.9%

• Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.  
• Periods greater than 1 year are annualised

\* Returns since inception : returns for the C Class are only available from 30 June 2009 due to the reclassification of the Fund at that time.

### INVESTMENT COMMENT

The RE:CM Global Flexible Fund continues to own the equity of high quality businesses with pricing power and low levels of financial leverage in addition to high quality money market assets with reputable counterparties. Against the perspective of the MSCI World Index having more than doubled since March 2009, the FTSE/JSE All Share Index at an all-time high, and government bond and property yields at record lows, the RE:CM Global Flexible Fund has significant offshore exposure with over half of the fund in non-rand denominated assets; there is no exposure to government bonds and minimal property exposure; and the fund's South African equity exposure is represented by segments of the market that have significantly underperformed over the past 5 to 10 years in both absolute and relative terms. This local exposure has included South African resource companies of late, and if the economic slowdown in China does take place we look forward to allocating more fund capital to these ideas when they are even cheaper.

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 Global Flexible Fund Class C has a Total Expense Ratio of 1.89%. For the period from 01 July 2011 to 30 June 2012, 1.89% 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 1.89%, a performance fee of 0.0% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.