

# RE:CM GLOBAL Fund (Class A)

Period ended 31 March 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>	31 March 2006
<b>Total Fund Size</b>	US \$461.5 million
<b>Fund Size (Class A)</b>	US \$426.9 million
<b>Benchmark</b>	MSCI World Index
<b>Min. Investment</b>	\$50,000 initial investment
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class A)</b>	0.5% 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>Total Expense Ratio</b>	0.59%
<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

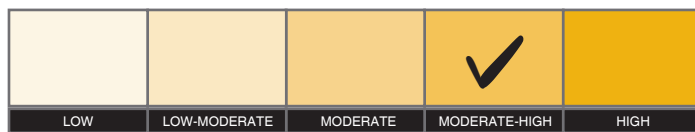
The portfolio aims to outperform the MSCI World Index in USD (including income) over the long term with lower than average risk of capital loss and with less volatility than the index.

## 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 RISK PROFILE



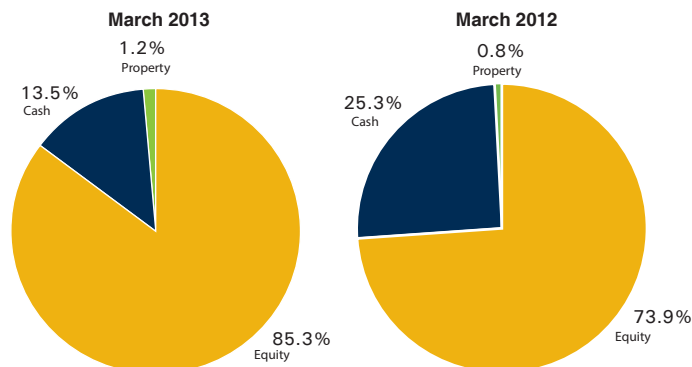
### TOP HOLDINGS (%)

March 2013			
Carrefour	6.0	Berkshire Hathaway	3.7
Microsoft	5.5	BP	3.4
Ichirizuka Master Fund	5.1	Amplats	3.3
Intel	3.9	NTT Docomo	3.0
Ultra Petroleum	3.8	Dell	3.0

### GEOGRAPHICAL ALLOCATION (%)

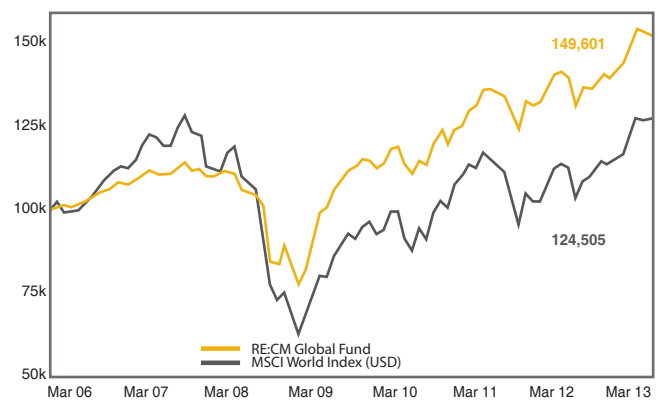
March 2013			
United States of America	46.6	United Kingdom	4.3
Eurozone	23.3	Hong Kong	2.9
Japan	14.3	Australia	0.5
South Africa	8.2	Canada	0.0

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END MARCH 2013

	Fund	Benchmark
1 Year	9.6%	12.5%
3 Years	9.6%	9.1%
5 Years	7.0%	2.8%
Since Inception	6.6%	3.8%

- 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

Previously we mentioned that the RE:CM Global Fund had purchased shares in the Bank of America. At present the Fund owns shares in both Bank of America and Wells Fargo, two of the largest banks in the US. These banks are at polar opposites when it comes to management, capital allocation and returns. While Wells Fargo ranks as one of the top banks globally, generating consistent returns for shareholders, Bank of America, on the other hand, has seen previous management overpaying for acquisitions, leading to substantial liabilities from the housing crisis and causing the company to trade at an all-time low. Current earnings are also at a cyclical low – mainly due to very high cost to income ratios rather than bad debt impairments as many people assume - and new management have committed to creating a smaller, more focused and profitable bank – a very different strategy compared to the previous management team. We expect profitability to normalise over time but we've assumed lower returns on capital than in the past few decades due to the increased cost of regulation and a sluggish US economy. However, US banks have de-risked their balance sheets and increased the collateral underlying their business and are trading at lows in terms of valuations. Together with economic and housing cycles at lows, we believe the US banking industry is an interesting investment opportunity.

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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 accrued 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).

A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA