

# RE:CM Global FLEXIBLE Fund (Class A)

Period ended 28 February 2013

<b>Portfolio Manager</b>	Daniel Malan, Piet Viljoen, Wilhelm Hertzog, Paul Whitburn
<b>Sector</b>	Worldwide Multi Asset Flexible
<b>Inception Date</b>	3 April 2003
<b>Total Fund Size</b>	R1.4 billion
<b>Fund Size (Class A)</b>	R939.2 million
<b>Benchmark</b>	Inflation (CPI) + 8%
<b>Min. Investment</b>	R150,000 initial investment
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class A)</b>	1% annual fee (excl. VAT)
<b>Hurdle Rate</b>	CPI + 8%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Total Expense Ratio</b>	1.31%
<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

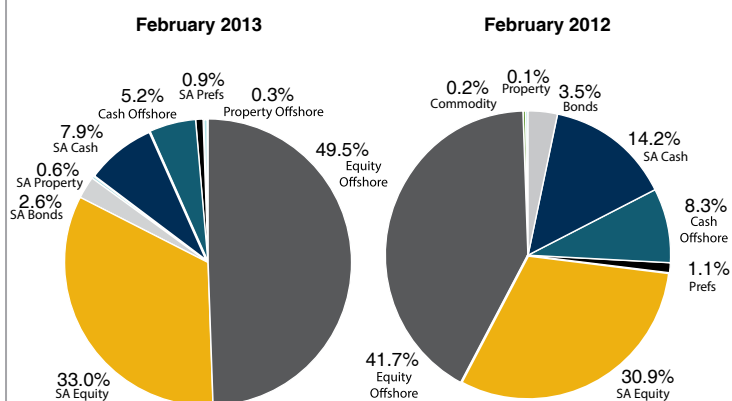
### FUND RISK PROFILE



### TOP HOLDINGS (%)

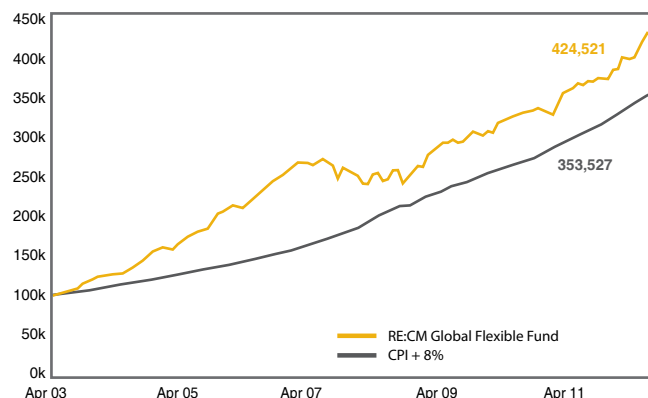
February 2013		February 2012	
Carrefour	6.8	Sun International	5.2
Amplats	4.9	Microsoft	4.1
Sun International	4.6	Carrefour	4.0
Anglo American	3.6	Johnson & Johnson	3.8
Microsoft	3.4	Amplats	3.5
Dell	3.4	BP	3.4
Lonmin	3.2	Discovery	3.1
Berkshire Hathaway	3.1	Berkshire Hathaway	2.9
BP	2.6	Harmony	2.0
HCI	2.4	Vividend Income Fund	1.9

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END FEBRUARY 2013

	Fund	Benchmark
1 Year	17.4%	13.4%
3 Years	13.4%	13.1%
5 Years	10.4%	14.2%
Since Inception	15.8%	13.7%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- Periods greater than 1 year are annualised
- Inception Date, 3 April 2003

### INVESTMENT COMMENT

Value investing has fallen out of favour. Again. But this isn't the first time. To outperform over a full market cycle, value investors often have to accept underperformance in the short term – it comes with the territory. Selling overvalued shares comes naturally to value managers, but often overvalued shares continue to get more expensive. When this happens a value manager's relative performance will suffer, not so much from the companies they're invested in, but because of the companies they chose not to invest in. A good portion of the South African investment universe is now seriously expensive rendering a very limited local opportunity set. The RE:CM Global Flexible Fund however enjoys wide flexibility to invest a significant portion of its assets offshore or in other asset classes providing one with a better chance to own a portfolio of undervalued assets.

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