

# RE·CM Global FLEXIBLE Fund

Period ended 28 February 2011

<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
<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

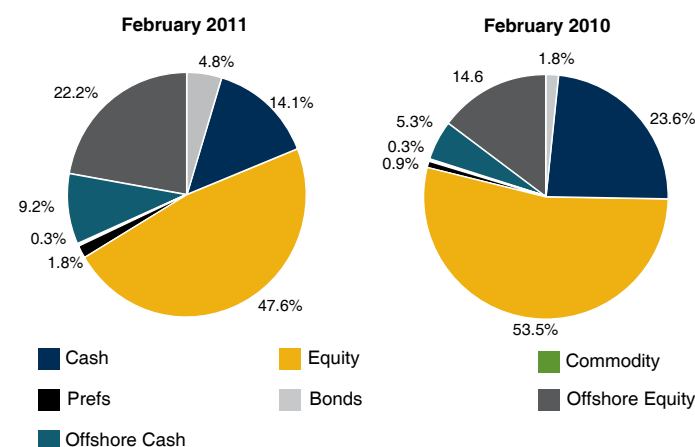


• This fund has a moderate risk profile

### TOP HOLDINGS (%)

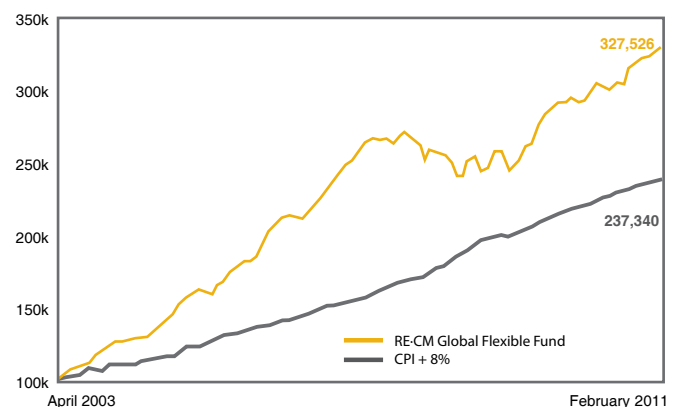
	February 2011	February 2010	
Sun International	5.0	Discovery	4.7
Discovery	4.0	Sun International	4.3
Telkom	3.1	Imperial	3.6
Tiger Brands	3.0	Adcock Ingram	3.4
Harmony Gold	2.9	Old Mutual	3.2
FirstRand	2.5	Telkom	2.9
Old Mutual	2.3	Pick n Pay	2.9
Remgro	2.2	Harmony Gold	2.7
Brait	2.1	FirstRand	2.7
Adcock Ingram	2.0	Remgro	2.7

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END FEBRUARY 2011 (%)

	Fund	Benchmark
1 Year	12.4%	11.5%
3 Years	8.1%	14.6%
5 Years	9.9%	14.6%
Since Inception	16.4%	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

By value we were net sellers during February of the equity of South African businesses. In particular we took advantage of a 45% increase in Sasol's share price since our purchase in the second half of 2010 to get a portion of your fund capital back from the company. We also sold down positions in Vodacom where the price has met the upper end of our estimated range of fair values. We have observed fairly significant negative price changes of a few existing fund favourites, such as JD Group, Sun International, Imperial and Nedbank of late, in the order of 10% to 20%. We have taken advantage of these to re-allocate fund capital, but not very significant amounts.

What we would really prefer to find in South Africa is a franchise quality business available at a large discount to intrinsic value. As generally silent observers we are continuing to watch and wait for a genuine opportunity, and we will wait as long as it takes. We know that our chance will come again and we continue doing our best to be ready for it whilst protecting capital by not paying more for businesses than what they are worth. Your funds are positioned such that we have the cash resources to pull the trigger when opportunities arise, as we did when the market collapsed in 2008 and provided us with possibly one of the best buying opportunities of our investment career lifetimes.

Please refer to previous RE·VIEWS for historical information.

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