

# RE:CM Flexible EQUITY Fund (Class D)

Period ended 31 August 2013

<b>Portfolio Manager</b>	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
<b>Sector</b>	South African Multi Asset Flexible
<b>Inception Date</b>	19 January 2009
<b>Total Fund Size</b>	R399.6 million
<b>Fund Size (Class D)</b>	R35.3 million
<b>Benchmark</b>	FTSE/JSE All Share Index
<b>Min. Investment</b>	R150,000 initial investment
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class D)</b>	1% annual fee (excl. VAT)
<b>Hurdle Rate</b>	JSE All Share Index + 2.5%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Total Expense Ratio</b>	1.17%
<b>Income Declarations</b>	31 March & 30 September
<b>Regulation 28</b>	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

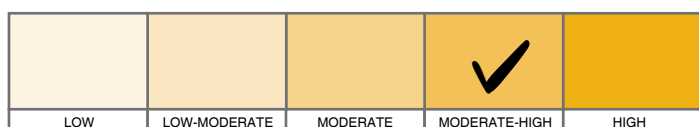
The portfolio objective is to seek long-term capital growth with a level of risk acceptable to the more aggressive investor.

## 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

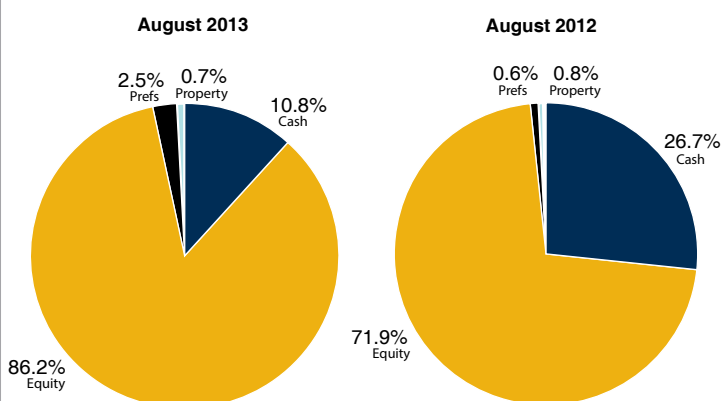
### FUND RISK PROFILE



### TOP HOLDINGS (%)

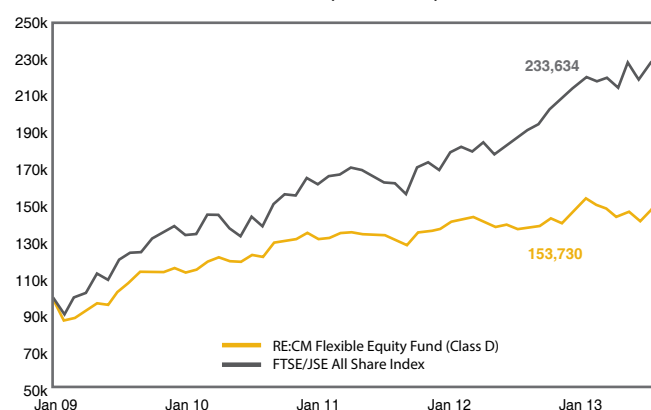
August 2013		August 2012	
Amplats	9.1	Sun International	9.1
Anglo American	7.8	Amplats	6.6
HCI	5.7	HCI	5.9
Lonmin	5.7	Anglo American	5.0
Impala Platinum	5.3	Discovery	3.6
Arcelor Mittal	5.2	Lonmin	3.4
Sun International	4.9	Arcelor Mittal	2.7
Standard Bank	3.8	Sasol	2.7
JD Group	3.5	Old Mutual	2.4
Blue Label Telecoms	3.5	Telkom	2.3

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END AUGUST 2013

	Fund	Benchmark
1 Year	10.2%	22.8%
3 Years	7.7%	19.2%
Since Inception	9.8%	20.3%
Maximum Drawdown*	-13.0%	-10.0%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- Periods greater than 1 year are annualised
- Inception Date, 19 January 2009
- \* Life of Fund

### INVESTMENT COMMENT

We are encouraged by the continued capital rotation out of matured and maturing investment ideas on the selling side of the ledger into the cheap newer assets that we are allocating Fund capital to on the buying side. This list of purchases includes 5 new investment ideas in a hotchpotch of industries, from banking (Standard Bank), mining (Petmin), IT (Blue Label), mining support (Sentula) to construction (Stefanutti). The 2 things that each of these purchases had in common were that they were all cheap on an absolute basis and they were far cheaper than the assets we sold. This served to further improve the price to value relationship of the overall fund, which remains our main objective.

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