

# RE:CM Global FLEXIBLE Fund (Class A)

Period ended 30 September 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>	3 April 2003
<b>Total Fund Size</b>	R1.8 billion
<b>Fund Size (Class A)</b>	R1.1 billion
<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>	2.20%
<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

LOW	LOW-MODERATE	MODERATE	<b>MODERATE-HIGH</b>	HIGH
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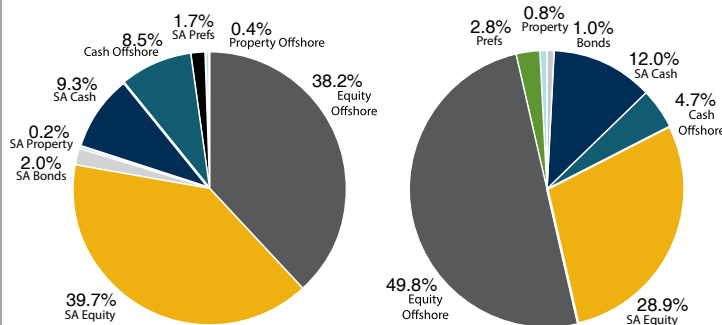
### TOP TEN HOLDINGS (%)

September 2013		September 2012	
Amplats	6.5	Carrefour	6.8
Anglo American	5.4	Sun International	5.2
Carrefour	4.0	Amplats	4.9
Impala Platinum	3.7	Microsoft	4.0
Microsoft	3.3	Dell	4.0
Arcelor Mittal	3.1	Anglo American	3.2
Lonmin	2.9	Arcelor Mittal	3.0
BP	2.4	BP	2.9
Sun International	2.4	Tokyo Gas	2.6
JD Group	2.3	Berkshire Hathaway	2.6
<b>Total</b>	<b>36.0</b>	<b>Total</b>	<b>39.2</b>

### ASSET ALLOCATION

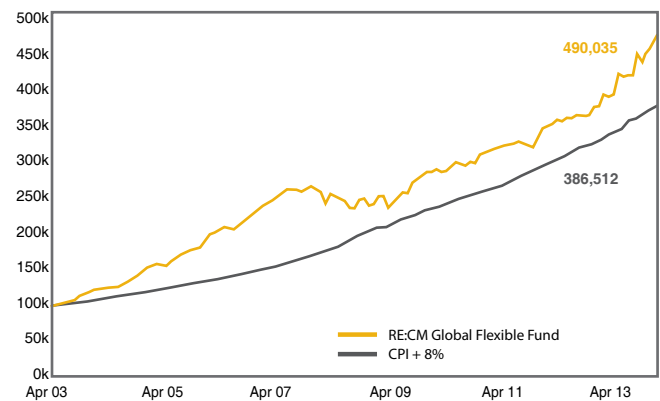
September 2013

September 2012



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END SEPTEMBER 2013\*

	Fund	Benchmark
1 Year	27.2%	14.4%
3 Years	15.6%	13.6%
5 Years	14.2%	13.3%
Since Inception	16.5%	13.9%
Maximum Drawdown**	-11.6%	0.0%

- 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

\* 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 market clearly took notice of the latest set of interim results for Carrefour. This is another terrific example of something very small but positive happening at a formerly disliked business that results in a disproportionately positive share price change. The results implied that their market share is stabilising in their key home market of France, which was a key concern. The key management change to date was the greater decentralisation of store management, which to date appears to have been the right thing to do. In other words they've moved from the corporate store mentality to be better placed to compete with the independent franchise owned business models. Carrefour remains cheap and a top holding in the fund.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: info@reem.co.za

Website: www.reem.co.za

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