RE:CM GLOBAL Fund

Period ended 31 December 2011

RE·CM
YOUR CAPITAL FIRST

Portfolio Manager	Daniel Malan, Piet Viljoen, Wilhelm Hertzog
Sector	Global Equity
Inception Date	31 March 2006
Fund Size	US $275.3 million
Benchmark	MSCI World Index
Min. Investment	$50,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class A)	0.5% annual fee
Hurdle Rate	MSCI World + 2.5%
Performance Fee	20% above/below hurdle rate
Pricing Frequency	Weekly
Administrators	Kleinwort Benson
Domicile	Guernsey
Total Expense Ratio	0.72%
Income Declarations	None
Regulation 28	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.

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

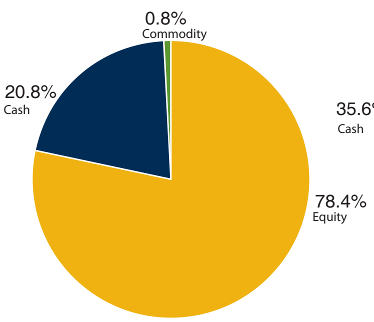
- This fund has a moderate-high risk profile

TOP HOLDINGS (%)

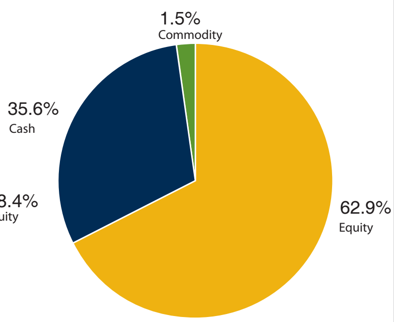
December 2011		December 2010	
Johnson & Johnson	6.0	Johnson & Johnson	5.2
Berkshire Hathaway	5.0	Wellpoint Inc	4.9
BP	4.8	Vodafone	3.9
Wellpoint	4.3	Dell Computer Corporation	3.9
Microsoft	4.2	Harmony Gold	3.3
Dell Computer Corporation	3.9	Wal-Mart Stores Inc	3.2
FamilyMart	3.9	Astellas Pharma Inc	2.7
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

December 2011

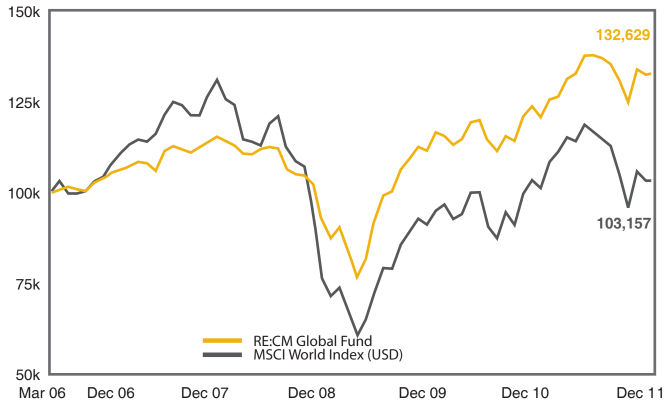


December 2010



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END DECEMBER 2011

	Fund	Benchmark
1 Year	5.8%	-4.8%
3 Years	13.6%	11.8%
5 Years	4.4%	-1.8%
Since Inception	5.0%	0.5%

- 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

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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