

RE:CM Global FLEXIBLE Fund (Class C)

Period ended 31 December 2011

RE:CM

YOUR CAPITAL FIRST

Portfolio Manager	Daniel Malan, Piet Viljoen, Wilhelm Hertzog
Sector	Worldwide Asset Allocation Flexible
Inception Date	30 June 2009
Fund Size (All Classes)	R1.1 billion
Benchmark	Inflation (CPI) + 8%
Fund Status	Open
Initial Fee	No initial fee
Annual Fee	1.5% annual fee excl. VAT
Hurdle Rate	CPI + 8%
Performance Fee	20% above/below hurdle rate
Total Expense Ratio	2.12%
Income Declarations	31 March, 30 June, 30 September, 31 December
Regulation 28	Does not comply

About the Fund

The RE:CM Global Flexible Fund is a rand denominated worldwide balanced fund that may invest in equities, bonds, property, cash and offshore assets. Funds are shifted between various asset classes to take advantage of areas of value.

Fund Objective

The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

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 move between asset classes assists in reducing the risk in the fund.

RISK STATISTICS AND PORTFOLIO DETAIL

FUND PROFILE

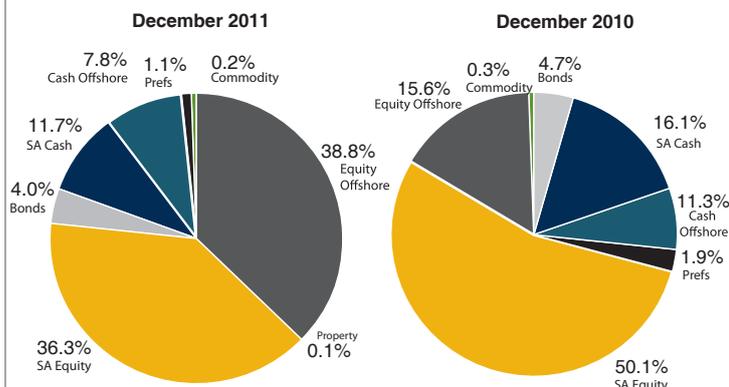


• This fund has a moderate risk profile

TOP HOLDINGS (%)

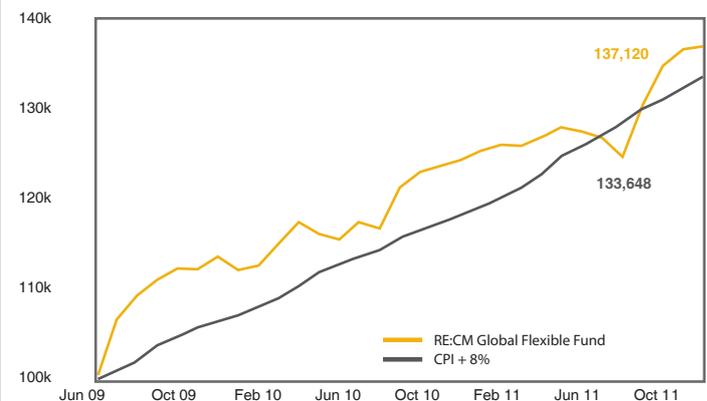
December 2011		December 2010	
Sun International	5.1	Sun International	5.5
Johnson & Johnson	4.2	Discovery	4.0
Microsoft	3.4	Telkom	3.4
BP	3.3	Tiger Brands	2.8
Discovery	3.0	FirstRand	2.5
Old Mutual	3.0	Omnia	2.5
Harmony Gold	3.0	Old Mutual	2.5
Amplats	2.8	Harmony Gold	2.5
Carrefour	2.5	Brait	2.4
Berkshire Hathaway	2.4	Remgro	2.2

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END DECEMBER 2011 (%)

	Fund	Benchmark
1 Year	10.3%	14.1%
Since Inception	13.5%	13.1%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst, Datastream.
- Periods greater than 1 year are annualised
- Inception Date, 30 June 2009
- Returns for the C Class are only available from 30 June 2009 due to the reclassification of the Fund at that time.

INVESTMENT COMMENT

During the course of 2011 we completely sold out of Tiger Brands in domestic accounts, following a holding period that started at RE:CM's inception in 2003. We always look for and appreciate a long term partnership with such a fantastic value compounding business, but at the prevailing price it no longer offers attractive odds to long term investors. Our investment philosophy and process compels us to say 'goodbye - until we meet again'.

A sure sign of the nervous state of global markets was provided recently when Oracle, a former holding offshore, announced missing second quarter earnings of 3 cents per share. In context of the expected 57 cents per share this is not relevant to the valuation of Oracle at all, but the market begged to differ and the share price promptly fell from \$34 in early November to the current \$25 and change. On the other hand, one of our new global investment ideas this year, Microsoft, continues to generate prodigious and reliable amounts of free cash flow every year which the company is using wisely to reduce the share count at price to value ratios which is in turn value-accretive to the remaining shareholders. Microsoft used to be a market darling, but in Steve Jobs' legacy and Apple's lengthy and sexy shadow it has been relegated to the back benches. At RE:CM we love taking a good look around the back benches, because we know from experience that that is usually where prospective value resides.

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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 portfolio divided by 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 Global Flexible Fund Class C has a Total Expense Ratio of 2.12%. For the period from 01 January 2011 to 31 December 2011, 2.12% 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 2.12%, a performance fee of 0.21% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.