

RE:CM Flexible EQUITY Fund (Class D)

Period ended 30 September 2012

Portfolio Manager	Daniel Malan, Wilhelm Hertzog, Piet Viljoen, Paul Whitburn
Sector	Domestic Asset Allocation Flexible
Inception Date	19 January 2009
Total Fund Size	R1.1 billion
Fund Size (Class D)	R30.9 million
Benchmark	FTSE/JSE All Share Index
Min. Investment	R150,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class D)	1% annual fee excl. VAT
Hurdle Rate	JSE All Share Index + 2.5%
Performance Fee	20% above/below hurdle rate
Total Expense Ratio	1.14%
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

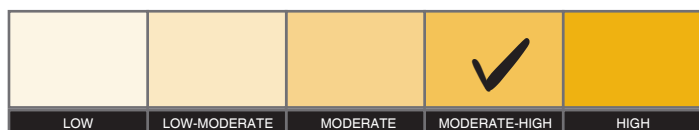
The portfolio objective is to seek long-term capital growth with a level of risk acceptable to the more aggressive investor.

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 PROFILE

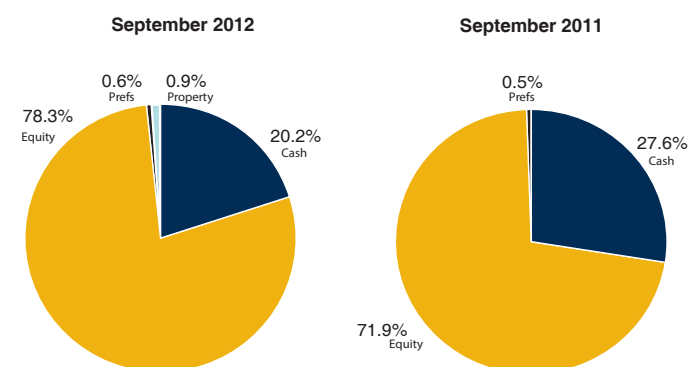


• This fund has a moderate-high risk profile

TOP HOLDINGS (%)

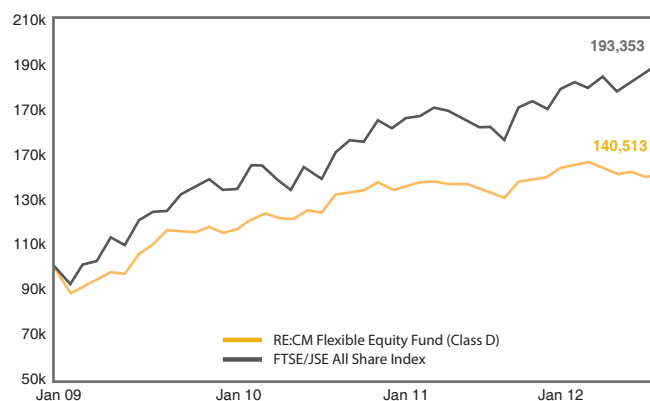
September 2012		September 2011	
Sun International	6.7	Sun International	8.3
Amplats	5.3	Discovery	6.1
HCI	4.4	Amplats	5.5
Anglo American	4.4	Harmony Gold	5.3
Arcelor Mittal	3.7	Telkom	4.1
Lonmin	3.0	Old Mutual	3.8
Discovery	2.5	HCI	3.6
Sasol	2.3	Metropolitan	3.5
Tsogo Sun	2.2	Omnia	3.3
Impala Platinum	2.1	JD Group	3.2

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END SEPTEMBER 2012

	Fund	Benchmark
1 Year	8.4%	24.4%
3 Years	6.8%	16.0%
Since Inception	9.7%	19.7%

- 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

INVESTMENT COMMENT

The RE:CM Flexible Equity fund is heavily invested in the platinum sector. This exposure has detracted from investment returns in the recent past, but we are very excited about the value on offer in the sector. The on-going strike action at various platinum mines has had the effect of raising concerns about the ability of the South African industry to supply the market with sufficient platinum to meet demand. This has resulted in an increase in the dollar platinum price since the middle of August of almost 20%. One of our prime motivations for being willing to allocate substantial capital to the large platinum miners is that the concentrated supply of the metal means that the impact of any material operational problems experienced by the major platinum producers is likely to result in higher prices for the metal, which cushions the blow from operational problems. Events of the past six weeks have borne this out. The increased platinum price has brought some relief to the miners, but has not solved all their short term issues, and we anticipate equity raisings by at least some of the companies in the sector. Where relevant we have factored this into our valuations, and the fund has ample cash on hand should the need arise to take up equity in a rights issue.

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