

# RE·CM Global FLEXIBLE Fund

Period ended 31 December 2010

<b>Portfolio Manager</b>	Daniel Malan, Piet Viljoen, Wilhelm Hertzog
<b>Sector</b>	Worldwide Asset Allocation Flexible
<b>Inception Date</b>	3 April 2003
<b>Fund Size</b>	R1.2 billion
<b>Benchmark</b>	Inflation (CPI) + 8%
<b>Min. Investment</b>	R250,000 initial investment, R2,500 for debit orders after initial investment
<b>Fund Status</b>	Open
<b>Initial Fee</b>	No initial fee
<b>Annual Fee (Class A)</b>	1% annual fee excl. VAT
<b>Hurdle Rate</b>	CPI + 8%
<b>Performance Fee</b>	20% above/below hurdle rate
<b>Total Expense Ratio</b>	3.28%
<b>Income Declarations</b>	31 March ,30 June, 30 September, 31 December
<b>Regulation 28</b>	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

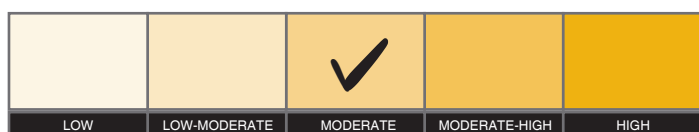
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

## 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

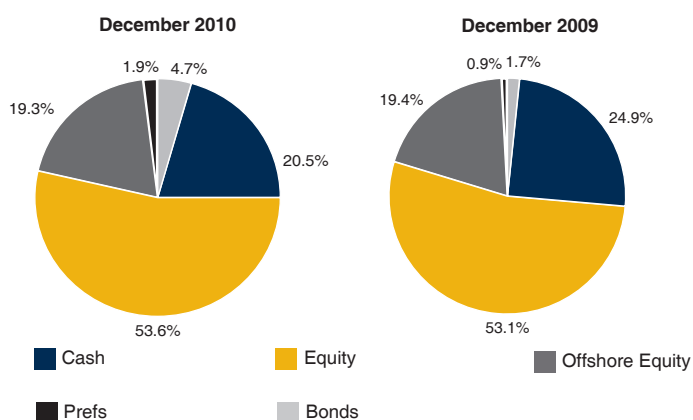


• This fund has a moderate risk profile

### TOP HOLDINGS (%)

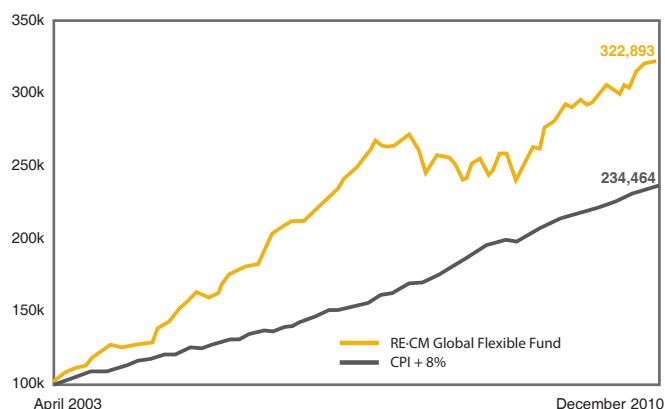
December 2010		December 2009	
Sun International	5.5	Discovery	4.4
Discovery	4.0	Sun International	4.3
Telkom	3.4	Imperial	3.4
Tiger Brands	2.8	Adcock Ingram	3.3
FirstRand	2.5	Telkom	3.0
Omnia	2.5	Pick n Pay	2.9
Old Mutual	2.5	FirstRand	2.8
Harmony Gold	2.5	Brait	2.7
Brait	2.4	Harmony Gold	2.6
Remgro	2.2	Metropolitan	2.5

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END DECEMBER 2010 (%)

	Fund	Benchmark
1 Year	9.9%	11.6%
3 Years	7.2%	14.8%
5 Years	10.9%	14.6%
Since Inception	16.5%	13.7%

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

### INVESTMENT COMMENT

During the past six months, exposure to SA equities has declined from 53% to 49%, exposure to global equities has increased from 14% to 17% and exposure to assets denominated in currencies outside of SA has increased from 19.5% to 28.6%. These changes reflect our increasing conviction that quality cheap assets are currently scarce in SA. We don't have strong conviction on the rand either way but can state emphatically that our team is continuing to find exciting investment ideas outside SA borders. An exciting development for our clients and our business during the past six months was the successful listing of RE·CM & Calibre Preference shares on the JSE. The broad mandate and access to a new universe of investment opportunities (with a lack of capital competitors) provide us with good reason to own a portion of this vehicle in the fund. We remained net sellers of SA equities and in the case of Imperial, Vodacom, JD Group and Remgro, margins of safety have all but disappeared. We sold sizeable portions of the fund's holdings in these, but not everything. Our investment process drives our capital allocation decisions, with position sizing being largely determined by popularity and the business cycle – our maximum allocation being to a company that is extremely unpopular and at the lowest point in its business cycle.

Please refer to previous RE·VIEWS for historical information.

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