

PRESCIENT RECM GLOBAL FEEDER FUND (Class D)

Period ended 31 August 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 |
| ASISA Sector | Global Multi Asset Flexible |
| Inception Date | 24 July 2014 |
| Fund Size | R7.1 million |
| Master Fund Size (RECM Global Fund) | US \$562.3 million |
| Benchmark | US CPI + 6% p.a. measured in ZAR |

| | |
|---------------------|---|
| Min. Investment | R10,000 initial investment |
| Initial Fee | No initial fee |
| Annual Fee | 0.15% annual fee (excl. VAT) |
| Total Expense Ratio | TBA (includes the RECM Global Fund fee) |
| Pricing Frequency | Daily |
| Income Declarations | None |

PORTFOLIO DETAIL

FUND RISK PROFILE

| | | | | |
|-----|--------------|----------|---------------|------|
| LOW | LOW-MODERATE | MODERATE | MODERATE-HIGH | HIGH |
|-----|--------------|----------|---------------|------|

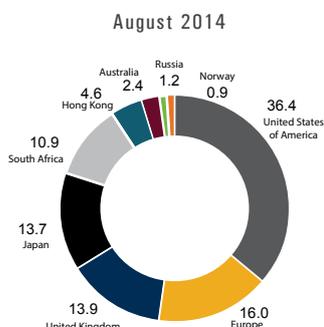
TOP TEN HOLDINGS (%)

| August 2014 | |
|------------------------------|-------------|
| BP Plc | 4.9 |
| Arcelormittal | 4.8 |
| Ichirizuka Master Fund | 4.4 |
| Anglo American Platinum Ltd | 4.2 |
| Ultra Petroleum Corp | 4.0 |
| WM Morrison Supermarkets | 3.9 |
| Inpex Corp | 3.3 |
| Impala Platinum Holdings Ltd | 3.0 |
| Anglo American Plc | 3.0 |
| American International Group | 2.6 |
| Total | 38.1 |

ASSET ALLOCATION (%)

| August 2014 | |
|-------------------|--------------|
| Offshore Equity | 62.3 |
| Offshore Cash | 26.2 |
| SA Equity | 7.7 |
| SA Cash | 3.2 |
| Offshore Property | 0.5 |
| Total | 100.0 |

GEOGRAPHICAL ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

This Fund 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 | -0.6% | 0.4% |

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

INVESTMENT COMMENT

One of the new ideas in our global portfolios this year is Alumina, one of the largest aluminium refiners globally with a 15% share of global capacity. The aluminium sector was until recently plagued by over-capacity, high inventory levels and subdued demand. This has resulted in the entire sector derating substantially, reaching levels below the previous trough of 2008/2009. Alumina has a good quality bauxite resource base in Australia and cheap energy prices in Saudi Arabia allow the business to be very competitive globally. Industry capacity has been removed by the likes of Alcoa and it seems inventory stocks are declining due to an increase in demand. The global automotive market is slowly substituting its steel vehicle bodies for aluminium in order to save weight and increase fuel efficiency, creating a market that could potentially be very large for these producers. The Fund also owns Norsk Hydro, an integrated aluminium producer.

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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