RE:CM Global FLEXIBLE Fund

Period ended 30 November 2011

RE·CM

YOUR CAPITAL FIRST

Portfolio Manager	Daniel Malan, Piet Viljoen, Wilhelm Hertzog
Sector	Worldwide Asset Allocation Flexible
Inception Date	3 April 2003
Fund Size	R1.1 billion
Benchmark	Inflation (CPI) + 8%
Min. Investment	R250,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class A)	1% annual fee excl. VAT
Hurdle Rate	CPI + 8%
Performance Fee	20% above/below hurdle rate
Total Expense Ratio	1.96%
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

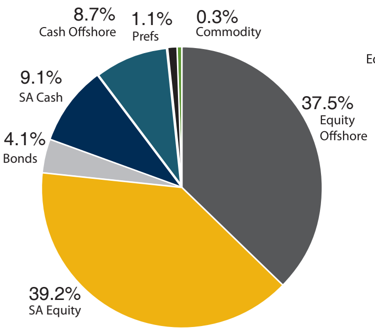
- This fund has a moderate risk profile

TOP HOLDINGS (%)

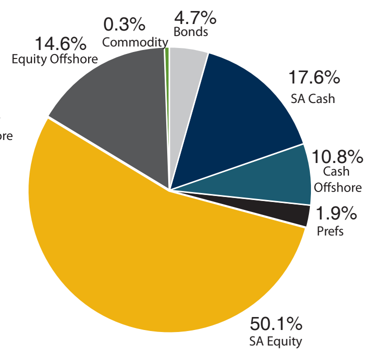
November 2011		November 2010	
Sun International	5.2	Sun International	5.6
Johnson & Johnson	4.6	Discovery	4.0
BP	3.6	Telkom	3.2
Microsoft	3.5	Tiger Brands	2.7
Harmony Gold	3.3	Brait	2.5
Discovery	3.0	Old Mutual	2.4
Old Mutual	2.8	Harmony Gold	2.4
Amplats	2.6	FirstRand	2.4
Berkshire Hathaway	2.5	Omnia	2.3
Vodafone	2.5	Pick n Pay	2.1

ASSET ALLOCATION

November 2011

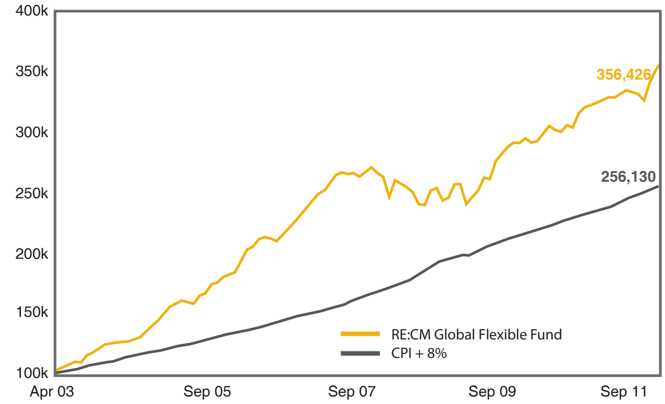


November 2010



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END NOVEMBER 2011 (%)

	Fund	Benchmark
1 Year	11.1%	14.3%
3 Years	13.4%	13.0%
5 Years	8.6%	14.9%
Since Inception	16.0%	13.7%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst, Datastream.
- Periods greater than 1 year are annualised
- Inception Date, 3 April 2003

INVESTMENT COMMENT

Against the backdrop of recent events in Europe, we believe it would be helpful to remind you of our definition of risk and how our investment process works when considering opportunities in this region. Firstly, we define risk as losing money. We start our analysis by explicitly considering a worst case outcome and its impact on the intrinsic value of an investee company. Performing an analysis without at the very least considering a worst case outcome equates to intellectual ignorance. When we consider investing in businesses listed in countries like Greece, Spain and Italy, as we are doing currently, our analysts explicitly work on a worst case that incorporates the assumption that the Euro currency is disbanded. We know from studying devaluations and hyper-inflation events of the past 100 years of market history that the owner of a ‘hard’ asset (such as land, commodities or a business that generates its revenues and profits outside that country) and debts denominated in the local currency generates a very good outcome. The assets and cash flows maintain their intrinsic value while the liabilities decline. It follows that the types of companies we are looking for in these regions are ones with 1) Net cash on the balance sheet or low levels of gearing with true long term domestic debts; 2) Assets and/or cash flows that can maintain their intrinsic value; 3) Pricing power with which to fend off hyper-inflation. Your exposure to assets domiciled in these countries is currently 1.6% of the fund and we continue to work hard to ensure that each existing and new investment idea meets the criteria outlined above.

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