

# RE:CM GLOBAL 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>               | Global Equity                                |
| <b>Inception Date</b>       | 31 March 2006                                |
| <b>Total Fund Size</b>      | US \$520.3 million                           |
| <b>Fund Size (Class A)</b>  | US \$470.6 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>    | Daily  |
| <b>Administrators</b>       | Kleinwort Benson                             |
| <b>Domicile</b>             | Guernsey                                     |
| <b>Total Expense Ratio</b>  | 0.64%  |
| <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

|     |              |          |                      |      |
|-----|--------------|----------|----------------------|------|
| LOW | LOW-MODERATE | MODERATE | <b>MODERATE-HIGH</b> | HIGH |
|-----|--------------|----------|----------------------|------|

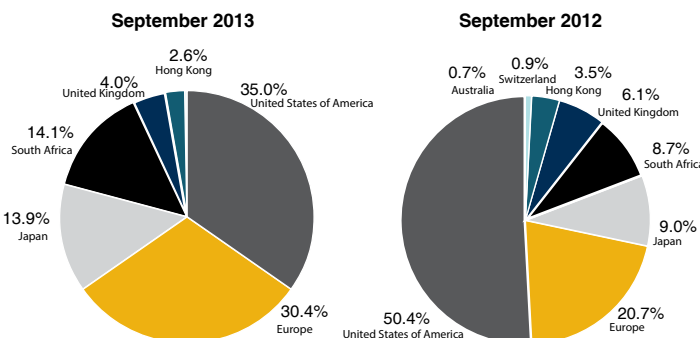
### TOP TEN HOLDINGS (%)

| September 2013         |             | September 2012         |             |
|------------------------|-------------|------------------------|-------------|
| Amplats                | 5.4         | Carrefour              | 7.4         |
| Carrefour              | 5.2         | Ichirizuka Master Fund | 5.3         |
| Arcelor Mittal         | 4.9         | Microsoft              | 5.0         |
| Ichirizuka Master Fund | 4.9         | Amplats                | 4.4         |
| Microsoft              | 4.6         | BP                     | 4.2         |
| Ultra Petroleum        | 3.7         | Berkshire Hathaway     | 4.1         |
| Intel                  | 3.7         | Ultra Petroleum        | 3.1         |
| Sonae                  | 3.5         | Johnson & Johnson      | 3.1         |
| Impala Platinum        | 3.5         | Titan                  | 2.9         |
| BP                     | 3.3         | H&R Block              | 2.8         |
| <b>Total</b>           | <b>42.7</b> | <b>Total</b>           | <b>42.3</b> |

### ASSET ALLOCATION (%)

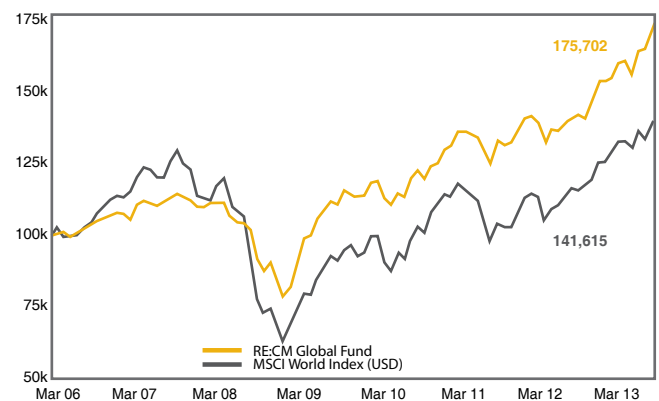
| September 2013 |              | September 2012 |              |
|----------------|--------------|----------------|--------------|
| Equity         | 82.9         | Equity         | 86.9         |
| Cash           | 15.5         | Cash           | 13.1         |
| Property       | 1.6          | Property       | 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 SEPTEMBER 2013

|                   | Fund   | Benchmark |
|-------------------|--------|-----------|
| 1 Year            | 23.4%  | 20.9%     |
| 3 Years           | 13.3%  | 12.5%     |
| 5 Years           | 11.5%  | 8.5%      |
| Since Inception   | 7.8%   | 4.7%      |
| Maximum Drawdown* | -33.3% | -53.7%    |

- 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
- \* Life of Fund

### INVESTMENT COMMENT

The Ichirizuka Master Fund is an attractive entry point into the Japanese small cap market which we cannot access directly ourselves due to language barriers. To achieve this, we have partnered with Milestone Asset Management, who have over 3 decades worth of local experience in Japan and an excellent long-term track record in this space. There are over 2500 Japanese stocks which have zero coverage by sell-side analysts globally, proving that it is a much ignored and unloved sector of a market that, up until very recently, was regarded entirely as a potential "value trap". This is usually fertile hunting ground for undervalued opportunities. Since we invested in the fund, it has outperformed the MSCI World Index in US\$ terms and has thus added to excess returns within the Global Fund. The underlying stocks in the fund continue to trade at a significant discount to fair value in aggregate.

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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).