

# RE:CM Global FLEXIBLE Fund (Class C)

Period ended 31 March 2013

<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>	R1.4 billion
<b>Fund Size (Class C)</b>	R488.1 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>	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

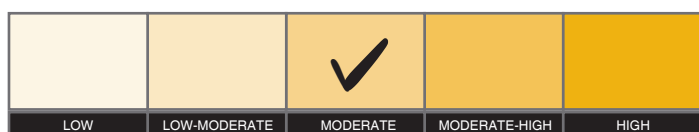
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

## 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

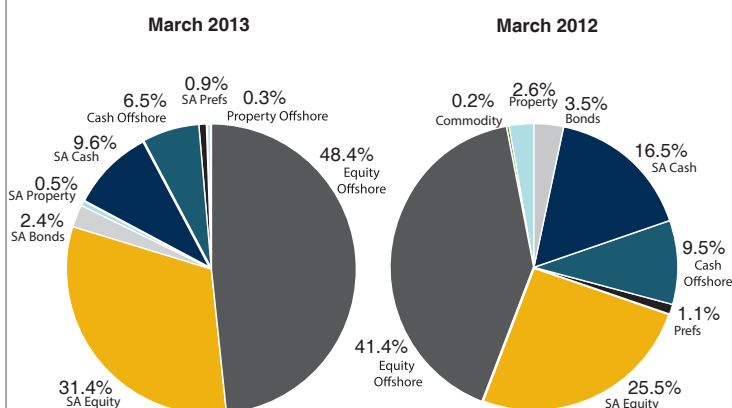
### FUND RISK PROFILE



### TOP HOLDINGS (%)

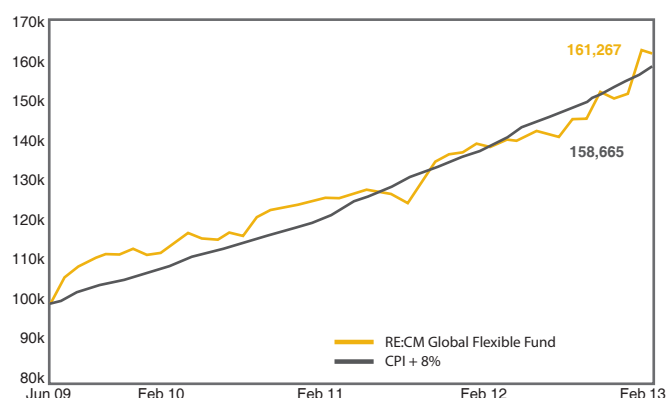
March 2013		March 2012	
Carrefour	6.7	Sun International	5.1
Amplats	4.4	Microsoft	4.1
Sun International	3.9	Johnson & Johnson	3.8
Microsoft	3.5	Carrefour	3.7
Anglo American	3.4	Amplats	3.1
Dell	3.0	BP	3.1
Berkshire Hathaway	2.9	Berkshire Hathaway	3.0
Lonmin	2.7	Discovery	2.5
BP	2.7	Wellpoint	2.0
Tokyo Gas	2.6	Vividend Income Fund	1.8

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END MARCH 2013

	Fund	Benchmark
1 Year	16.4%	13.8%
3 Years	12.3%	13.2%
Since Inception*	13.9%	13.1%

\* 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

Value investing requires patience and discipline, but also the ability to move quickly if an opportunity arises. Our purchase of a substantial interest in the shares of Petmin during the past month was a good example of this. Petmin is a company we have followed for some time now, but with its share price caught up in the excitement of the commodity boom for a long time, we could never justify purchasing the shares. With thermal coal prices globally contracting markedly over the past two years, sentiment at last shifted to an extent that we could justify investing in the company's shares. When the opportunity came to purchase a large percentage of the company's shares in one transaction, we were able to move quickly, having performed all our due diligence on the company well in advance. While Petmin is a small investment for RE:CM clients, it serves as a useful example of opportunity coming to the prepared. We have also been purchasing shares in that rarest of birds: an attractively priced South African industrial share. The share in question is JD Group, which is now trading at less than net asset value. While there are valid concerns about the state of the unsecured lending market, this is not the first credit cycle that JD Group's management are seeing through. On the disposals front, South African industrials and financials continue to feature prominently. Globally, we have sold shares in Carrefour and H&R Block, both as a result of very rapid share price increases over recent months.

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