

# RECM GLOBAL FUND (Class B)

Minimum Disclosure Document - Period ended 31 January 2021



## FUND FACTS

|                            |                                 |
|----------------------------|---------------------------------|
| Portfolio Manager          | Piet Viljoen                    |
| ASISA Sector               | Global Multi Asset Flexible     |
| Domicile                   | Guernsey                        |
| Fund Currency              | US Dollars                      |
| Fund Launch Date           | 31 January 2006                 |
| Inception Date (Class B)   | 14 December 2010                |
| Total Fund Size            | US \$ 34.6 million              |
| Fund Size (Class B)        | US \$ 4.8 million               |
| Min. Investment (Lump Sum) | US \$ 10,000 initial investment |
| Initial Fee                | No initial fee                  |
| Annual Fee                 | 1.5% (excl. VAT)                |
| Intermediary Fee           | 0.5% (excl. VAT)                |
| Performance Fee            | None                            |
| Benchmark (Bmk)*           | MSCI All Countries World Index  |
| Performance Hurdle         | Not Applicable                  |
| Income Distributions       | None                            |

This minimum disclosure document displays the minimum information pertaining to the RECM Global Fund and it must be read in conjunction with the Funds Offering Memorandum and Schedule of Similarities and Differences available at [www.recm.co.za](http://www.recm.co.za). The Fund is registered in South Africa as an approved foreign collective investment scheme.

## INVESTMENT POLICY SUMMARY

The RECM Global Fund is a US dollar denominated global fund that may invest in a wide array of assets without any restrictions. The Fund's aim is to generate returns greater than US inflation and commensurate with global equities over the long term. The Fund invests mainly in global companies at a discount to intrinsic value, while using the flexibility of the mandate to protect capital and enhance returns by investing in other mispriced global assets.

### FUND RISK PROFILE

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

The Fund has a moderate to high risk profile as it is actively managed across 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.

### TER AND TRANSACTION COSTS\*\* (31 December 2020)

|                                | 1 Year      | 3 Years     |
|--------------------------------|-------------|-------------|
| TER                            | 2.0%        | 1.8%        |
| Transaction Costs              | 0.3%        | 0.3%        |
| <b>Total Investment Charge</b> | <b>2.2%</b> | <b>2.1%</b> |

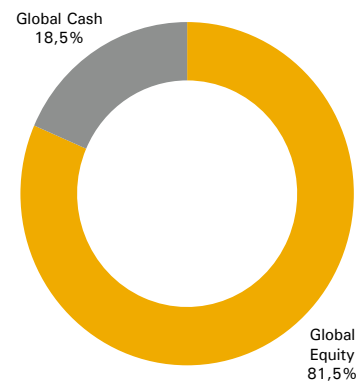
## TOP TEN HOLDINGS (%)

| January 2021                |             |
|-----------------------------|-------------|
| Altria Group Inc            | 6,2         |
| Loews Corp                  | 6,0         |
| Berkshire Hathaway          | 5,9         |
| Philip Morris International | 4,9         |
| Brookfield Asset Management | 4,8         |
| Fairfax India               | 4,0         |
| Imperial Brands PLC         | 3,8         |
| Hess Corp                   | 3,5         |
| Newmont Mining              | 3,5         |
| Simon Property Group        | 3,4         |
| <b>Total</b>                | <b>46.0</b> |

## REGIONAL EXPOSURE (%)

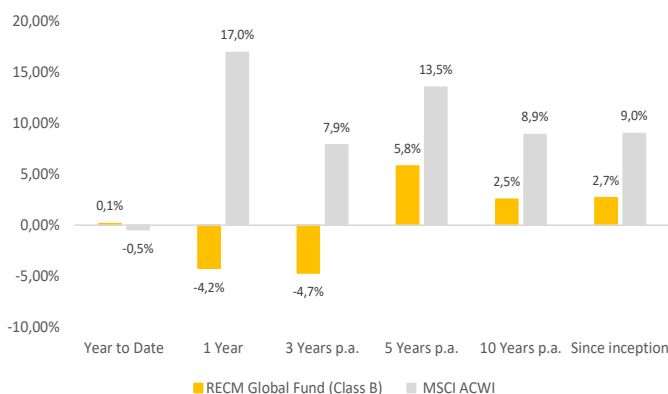
| January 2021  |              |
|---------------|--------------|
| United States | 95,3         |
| Euro Area     | 1,7          |
| <b>Total</b>  | <b>100.0</b> |

## ASSET EXPOSURE (%)



## PERFORMANCE NET OF FEES AND EXPENSES

### ILLUSTRATIVE RETURNS OF FUND VS MSCI ACWI



Source: RECM

The MSCI All Countries World Index (ACWI) is an index designed to provide a broad measure of equity-market performance throughout the world. This chart thus illustrates how the RECM Global Fund has performed in comparison to a relevant global equity index.

## RETURNS NET OF FEES (USD)

|                 | Fund  | MSCI ACWI |
|-----------------|-------|-----------|
| Year to Date    | 0,1%  | -0,5%     |
| 1 Year          | -4,2% | 17,0%     |
| 3 Years         | -4,7% | 7,9%      |
| 5 Years         | 5,8%  | 13,5%     |
| 10 Years        | 2,5%  | 8,9%      |
| Since Inception | 2,7%  | 9,0%      |

All periods longer than a year are annualised

|                       | Fund   | Date Range          |
|-----------------------|--------|---------------------|
| Highest Annual Return | 31.6%  | Dec 2012 - Nov 2013 |
| Lowest Annual Return  | -29.4% | Mar 2015 - Feb 2016 |

Highest/Lowest - reflects the Fund's highest and lowest 12 month performance reported during the given period.

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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. 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.

# RECM GLOBAL FUND

Minimum Disclosure Document - Period ended 31 January 2021



\*The Fund's benchmark is the MSCI All Countries World Index. Prior to 5 April 2019 the Fund's benchmark was US Inflation +6% p.a. Prior to 1 January 2014 the Fund's bench was the MSCI World Index TR.

## \*\*Total Expense Ratio (TER) and Transaction Costs

The TER reflects the percentage of this Fund's Net Asset Value that was incurred as expenses relating to the administration of this Fund, including the annual fee and intermediary fee, if applicable. A Higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction costs are a necessary cost in administering this Fund and impacts this Fund's returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. The TER and Transaction costs are a measure of the actual expenses incurred by this Fund over a 3 year period (annualised). If this Fund is between 1 and 3 years old, the TER and Transaction Costs are calculated using the actual expenses incurred since the inception of this Fund. The sum of the TER and Transactions Costs is shown as the Total Investment Charge overleaf; these costs all being VAT inclusive.

Returns are in USD, on a lump sum investment, NAV-NAV, net of fees with net distributions reinvested. 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.

## 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 Funds' 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.

## Investment 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.

### Manager

RECM Global Management Limited  
Dorey Court, Admiral Park  
St Peter Port  
Guernsey

### Investment Advisor

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

### Custodian

Northern Trust (Guernsey) Limited

### Administrator

JTC Fund Solutions Limited  
Dorey Court, Admiral Park  
St Peter Port, Guernsey

### Additional Documentation

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).

**Bloomberg Ticker**  
RECMGLB GU

**ISIN**  
GG00B64VG915

**SEDOL CODE**  
B64VG91

**Transaction Cut Off Time**  
15h30 Daily (Guernsey Time)

**Fund Valuation Time**  
23h00 Daily (Guernsey Time)

**Document Issue Date**  
10 February 2021