

# ABRIDGED FINANCIAL REPORT

PERIOD ENDING 31 MARCH 2010

RE·CM



7TH ANNUAL LETTER TO INVESTORS

June 2010

Dear fellow investor,

It is with great pleasure that I write to you again, in this our 8th year of existence. The process of writing this letter is usually a very introspective one, and this year is no exception. Markets have been extremely volatile (thankfully, mostly to the upside!) and the political environment, both locally and globally, has been fraught with embarrassment, difficulty and even distress.

As with most things, we aim to be different. Our clients' interests will always come first. From the outset we have believed if we do the right thing by our clients, our business will also be successful. This is a longer and harder road to success, but it is far more rewarding. Let's recap the steps we have taken over the years to build a trusted franchise:

1. We have avoided launching funds according to the (fickle) taste of the market, focusing only on those offerings we ourselves would invest in for the long term. After seven years we only have three unit trusts and they are all broad, flexible funds, suitable for investors regardless of what the flavour of the day is for investment markets.
2. The staff at RE·CM have consistently invested a large proportion of their own money in the funds we manage, on exactly the same terms as our clients. We eat our own cooking and experience the same ups and downs as our clients.
3. In 2005 we reduced our annual management fee on the RE·CM Global Flexible fund once it produced benefits of scale. Today all our funds have low annual management fees, with performance fees linked to demanding hurdles. We only do well when our clients do well.
4. In 2006 we closed to new investments as markets had become very expensive. We were not prepared to take on new money from clients with the prospect of very poor returns. This action reduced our profitability dramatically and we endured a few lean years while the market was partying hard. In hindsight, however, it was worth it – we looked after the interests of our existing clients, rather than chasing new ones at the cost of diluting everyone's returns. Events of the last two years have more than justified our strategy.
5. In 2009 we changed the mandate of two of our funds to make them more flexible. This meant that we lost our official track record, which in both cases was very strong. This decision has impaired the ability of new investors to evaluate these funds, leading to reduced flows into the funds. Importantly, the mandate changes allow us more flexibility and enable us to manage them more effectively. Although it has temporarily limited our ability to grow, it has been a good change for our existing clients, and that is always the acid test.

This is a fairly long list of atypical actions by a fund manager; however, the common thread is that they have all been taken in the interests of our clients. This is in line with what we stand for – "Your Capital First". I can assure you that we will continue to work hard in this regard, as we see it as one of our competitive advantages.

**Funds and returns**

It is our normal practice at this time to review the returns our funds have generated. I also would like to take the opportunity to discuss the mandates of each fund, as well as what we, as investors in them, should expect from them going forward. (For more specific detail on exactly what the holdings are in each fund, please have a look at our website, [www.recm.co.za](http://www.recm.co.za), where detailed holdings are made available:

Annual Returns	to 31 March 2010			
	1 Year	3 Years	5 Years	Since Incep.
RE·CM Global Flexible Fund (Apr '03)	26.0%	5.2%	13.5%	18.0%
Benchmark: Inflation + 8% p.a.	13.7%	16.3%	14.8%	13.9%
RE·CM Flexible Equity Fund (Mar '05)	36.8%	4.8%	20.7%	20.7%
Benchmark: ALSI + 2.5%	46.6%	7.1%	22.4%	22.4%
RE·CM Global Feeder Fund (Mar '07)	11.9%	0.5%		0.5%
Benchmark: MSCI World (ZAR)	16.7%	-4.8%		-4.8%

1. All fund returns are net of fees
2. All index returns include dividends reinvested.
3. All returns quoted are compound annual rates of return

Let's now deal with each fund separately:

### 1. RE·CM Global Flexible Fund

This fund used to be called the RE·CM Core Managed Fund, and is managed to produce returns of 8% in excess of inflation through the cycle. Despite its name change, and some degree of additional flexibility, it is still managed relative to the same benchmark as before. It aims to achieve its benchmark by allocating funds towards undervalued assets across the spectrum of risk. From global and local equities, to cash, bonds and property, it can take advantage of mispricing in any asset class. This is why it is called a "balanced fund" – it balances its allocation across different asset classes. As such, it will generally underperform equities in a bull market, but be better off during bear markets. Over time, it should provide a more stable return profile than a pure equity fund, but probably with slightly lower overall returns. Going forward we believe this fund should provide returns lower than that achieved over the past seven years as asset prices are generally quite high, especially here in South Africa where the bulk of its investments are, and will continue to be, domiciled. South African assets have enjoyed very high returns over the past decade; returns that we think are not repeatable. Nevertheless, given its flexibility – especially with respect to investing more money offshore - we continue to think we have a good chance of generating satisfactory real returns, i.e. your capital should grow in real terms. That is what investing is all about!

### 2. RE·CM Flexible Equity Fund

This fund used to be called the RE·CM Core Equity Fund. It changed its name to the RE·CM Flexible Equity Fund last year as it is now allowed to hold a higher allocation of cash than previously. Despite this change, it is still managed as a South African equity fund and aims to achieve returns of 2.5% over the JSE All Share Index (ALSI). Since inception it has outperformed the ALSI, but marginally underperformed its benchmark. To illustrate how tough its benchmark is, this fund is easily placed in the top quartile of all similar funds. In fact, it has outperformed the average general equity unit trust by almost 4% p.a. since inception. In absolute terms, the returns have been more than satisfactory. Going forward we think South African equities are generally priced for poor returns over the long-term. We don't think this fund will generate anything like its past returns (20.7% annually!) over the next five years. But, for clients who want to have exposure to domestic equities, we believe we have a good chance of continuing to produce returns well in excess of the benchmark and that of other equity funds, given our conservative stance, our exposure to good quality companies, low fee structure and long holding period.

### 3. RE·CM Global Feeder Fund

This fund is purely a "conduit" into our Global Fund, which allows investors to use Rands to invest internationally. We convert the Rands into US\$ and invest the proceeds into our Global Fund. Returns over time reflect the returns of our Global fund, as well as Rand movements against the US\$, as the fund is priced in Rands and its only underlying investment is the RE·CM Global fund, priced in US\$. The strength of the Rand over the past five years or so has caused the RE·CM Global Feeder fund returns (in Rand) to be below those of the RE·CM Global fund (in US\$). Going forward we think the Rand is marginally overvalued and any positive returns in the RE·CM Global fund will be amplified in the RE·CM Global Feeder fund, as opposed to being dampened historically.

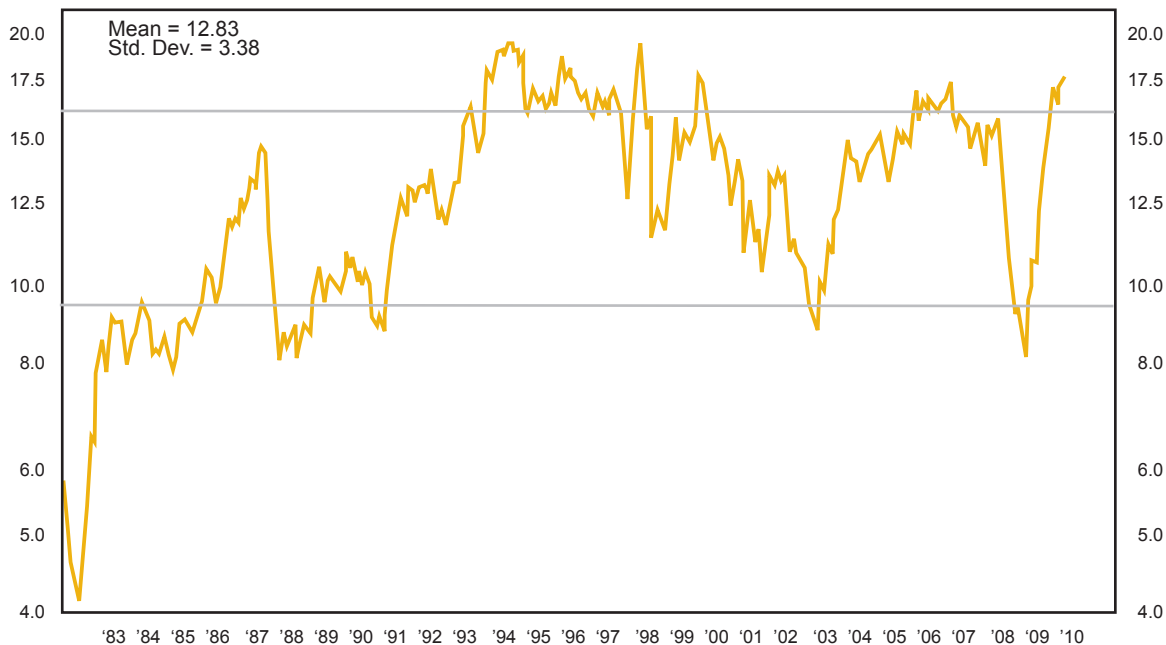
As for the RE·CM Global Fund; This fund invests in global equities and is managed to deliver returns in excess of the MSCI world index (a broad index of global stock markets) in US\$ terms. The fund is managed from our offices in Guernsey and Sydney and has done a fantastic job over the past four years. It was the best performing global equity fund in South Africa over that period, winning a "Raging Bull" award against some stiff competition from large global asset managers. In an ironic twist, the reason for it winning the "Raging Bull" award was its conservative stance! We believe that this fund, having been able to grow capital over the past three years when most global funds and indices have gone backwards, is well positioned for the future. Going forward we believe the fund has a good chance of continuing to outperform its benchmark, as fantastically good, global companies with significant barriers to entry are available on reasonable multiples. These bargains are available because most investors focus on emerging markets in general and China specifically at a time when valuations in these geographies are at all time highs. The RE·CM Global fund holds almost no direct emerging market exposure and no direct Chinese exposure. Time will tell whether this is the right positioning, but we sleep comfortably as a result – and so should you. In absolute terms – which is the appropriate measure of success – we think the fund will continue to compound in single digits, in US\$ terms. Valuations just are not cheap enough to expect strong, long-term, absolute returns.

#### Our take on the market

As you can see from my comments on the expected returns for our funds, we are not overly optimistic on high future returns. This is not because we are, as is sometimes mentioned in certain circles, "perma-bears". It is simply that future returns are dictated by the price you pay today. And it is currently difficult to find really, really cheap investments. As an example, the following chart shows that the P/E multiple for the South African All Share index is close to all time highs. This means that you are paying a very high price for a unit of earnings for the average South African company. Generally this does not lead to exciting returns. As always, the expensive multiple is justified by those who are more interested in selling investments than they are in actually generating good returns for clients. Today they say it is because we are an "Emerging Market". In 2006/07 they said it was because we were in a commodity "super cycle". And in 1995/96 it was because we were in the "New South Africa". Each time, strong short-term returns were followed by sharp market corrections, leaving long-term returns low. We will only become bullish if prices are low – as they were in early 2009 when all our funds were fully invested – and prospective returns are high. Until then we will run the risk of being labeled "perma-bears", but in so doing, still be able to look you in the eye and say we are doing the best we can to protect your capital. And when the time comes we will do our

best to grow it. We have done so fairly successfully for the past seven years, and we hope to be able to continue doing so in the future.

## The P/E Ratio of the All Share Index



Source: I-Net

I consciously make no mention of any risks present in the market. That is simply because there are always risks present – some of them we know about, and others we don't. Generally it is the risks we don't know about that cause all the damage – the so-called "black swans". The ones we do know about never seem to really make a difference! Investing money always means you are taking a risk; you just can't get away from this – after all, investment returns are provided by the market in return for accepting risk. But you can only expect good returns if you are being paid to take on risk through the mechanism of low prices, ala early 2009. Currently prices are not low – as can be seen from the above-mentioned P/E multiple, or from various bond spreads, with the exception of Greece of course! In short, we are not afraid of risk per se, just afraid of not being paid to take on risk.

We manage all our funds to accept risk only when asset prices tell us we are being paid very well to do so. Interestingly, it is when historic returns have been high that prospective risk is at its highest. Yet investors seem to become placated by rising prices and as a result they tend to reduce their sensitivity to risk the higher prices go. Our investment process forces us to do exactly the opposite – accept more risk when prices are low and less risk when prices are high. In terms of behavioural science, this is a very difficult thing to do, which is why we have implemented and consistently used this process over the past seven years. And it works! However, we do not mean to imply that our funds prices will never decline. It does mean that declines should be shallower than most other funds or markets and that your capital will be mostly intact when the next upswing comes, as it inevitably does. This is how we let the power of compounding work for us and not against us.

## Business developments

Over the past year our funds under management have grown to R11.8bn from R8.3bn, a growth rate of 42%. Much of this has been market growth, but we have been fortunate enough to welcome a few pension fund clients to our fold, as well as many new clients in our unit trusts. In fact, the first fund we launched in April 2003, the RE-CM Global Flexible Fund, reached the R1bn milestone this year. Despite our self-imposed constraints on marketing, we have been gratified that Alexander Forbes Asset Consultants have included our institutional funds in their Large Manager Watch.

Our staff complement has grown by almost 15% from 20 to 23 over the same period. Our business is sound and sustainable. We continue to build on the trust that our clients have in us. We have built a unique footprint in a highly competitive industry and for this the associates of RE-CM – all of them – deserve special thanks. Your financial future is linked to the efforts of these fine individuals and over the past year they have once again excelled themselves on your behalf. Under their guidance we have moved forward, all the while carefully laying the groundwork for future steps forward. As with investments, things happen slowly here, but thoughtfully.

Good investing!

Piet Viljoen  
Chairman, RE-CM

## REPORT OF THE TRUSTEES

12 April 2010

To RE:CM Collective Investments (Pty) Limited ("The Manager")

**Report in terms of Section 70 (1)(f) of the Collective Investment Scheme Control Act (act), Act 45 of 2002 for the period 01 April 2009 to 31 March 2010 - RE:CM Collective Investment Scheme**

As Trustees of the above Scheme we advise that we have controls in place to give us reasonable assurance that the limitations imposed on the investment and borrowing powers of the Manager by this Act and the provisions of the Act and Deed are being complied with, by the Manager.

No breaches occurred during the period 1st April 2009 to 31st March 2010..

**The Standard Bank of South Africa Limited - Trustee**

# ABRIDGED FINANCIAL REPORT

PERIOD ENDING 31 MARCH 2010

# RE·CM

## RE·CM GLOBAL FLEXIBLE FUND

INCOME STATEMENT	31 March 2009	31 March 2010
<b>Income</b>	<b>53,056,387</b>	<b>80,865,662</b>
Dividends	26,274,068	16,490,561
Interest	16,980,451	19,901,255
Income adjustments due to creation and cancellation of participatory interests	(118,957)	6,004
Foreign Exchange loss	(223,597)	(52,697)
Impairment of available for sale investments	(48,431,879)	(7,519,367)
Realised gains on investments	58,576,301	52,039,906
<b>Expenses</b>	<b>9,136,266</b>	<b>47,902,384</b>
Service Fees	9,652,265	11,820,124
Performance Fees	(726,615)	35,792,850
Audit Fees	25,818	119,071
Custodian, trustee and bank charges	184,798	170,339
<b>Net income</b>	<b>43,920,121</b>	<b>32,963,278</b>
<b>STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		
<b>Opening balance</b>	<b>902,924,134</b>	<b>740,047,525</b>
<b>Increase/decrease in assets attributable to shareholders</b>	<b>(72,108,477)</b>	<b>165,648,900</b>
Undistributed profit/loss for the year	10,333,929	21,567,448
Other comprehensive income	(82,442,406)	144,081,452
<b>Net creations/cancellations during the year</b>	<b>(90,768,132)</b>	<b>66,653,024</b>
<b>Net Assets attributable to unitholders</b>	<b>740,047,525</b>	<b>972,349,449</b>
<b>BALANCE SHEET</b>		
<b>Assets</b>		
<b>Non-current assets</b>		
Available for sale investments	569,314,747	800,177,217
<b>Current assets</b>	<b>182,591,571</b>	<b>196,944,117</b>
Accrued income and debtors	7,825,093	5,332,396
Loans and receivables	0	94,000,000
Cash and bank balances	174,766,478	97,611,721
<b>Total Assets</b>	<b>751,906,318</b>	<b>997,121,334</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Net assets attributable to unitholders	740,047,525	972,349,449
<b>Current liabilities</b>	<b>11,858,793</b>	<b>24,771,885</b>
Creditors	2,280,199	24,771,885
Distributions payable	9,578,594	0
<b>Total equity and liabilities</b>	<b>751,906,318</b>	<b>997,121,334</b>

# ABRIDGED FINANCIAL REPORT

PERIOD ENDING 31 MARCH 2010

# RE·CM

## RE·CM GLOBAL FLEXIBLE FUND AS AT 31 MARCH 2010

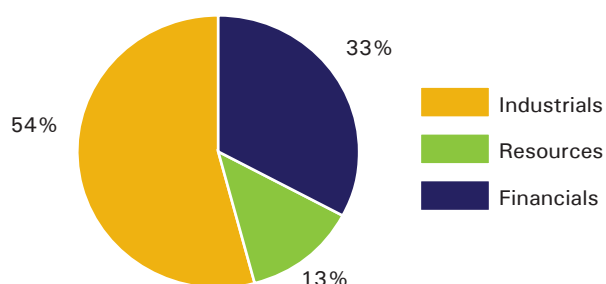
Performance for the year ended	2009	2010
RE·CM Global Flexible Fund	-4.1%	21.5%
Benchmark (CPI + 8%)	18.1%	17.2%
* CPI is lagged 1 month		
Source: I-Net, NAV-NAV, Gross Income Re-invested		

Charges (excluding vat)	Class A	Class B	Class C	Class D
Management Fees (excl. VAT)	1%	1%	1.50%	Nil
Initial Fees	Nil	Nil	Nil	Nil
Performance Fees	20% above CPI + 8%	20% above CPI + 8%	20% above CPI + 8%	Nil
Total Expense Ratio (TER)	4.73%			

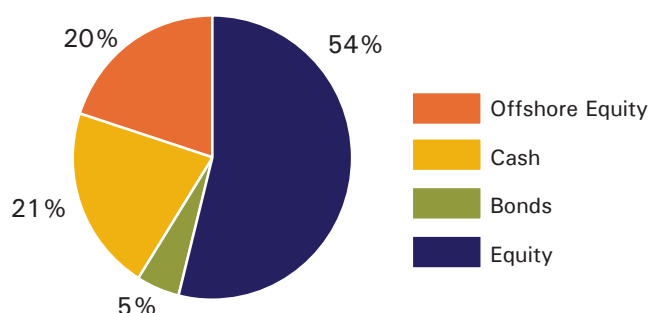
Portfolio Breakdown as at 31 March 2010	
Equities	75%
Cash	20%
Bonds	5%

Top Ten Stocks	
Sun International	4.7
Discovery Holdings	4.7
Imperial Holdings	3.5
Adcock Ingram	3.4
Old Mutual Plc	3.1
Pick n Pay Holdings	3.1
Metropolitan Holdings	3.0
First Rand Limited	3.0
Telkom SA Ltd	2.9
Remgro Ltd	2.8
<b>Total</b>	<b>34.3</b>

### Equity Sector Allocation



### Asset Allocation



### Income distribution for the year ended 31 March 2010

	Class A	Class B	Class C	Class D
June 2009	21.88 cpu	17.64 cpu	18.71 cpu	29.38 cpu
September 2009	11.14 cpu	19.60 cpu	7.57 cpu	29.64 cpu
December 2009	0 cpu	0.02 cpu	0 cpu	18.37 cpu
March 2010	0 cpu	9.80 cpu	0 cpu	23.52 cpu

# ABRIDGED FINANCIAL REPORT

PERIOD ENDING 31 MARCH 2010

# RE·CM

## RE·CM FLEXIBLE EQUITY FUND

INCOME STATEMENT	31 March 2009	31 March 2010
<b>Income</b>	<b>7,011,447</b>	<b>71,157,896</b>
Dividends	13,681,202	12,867,415
Interest	3,912,710	11,179,984
Income adjustments due to creation and cancellation of participatory interests	1,750,975	(66,135)
Impairment of available for sale investments	(26,652,439)	(5,093,428)
Realised gains on investments	14,318,999	52,270,060
<b>Expenses</b>	<b>5,138,009</b>	<b>5,270,283</b>
Service Fees	685,277	1,362,052
Performance Fees	4,321,455	3,663,967
Audit Fees	22,082	98,611
Custodian, trustee and bank charges	109,195	145,653
<b>Net income</b>	<b>1,873,438</b>	<b>65,887,613</b>
<b>STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		
<b>Opening balance</b>	<b>304,865,531</b>	<b>385,878,929</b>
<b>Increase/decrease in assets attributable to shareholders</b>	<b>(33,855,984)</b>	<b>149,577,727</b>
Undistributed profit/loss for the year	(13,575,184)	43,902,321
Other comprehensive income	(20,280,800)	105,675,406
<b>Net creations/cancellations during the year</b>	<b>114,869,382</b>	<b>134,839,998</b>
<b>Net Assets attributable to unitholders</b>	<b>385,878,929</b>	<b>670,296,654</b>
<b>BALANCE SHEET</b>		
<b>Assets</b>		
<b>Non-current assets</b>		
Available for sale investments	336,461,882	526,394,752
<b>Current assets</b>	<b>62,568,861</b>	<b>151,018,679</b>
Accrued income and debtors	6,414,792	1,729,829
Cash and bank balances	56,154,069	149,288,850
<b>Total Assets</b>	<b>399,030,743</b>	<b>677,413,431</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Net assets attributable to unitholders	385,878,929	670,296,654
<b>Current liabilities</b>	<b>13,151,814</b>	<b>7,116,777</b>
Creditors	5,383,726	1,361,401
Distributions payable	7,768,088	5,755,376
<b>Total equity and liabilities</b>	<b>399,030,743</b>	<b>677,413,431</b>

# ABRIDGED FINANCIAL REPORT

PERIOD ENDING 31 MARCH 2010

# RE·CM

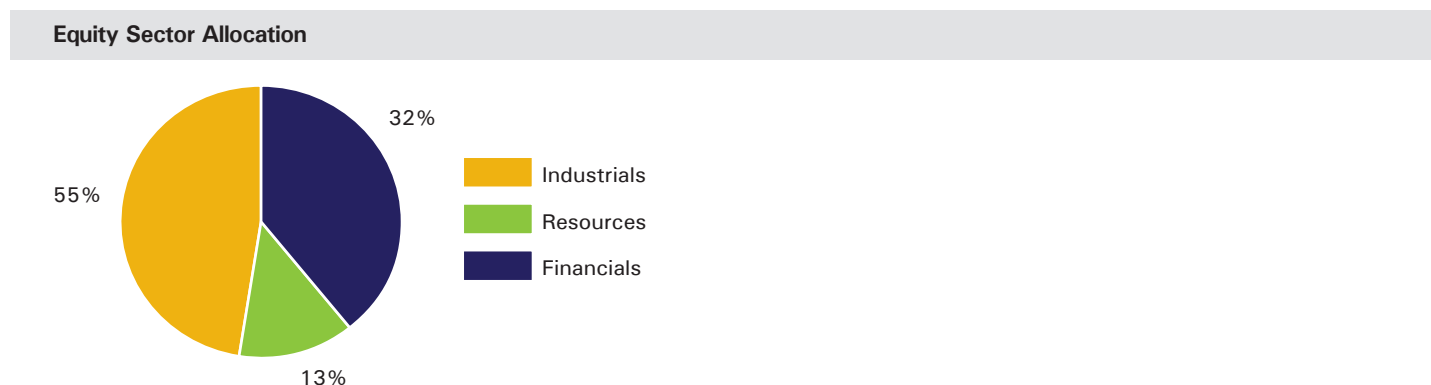
## RE·CM FLEXIBLE EQUITY FUND AS AT 31 MARCH 2010

Performance for the year ended	2009	2010
RE·CM Flexible Equity Fund	-9.8%	36.5%
Benchmark (ALSI - Total Return)	-28.5%	44.1%
Source: I-Net, NAV-NAV, Gross Income Re-invested		

Charges (excluding vat)			
Initial Fees	No initial fee		
	<b>Class B</b>	<b>Class C</b>	<b>Class D</b>
Management Fees (excl. VAT)	0.50%	Nil	1.00%
Performance Fees	20% above/below ALSI + 2.5%	20% above/below ALSI + 2.5%	20% above/below ALSI + 2.5%
Total Expense Ratio (TER)	2.20%		

Portfolio Breakdown as at 31 March 2010	
Equities	78.1%
Cash	21.9%

Top Ten Stocks	
Sun International	7.1
Discovery Holdings	6.9
Imperial Holdings	5.1
Pick n Pay Holdings	4.9
Adcock Ingram	4.9
Metropolitan	4.7
Telkom SA Ltd	4.7
Old Mutual Plc	4.1
Harmony Gold Mining	4.0
Remgro Ltd	3.8
<b>Total</b>	<b>50.2</b>



Income distribution for the year ended 31 March 2010		
	<b>Class B</b>	<b>Class C</b>
September 2009	61.77 cpu	48.28 cpu
March 2010	0 cpu	30.17 cpu

# ABRIDGED FINANCIAL REPORT

PERIOD ENDING 31 MARCH 2010

# RE·CM

## RE·CM GLOBAL FEEDER FUND

INCOME STATEMENT	31 March 2009	31 March 2010
<b>Income</b>	<b>831,209</b>	<b>197,819</b>
Dividends	0	0
Interest	26,534	9,485
Income adjustments due to creation and cancellation of participatory interests	4,059	(59,322)
Foreign Exchange loss	(92,819)	(62,290)
Realised gains on investments	893,435	309,946
<b>Expenses</b>	<b>139,113</b>	<b>237,980</b>
Service Fees	90,568	160,121
Performance Fees	0	0
Audit Fees	25,373	39,511
Custodian, trustee and bank charges	23,172	38,348
<b>Net income</b>	<b>692,096</b>	<b>(40,161)</b>
<b>STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		
<b>Opening balance</b>	<b>33,361,932</b>	<b>25,014,616</b>
<b>Increase/decrease in assets attributable to shareholders</b>	<b>(4,857,946)</b>	<b>3,955,226</b>
Undistributed profit/loss for the year	692,096	(40,161.00)
Other comprehensive income	(5,550,042)	3,995,387
<b>Net creations/cancellations during the year</b>	<b>(3,489,370)</b>	<b>15,684,944</b>
<b>Net Assets attributable to unitholders</b>	<b>25,014,616</b>	<b>44,654,786</b>
<b>BALANCE SHEET</b>		
<b>Assets</b>		
<b>Non-current assets</b>		
Available for sale investments	25,125,412	44,657,997
<b>Current assets</b>	<b>(81,634)</b>	<b>43,956</b>
Accrued income and debtors	1,024,584	251
Cash and bank balances	(1,106,218)	43,705
<b>Total Assets</b>	<b>25,043,778</b>	<b>44,701,953</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Net assets attributable to unitholders	25,014,616	44,654,786
<b>Current liabilities</b>	<b>29,162</b>	<b>47,167</b>
Creditors	29,162	47,167
Distributions payable	0	0
<b>Total equity and liabilities</b>	<b>25,043,778</b>	<b>44,701,953</b>

# ABRIDGED FINANCIAL REPORT

PERIOD ENDING 31 MARCH 2010

# RE·CM

## RE·CM GLOBAL FEEDER FUND AS AT 31 MARCH 2010

Performance for the year ended	2009	2010
RE·CM Global Feeder Fund	-18.1%	9.5%
Benchmark (MSCI World - ZAR)	-31.5%	16.7%
Source: I-Net, NAV-NAV, Gross Income Re-invested		

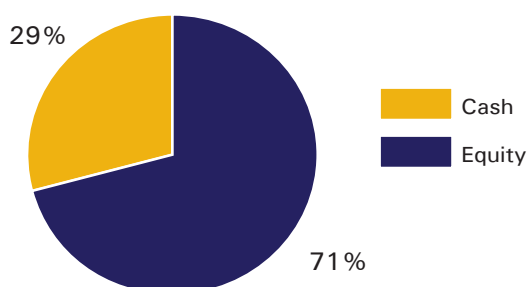
Charges (excluding vat)		Class A
Management Fees (excl. VAT)		0.3%
Initial Fees		Nil
Performance Fees	20% above MSCI World	
Total Expense Ratio (TER)		1.10%

Portfolio Breakdown as at 31 March 2010	
Offshore (RE·CM Global Fund)	99.90%
Cash	0.10%

Top Ten Stocks (RE·CM Global Fund)	
Vodafone Group Plc	5.0
Wal-Mart Stores Inc	4.5
Familymart Co. Ltd	4.1
Astellas Pharma Inc	4.0
Berkshire Hathaway CL A	3.9
Johnson & Johnson	3.6
Ebay Inc	3.5
Oracle Corp	3.3
Dish Network CL A Com	3.3
Harmony Gold Mining	3.0
<b>Total</b>	<b>38.2</b>

Country Allocation (RE·CM Global Fund - Equity)	
US	45.9
Japan	15.2
UK	7.2
Europe	0.9
Thailand	0.5
Australia	0.5
Hong Kong	0.4
South Africa	0.2
Canada	0.2

### Asset Allocation (RE·CM Global Fund)





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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 Investments SA (ASISA). Trustees: The Standard Bank of SA Limited, P O Box 54, Cape Town, 8000.

For the period from 1 April 2009 to 31 March 2010, the TER percentage of the average Net Asset Value of each portfolio were incurred as charges, levies and fees relating to the management of the portfolio. The ratio does not include transaction costs. 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's herewith, a performance fee of 3.42% was recovered from the Net Asset Value of the class of participatory interest of the RE-CM Global Flexible Fund. A performance fee of 1.58% was recovered from the Net Asset Value of the class of participatory interest from the RE-CM Flexible Equity Fund and 0% from the RE-CM Global Feeder Fund.

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