

PRESCIENT RECM GLOBAL FEEDER FUND (Class B)

Period ended 31 October 2014

RECM

The Prescient RECM Global Feeder Fund is a Rand denominated fund that provides local investors with access to the RECM Global Fund. The RECM Global Fund is a US dollar denominated global fund that may invest in a wide array of assets without any restrictions. The Fund's aim is to generate returns significantly greater than US inflation and commensurate with equities over the long term. The fund invests mainly in large global companies at a significant discount to intrinsic value, while using the flexibility of the mandate to protect capital and enhance returns by investing in other mispriced global assets from time to time. We consider risk as the possibility 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.

Portfolio Managers	Daniel Malan, Wilhelm Hertzog, Paul Whitburn	Min. Investment	R10,000 initial investment
ASISA Sector	Global Multi Asset Flexible	Initial Fee	No initial fee
Inception Date (Class B)	24 July 2014	Annual Fee	0.75% annual fee (excl. VAT)
Total Fund Size	R24.9 million	Total Expense Ratio	Not yet applicable (includes the RECM Global Fund fee)
Fund Size (Class B)	R11.8 million	Pricing Frequency	Daily
Master Fund Size (RECM Global Fund)	US \$567.4 million	Income Declarations	None
Benchmark	US CPI + 6% p.a. measured in ZAR		

PORTFOLIO DETAIL

FUND RISK PROFILE

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
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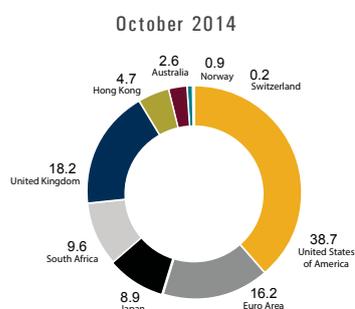
TOP TEN HOLDINGS (%)

October 2014	
Ichirizuka Master Fund	4.8
BP Plc	4.8
Arcelormittal	4.6
Ultra Petroleum Corp	4.5
Tesco Plc	4.4
Anglo American Plc	4.1
Anglo Platinum Ltd	4.1
Wm Morrison Plc	3.7
Inpex Corp	3.4
Impala Platinum Holdings Ltd	3.2
Total	41.6

ASSET ALLOCATION (%)

October 2014	
Offshore Equity	64.7
Offshore Cash	25.8
SA Equity	7.9
SA Cash	1.6
Total	100.0

GEOGRAPHICAL ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

This Fund Class was launched on 24 July 2014. The performance history is provided as monthly returns, compared to those of the benchmark, until the first year of the Fund's life.

MONTHLY RETURNS

Month	Fund	Benchmark
Aug '14	-0.7%	0.4%
Sep '14	1.6%	6.4%
Oct '14	-4.1%	-3.4%
Since Inception	-3.3%	3.2%

• Returns are in ZAR net of fees. Source: RECM Analyst, Bloomberg.

INVESTMENT COMMENT

The Fund has recently increased exposure to UK retailers Tesco and WM Morrison. These businesses are going through difficult times in a tough competitive environment with the share prices reflecting the market's extrapolation of those difficulties in perpetuity. With the UK consumer under pressure, hard discounters such as Aldi and Lidl have increased market share at the expense of the incumbents. Tesco's share price collapsed further in September when they announced that they had recently overstated their profits by £269m in a profit update to the market. We saw the steep declines in share price as an opportunity to increase exposure to the UK's largest food retailer at even better valuations. Even after taking into account growth rates far lower than historic rates for both businesses, our estimates of intrinsic values are significantly higher than current prices. Our investment thesis is predicated on improved trading densities and profit margins. We believe the recent share price declines to be temporary, and used them as an opportunity to build these positions further.

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Disclaimer: Collective Investment Schemes in Securities (CIS) should be considered as medium-to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS are traded at the ruling price and can engage scrip lending and borrowing up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from Prescient Management Company Ltd. Commission and incentives may be paid and if so, would be included in the overall costs. Different classes of units may apply in a portfolio and are subject to different fees and charges. A fund of funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios. A Feeder Fund is a portfolio that, apart from assets in liquid form, consists solely of participatory interests in a single portfolio of a collective investment scheme. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of any underlying international investments to go up and down. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (Brokerage, STI, VAT, Auditor's fees, Bank Charges, Trustee and Custodian fees and the annual Management fee) from the portfolio divided by the number of participatory interests (units) in issue. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase-in period TER's do not include information gathered over a full year.

PRESCIENT

A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA