

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

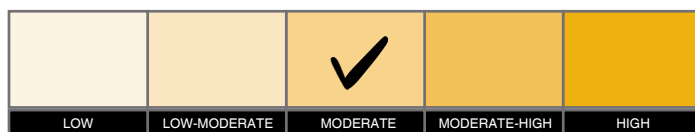
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

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

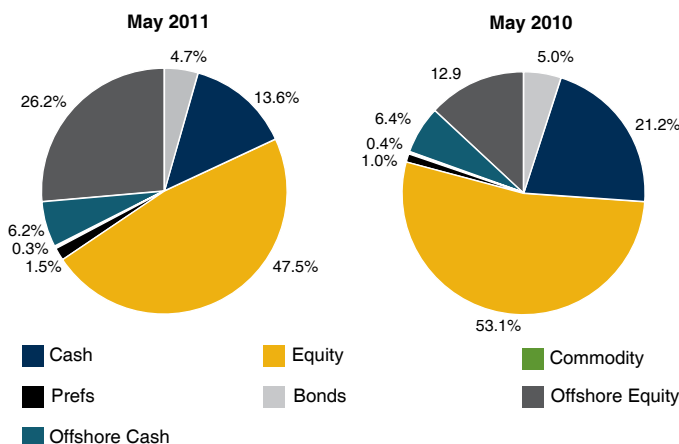


• This fund has a moderate risk profile

TOP HOLDINGS (%)

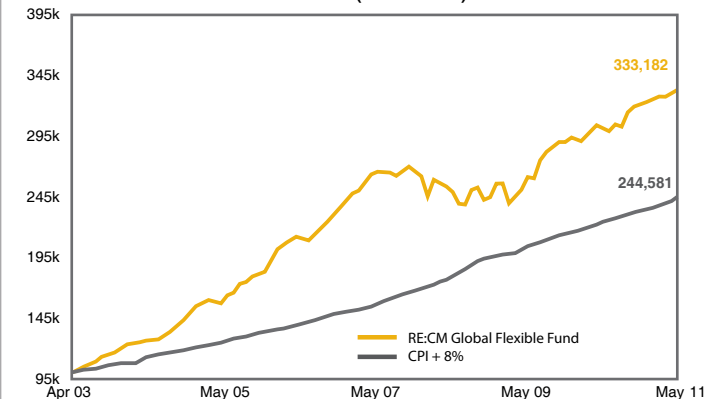
May 2011		May 2010	
Sun International	5.4	Sun International	4.7
Johnson & Johnson	3.9	Discovery	4.5
Harmony	3.7	Telkom	3.4
Discovery	3.6	Adcock Ingram	3.1
Tiger Brands	3.1	Imperial	3.0
Telkom	3.1	Pick n Pay	2.9
Wellpoint	2.9	Remgro	2.8
BP	2.5	Old Mutual	2.8
Old Mutual	2.5	Metropolitan	2.8
Tokyo Gas	2.2	Harmony Gold	2.8

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END MAY 2011 (%)

	Fund	Benchmark
1 Year	10.8%	12.1%
3 Years	10.2%	13.8%
5 Years	9.6%	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

We continue to favour capital preservation actions domestically compared to a capital growth orientation globally. Capital preservation includes selling over-valued merchandise and maintaining above average cash exposures. Capital growth orientation implies being more fully invested given the quality and cheapness offered by an increasingly well diversified global opportunity set.

Johnson & Johnson is currently our largest global equity position. You pay the same price per share for J&J now as was available in 2002, but revenues, profits and dividends have almost doubled or more since. The company is also more efficient, evidenced by constantly improving profit margins provided by the scalability to grow revenues without a commensurate need to employ more people. In 2002, Johnson & Johnson was overvalued – the share price was above its intrinsic value. Today, we believe Johnson & Johnson is undervalued – trading at substantially less than its intrinsic value. This is a great example of the ability of a quality business to grow into and out of an expensive valuation.

In conclusion, you will often find RE·CM's analysts looking for undervalued opportunities in areas that are out of favour - currently the US, Western Europe and Japan. We know that sooner or later a steadfast belief in the collective market's ability to eventually spot a bargain pays off for patient investors. As your co-investors we would also prefer for it to be "sooner", but until we find anyone who can predict the future, we can live with "later".

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