

# RE·CM Global FLEXIBLE Fund

Period ended 31 January 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

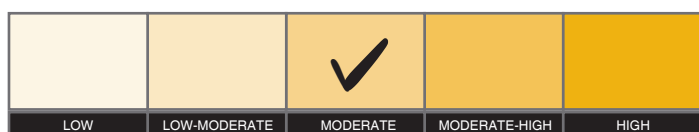
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

## 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

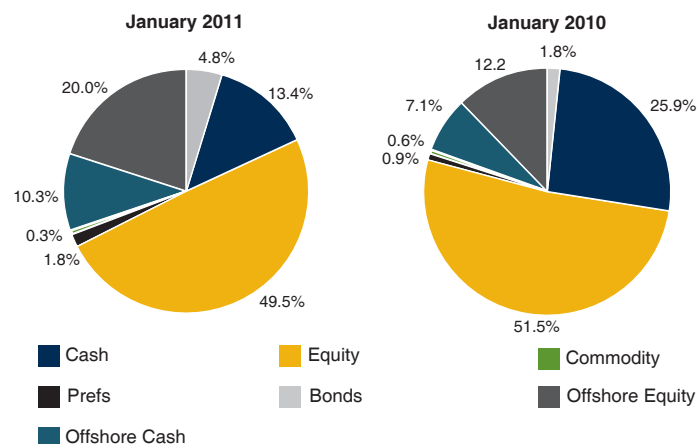


• This fund has a moderate risk profile

### TOP HOLDINGS (%)

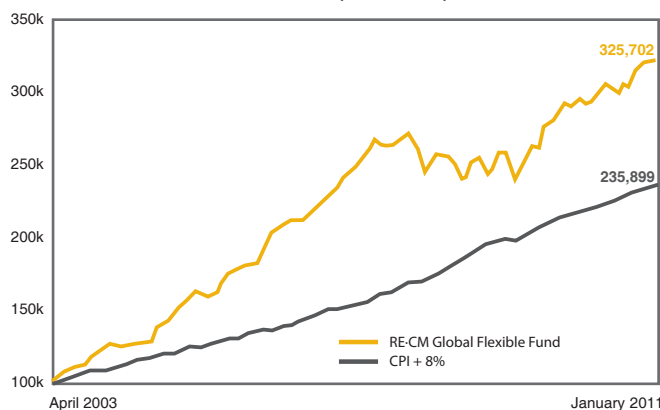
January 2011		January 2010	
Sun International	5.2	Sun International	4.3
Discovery	3.8	Discovery	4.3
Tiger Brands	3.1	Adcock Ingram	3.3
Telkom	3.1	Imperial	3.1
Old Mutual	2.7	FirstRand	2.9
FirstRand	2.5	Telkom	2.8
Omnia	2.4	Brait	2.6
Harmony Gold	2.3	Pick n Pay	2.6
Brait	2.2	Harmony Gold	2.5
Remgro	2.2	Metropolitan	2.5

### ASSET ALLOCATION



## PERFORMANCE AND COMMENTARY

### RETURNS SINCE INCEPTION (after fees)



### RETURNS TO END JANUARY 2011 (%)

	Fund	Benchmark
1 Year	12.3%	11.5%
3 Years	9.9%	14.6%
5 Years	10.0%	14.6%
Since Inception	16.5%	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 January our portfolio managers deployed fund capital into existing high quality holdings such as Tiger Brands, Adcock Ingram and Nedbank following favourable (declining) recent price changes. However, we continued to reduce exposure to MMI Holdings (formerly known as Metropolitan) and JD Group as market prices rose closer to fair value in both cases. It is worth noting that both have been strong contributors to investment results over the past several years.

Currently, despite the best efforts of our investment analysts, we are not finding value in South African assets, particularly in high quality businesses. As a result of this, the fund is conservatively positioned with regards to local assets in order to best preserve capital. In contrast however, we do see very good value in offshore assets, particularly in developed markets and notably, in cheap high quality businesses with global franchises. If this continues we expect to continue deploying fund cash reserves to this segment of the markets.

Please refer to previous RE·VIEWS for historical information.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: [info@reem.co.za](mailto:info@reem.co.za)

Website: [www.reem.co.za](http://www.reem.co.za)

**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 Global Flexible Fund Class A has a Total Expense Ratio of 3.28%. For the period from 01 January 2010 to 31 December 2010, 3.28% 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 3.28%, a performance fee of 2.03% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.