RE:CM Global **FLEXIBLE** Fund

Period ended 31 July 2011

RE·CM
YOUR CAPITAL FIRST

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	2.28%
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

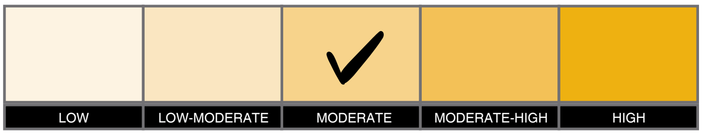
The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

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

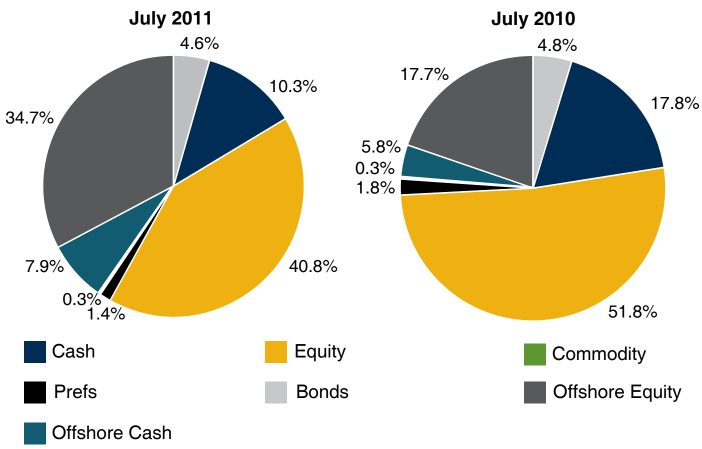


- This fund has a moderate risk profile

TOP HOLDINGS (%)

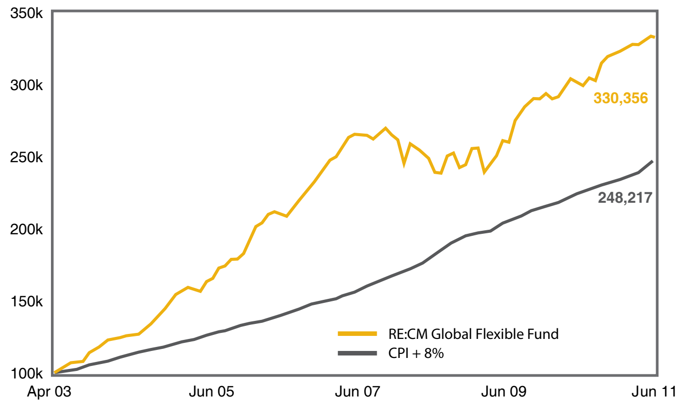
July 2011		July 2010	
Sun International	5.8	Sun International	6.6
Johnson & Johnson	5.0	Discovery	6.3
Telkom	3.2	Pick n Pay	5.3
Harmony Gold	3.1	Telkom	4.4
Discovery	2.9	Imperial	4.4
Tokyo Gas	2.7	Metropolitan	4.1
BP	2.7	Remgro	4.1
Wal-Mart Stores Inc	2.5	Adcock Ingram	3.8
Old Mutual	2.2	Harmony Gold	3.8
Amplats	2.2	Tiger Brands	3.4

ASSET ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END JULY 2011 (%)

	Fund	Benchmark
1 Year	8.5%	13.0%
3 Years	11.4%	13.3%
5 Years	9.1%	14.7%
Since Inception	15.6%	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

What an amazing difference one very weak month can make to the collective market participants' psyche. At a stock and industry specific level the same message appears – heavy cyclicals (think mining, shipping, luxury goods and paper) are selling off, while defensive businesses and those perennial underdogs, cash, gold and gold stocks are outperforming. All our funds are conservatively positioned during this market decline, invested in a sufficiently diversified combination of a) predominantly high quality (cheap) equity, with b) a healthy cash component. Our geographic exposure to Europe and industry exposure to heavy cyclicals is very low and concentrated in areas of the market that led the decline, such as **Titan Cement** and the **Hellenic Stock Exchange** in Greece. Both of these are domestic or regional oligopolies with strong economics and we evaluate them both to be very cheap. In domestic accounts we have used market weakness to add to existing positions **Pick 'n Pay**, **Old Mutual** and **Amplats**, while selling a significant portion of your holding in **Tiger Brands** following strong price appreciation during the month. Outside SA we committed fund capital to new idea **Microsoft**, while reducing exposures to strong recent contributors to fund results such as **Hamamatsu Photonics**, **Dell**, **Coca Cola** and **Oracle**.

Our clients can rest assured that, despite the recent market declines, we are very protective of the hard earned cash components of their funds and that only the best quality and cheapest merchandise will be able to successfully compete for your fund capital.

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