

RE:CM Global FLEXIBLE Fund (Class C)

Period ended 31 October 2012

Portfolio Manager	Daniel Malan, Piet Viljoen, Wilhelm Hertzog, Paul Whitburn
Sector	Worldwide Asset Allocation Flexible
Inception Date	1 June 2005
Total Fund Size	R1.35 billion
Fund Size (Class C)	R400.0million
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	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

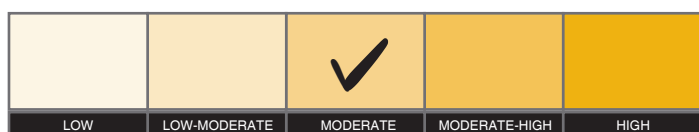
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

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

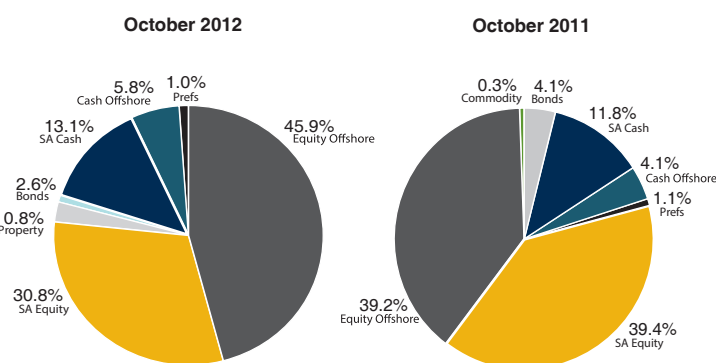
FUND RISK PROFILE



TOP HOLDINGS (%)

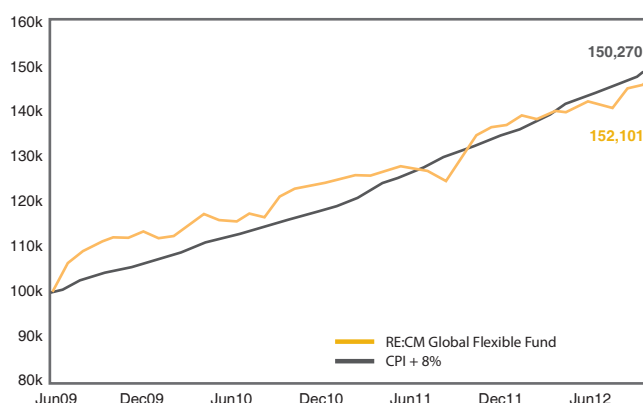
October 2012		October 2011	
Carrefour	7.0	Sun International	5.4
Sun International	5.5	Johnson & Johnson	5.2
Amplats	4.7	BP	3.8
Microsoft	3.3	Harmony	3.5
Anglo American	3.3	Microsoft	3.4
BP	2.8	Discovery	3.1
Berkshire Hathaway	2.8	Amplats	2.8
Tokyo Gas	2.4	Old Mutual	2.7
Dell	2.3	Berkshire Hathaway	2.6
Ultra Petroleum	2.2	Vodafone	2.6

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END OCTOBER 2012 (%)

	Fund	Benchmark
1 Year	12.8%	13.5%
3 Years	10.6%	12.8%
Since Inception*	13.4%	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

Recent results for Sun International surprised the market with a small recovery in gross gaming revenue. This was met with a strong price gain, often indicative of a depressed share price. In addition, PWC recently published a comprehensive hotel industry review in which they found that virtually no new hotel rooms are expected to be built over the next 5 years. Lonmin announced a rights issue larger than we anticipated, but they will now be fully funded for all their existing capital projects for the next 4 years. During this time we anticipate the platinum market to move into deficit and the platinum price to normalize. Their debt covenants have also been renegotiated on what we consider to be favourable terms. Carrefour, under the leadership of a new, highly credible CEO, sold their Colombian food retail business for an unexpectedly high price, prompting a 10% share price gain in one day. They also announced the sale of their Malaysian food retail business. These positive developments are in line with our key expectations around the leadership change in this company. We review each of our portfolio holdings against our expectations for the investment thesis over an anticipated 5 year plus holding period. One thing that is important to bear in mind is that we will almost never be exactly right on any one individual aspect of our thesis. We aim to be approximately correct on the bigger picture outcome over the whole holding period.

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