

## RECM BALANCED DOMESTIC COMPOSITE

1 Feb 2004 – 28 Feb 2015

Periods	Total Return (ZAR) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	3 yr annualised ex-post Std deviation (Composite)	3 yr annualised ex-post Std deviation (Benchmark)	Total Assets (R'm)	% of Firm Assets
01Feb04-31Dec04	34.51%	11.99%	N/A	N/A			R 721	28.20%
01Jan05-31Dec05	27.49%	11.94%	N/A	N/A			R 1,521	33.11%
01Jan06-31Dec06	26.61%	12.81%	N/A	N/A			R 1,144	11.26%
01Jan07-31Dec07	8.85%	15.79%	N/A	N/A			R 1,842	16.53%
01Jan08-31Dec08	0.30%	19.87%	5	N/A			R 1,406	14.92%
01Jan09-31Dec09	20.82%	13.38%	N/A	N/A			R 1,153	9.84%
01Jan10-31Dec10	16.32%	11.84%	N/A	N/A			R 2,104	14.30%
01Jan11-31Dec11	4.26%	14.11%	N/A	N/A	6.8%	1.5%	R 830	4.95%
01Jan12-31Dec12	4.68%	13.60%	N/A	N/A	4.8%	1.0%	R 990	5.58%
01Jan13-31Dec13	8.04%	13.35%	N/A	N/A	5.3%	1.2%	R 727	3.53%
01Jan14-31Dec14	-0.96%	11.07%	N/A	N/A	5.9%	1.2%	R 660	3.55%
01Jan15-28Feb15	1.42%	0.46%	N/A	N/A	N/A	N/A	R 10	0.17%

### Compliance Statement

Regarding Capital Management (RECM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RECM has been independently verified for the period from 01 July 2003 through 31 December 2015. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The verification reports are available upon request.

### Definition of the Firm

The Firm includes all portfolios managed by RECM.

### The Composite

The Balanced Domestic Composite is managed with flexibility across the asset classes for both retail and institutional clients. The investment restrictions that apply are those applicable to Regulation 28 of the Pension Funds Act. In addition, the portfolios in this composite may not invest offshore. The investment objective is to avoid losses over 12 month rolling periods and to exceed CPI by 5% over rolling 5 year periods.

The composite was created in February 2006. A list of composite descriptions is available upon request.

Composite internal dispersion, using the standard deviation of portfolio returns, was calculated when there are 5 or more portfolios in the composite for the full year. The three year annualized ex-post standard deviation of the composite and the benchmark are not presented where 36 monthly returns are not available.

All returns are expressed in South African Rands (ZAR). Policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Past performance is not an indicator of future results.

## **Benchmark**

The composite benchmark is CPI + 5% (1 month lag). The SA Reserve Bank replaced CPI-X as the official inflation indicator with CPI from 1 Jan 2009. RECM has retained the CPI-X numbers as produced by the SA Reserve Bank for the period up to 31 Dec 2008. The composite benchmark was CPI + 6% (1 month lag) prior to 1 January 2014. This was changed since management thought that there should be a differentiation between the hurdle and the benchmark definitions. There was no effect on fees as the hurdle remained unchanged.

## **Fees**

Performance figures are presented gross of investment management and performance fees and net of trading and all other fund expenses including bank charges, trustee fees and audit fees.

## **Fee Schedule**

0.75% \*(average monthly MV) + 20% \* (excess above and below hurdle)

The 20% is a performance fee and is levied on returns in excess of the hurdle (CPI + 6%). The calculation works both ways: performance fees will be accrued for returns above the hurdle and refunded for returns beneath it (assuming a positive fee accrual exists).

## **Minimum Account Size**

The minimum portfolio size for inclusion in the Balanced Domestic Composite is R25 million. Portfolios that fall below this level for more than 2 consecutive months are excluded from the composite at the start of the third month.

## **Treatment of Significant Cash Flows**

A significant cash flow is defined as a contribution or withdrawal greater than 20% of the opening daily NAV of the portfolio. The portfolio must be excluded from the composite for the month in which the flow occurs, and may be excluded for the following 2 months if the equity asset weighting of the fund differs by 5% from the average equity weighting of the funds in the composite.

Each cash flow is calculated as a percentage of the opening daily NAV. If the sum of these net daily cash flow percentages from the 25<sup>th</sup> of previous month to the 25<sup>th</sup> of the current month is greater than 20%, the portfolio should be excluded from the composite for the current month.

Additional information regarding the treatment of Significant Cash Flows is available on request.

## **Withholding Tax**

Dividends, interest and capital gains are accrued net of any withholding tax. Reclaimable withholding taxes are taken into account on receipt, if any, of the reclaimable portion.

## RECM BALANCED INTERNATIONAL COMPOSITE

1 Jul 2003 – 30 Nov 2015

Periods	Total Return (ZAR) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	3 yr annualised ex-post Std deviation (Composite)	3 yr annualised ex-post Std deviation (Benchmark)	Total Assets (R'm)	% of Firm Assets
01Jul03–31Dec03	17.71%	5.70%	N/A	N/A			R 305	41.14%
01Jan04–31Dec04	35.19%	12.76%	N/A	N/A			R 647	25.31%
01Jan05–31Dec05	28.74%	11.94%	N/A	N/A			R 813	17.71%
01Jan06–31Dec06	31.51%	12.81%	N/A	N/A			R 3,320	32.69%
01Jan07–31Dec07	8.17%	15.79%	N/A	N/A			R 3,491	31.33%
01Jan08–31Dec08	-0.99%	19.87%	N/A	N/A			R 3,564	37.82%
01Jan09–31Dec09	19.94%	13.38%	N/A	N/A			R 3,296	28.83%
01Jan10–31Dec10	13.31%	11.84%	N/A	N/A			R 4,620	39.10%
01Jan11–31Dec11	9.66%	14.11%	N/A	N/A	7.6%	1.5%	R 7,054	36.92%
01Jan12–31Dec12	7.75%	13.60%	5	N/A	4.6%	1.0%	R 8,566	42.87%
01Jan13–31Dec13	22.31%	13.35%	5	N/A	6.7%	1.2%	R 9,483	46.02%
01Jan14–31Dec14	-1.90%	10.67%	N/A	N/A	7.9%	1.3%	R 7,285	39.19%
01Jan15–31Dec15	-19.33%	9.98%	N/A	N/A	11.8%	1.6%	R 219	3.75%

### Compliance Statement

Regarding Capital Management (RECM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RECM has been independently verified for the period from 01 July 2003 through 31 December 2015. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The verification reports are available upon request.

### Definition of the Firm

The Firm includes all portfolios managed by RECM.

### The Composite

The Balanced International Composite is managed with flexibility across the asset classes, including offshore, for both retail and institutional clients. The investment restrictions that apply are those applicable to Regulation 28 of the Pension Funds Act. The investment objective is to avoid losses over 12 month rolling periods and to exceed CPI by 5% over rolling 5 year periods.

The composite was created in February 2006. A list of composite descriptions is available upon request.

Composite internal dispersion, using the standard deviation of portfolio returns, was calculated when there are 5 or more portfolios in the composite for the full year. The three year annualized ex-post standard deviation of the composite and the benchmark are not presented where 36 monthly returns are not available.

All returns are expressed in South African Rands (ZAR). Policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request. International denotes Global capabilities with a Regulation 28 constraint.

Past performance is not an indicator of future results.

## **Benchmark**

The composite benchmark is CPI + 6% (1 month lag). The SA Reserve Bank replaced CPI-X as the official inflation indicator with CPI from 1 Jan 2009. RECM has retained the CPI-X numbers as produced by the SA Reserve Bank for the period up to 31 Dec 2008. The composite benchmark was CPI + 8% (1 month lag) prior to 1 January 2014. This was changed since management thought that there should be a differentiation between the hurdle and the benchmark definitions. There was no effect on fees as the hurdle remained unchanged.

## **Fees**

Performance figures are presented gross of investment management and performance fees and net of trading and all other fund expenses including bank charges, trustee fees and audit fees.

## **Fee Schedule**

0.75% \*(average monthly MV) + 20% \* (excess above and below hurdle)

The 20% is a performance fee that may be levied on returns in excess of the hurdle (CPI + 6%). The calculation works both ways: performance fees will be accrued for returns above the hurdle and refunded for returns beneath it (assuming a positive fee accrual exists).

## **Minimum Account Size**

The minimum portfolio size for inclusion in the Balanced International Composite is R25million. Portfolios that fall below this level for more than 2 consecutive months are excluded from the composite at the start of the third month.

## **Treatment of Significant Cash Flows**

There is no significant cash flow defined for this composite. Funds remain in the composite even if large cash flows occur.

Additional information regarding the treatment of Significant Cash Flows is available on request.

## **Withholding Tax**

Dividends, interest and capital gains are accrued net of any withholding tax. Reclaimable withholding taxes are taken into account on receipt, if any, of the reclaimable portion.

## Notification Regarding the Revision of the RECM Balanced International Composite Constituents

The decision was taken in March 2014 to remove the RECM Global Flexible Fund from the calculation of the RECM Balanced International Composite as of 1 April 2009. On this date, the mandate of the RECM Global Flexible Fund changed from being Regulation 28 compliant, falling into the ASISA 'Asset Allocation Prudential' classification, to being completely flexible and falling into the ASISA 'Worldwide Flexible' classification. This constituted a significant change in the approach to managing the fund and consequently an error for not having removed it from the Balanced International composite at the time.

This change is in keeping with RECM's focus on presenting a well-defined fund range that accurately represents the firm's capabilities and distinguishes clearly between the different types of mandates managed by the firm.

The RECM Global Flexible Fund now forms part of a new composite, the RECM Global Flexible composite, in which it is currently the only constituent.

The below table shows the performance differences for the Balanced International Composite as a result of the revision:

	Previous	Revised	Difference
2009	20.00%	19.94%	-0.06%
2010	13.30%	13.31%	0.01%
2011	10.05%	9.66%	-0.39%
2012	8.32%	7.75%	-0.57%
2013	24.11%	22.31%	-1.80%

## RECM EQUITY COMPOSITE

1 Sep 2003 – 31 Dec 2015

Periods	Total Return (ZAR) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	3 yr annualised ex-post Std deviation (Composite)	3 yr annualised ex-post Std deviation (Benchmark)	Total Assets (R'm)	% of Firm Assets
01Sep03–31Dec03	16.48%	13.77%	N/A	N/A			R 405	54.59%
01Jan04–31Dec04	50.05%	25.44%	N/A	N/A			R 592	23.17%
01Jan05–31Dec05	39.27%	47.25%	7	N/A			R 2,249	48.98%
01Jan06–31Dec06	42.52%	41.23%	10	2.91%			R 5,675	55.88%
01Jan07–31Dec07	8.85%	19.19%	9	0.75%			R 5,714	51.29%
01Jan08–31Dec08	-10.53%	-23.23%	8	0.89%			R 4,570	48.50%
01Jan09–31Dec09	28.41%	32.13%	8	N/A			R 5,347	45.67%
01Jan10–31Dec10	21.44%	18.89%	7	2.03%			R 6,084	41.20%
01Jan11–31Dec11	3.07%	2.57%	7	0.56%	11.3%	17.5%	R 5,785	34.47%
01Jan12–31Dec12	7.98%	26.68%	6	N/A	8.1%	13.1%	R 4,558	25.67%
01Jan13–31Dec13	11.72%	21.43%	5	N/A	8.6%	11.5%	R 4,326	21.00%
01Jan14–31Dec14	-3.89%	10.88%	N/A	N/A	9.2%	10.0%	R 2,640	14.20%
01Jan15–31Dec15	-30.03%	5.12%	N/A	N/A	14.2%	11.4%	R 52	0.89%

### Compliance Statement

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### Definition of the Firm

The Firm includes all portfolios managed by RECM.

### The Composite

The Equity Composite includes actively managed domestic equity portfolios. These portfolios are managed for medium to long term investors. The investment strategy aims to outperform the market (FTSE/ JSE Africa All Share including income reinvested) by 2.5% per annum over rolling 5 year periods with lower volatility than the market. These portfolios should invest over 75% in SA listed equities.

The composite was created in February 2006. A list of composite descriptions is available upon request.

Composite internal dispersion, using the standard deviation of portfolio returns, was calculated when there are 5 or more portfolios in the composite for the full year. The three year annualized ex-post

standard deviation of the composite and the benchmark are not presented where 36 monthly returns are not available.

All returns are expressed in South African Rands (ZAR). Policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Past performance is not an indicator of future results.

## **Benchmark**

The composite benchmark is the FTSE/JSE Africa All Share Index.

## **Fees**

Performance figures are presented gross of investment management and performance fees and net of trading and all other fund expenses including bank charges, trustee fees and audit fees.

## **Fee Schedule**

0.75% \*(average monthly MV) + 20% \* (excess above and below hurdle)

The 20% is a performance fee and is levied on returns in excess of the hurdle (benchmark + 2.5%). The calculation works both ways: performance fees will be accrued for returns above the hurdle and refunded for returns beneath it (assuming a positive fee accrual exists).

## **Minimum Account Size**

The minimum portfolio size for inclusion in the Equity Composite is R25million. Portfolios that fall below this level for more than 2 consecutive months are excluded from the composite at the start of the third month.

## **Treatment of Significant Cash Flows**

A significant cash flow is defined as a contribution or withdrawal greater than 20% of the opening daily NAV of the portfolio. The portfolio must be excluded from the composite for the month in which the flow occurs, and may be excluded for the following 2 months if the equity asset weighting of the fund differs by 5% from the average equity weighting of the funds in the composite.

Each cash flow is calculated as a percentage of the opening daily NAV. If the sum of these net daily cash flow percentages from the 25<sup>th</sup> of the previous month to the 25<sup>th</sup> of the current month is greater than 20%, the portfolio should be excluded from the composite for the current month.

Additional information regarding the treatment of Significant Cash Flows is available on request.

## **Withholding Tax**

Dividends, interest and capital gains are accrued net of any withholding tax. Reclaimable withholding taxes are taken into account on receipt, if any, of the reclaimable portion.

## RECM GLOBAL COMPOSITE

1 Mar 2006 – 31 Dec 2015

Periods	Total Return (ZAR) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	3 yr annualised ex-post Std deviation (Composite)	3 yr annualised ex-post Std deviation (Benchmark)	Total Assets (R'm)	% of Firm Assets
01Mar06-31Dec06	7.54%	13.06%	N/A	N/A			US\$ 66	4.49%
01Jan07-31Dec07	5.88%	9.57%	N/A	N/A			US\$ 83	5.24%
01Jan08-31Dec08	-16.53%	-40.33%	N/A	N/A			US\$ 56	5.63%
01Jan09-31Dec09	28.36%	30.79%	N/A	N/A			US\$ 121	7.66%
01Jan10-31Dec10	9.24%	12.34%	N/A	N/A			US\$ 200	9.00%
01Jan11-31Dec11	7.37%	-5.02%	N/A	N/A	14.1%	20.4%	US\$ 268	13.51%
01Jan12-31Dec12	10.75%	16.54%	N/A	N/A	10.3%	17.0%	US\$ 421	20.12%
01Jan13-31Dec13	28.39%	27.37%	N/A	N/A	9.7%	13.7%	US\$ 516	26.26%
01Jan14-31Dec14	-7.60%	7.75%	N/A	N/A	10.0%	9.1%	US\$ 479	29.80%
01Jan15-31Dec15	-24.66%	6.13%	N/A	N/A	14.6%	5.8%	US\$ 173	45.84%

### Compliance Statement

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### Definition of the Firm

The Firm includes all portfolios managed by RECM.

### The Composite

The Global Composite includes actively managed global portfolios. These portfolios are managed for medium to long term investors. The investment strategy aims to outperform the US CPI by 6% per annum, over rolling 5 year periods with lower volatility than the market.

The composite was created in March 2006. A list of composite descriptions is available upon request.

Composite internal dispersion, using the standard deviation of portfolio returns, was calculated when there are 5 or more portfolios in the composite for the full year. The three year annualized ex-post standard deviation of the composite and the benchmark are not presented where 36 monthly returns are not available.

All returns are calculated using US Dollars. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Past performance is not an indicator of future results.



## Benchmark

The composite benchmark is the US CPI + 6%. The benchmark changed from MSCI World Index (Total Return) on 1 January 2014. This reflects the absolute return mindset RECM has always employed in managing this fund as a fully flexible, yet equity centric global fund.

## Fees

Performance figures are presented gross of investment management and performance fees and net of trading and all other fund expenses including bank charges, trustee fees and audit fees.

## Fee Schedule

0.75% \* (average monthly MV) + 20% \* (excess above and below hurdle)

The 20% is a performance fee and is levied on returns in excess of the hurdle (benchmark + 2%). The calculation works both ways: performance fees will be accrued for returns above the hurdle and refunded for returns beneath it (assuming a positive fee accrual exists).

## Minimum Account Size

There is no minimum portfolio size for inclusion in the Global Composite.

## Treatment of Significant Cash Flows

There is no significant cash flow defined for this composite. It is unlikely that further funds will join this composite; in essence it will remain a single fund composite that is open for capacity. Funds remain in the composite even if large cash flows occur. Additional information regarding the treatment of Significant Cash Flows is available on request.

## Global Feeder Fund

The Global Feeder Fund is entirely invested in the Global Fund. The difference in returns is due to the fact that it is based in South African Rands (ZAR) and because it has a small portion held in cash.

## Withholding Tax

Dividends, interest and capital gains are accrued net of any withholding tax. Reclaimable withholding taxes are taken into account on receipt, if any, of the reclaimable portion.

### RECM Global Feeder Fund\*

Periods	Total Return (ZAR) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	Total Assets (R'm)	% of Firm Assets
01Apr07-31Dec07	-5.74%	-0.02%	N/A	N/A	R 28	0.25%
01Jan08-31Dec08	3.07%	-16.57%	N/A	N/A	R 26	0.27%
01Jan09-31Dec09	3.11%	1.61%	N/A	N/A	R 43	0.36%
01Jan10-31Dec10	-3.09%	0.22%	N/A	N/A	R 132	0.89%
01Jan11-31Dec11	28.24%	15.79%	N/A	N/A	R 246	1.47%
01Jan12-31Dec12	15.79%	21.29%	N/A	N/A	R 569	3.20%
01Jan13-31Dec13	53.48%	56.97%	N/A	N/A	R 1,032	2.01%
01Jan14-31Dec14	1.28%	19.20%	N/A	N/A	R 1,029	5.53%
01Jan15-31Dec15	-0.19%	43.30%	N/A	N/A	R 700	11.98%

\*The Feeder Fund is entirely invested in the Global Fund

\*Returns represent the returns of the RECM Global Feeder fund up until the end of Jun 2015. Thereafter the monthly returns refer to the Prescient RECM Global Feeder Fund.

## Closed End Composite

29 Jul 2010 – 31 Dec 2015

Periods	Total Return (ZAR) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	3 yr annualised ex-post Std deviation (Composite)	3 yr annualised ex-post Std deviation (Benchmark)	Total Assets (R'm)	% of Firm Assets
29Jul10-31Dec10	1.77%	N/A	N/A	N/A			R 513	1.25%
01Jan11-31Dec11	8.81%	N/A	N/A	N/A			R 549	3.27%
01Jan12-31Dec12	9.68%	N/A	N/A	N/A			R 589	3.32%
01Jan13-31Dec13	7.86%	N/A	N/A	N/A	5.3%	N/A	R 592	2.87%
01Jan14-31Dec14	7.66%	N/A	N/A	N/A	5.6%	N/A	R 645	3.47%
01Jan15-31Dec15	54.33%	N/A	N/A	N/A	25.40%	N/A	R 984	16.85%

### Compliance Statement

Regarding Capital Management (RECM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RECM has been independently verified for the period from 01 July 2003 through 31 December 2015. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The verification reports are available upon request.

### Definition of the Firm

The Firm includes all portfolios managed by RECM.

### The Composite

The Closed End Composite consists of funds that invest predominantly in investment opportunities that are not readily accessible to funds included in other RECM composites. This includes private market transactions, very small and illiquid listed equities, over the counter traded equities, and opportunities that require the use of short selling or leverage. The investment objective is to achieve high real returns, and the only constraint applicable is a limit on the level of leverage that may be employed. There is no composite benchmark.

The composite was created in July 2010. A list of composite descriptions is available upon request.

Composite internal dispersion, using the standard deviation of portfolio returns, was calculated when there are 5 or more portfolios in the composite for the full year. The three year annualized ex-post standard deviation of the composite and the benchmark are not presented where 36 monthly returns are not available.

All returns are expressed in South African Rands (ZAR). Policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Past performance is not an indicator of future results.

### Benchmark

The Composite has no benchmark because there is no measure that fairly and truly represents the achievement of the composite's objectives.

**Fees**

Performance figures are presented gross of investment management and performance fees and net of trading and all other fund expenses including bank charges, trustee fees and audit fees.

**Fee Schedule**

0.75% \*(average monthly MV), no performance fees.

**Minimum Account Size**

The minimum portfolio size for inclusion in the Closed End Composite is R25million. Portfolios that fall below this level for more than 2 consecutive months are excluded from the composite at the start of the third month.

**Treatment of Significant Cash Flows**

As this composite comprises of closed end funds, there are no cash flows into these funds.

**Withholding Tax**

Dividends, interest and capital gains are accrued net of any withholding tax. Reclaimable withholding taxes are taken into account on receipt, if any, of the reclaimable portion.

## RECM MONEY MARKET COMPOSITE

1 Oct 2010 – 31 Dec 2015

Periods	Total Return (ZAR) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	3 yr annualised ex-post Std deviation (Composite)	3 yr annualised ex-post Std deviation (Benchmark)	Total Assets (R'm)	% of Firm Assets
01Oct10-31Dec10	0.97%	0.91%	N/A	N/A			R 832	5.65%
01Jan11-31Dec11	5.78%	5.29%	N/A	N/A			R 1,119	6.67%
01Jan12-31Dec12	5.91%	5.09%	N/A	N/A			R 1,409	7.94%
01Jan13-31Dec13	5.81%	4.68%	N/A	N/A	0.1%	0.1%	R 1,786	8.67%
01Jan14-31Dec14	6.50%	5.29%	N/A	N/A	0.1%	0.1%	R 2,097	11.28%
01Jan15-31Dec15	6.97%	5.60%	N/A	N/A	0.1%	0.1%	R 1,025	17.55%

### Compliance Statement

Regarding Capital Management (RECM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RECM has been independently verified for the period from 01 July 2003 through 31 December 2015. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The verification reports are available upon request.

### Definition of the Firm

The Firm includes all portfolios managed by RECM.

### The Composite

The Money Market Composite is managed with full flexibility across the regulated deposit instruments rated by Fitch as F1+, F1, and F. F is the third highest rating category for money market assets. It is our policy to only invest in deposit instruments rated F1+ and F1. The investment objective of the fund is to generate an income yield greater than the STEFI Daily Call rate. The fund is managed in accordance with the CISCA regulations for money market funds. These include a maximum term to maturity of 12 months for any specific security held by the fund, and a maximum weighted average portfolio term to maturity of 120 days and maximum weighted average portfolio duration of 90 days.

The composite was created in October 2010. A list of composite descriptions is available upon request.

Composite internal dispersion, using the standard deviation of portfolio returns, has been calculated where there are 5 or more portfolios in the composite for the full year. The three year annualized ex-post standard deviation of the composite and the benchmark are not presented where 36 monthly returns are not available.

All returns are expressed in South African Rands (ZAR). Policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Past performance is not an indicator of future results.

### Benchmark

The composite benchmark is the STEFI Call rate.

**Fees**

Performance figures are presented gross of investment management fees and net of trading and all other fund expenses including bank charges, trustee fees and audit fees.

**Fee Schedule**

0.15% \*(average monthly MV), there is no performance fee.

**Minimum Account Size**

N/A

**Treatment of Significant Cash Flows**

There is no significant cash flow defined for this composite.

Additional information regarding the treatment of Significant Cash Flows is available on request.

**Withholding Tax**

Dividends, interest and capital gains are accrued net of any withholding tax. Reclaimable withholding taxes are taken into account on receipt, if any, of the reclaimable portion.

Note: Portfolios in the composite are valued on a straight-line basis, that is cost plus accrued interest. This is done to comply with CISCA.

## RECM GLOBAL FLEXIBLE COMPOSITE

1 May 2009 – 31 Dec 2015

Periods	Total Return (ZAR) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	3 yr annualised ex-post Std deviation (Composite)	3 yr annualised ex-post Std deviation (Benchmark)	Total Assets (R'm)	% of Firm Assets
01May09-31Dec09	22.00%	8.45%	N/A	N/A			R 973	8.51%
01Jan10-31Dec10	13.27%	11.84%	N/A	N/A			R 1,150	7.00%
01Jan11-31Dec11	12.45%	14.11%	N/A	N/A			R 1,113	5.82%
01Jan12-31Dec12	12.23%	13.60%	N/A	N/A	5.9%	1.0%	R 1,359	6.80%
01Jan13-31Dec13	35.53%	13.35%	N/A	N/A	9.1%	1.2%	R 1,929	9.36%
01Jan14-31Dec14	-1.68%	12.12%	N/A	N/A	9.85%	1.3%	R 2,766	14.88%
01Jan15-31Dec15	-19.30%	11.02%	N/A	N/A	13.8%	1.5%	R 1,198	20.51%

### Compliance Statement

Regarding Capital Management (RECM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RECM has been independently verified for the period from 01 July 2003 through 31 December 2015. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The verification reports are available upon request.

### Definition of the Firm

The Firm includes all portfolios managed by RECM.

### The Composite

The Global Flexible Composite is managed with full flexibility across the asset classes, including offshore, for both retail and institutional clients. The investment objective is to avoid losses over 12 month rolling periods and to exceed CPI by 6% over rolling 5 year periods.

The composite was created in March 2014. A list of composite descriptions is available upon request.

Composite internal dispersion, using the standard deviation of portfolio returns, was calculated when there are 5 or more portfolios in the composite for the full year. The three year annualized ex-post standard deviation of the composite and the benchmark are not presented where 36 monthly returns are not available.

All returns are expressed in South African Rands (ZAR). Policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Past performance is not an indicator of future results.

## **Benchmark**

The composite benchmark is CPI + 6% (1 month lag). The SA Reserve Bank replaced CPI-X as the official inflation indicator with CPI from 1 Jan 2009. RECM has retained the CPI-X numbers as produced by the SA Reserve Bank for the period up to 31 Dec 2008. The composite benchmark was CPI + 8% (1 month lag) prior to 1 January 2014. This was decided as management thought that there should be a distinction between the hurdle and the benchmark definitions. It also wouldn't have a material effect on fees as the hurdle remained unchanged.

## **Fees**

Performance figures are presented gross of investment management and performance fees and net of trading and all other fund expenses including bank charges, trustee fees and audit fees.

## **Fee Schedule**

0.75% \*(average monthly MV) + 20% \* (excess above and below hurdle)

The 20% is a performance fee and is levied on returns in excess of the hurdle (CPI + 8%). The calculation works both ways: performance fees will be accrued for returns above the hurdle and refunded for returns beneath it (assuming a positive fee accrual exists).

## **Minimum Account Size**

There is no minimum portfolio size for inclusion in the Global Flexible Composite.

## **Treatment of Significant Cash Flows**

There is no significant cash flow defined for this composite. Funds remain in the composite even if large cash flows occur.

Additional information regarding the treatment of Significant Cash Flows is available on request.

## **Withholding Tax**

Dividends, interest and capital gains are accrued net of any withholding tax. Reclaimable withholding taxes are taken into account on receipt, if any, of the reclaimable portion.

## **Notification Regarding the creation of the RECM Global Flexible Composite**

The decision was taken in March 2014 to include the RECM Global Flexible Fund in the RECM Global Flexible Composite as of 1 April 2009. On this date, the mandate of the RECM Global Flexible Fund changed from being Regulation 28 compliant, falling into the ASISA 'Asset Allocation Prudential' classification, to being completely flexible and falling into the ASISA 'Worldwide Flexible' classification. This constituted a significant change in the approach to managing the fund and consequently an error for not having created a Global Flexible Composite at the time.

This change is in keeping with RECM's focus on presenting a well-defined fund range that accurately represents the firm's capabilities and distinguishes clearly between the different types of mandates managed by the firm.

## RECM GLOBAL EQUITY COMPOSITE

1 Jan 2014 – 31 Dec 2015

Periods	Total Return (USD) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	3 yr annualised ex- post Std deviation (Composite)	3 yr annualised ex- post Std deviation (Benchmark)	Total Assets (USD'm)	% of Firm Assets
01Jan14- 31Dec14	-10.37%	4.16%	N/A	N/A	N/A	N/A	US\$ 64	3.98%
01Jan15- 31Dec15	-26.37%	-2.36%	N/A	N/A	N/A	N/A	US\$ 22	5.83%

### Compliance Statement

Regarding Capital Management (RECM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RECM has been independently verified for the period from 01 July 2003 through 31 December 2015. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The verification reports are available upon request.

### Definition of the Firm

The Firm includes all portfolios managed by RECM.

### The Composite

The Global Equity Composite includes actively managed global equity portfolios. These portfolios are managed for medium to long term investors. The investment strategy aims to outperform the MSCI by 2.5% per annum, over rolling 5 year periods with lower volatility than the market. The composite invests more than 90% in global equities at all times.

The composite was created in April 2016. A list of composite descriptions is available upon request.

Composite internal dispersion, using the standard deviation of portfolio returns, was calculated when there are 5 or more portfolios in the composite for the full year. The three-year annualized ex-post standard deviation of the composite and benchmark is not presented because 36 monthly returns are not available.

All returns are calculated using US Dollars. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Past performance is not an indicator of future results.

### Benchmark

The composite benchmark is the MSCI All country world index re-invested.

### Fees

Performance figures are presented gross of investment management and performance fees and net of trading and all other fund expenses including bank charges, trustee fees and audit fees.

### Fee Schedule

0.75% \* (average monthly MV) + 20% \* (excess above and below hurdle)



The 20% is a performance fee and is levied on returns in excess of the hurdle (benchmark + 2.5%). The calculation works both ways: performance fees will be accrued for returns above the hurdle and refunded for returns beneath it (assuming a positive fee accrual exists).

### Minimum Account Size

There is no minimum portfolio size for inclusion in the Global Equity Composite.

### Treatment of Significant Cash Flows

There is no significant cash flow defined for this composite. It is unlikely that further funds will join this composite; in essence it will remain a single fund composite that is open for capacity. Funds remain in the composite even if large cash flows occur.

Additional information regarding the treatment of Significant Cash Flows is available on request.

### Global Equity Feeder Fund

The Global Equity Feeder Fund is entirely invested in the Global Equity Fund. The difference in returns is due to the fact that it is based in South African Rands (ZAR) and because it has a small portion held in cash.

### Withholding Tax

Dividends, interest and capital gains are accrued net of any withholding tax. Reclaimable withholding taxes are taken into account on receipt, if any, of the reclaimable portion.

Note: The three year annualized ex-post standard deviation of the composite and the benchmark are not presented where 36 monthly returns are not available

### RECM Global Equity Feeder Fund\*

Periods	Total Return (ZAR) Gross of Fees	Benchmark Return	Number of Portfolios	Internal Dispersion	Total Assets (R'm)	% of Firm Assets
1Sep14-31Dec14	-11.16%	4.38%	N/A	N/A	R 1	0.00%
1Jan15-31Dec15	-8.17%	31.83%	N/A	N/A	R 1	0.01%

\*The Feeder Fund is entirely invested in the Global Equity Fund