

RE:CM Flexible EQUITY Fund

Period ended 31 August 2011

Portfolio Manager	Daniel Malan, Wilhelm Hertzog, Piet Viljoen
Sector	Domestic Asset Allocation Flexible
Inception Date	2 March 2005
Fund Size	R1.2 billion
Benchmark	FTSE/JSE All Share Index
Min. Investment	R500,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class B)	0.5% annual fee excl. VAT
Hurdle Rate	JSE All Share Index + 2.5%
Performance Fee	20% above/below hurdle rate
Total Expense Ratio	0.83%
Income Declarations	31 March & 30 September
Regulation 28	Does not comply

About the Fund

The RE:CM Flexible Equity Fund is an SA Equity Fund and has the flexibility to default to cash when we can't find value in equities. It aims to generate better returns than the FTSE JSE All Share Index (including income) over the long term with lower than average risk of capital loss and with less volatility than the index. This fund is suited to investors seeking long-term wealth creation through SA equity exposure, and who are comfortable with short-term volatility.

Fund Objective

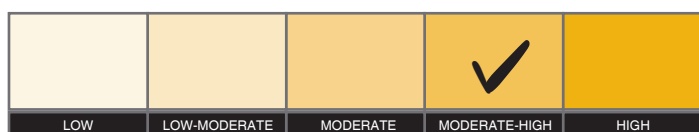
The portfolio objective is to seek long-term capital growth with a level of risk acceptable to the more aggressive investor.

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 hold cash offers additional comfort when equities are expensive.

RISK STATISTICS AND PORTFOLIO DETAIL

FUND PROFILE

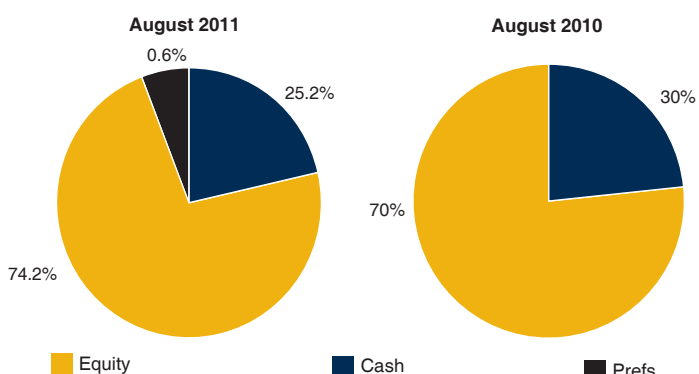


• This fund has a moderate-high risk profile

TOP HOLDINGS (%)

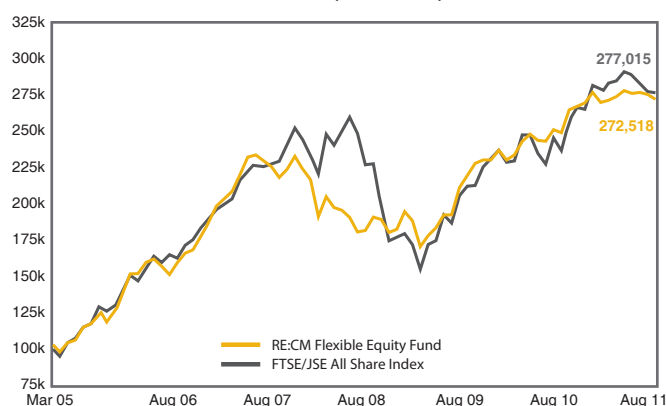
August 2011		August 2010	
Sun International	8.3	Sun International	6.5
Discovery	5.8	Discovery	6.3
Amplats	5.5	Pick n Pay	4.2
Harmony Gold	5.3	Imperial	4.2
Telkom	5.0	Telkom	4.2
Old Mutual	3.8	Harmony Gold	3.9
Hosken Consolidated Inv	3.5	Tiger Brands	3.9
Metropolitan	3.3	Remgro	3.4
Omnia	3.2	Metropolitan	3.3
Imperial	3.2	Old Mutual	3.1

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END AUGUST 2011 (%)

	Fund	Benchmark
1 Year	9.2%	16.8%
3 Years	12.6%	6.7%
5 Years	10.4%	10.1%
Since Inception	16.9%	17.2%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst, Datastream.
- Periods greater than 1 year are annualised
- Inception Date, 2 March 2005

INVESTMENT COMMENT

SA equity market indices are in expensive territory and we remain very protective of our cash holdings. Our allocations of capital have largely been into existing holdings Amplats, Sasol, JD Group and Old Mutual, with the only realization worth mentioning being that of Tiger Brands. All of these transactions were motivated by their price to value relationships. We uncovered two sensible new ideas in the mid-sized capitalization range where their prices have finally reached our buying levels, but generally speaking new idea flow remains rather poor, as can be expected.

We remain wary of exchanging fund cash holdings for anything but deeply discounted and high quality investment opportunities, wherever we can find them.

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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 Flexible Equity Fund Class B has a Total Expense Ratio of 0.83%. For the period from 01 July 2010 to 30 June 2011, 0.83% 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 0.83%, a performance fee of 0.27% of the Net Asset Value of the class of participatory interest in the portfolio was recovered