

# RECM GLOBAL Fund (Class B)

Period ended 30 November 2013

# RE·CM

YOUR CAPITAL FIRST

<b>Portfolio Manager</b>	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
<b>Sector</b>	Global Equity
<b>Inception Date</b>	14 Dec 2010
<b>Total Fund Size</b>	US \$505.4 million
<b>Fund Size (Class B)</b>	US \$56.7 million
<b>Benchmark</b>	MSCI World Index TR
<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 Index TR + 2.5%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Pricing Frequency</b>	Daily
<b>Administrators</b>	Kleinwort Benson
<b>Domicile</b>	Guernsey
<b>Total Expense Ratio</b>	1.05%
<b>Income Declarations</b>	None
<b>Regulation 28</b>	Does not comply

## About the Fund

The RECM 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 RISK PROFILE

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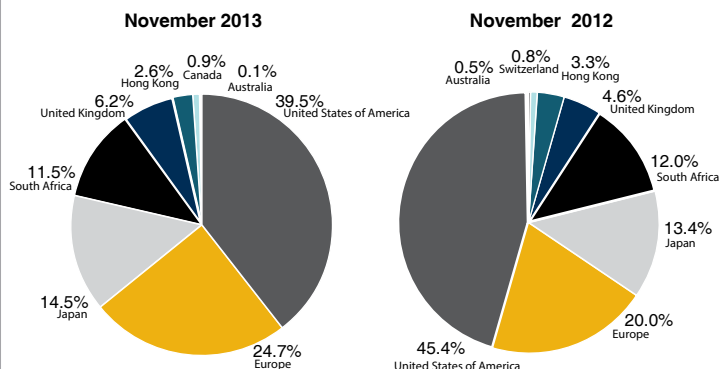
### TOP TEN HOLDINGS (%)

November 2013		November 2012	
Arcelor Mittal	5.5	Carrefour	7.6
Ichirizuka Master Fund	5.3	Microsoft	4.9
BP	4.6	Ichirizuka Master Fund	4.8
Ultra Petroleum	4.2	Amplats	4.2
Amplats	4.0	BP	3.9
Intel	3.9	Berkshire Hathaway	3.6
Microsoft	3.8	Intel	3.5
Carrefour	3.1	Dell	3.0
Impala Platinum	2.9	Arcelor Mittal	2.9
NTT Docomo	2.9	Johnson & Johnson	2.9
<b>Total</b>	<b>40.2</b>	<b>Total</b>	<b>41.3</b>

### ASSET ALLOCATION (%)

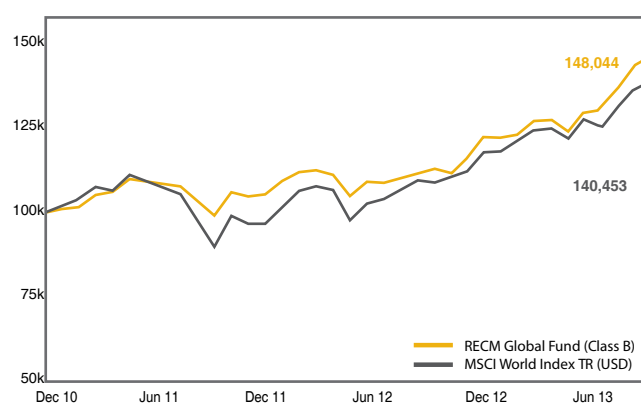
November 2013		November 2012	
Equity	78.5	Equity	76.1
Cash	19.9	Cash	23.9
Property	1.6	Property	0.0
<b>Total</b>	<b>100.0</b>	<b>Total</b>	<b>100.0</b>

### GEOGRAPHICAL ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END NOVEMBER 2013\*

	Fund	Benchmark
1 Year (Class B)	31.6%	27.1%
3 Years	15.8%	14.0%
5 Years	16.4%	15.9%
Since Inception (Class B)	14.2%	12.2%
Maximum Drawdown**	-10.4%	-19.4%

\* 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.  
 \*\* Life of Fund

### INVESTMENT COMMENT

While we allocated fund capital to existing holdings BP and Ultra Petroleum during the month, we also reduced our holdings in Microsoft, Carrefour, Titan Cement, OPAP and Hellenic Exchanges. In each case we have responded to reduced margins of safety following significant positive price movements. These are mostly maturing investment ideas that were acquired a number of years ago. In particular the price recovery in our European stocks has contributed handsomely to our absolute and relative investment returns. As is often the case, shares can erode substantially without any significant improvement in the underlying business fundamentals. Nothing of substance changed for these companies in terms of the European economy, their competitive positioning, market share, revenues or profits over the past year. Only market sentiment changed from overly pessimistic to somewhat optimistic and this has resulted in share prices doubling and tripling from depressed and much undervalued levels.

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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 23h00 Guernsey time on the business day immediately preceding each dealing day. Withdrawal requests and contributions must be received by the Administrators by 16h00 Guernsey time on the business day preceding each dealing day. The Management Company is RECM 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).