

RE:CM Global FLEXIBLE Fund

Period ended 31 December 2011

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	1.55%
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

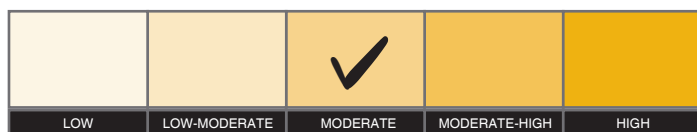
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

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

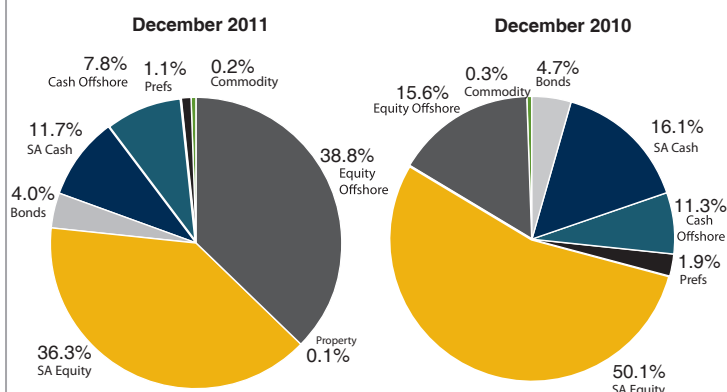


• This fund has a moderate risk profile

TOP HOLDINGS (%)

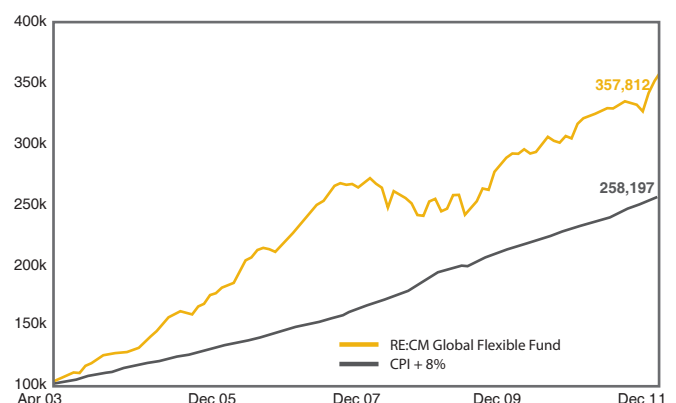
December 2011		December 2010	
Sun International	5.1	Sun International	5.5
Johnson & Johnson	4.2	Discovery	4.0
Microsoft	3.4	Telkom	3.4
BP	3.3	Tiger Brands	2.8
Discovery	3.0	FirstRand	2.5
Old Mutual	3.0	Omnia	2.5
Harmony Gold	3.0	Old Mutual	2.5
Amplats	2.8	Harmony Gold	2.5
Carrefour	2.5	Brait	2.4
Berkshire Hathaway	2.4	Remgro	2.2

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END DECEMBER 2011 (%)

	Fund	Benchmark
1 Year	10.9%	14.1%
3 Years	11.9%	12.9%
5 Years	8.1%	14.8%
Since Inception	15.9%	13.9%

- 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

During the course of 2011 we completely sold out of Tiger Brands in domestic accounts, following a holding period that started at RE:CM's inception in 2003. We always look for and appreciate a long term partnership with such a fantastic value compounding business, but at the prevailing price it no longer offers attractive odds to long term investors. Our investment philosophy and process compels us to say 'goodbye - until we meet again'.

A sure sign of the nervous state of global markets was provided recently when Oracle, a former holding offshore, announced missing second quarter earnings of 3 cents per share. In context of the expected 57 cents per share this is not relevant to the valuation of Oracle at all, but the market begged to differ and the share price promptly fell from \$34 in early November to the current \$25 and change. On the other hand, one of our new global investment ideas this year, Microsoft, continues to generate prodigious and reliable amounts of free cash flow every year which the company is using wisely to reduce the share count at price to value ratios which is in turn value-accretive to the remaining shareholders. Microsoft used to be a market darling, but in Steve Jobs' legacy and Apple's lengthy and sexy shadow it has been relegated to the back benches. At RE:CM we love taking a good look around the back benches, because we know from experience that that is usually where prospective value resides.

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