

RE:CM Flexible EQUITY Fund (Class B)

Period ended 30 June 2013

RE:CM

YOUR CAPITAL FIRST

Portfolio Manager	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
Sector	South African Multi Asset Flexible
Inception Date	2 March 2005
Total Fund Size	R372.0 million
Fund Size (Class B)	R98.8 million
Benchmark	FTSE/JSE All Share Index
Min. Investment	R150,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class B)	0.5% annual fee (excl. VAT)
Hurdle Rate	JSE All Share Index + 2.5%
Performance Fee	20% above/below hurdle rate
Total Expense Ratio	0.59%
Income Declarations	31 March & 30 September
Regulation 28	Does not comply

About the Fund

The RE:CM Flexible Equity Fund is an SA Equity Fund and has the flexibility to default to cash when we can't find value in equities. It aims to generate better returns than the FTSE JSE All Share Index (including income) over the long term with lower than average risk of capital loss and with less volatility than the index. This fund is suited to investors seeking long-term wealth creation through SA equity exposure, and who are comfortable with short-term volatility.

Fund Objective

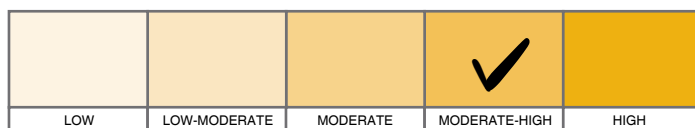
The portfolio objective is to seek long-term capital growth with a level of risk acceptable to the more aggressive investor.

Risk Measures

We look at risk in terms 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 hold cash offers additional comfort when equities are expensive.

RISK STATISTICS AND PORTFOLIO DETAIL

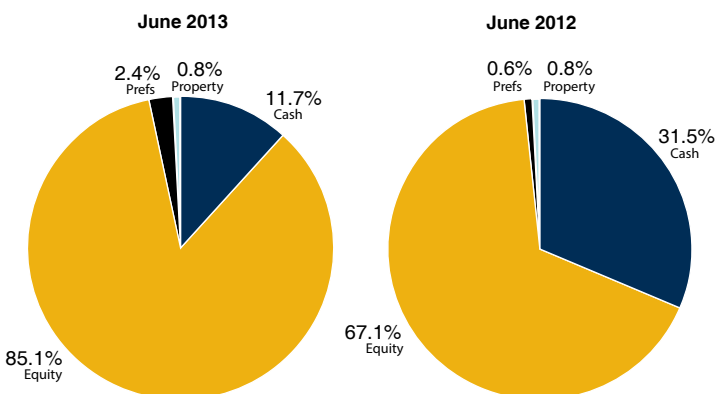
FUND RISK PROFILE



TOP HOLDINGS (%)

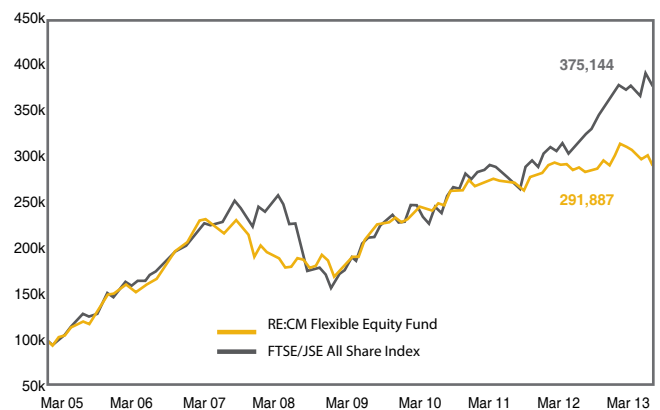
June 2013		June 2012	
Amplats	6.3	Sun International	9.3
Arcelor Mittal	5.9	Amplats	5.9
HCI	5.9	HCI	5.1
Sun International	5.5	Discovery	5.0
Anglo American	5.4	Anglo American	3.8
Lonmin	4.8	MMI Holdings	3.6
Impala Platinum	4.3	Lonmin	3.1
JD Group	4.3	Harmony Gold	2.6
Standard Bank	3.9	Tsogo Sun	2.3
Sasol	3.3	Telkom	2.2

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END JUNE 2013

	Fund	Benchmark
1 Year	0.3%	21.0%
3 Years	6.2%	18.1%
5 Years	10.1%	8.6%
Since Inception	13.9%	17.4%
Maximum Drawdown*	-27.1%	-40.4%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- Periods greater than 1 year are annualised
- Inception Date, 2 March 2005
- * Life of Fund

INVESTMENT COMMENT

The Fund's largest capital allocations in June were to the equity of Implats, Anglo American, JD Group and Amplats. While Anglo American is very cheap at present, BHP Billiton is priced at fair value and not held by the Fund as a result. Furthermore, the commodity mix in these two businesses is very different. Anglo American has significant exposure to platinum, which is hated, and BHP doesn't have any exposure to platinum. And we are impressed with Mr Cutifani's public statements to date. Time will tell, but it appears as if Anglo American may be going back to its roots in terms of being a counter-cyclical capital allocator in the global commodity markets. This could mark an important turning point for the company and its long term shareholders. JD Group now changes hands at the same multiples as the previous trough in mid-2008. The business has changed somewhat during this time with the inclusion of the Unitrans motor retail segment, but it still consists predominantly of its lending business. The observation that it is trading at low multiples is not a guarantee that the price cannot go any lower, but it does provide a healthy perspective and underscores the Fund's positioning and increasing exposure. On the selling side of the ledger, the Fund realized profits in Sasol, Afrox, Adcock Ingram and HCI.

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Disclaimer: Collective Investment Schemes in Securities (Unit trusts) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to future performance. Unit trusts 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. A schedule of fees and charges and maximum commissions is available on request from the management company, RE:CM Collective Investments (Pty) Ltd (RE:CM). Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Funds are valued daily at 15h00. Instructions must reach RE:CM before 14h00 to ensure same day value. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of units apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, defined as the total market value of all assets in the unit portfolio including any income accruals and less any permissible deductions (brokerage, uncertificated securities tax, VAT, auditors' fees, bank charges, custodian fees, trustee fees, annual management fee and performance fees) from the number of units in issue. These portfolios may be closed. RE:CM Collective Investments (Pty) Ltd, Company Registration Number: 2004/027540/07, is a member of the Association for Savings and Investment SA (ASISA). Trustees: The Standard Bank of SA Limited, PO Box 54, Cape Town, 8000. The RE:CM Flexible Equity Fund Class B has a Total Expense Ratio of 0.59%. For the period from 01 April 2012 to 31 March 2012, 0.59% of the average Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. Inclusive of the TER of 0.59%, a performance fee of 0.0% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.