

# RE:CM Global FLEXIBLE Fund (Class C)

Period ended 29 February 2012

# RE:CM

YOUR CAPITAL FIRST

<b>Portfolio Manager</b>	Daniel Malan, Piet Viljoen, Wilhelm Hertzog
<b>Sector</b>	Worldwide Asset Allocation Flexible
<b>Inception Date</b>	1 June 2005
<b>Fund Size (All Classes)</b>	R1.1 billion
<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>	2.12%
<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

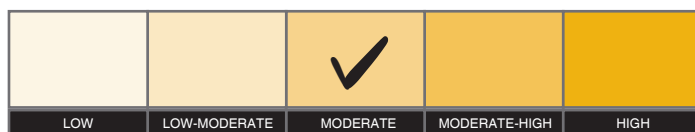
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

## 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

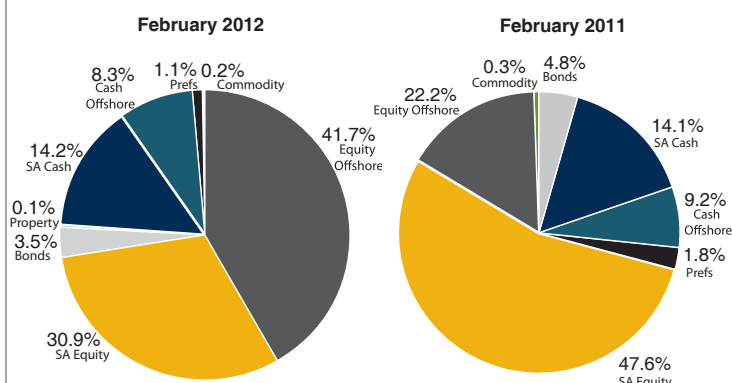


• This fund has a moderate risk profile

### TOP HOLDINGS (%)

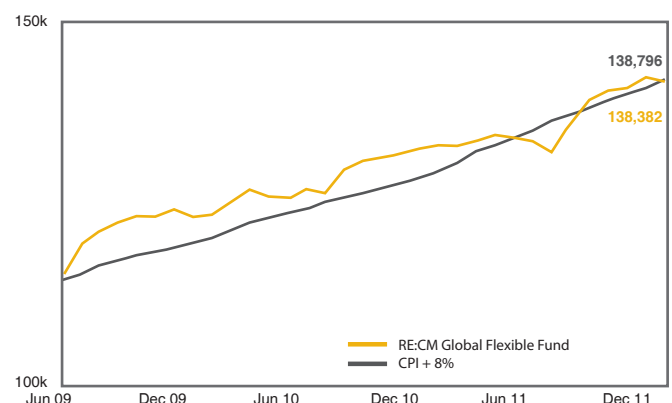
February 2012		February 2011	
Sun International	5.2	Sun International	5.0
Microsoft	4.1	Discovery	4.0
Carrefour	4.0	Telkom	3.1
Johnson & Johnson	3.8	Tiger Brands	3.0
Amplats	3.5	Harmony Gold	2.9
BP	3.4	FirstRand	2.5
Discovery	3.1	Old Mutual	2.3
Berkshire Hathaway	2.9	Remgro	2.2
Harmony Gold	2.0	Brait	2.1
Vividend Income Fund	1.9	Adcock Ingram	2.0

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END FEBRUARY 2012 (%)

	Fund	Benchmark
1 Year	9.8%	14.7%
Since Inception*	13.0%	13.1%

• Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst, Datastream.  
• 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

Exposure to domestic equity remains at all-time lows supported by our research conclusions that most individual domestic assets are not priced for delivering attractive future returns. We are leaving no investable stone unturned in the domestic market in our search for sensible price to value opportunities; in many cases turning the same stone a number of times just to make sure. We have also reviewed the key assumptions that go into our detailed valuation work and the result is that we keep coming back to the same conclusion. However, there is good news: we have the mandate flexibility to help protect your capital during these times; we invested in cheap high quality businesses we found offshore; and our portfolio managers have already acted to retain an acceptably diversified, liquid and high quality equity building block of cheap(ish) assets. From a business cycle perspective the areas of the domestic economy that do interest us at the moment are the platinum and hotels & leisure industries. The Fund has meaningful exposure to these two sectors through positions in Amplats, Lonmin, HCl, Tsogo, Sun International and Grand Parade; all of whom we consider to be businesses with identifiable barriers to entry that are cheap at the price. We were net sellers of equity overall during the month of February, trimming the Fund's positions in Dell, Omnia, Old Mutual, Eqstra, Pick 'n Pay and Harmony.

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