

RE:CM Global FLEXIBLE Fund (Class A)

Period ended 30 September 2012

RE:CM

YOUR CAPITAL FIRST

Portfolio Manager	Daniel Malan, Piet Viljoen, Wilhelm Hertzog, Paul Whitburn
Sector	Worldwide Asset Allocation Flexible
Inception Date	3 April 2003
Total Fund Size	R1.24 billion
Fund Size (Class A)	R876.9 million
Benchmark	Inflation (CPI) + 8%
Min. Investment	R150,000 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	1.30%
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

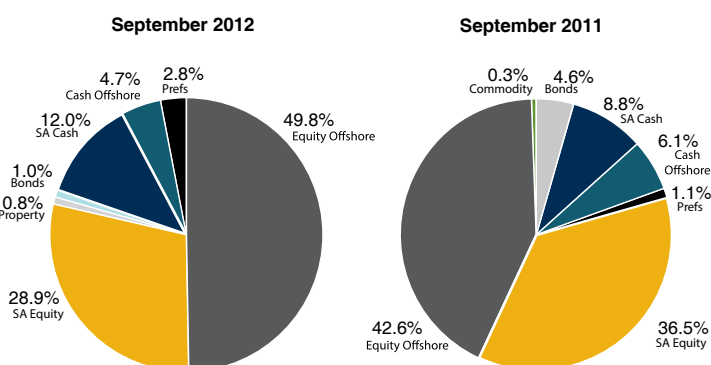


• This fund has a moderate risk profile

TOP HOLDINGS (%)

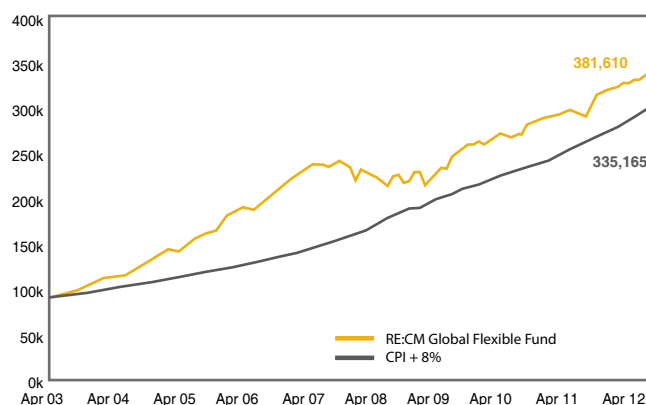
September 2012		September 2011	
Carrefour	6.8	Sun International	5.1
Sun International	5.2	Johnson & Johnson	3.8
Amplats	4.9	Walmart	3.0
Microsoft	4.0	Discovery	3.0
Dell	4.0	Telkom	2.6
Anglo American	3.2	Harmony	2.5
Arcelor Mittal	3.0	Amplats	2.5
BP	2.9	Microsoft	2.4
Tokyo Gas	2.6	Old Mutual	2.2
Berkshire Hathaway	2.6	BP	2.2

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END SEPTEMBER 2012 (%)

	Fund	Benchmark
1 Year	12.2%	13.0%
3 Years	10.0%	12.6%
5 Years	7.5%	14.5%
Since Inception	15.3%	13.7%

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

INVESTMENT COMMENT

Based on current South African asset markets, our research and portfolio construction processes exposes us to cheap assets that are getting cheaper (hotels, gaming, and commodities, specifically platinum); and protects us from expensive assets that are getting more expensive (retail, defensives, lenders, bonds and property). This also happened early in 2008, but with different industry role-players. Currently there is no obvious penalty for being invested in the comfort of positively trending asset prices and, as always, there will be no warning bell to announce a turning point. Evidence and experience tell us that sticking to our valuation-based philosophy and process in the face of external criticism is the right course of action. As usual, we have no idea when markets will turn, but we take comfort in knowing that no one else does either.

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