

# RE:CM GLOBAL Fund (Class B)

Period ended 31 December 2011

<b>Portfolio Manager</b>	Daniel Malan, Piet Viljoen, Wilhelm Hertzog
<b>Sector</b>	Global Equity
<b>Inception Date</b>	31 March 2006 (Class A), 14 Dec 2010 (Class B)
<b>Fund Size</b>	US \$275.3 million (Class A + B)
<b>Benchmark</b>	MSCI World Index
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class B)</b>	1.0% annual fee
<b>Hurdle Rate</b>	MSCI World + 2.5%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Pricing Frequency</b>	Weekly
<b>Administrators</b>	Kleinwort Benson
<b>Domicile</b>	Guernsey
<b>Income Declarations</b>	None
<b>Regulation 28</b>	Does not comply

## About the Fund

The RE:CM Global Fund is a US dollar denominated equity-centric fund domiciled in Guernsey. It invests predominantly in large global companies listed on recognised exchanges across all markets. A prospectus is available from RE:CM Collective Investments (Pty) Ltd.

## Fund Objective

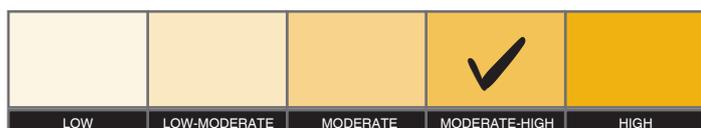
The portfolio aims to outperform the MSCI World Index in USD (including income) over the long term with lower than average risk of capital loss and with less volatility than the index.

## Risk Measures

Whilst the risk is higher than that of a global balanced fund, our investment process is designed to minimise the risk of losing money over the long term.

## RISK STATISTICS AND PORTFOLIO DETAIL

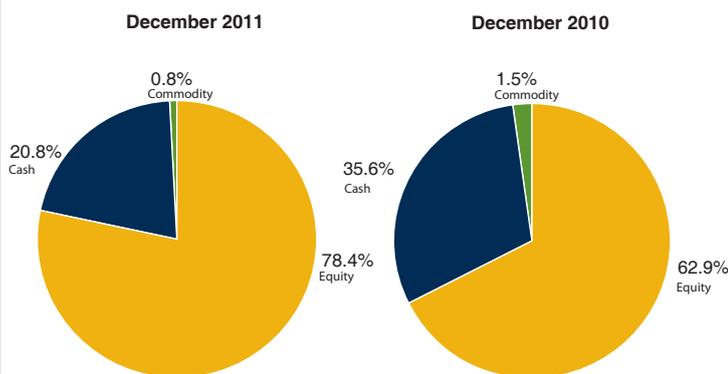
### FUND PROFILE



### TOP HOLDINGS (%)

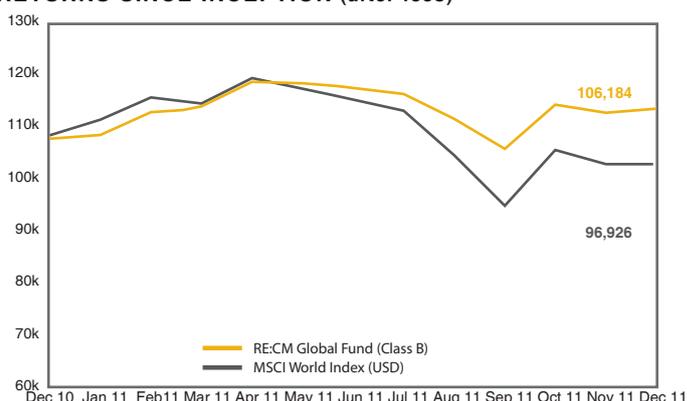
December 2011		December 2010	
Johnson & Johnson	6.0	Johnson & Johnson	5.2
Berkshire Hathaway	5.0	Wellpoint Inc	4.9
BP	4.8	Vodafone	3.9
Wellpoint	4.3	Dell Computer Corporation	3.9
Microsoft	4.2	Harmony Gold	3.3
Dell Computer Corporation	3.9	Wal-Mart Stores Inc	3.2
FamilyMart	3.9	Astellas Pharma Inc	2.7
Intel	2.9	Titan Cement	2.6
Harmony Gold	2.8	Dish Network CLA Com	2.6
Vodafone	2.8	FamilyMart	2.3

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END DECEMBER 2011 (%)\*

	Fund	Benchmark
1 Year (Class B)	4.6%	-4.8%
3 Years	13.6%	11.8%
5 Years	4.4%	-1.8%
Since Inception	5.0%	0.5%
Since Inception (Class B)	5.9%	-3.1%

- Returns are in USD net of fees with distributions re-invested. Source: RE:CM Analyst, Bloomberg.
- Periods greater than 1 year are annualised.
- Inception Date, 31 March 2006 (Class A), 14 December 2010 (Class B).

\* Class A performance is provided in the table above, unless indicated to show historical performance as the B Class has only been operative since December 2010.

### INVESTMENT COMMENT

A sure sign of the nervous state of global markets was provided recently when Oracle, a former holding in the fund, announced missing second quarter earnings of 3 cents per share. In context of the expected 57 cents per share this is not relevant to the valuation of Oracle at all, but the market begged to differ and the share price promptly fell from \$34 in early November to the current \$25 and change.

Following up from a disclosure about a new idea in July this year, our investment thesis for Microsoft revolves around the fact that 20% of the current market capitalization is held in cash and that it generates prodigious and reliable amounts of free cash flow every year that the company is using wisely to reduce the share count at price to value ratios that is value-accretive to the remaining shareholders. At current prices we are paying less than ten times annual free cash flow to be a part owner in this great business. Microsoft used to be a market darling, but in Steve Jobs' legacy and Apple's lengthy and sexy shadow it has been relegated to the back benches. At RE:CM we love taking a good look around the back benches, because we know from experience that that is usually where prospective value resides.

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**Disclaimer:** Collective Investment Schemes in Securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Collective investments are traded at ruling prices and can engage in 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 from the company/ scheme. Commission and incentives may be paid and if so, would be included in the overall costs. The quantifiable deduction is the annual management fee (and performance fee), whilst non-quantifiable fees included in the net asset value price may comprise brokerage, auditor's fees, bank charges, UST, trustee and custodian fees. Collective investment prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Forward pricing is used. Fund valuations take place at 11 pm Guernsey time on the first business day of each week. Withdrawal requests and contributions must be received by the Manager by 4 pm Guernsey time on the first business day of the week to be processed that week. The Management Company is RE:CM Guernsey Management Company Limited. The Custodian is Royal Bank of Canada (Channel Islands) Limited and the Administrators are Kleinwort Benson. This fact sheet should be read in conjunction with the "Schedule of Similarities and Differences" available on the website. RE:CM Collective Investments (Pty) Ltd is a member of the Association for Savings and Investment SA (ASISA).