

# RE:CM Global FLEXIBLE Fund (Class C)

Period ended 31 July 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>	1 June 2005
<b>Total Fund Size</b>	R1.7 billion
<b>Fund Size (Class C)</b>	R577.0 million
<b>Benchmark</b>	Inflation (CPI) + 8%
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class C)</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>	2.82%
<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

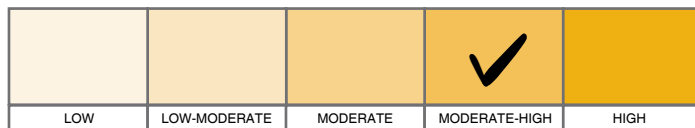
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

## 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

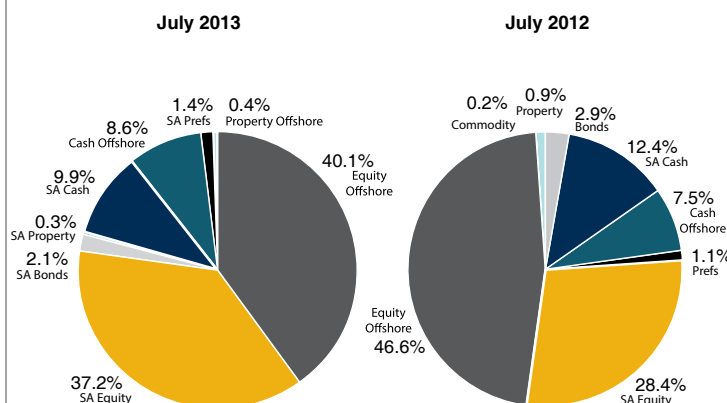
### FUND RISK PROFILE



### TOP HOLDINGS (%)

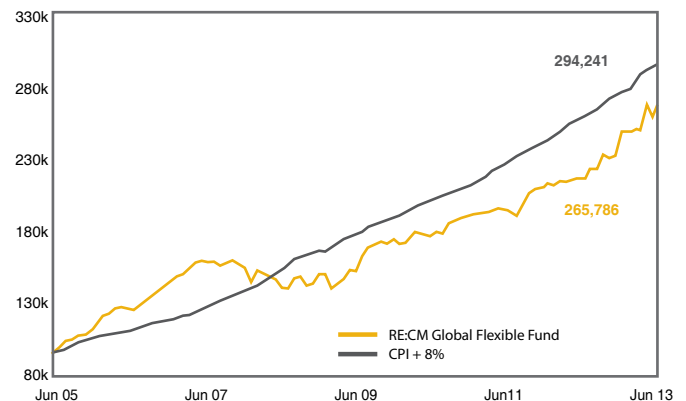
July 2013		July 2012	
Amplats	5.6	Carrefour	5.7
Anglo American	5.0	Sun International	5.1
Carrefour	3.7	Amplats	3.9
Microsoft	3.3	Microsoft	3.7
Arcelor Mittal	3.1	Berkshire Hathaway	3.1
Impala Platinum	3.1	BP	2.8
Lonmin	2.9	Coca-Cola Hellenic	2.7
Sun International	2.6	Anglo American	2.5
BP	2.4	Johnson & Johnson	2.4
JD Group	2.3	Dell	2.3

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END JULY 2013\*

	Fund	Benchmark
1 Year	23.2%	13.6%
3 Years	13.9%	13.4%
5 Years	13.5%	13.5%
Since Inception	12.7%	14.1%
Maximum Drawdown**	-12.0%	0.0%

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

\* The RE:CM Global Flexible Fund was reclassified to a fully flexible mandate at the end of June 2009. Prior to this date, the Fund was managed according to Reg.28 guidelines.

\*\* Life of Fund

### INVESTMENT COMMENT

The past six months saw very strong returns from the US and Japanese markets (in local currency terms). This resulted in a number of the Fund's offshore holdings becoming less attractively priced, and we reduced exposures accordingly. Of the top five disposals during the six months, four (Carrefour, H&R Block, Coca Cola Hellenic, Tokyo Gas) were global businesses. The only domestic business to feature as a large disposal was Sun International. As with Carrefour, it is still a large investment in the Fund, but share price moves in the early months of 2013 reduced the margin of safety between fair value and the stock price to levels where a reduced exposure was called for. On the purchasing side, existing Fund holdings Impala Platinum, Arcelor Mittal South Africa, Anglo American Platinum and Blue Label Telecoms all feature as top buys. The first three are all top ten holdings in the Fund, to which we've been adding capital as share prices presented very attractive opportunities during the past six months. Impala Platinum is especially interesting. After initially withstanding the onslaught that the platinum sector has experienced far better than the other platinum miners, Impala's share price has now also succumbed to the ongoing pressures. We currently face the almost unbelievable situation where the shares of all three of the major global platinum producers are trading at less than 50% of our estimate of fair value.

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 2.82%. For the period from 1 July 2012 to 30 June 2013, 2.82% 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 2.82%, a performance fee of 0.90% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.