RE:CM Global FLEXIBLE Fund (Class C)

Period ended 31 January 2013

RE·CM
YOUR CAPITAL FIRST

Portfolio Manager	Daniel Malan, Piet Viljoen, Wilhelm Hertzog, Paul Whitburn
Sector	Worldwide Multi Asset Flexible
Inception Date	1 June 2005
Total Fund Size	R1.5 billion
Fund Size (Class C)	R458.1 million
Benchmark	Inflation (CPI) + 8%
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class C)	1.5% annual fee (excl. VAT)
Hurdle Rate	CPI + 8%
Performance Fee	20% above/below hurdle rate
Total Expense Ratio	1.89%
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

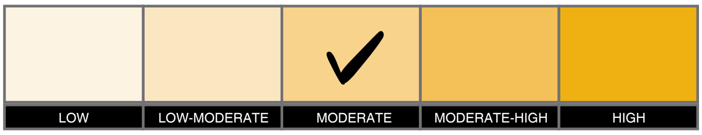
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

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 RISK PROFILE

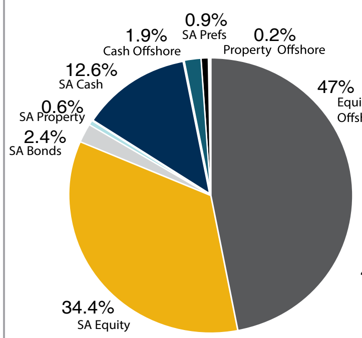


TOP HOLDINGS (%)

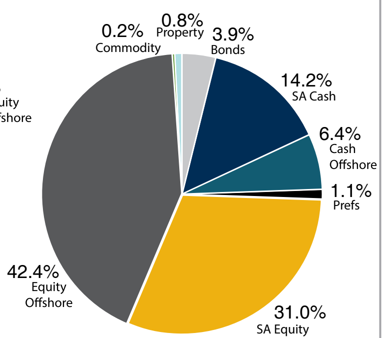
January 2013		January 2012	
Carrefour	6.8	Sun International	5.3
Amplats	4.8	Johnson & Johnson	3.9
Sun International	4.7	Microsoft	3.9
Arcelor Mittal	4.2	Carrefour	3.7
Lonmin	3.6	BP	3.2
Anglo American	3.6	Amplats	3.2
Dell	3.2	Berkshire Hathaway	3.0
Microsoft	3.2	Discovery	2.8
Berkshire Hathaway	2.9	Harmony	2.2
BP	2.7	Vodafone	2.1

ASSET ALLOCATION

January 2013

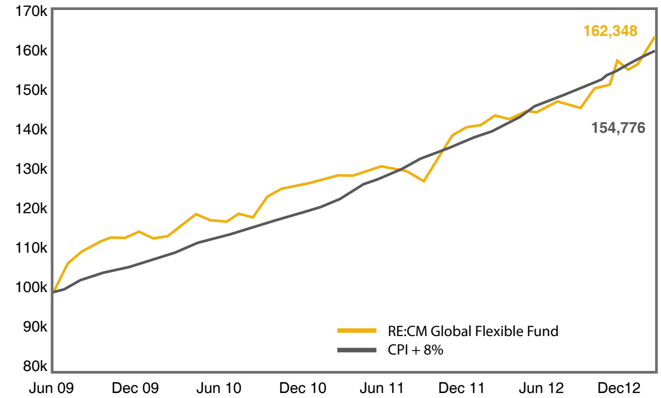


January 2012



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END JANUARY 2013

	Fund	Benchmark
1 Year	16.6%	13.7%
3 Years	13.1%	13.1%
Since Inception*	14.5%	13.0%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- Periods greater than 1 year are annualised

* Returns since inception : returns for the C Class are only available from 30 June 2009 due to the reclassification of the Fund at that time.

INVESTMENT COMMENT

The South African platinum and gold mining sectors came under siege from striking workers in the past six months, which had the expected result of depressing share prices. This gave us an opportunity to increase the Fund's investment in these sectors. Lonmin, a Fund holding, undertook a rights issue, which we took up in full. The possibility of a rights issue was something we always had in mind when we first allocated capital to Lonmin and we allowed for this in our initial position sizing. Carrefour featured as both a top purchase and a top sale over the past six months. This odd situation arose because Carrefour's share started the past six-month period at a very attractive level, where we were eagerly buying shares. However, after announcing the sale of some smaller subsidiaries at attractive prices and together with a recovery in European share prices in general, the share price went on to increase by more than 50% by the end of the year. This prompted us to sell overweight positions in the stock and reduce position sizes where space was needed for other ideas. However, it remains the Fund's top holding on account of the quality of the business and the still very attractive discount to fair value on offer in the stock price. Discovery and Old Mutual were on-going sales in stocks where prices have been swept up in the momentum-driven bull market in South African financials and industrials, resulting in a material contraction (or disappearance) of margins of safety.

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