

RE-CM Global FLEXIBLE Fund

Period ended 30 April 2011

Portfolio Manager	Daniel Malan, Piet Viljoen, Wilhelm Hertzog
Sector	Worldwide Asset Allocation Flexible
Inception Date	3 April 2003
Fund Size	R1.2 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	2.04%
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

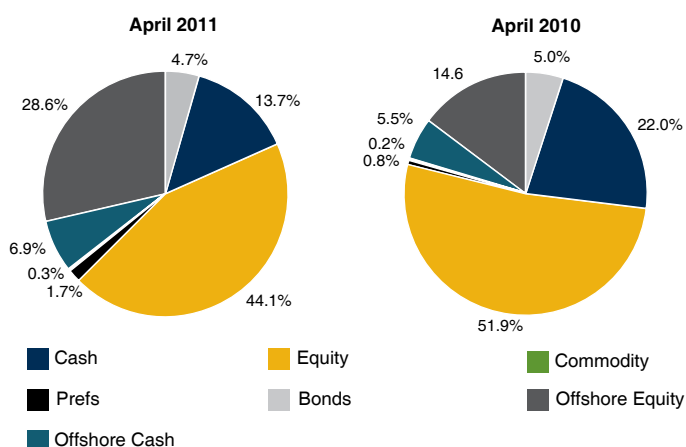


• This fund has a moderate risk profile

TOP HOLDINGS (%)

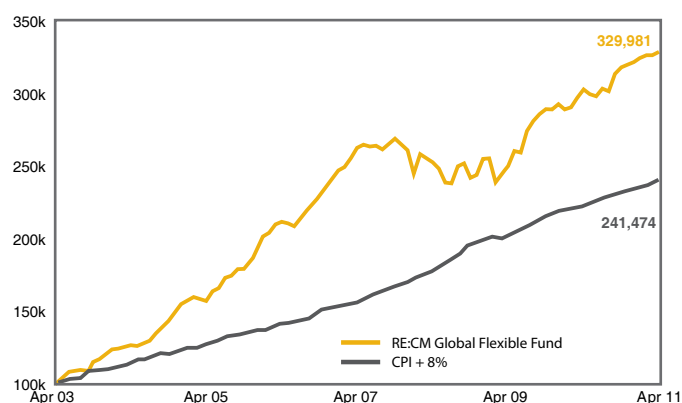
	April 2011	April 2010	
Sun International	5.7	Sun International	4.7
Harmony Gold	3.9	Discovery	4.5
Johnson & Johnson	3.8	Adcock Ingram	3.2
Discovery	3.5	Old Mutual	3.2
Tiger Brands	3.4	Harmony Gold	3.1
Telkom	3.4	African Bank	3.1
Wellpoint	2.6	Imperial	3.1
Old Mutual	2.5	Telkom	2.9
Tokyo Gas	2.2	Metropolitan	2.9
Adcock Ingram	2.1	Remgro	2.9

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END APRIL 2011 (%)

	Fund	Benchmark
1 Year	8.6%	12.3%
3 Years	9.2%	14.6%
5 Years	9.2%	14.8%
Since Inception	16.1%	13.8%

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

INVESTMENT COMMENT

During April our larger domestic sales were of **Firststrand** and **Harmony**. In Firststrand's case the analyst made a strong case for a reduced fund weight given that the price to value gap has closed with the market price now being close to fair value. In Harmony's case a substantial 37% price increase since January has resulted in our funds being overexposed relative to our targeted fund exposures, requiring some selling down of the position to reduce it back to a position size we feel is appropriate given the risks associated with this position.

With regards to global exposure, we reduced fund exposure to **H&R Block**. We think a minority stake in H&R Block is worth approximately US\$18 to US\$22 per share. When we bought it in December 2010 at US\$12, it was a good opportunity. However, with the price 50% higher at US\$18 in April of 2011 it is much less so. As always, we don't control the market, we control our own actions with the market as backdrop.

From a fund composition perspective we continue to favour **capital preservation actions** domestically compared to a **capital growth orientation** globally. For absolute clarity, capital preservation actions include selling fair- and over-valued merchandise, maintaining above average cash exposures and improving the fund's overall exposure to quality and liquidity. A capital growth orientation implies being more fully invested in risk assets given the quality and cheapness offered by an increasingly well diversified global opportunity set.

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