

# RECM GLOBAL FLEXIBLE FUND (Class E)

Minimum Disclosure Document - Period ended 31 July 2015

# RECM

The RECM Global Flexible Fund is a unit trust that may invest in equities, bonds, property, cash and offshore assets. The Fund's aim is to generate returns significantly greater than inflation over the long term while protecting capital against permanent loss through a rigorous adherence to a value-based philosophy. We consider risk as the possibility of losing money, not in terms of volatility. Our main risk management tool is our investment philosophy. As value investors, we aim to buy and hold good quality companies and do so with a margin of safety. Our ability to move between asset classes assists in reducing the risk in the fund.

Portfolio Managers	Wilhelm Hertzog and Paul Whitburn
ASISA Sector	Worldwide Multi Asset Flexible
Fund Launch Date	3 April 2003
Inception Date (Class E)	2 January 2014
Total Fund Size	R1.5 billion
Fund Size (Class E)	R299.1 million
Benchmark (Bmk)	SA CPI + 6% p.a.
Performance Hurdle	SA CPI + 8% p.a.

Min. Investment	R150,000 initial investment
Initial Fee	No initial fee
Annual Fee	0.9% (excl. VAT)
Intermediary Fee	0.0% (excl. VAT)
Performance Fee	20% of the outperformance of the hurdle over 5 year rolling periods
Total Expense Ratio (1 Year)	1.09% for the period ending 30 June 2015 (inclusive of a performance fee of 0.0%)

## PORTFOLIO DETAIL

### FUND RISK PROFILE

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
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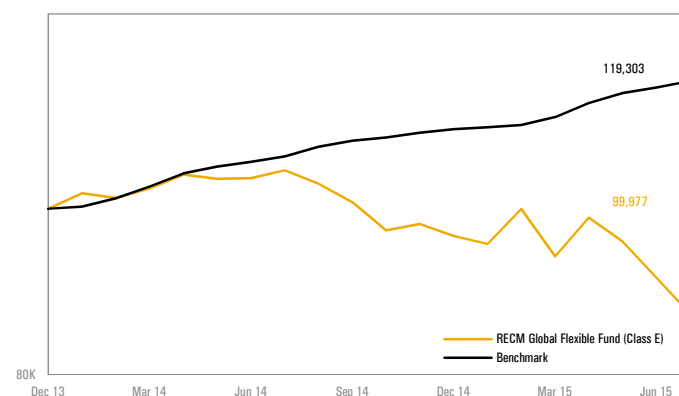
The Fund has a moderate to high risk profile as it is actively managed across South African and global equities, bonds, cash and listed property assets. The Fund is less risky than a pure equity strategy while subject to the volatility of equity and currency markets.

### TOP TEN HOLDINGS (%)

July 2015		July 2014	
Anglo American Plc	7.9	Anglo Platinum Ltd	6.1
Anglo Platinum Ltd	7.6	Anglo American Plc	6.0
Impala Platinum Holdings Ltd	5.3	Impala Platinum Holdings Ltd	4.2
Arcelormittal South Africa Limited	3.1	Arcelormittal South Africa	3.0
Hosken Cons Investments Ltd	2.9	Sun International Ltd	2.5
Tesco Plc	2.9	Lonmin Plc	2.5
Ubs Npn Ex Ten R 10 Sep 15	2.9	JD Group Ltd	2.2
RECM and Calibre Ltd	2.8	Ichirizuka Master Fund	2.1
Arcelormittal	2.5	Arcelormittal	2.0
Inpex Corp	2.3	BP Plc	1.9
<b>Total</b>	<b>40.2</b>	<b>Total</b>	<b>32.4</b>

## PERFORMANCE NET OF FEES AND EXPENSES

### ILLUSTRATIVE VALUE OF R100,000 INVESTED AT INCEPTION WITH DISTRIBUTIONS REINVESTED



### RETURNS TO END JULY 2015

	Annualised		12 Month Return <sup>1</sup>		Cumulative	
	Fund	Bmk	Highest	Lowest	Fund	Bmk
1 Year	-17.6%	10.7%	-1.4%	-17.6%	-17.6%	10.7%
Since inception	-8.6%	11.8%	-1.4%	-17.6%	-13.2%	19.3%

- Returns in ZAR, on a lump sum investment, NAV-NAV, net of fees with net distributions reinvested. Source: RECM.
- Annualised returns are the weighted average compound growth rate earned each year over the given time period. Individual Investor's performances may differ due to fees, actual investment date, dates of reinvestments and dividend withholding taxes.

<sup>1</sup> Highest/Lowest – reflects the Fund's highest and lowest 12 month performance reported during the given period.

## INCOME DISTRIBUTIONS

Distribution Dates are 31 March, 30 June, 30 September and 31 December

	30 Jun 15	31 Mar 15	31 Dec 14	30 Sep 14
Class E	9.95 cpu	11.4 cpu	0.0 cpu	18.3 cpu

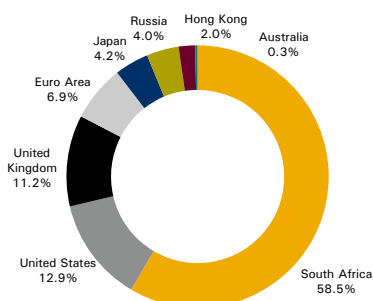
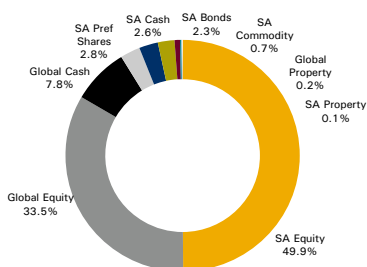
If the income earned in the form of dividends and interest exceeds the total expenses, the Fund will make a distribution. (cpu = cents per participatory unit)

## WWW.RECM.CO.ZA

Investors can access, free of charge, daily fund prices, quarterly reports, brochures, minimum disclosure documents, annual fund reports, application forms and investment insights on our website at [www.recm.co.za](http://www.recm.co.za).

### ASSET EXPOSURE (%)

### REGIONAL EXPOSURE (%)



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**Disclosures:** Collective Investment Schemes in Securities (CIS) should be considered as medium-to long-term investments. The Manager does not provide any guarantee either with respect to the capital or the return of the Fund. The value of participatory interests (units) may go up as well as down and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The manager may borrow up to 10% of the market value of the portfolio where insufficient liquidity exists. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of any underlying international investments to go up and down. These portfolios may be closed. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (Brokerage, STT, VAT, Auditor's fees, Bank Charges, Trustee and Custodian fees and the annual Management fee) from the portfolio divided by the number of participatory interests (units) in issue. A schedule of fees, charges and maximum commissions is available on request from the management company. Commission and incentives may be paid and if so, would be included in the overall costs. These portfolios may be closed. Different classes of units may apply in a portfolio and are subject to different fees and charges.

## Risks associated with investing in the Fund

All investments carry risk. Different investment strategies may carry different levels and kinds of risks depending on the assets held. You should consider the risks listed below in the context of your risk profile, which includes factors such as your investment timeframe, objectives and tolerance for performance volatility, income and age. We do not offer advice, nor does the Fund's investment strategy consider your individual circumstances and we cannot advise that the Fund is suitable for your circumstance.

The Manager does not guarantee the Fund's returns, its liquidity, and repayment of capital, interest nor a rate of return. Assets that are expected to provide the highest long-term returns often have the highest short-term risk. The Fund's investment strategy and the assets it invests in, will determine the Fund's sensitivity to these risk factors.

You should obtain financial advice to determine whether the Fund is suitable for your circumstances before investing in the Fund.

## Sharemarket and Business Risk

The Fund may experience losses due to factors that affect the overall performance of the financial markets. The Fund holds securities issued by individual companies and are subject to the business risks specific to them, including sales volumes, profit margins, input costs, competition, economic climate and government regulations. The companies may also have exposure to specific financial risk, liquidity risk, market risk, exchange-rate risk and country-specific risks.

## Interest Rate Risk

This is the possibility that fixed-rate debt instruments may decline in value as a result of a rise in interest rates.

## Credit Risk

Refers to the possibility that a bond issuer may not be able to make expected interest payments and/or principal repayment.

## Liquidity Risk

Refers to the possibility that an investor may not be able to invest or disinvest when they want to. This may occur during a period of adverse market trading conditions where the manager may not be able to buy or sell the Fund's investments because opportunities to do so are limited.

## Social/Political/Legislative Risk

Risks associated with the possibility of nationalisation, unfavourable government action or social changes resulting in a loss of value is called social or political risk which may affect the Fund.

## Currency/Exchange Rate Risk

Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated relative to the currency in which the Fund is denominated may add risk to the value of a security.

## International Risks

International investments or investments in foreign securities could be accompanied by additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

## Inflation Risk

The Fund may invest in cash and bonds, in South Africa or globally, that do not generate sufficient income and capital gains to outperform inflation.

## Key Person Risk

The Fund depends on the expertise of RECM and its investment team. The Fund could be negatively impacted if RECM does not retain key staff.

## Third Party Operational Risk

The Fund's operations depend on third parties. Investors in the Fund may suffer financial loss or disruption in the event of third party operational failure.

## Fees

An annual management fee (determined by the investor's selected unit class above) is levied monthly on the market value of the Fund. An annual performance fee of 20% is levied on returns (net of fees) in excess of the Performance Hurdle. Performance fees are calculated and accrued daily. While the performance fee accrual is calculated daily, for inclusion in the daily unit price, it will only be paid should the Manager outperform the performance fee hurdle over a 60-month rolling period. The performance fee is in addition to the annual management fee. No maximum is set for the performance fee. The Fund may invest in the Guernsey-domiciled RECM Global Fund and RECM Global Equity Fund, which are associated collective investment schemes, however there will be no additional investor fees connected with these investments.

## Total Expense Ratio (TER)

The TER reflects the percentage of the average Fund's Net Asset Value that was incurred as charges, levies and fees related to the management of the portfolio. A Higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.

## Manager

RECM Collective Investments (Pty) Ltd  
P O Box 45040, Claremont, 7735  
Company Reg 2004/027540/07  
Registered under the Collective Investment  
Schemes Control Act, 2002

## Investment Manager

Regarding Capital Management (Pty) Ltd (FSP No 18834)  
Authorised under the Financial Advisory and  
Intermediary Services Act, 2002 to act in such capacity

## Trustee

The Standard Bank of South Africa Limited  
P O Box 54  
Cape Town, 8000

## Bloomberg Ticker

RECOREE SJ

## ISIN

ZAE000187175

## Transaction Cut Off Time

14h00 Daily

## Fund Valuation Time

15h00 Daily

## Document Issue Date

5 August 2015