PRESCIENT RECM GLOBAL FEEDER FUND (Class D)

Period ended 31 January 2015

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 (Class D)	24 July 2014
Total Fund Size	R39.8 million
Fund Size (Class D)	R16.6 million
Master Fund Size (RECM Global Fund)	US $567.4 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 (%)

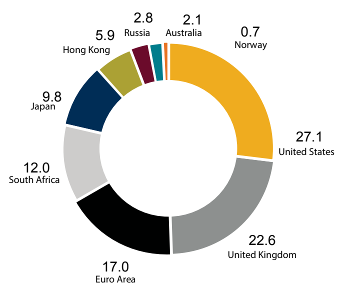
January 2015	
Tesco Plc	6.6
BP Plc	4.8
Anglo Platinum Ltd	4.7
Anglo American Plc	4.4
Inpex Corp	4.1
Arcelormittal	4.0
Ultra Petroleum Corp	3.7
Impala Platinum Holdings Ltd	3.5
American Int'l Group	3.2
Ichirizuka Master Fund	2.8
Total	41.8

ASSET ALLOCATION (%)

January 2015	
Offshore Equity	61.0
Offshore Cash	26.3
SA Equity	8.9
SA Cash	3.0
Offshore Property	0.8
Total	100.0

GEOGRAPHICAL ALLOCATION (%)

January 2015



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	-0.6%	0.4%
Sep '14	1.6%	6.4%
Oct '14	-4.8%	-2.0%
Nov '14	-1.0%	0.7%
Dec '14	-0.9%	4.3%
Jan '15	-2.1%	1.8%
Since Inception	-7.7%	11.9%

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

INVESTMENT COMMENT

When we consider the contents of equity indices in general, and the stocks that one would have had to own in the last few years to have earned high returns, we think that a broad majority suffer from exposure to a single dangerous factor – being a high quality business where the assumed stable cash flows are being discounted into perpetuity using interest rates which are assumed to stay extremely low forever. Needless to say, one is able to justify almost any valuation using such assumptions - and the market is doing exactly that. When something does go wrong with these businesses (not unlikely) or interest rates increase earlier than expected (not unlikely), the end result will be permanent losses of capital. And if you say decision-makers will timeously recognize when interest rates are about to levitate, ask them one question: how many saw the recent collapse in the oil price coming?

Some of the current positions in our portfolios derive their attractive valuations from common fears in the market. We own more than one position in Platinum, Global Energy, Aluminium and UK Retail for instance. Apart from similarities in terms of their reasons for cheapness, our entire portfolio of stocks has something more important in common – they are all cheap relative to their conservatively calculated intrinsic values. If the fears relating to these companies don't subside - the bad news is already priced in, and losses will be limited. However, we know the far likelier outcome is substantial upside when the fears subside and rationality returns.

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PRESCIENT

A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA