

RECM MONEY MARKET FUND (Class A)

Period ended 30 April 2014

RECM

The RECM Money Market Fund is a money market unit trust that provides a sensible cash portfolio with very competitive fees. The Fund aims to maximise interest income, preserve capital and provide liquidity. Capital losses are unlikely but can occur. For example, should one of the issuers of an asset held within the underlying Fund default and a loss occur, this loss will be borne by the Fund and the investors.

| | |
|---------------------|--|
| Portfolio Managers | Piet Viljoen, Sean Neethling* |
| ASISA Sector | South Africa Interest Bearing Money Market |
| Inception Date | 1 October 2010 |
| Total Fund Size | R1.8 billion |
| Fund Size (Class A) | R542.2 million |
| Benchmark | SteFI Call Rate |

| | |
|---------------------|--|
| Min. Investment | R150,000 initial investment |
| Initial Fee | No initial fee |
| Annual Fee | 0.15% annual fee excl. VAT |
| Total Expense Ratio | 0.19% |
| Income Declarations | Monthly distributions are paid in cents per unit |

PORTFOLIO DETAIL

FUND RISK PROFILE

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

| | |
|---|------|
| Effective yield as at 30 April 2014 (net of fees) | 6.1% |
| Fund duration (days) | 74.5 |

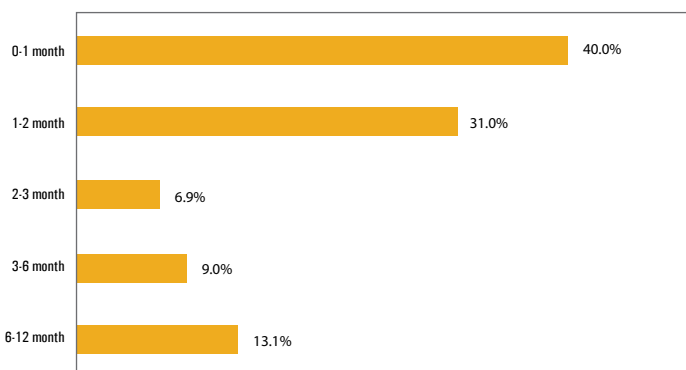
CREDIT EXPOSURE (%)

| April 2014 | |
|--------------------------|-------|
| Government & Parastatals | 0.0 |
| Corporates | 0.0 |
| Banks | 100.0 |
| Total | 100.0 |

TOP COUNTERPARTIES (%)

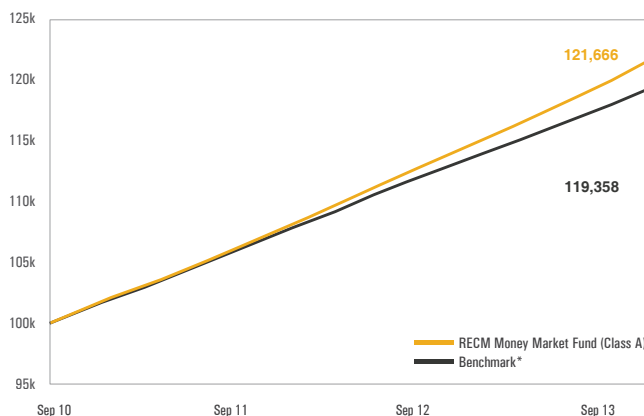
| April 2014 | |
|---------------|-------|
| Firstrand | 26.0 |
| Standard Bank | 22.0 |
| Nedbank | 21.0 |
| ABSA | 20.0 |
| Investec | 11.0 |
| Total | 100.0 |

DURATION BREAKDOWN (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

VALUE OF R100,000 INVESTED AT INCEPTION WITH ALL DISTRIBUTIONS REINVESTED



MONTHLY RETURNS

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| May '13 | Jun '13 | Jul '13 | Aug '13 | Sep '13 | Oct '13 |
| 0.46% | 0.45% | 0.46% | 0.47% | 0.45% | 0.48% |
| Nov '13 | Dec '13 | Jan '14 | Feb '14 | Mar '14 | Apr '14 |
| 0.46% | 0.48% | 0.48% | 0.45% | 0.50% | 0.49% |

ANNUALISED RETURNS TO END APRIL 2014

| | Fund | Benchmark* |
|-----------------|------|------------|
| 1 Year | 5.8% | 4.8% |
| 2 Years | 5.7% | 4.8% |
| 3 Years | 5.7% | 5.0% |
| Since Inception | 5.6% | 5.1% |

INVESTMENT COMMENT

The RECM Money Market Fund generated an income yield of 6.1% against the benchmark yield of 5.1% as at 30 April 2014. Fund duration decreased from 77 days to 74.5 days during the month, and higher food and beverage costs were the main driver of domestic headline inflation coming in at 6% in March from 5.9% in February. Producer level inflation also increased significantly to 8.2% from 7.7%. The fund remains positively positioned for a potential increase in rates with a 55% exposure to floating instruments. Currently we have no exposure to corporate bonds but we continue to look in both primary and secondary markets for attractive value.

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Disclaimer: 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, RECM Collective Investments (Pty) Ltd (RECM). Commission and incentives may be paid and if so, would be included in the overall costs. The price of each unit in the RECM Money Market Fund is aimed at a constant value. The total return to the investor is primarily made up of interest received but, may also include any gain or loss made on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the Fund. Forward pricing is used. Funds are valued daily at 15h00 with the exception of the RECM Money Market Fund which is valued before 18h00. Instructions must reach RECM before 14h00 to ensure same day value (11h00 for the RECM Money Market Fund). 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, uncertified 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. RECM Collective Investments (Pty) Ltd, Company Registration Number: 2004/027540/07, is a member of the Association for Savings and Investment SA (ASISA). Trustees: The Standard Bank of SA Limited, PO Box 54, Cape Town, 8000. *Acting under the supervision of Piet Viljoen.

RECM EQUITY FUND (Class B)

Period ended 30 April 2014

RECM

The RECM Equity Fund is a unit trust which invests exclusively in South African equities. The Fund's aim is to outperform the South African equity market over the long term by selecting shares based on a value philosophy. 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.

| | |
|--------------------|--|
| Portfolio Managers | Daniel Malan, Wilhelm Hertzog, Paul Whitburn |
| ASISA Sector | South Africa Equity General* |
| Inception Date | 2 March 2005 |
| Total Fund Size | R458.8 million |
| Fund Size | R113.9 million |
| Benchmark | FTSE/JSE All Share Index |
| Min. Investment | R150,000 initial investment |

| | |
|-------------------------------|---|
| Initial Fee | No initial fee |
| Annual Fee | 1.0% annual fee (excl. VAT) |
| Hurdle Rate | FTSE/JSE All Share Index + 2.5% p.a. |
| Performance Fee | 20% above hurdle subject to high watermark over rolling 5 years |
| Total Expense Ratio (1 Year) | 0.77% |
| Total Expense Ratio (3 Years) | 0.62% |
| Income Declarations | 31 March & 30 September |

PORTFOLIO DETAIL

*The RECM Equity Fund was classified as a fully invested equity mandate with effect from 28 February 2014. From inception in March 2005 to June 2009, the Fund was classified as a fully invested equity mandate and from June 2009 to February 2014 as a flexible mandate.

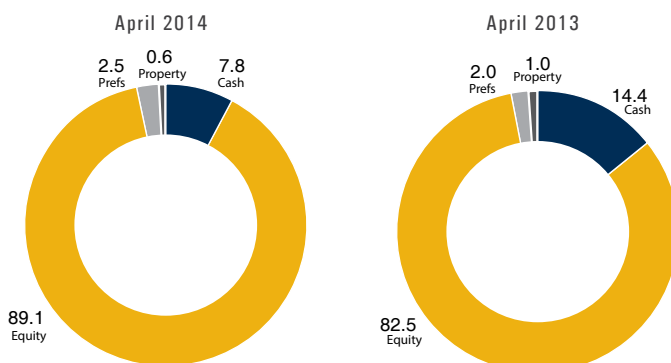
FUND RISK PROFILE

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

TOP TEN HOLDINGS (%)

| April 2014 | | April 2013 | |
|------------------------------|-------------|------------------------------|-------------|
| Anglo American Platinum Ltd | 8.1 | Sun International Ltd | 6.4 |
| Anglo American Plc | 7.1 | Anglo American Platinum Ltd | 6.2 |
| Impala Platinum Holdings Ltd | 5.9 | Hosken Cons Investments Ltd | 5.6 |
| Sun International Ltd | 5.3 | Anglo American Plc | 5.3 |
| Arcelormittal South Africa | 5.1 | Lonmin Plc | 4.3 |
| Standard Bank Group Ltd | 4.2 | Impala Platinum Holdings Ltd | 4.1 |
| Hosken Cons Investments Ltd | 3.9 | Arcelormittal South Africa | 4.0 |
| Lonmin Plc | 3.9 | Standard Bank Group Ltd | 3.8 |
| JD Group Ltd | 3.8 | Sasol Ltd | 3.2 |
| Blue Label Telecoms Ltd | 2.8 | JD Group Ltd | 3.2 |
| Total | 50.1 | Total | 46.1 |

ASSET ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

VALUE OF R100,000 INVESTED AT INCEPTION WITH ALL DISTRIBUTIONS REINVESTED



ANNUALISED RETURNS TO END APRIL 2014

| | Fund | Benchmark |
|---------------------------------|--------|-----------|
| 1 Year | 22.1% | 30.1% |
| 3 Years | 9.3% | 17.8% |
| 5 Years | 14.6% | 22.2% |
| Since Inception | 15.3% | 18.8% |
| Maximum Drawdown (Life of Fund) | -27.1% | -40.4% |

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

INVESTMENT COMMENT

A key aspect of our investment thesis in platinum counters is that reduced supply (capacity closure) meets increasing demand (nascent European and US economic recovery), leading to a metal supply/demand shortfall and a related platinum price recovery. After two years it's still relatively early days in terms of this thesis, but so far, we have seen reduced supply via a combination of mine closures (permanent and semi-permanent i.e. mothballed), bankruptcy or near-bankruptcy of smaller firms and lengthy strike action. On the demand side the data supports the beginning of an economic recovery in Europe and the USA and an upturn in vehicle sales. The PGM (platinum-group metals) basket price has moved up nicely, but almost all of the price strength has been in palladium and rhodium, which leaves us somewhat puzzled as to the lagging price behaviour of platinum itself. What many casual observers don't realize is that palladium and rhodium are quite significant revenue and profit contributors to our investee companies. Our best thinking at this point in time is that it is taking a bit longer than we thought for excess platinum inventories to be worked through the system between primary producers, converters, end users and recyclers. Despite the ongoing strike and the lagging platinum price, the share prices of our investee companies have responded positively and strongly.

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A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA

RECM GLOBAL FLEXIBLE FUND (Class A)

Period ended 30 April 2014

RECM

The RECM Global Flexible Fund is a unit trust that may invest in equities, bonds, property, cash and offshore assets without any restrictions. The Fund's aim is to generate returns significantly greater than inflation over the long term while protecting capital against permanent loss through a rigorous adherence to a value-based philosophy. 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 | Worldwide Multi Asset Flexible |
| Inception Date | 3 April 2003 |
| Total Fund Size | R2.1 billion |
| Fund Size (Class A) | R1.3 billion |
| Benchmark* | SA CPI + 6% p.a. |
| Min. Investment | R150,000 initial investment |

| | |
|-------------------------------|---|
| Initial Fee | No initial fee |
| Annual Fee | 1.0% annual fee (excl. VAT) |
| Hurdle | SA CPI + 8% p.a. |
| Performance Fee | 20% above hurdle subject to high watermark over rolling 5 years |
| Total Expense Ratio (1 Year) | 4.56% |
| Total Expense Ratio (3 Years) | 2.98% |
| Income Declarations | 31 March, 30 June, 30 September, 31 December |

PORTFOLIO DETAIL

*The Fund's benchmark is SA Inflation + 6% p.a. Prior to 1 January 2014 the Fund's benchmark was SA Inflation + 8% p.a.

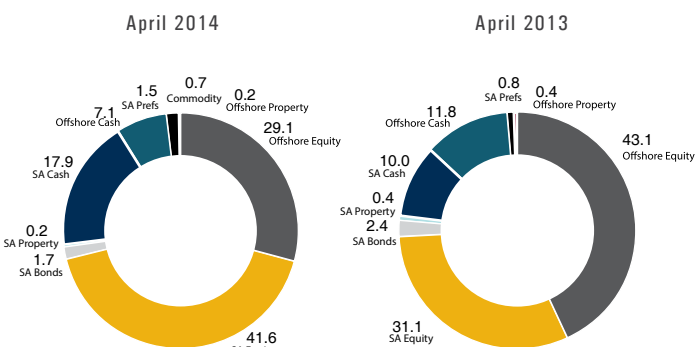
FUND RISK PROFILE

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

TOP TEN HOLDINGS (%)

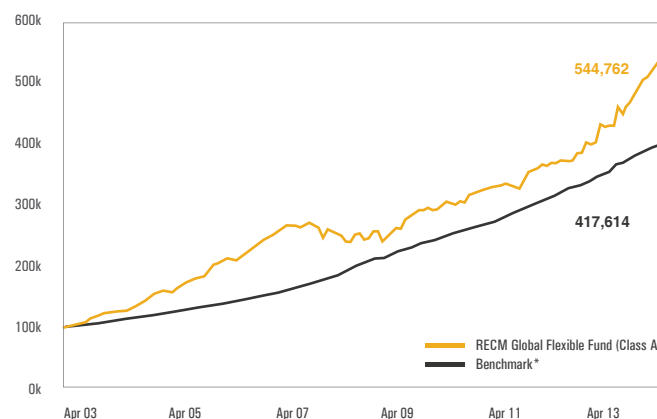
| April 2014 | | April 2013 | |
|------------------------------|-------------|-----------------------------|-------------|
| Anglo American Platinum Ltd | 6.4 | Carrefour SA | 4.2 |
| Anglo American Plc | 5.7 | Anglo American Platinum Ltd | 4.0 |
| Impala Platinum Holdings Ltd | 3.7 | Microsoft Corp | 3.9 |
| Arcelormittal South Africa | 3.0 | Sun International Ltd | 3.5 |
| Lonmin Plc | 2.5 | Anglo American Plc | 3.2 |
| Sun International Ltd | 2.5 | BP Plc | 2.7 |
| Arcelormittal | 2.0 | Lonmin Plc | 2.6 |
| JD Group Ltd | 2.0 | Hosken Cons Investments Ltd | 2.4 |
| Ichirizuka Master Fund | 1.9 | Tokyo Gas Co Ltd | 2.4 |
| Hosken Cons Investments Ltd | 1.9 | Ultra Petroleum Corp | 2.3 |
| Total | 31.6 | Total | 31.2 |

ASSET ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

VALUE OF R100,000 INVESTED AT INCEPTION WITH ALL DISTRIBUTIONS REINVESTED



ANNUALISED RETURNS TO END APRIL 2014

| | Fund | Benchmark* |
|---------------------------------|--------|------------|
| 1 Year | 25.7% | 13.4% |
| 3 Years | 17.8% | 13.3% |
| 5 Years | 16.8% | 12.8% |
| Since Inception | 16.7% | 13.9% |
| Maximum Drawdown (Life of Fund) | -11.6% | 0.0% |

* Returns in ZAR net of fees with distributions reinvested. Source: RECM Analyst.

INVESTMENT COMMENT

A key aspect of our investment thesis in platinum counters is that reduced supply (capacity closure) meets increasing demand (nascent European and US economic recovery), leading to a metal supply/demand shortfall and a related platinum price recovery. After two years it's still relatively early days in terms of this thesis, but so far, we have seen reduced supply via a combination of mine closures (permanent and semi-permanent i.e. mothballed), bankruptcy or near-bankruptcy of smaller firms and lengthy strike action. On the demand side the data supports the beginning of an economic recovery in Europe and the USA and an upturn in vehicle sales. The PGM (platinum-group metals) basket price has moved up nicely, but almost all of the price strength has been in palladium and rhodium, which leaves us somewhat puzzled as to the lagging price behaviour of platinum itself. What many casual observers don't realize is that palladium and rhodium are quite significant revenue and profit contributors to our investee companies. Our best thinking at this point in time is that it is taking a bit longer than we thought for excess platinum inventories to be worked through the system between primary producers, converters, end users and recyclers. Despite the ongoing strike and the lagging platinum price, the share prices of our investee companies have responded positively and strongly.

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RECM GLOBAL FEEDER FUND (Class A)

Period ended 30 April 2014

RECM

The 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 | 1 April 2007 |
| Total Fund Size | R1.2 billion |
| Fund Size (Class A) | R576.7 million |
| Benchmark* | US CPI + 6% p.a. measured in ZAR |
| Min. Investment | R150,000 initial investment |

| | |
|---------------------|---|
| Initial Fee | No initial fee |
| Annual Fee | 0.25% annual fee (excl. VAT) |
| Total Expense Ratio | 0.99% (includes the RECM Global Fund fee) |
| Pricing Frequency | Daily |
| Income Declarations | None |
| Fund Status | Closed to retail investors |

PORTFOLIO DETAIL

*The Fund's benchmark is US CPI + 6% p.a. measured in ZAR. Prior to 1 January 2014 the Fund's benchmark was the MSCI World Index TR measured in ZAR

FUND RISK PROFILE

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

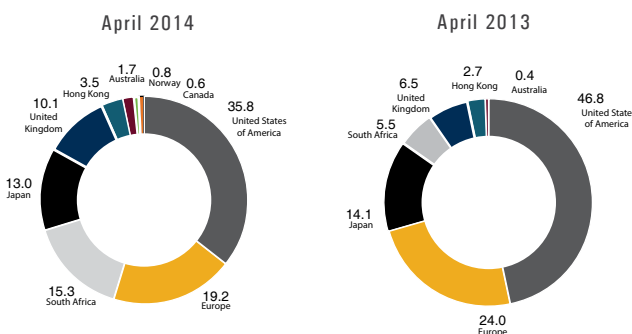
TOP TEN HOLDINGS (%)

| April 2014 | | April 2013 | |
|------------------------------|-------------|-----------------------------|-------------|
| Arcelormittal | 4.5 | Microsoft Corp | 6.1 |
| Ichirizuka Master Fund | 4.4 | Carrefour SA | 5.0 |
| Anglo American Platinum Ltd | 4.4 | Ichirizuka Master Fund | 4.8 |
| Ultra Petroleum Corp | 4.3 | Intel Corp | 4.1 |
| BP Plc | 4.1 | Ultra Petroleum Corp | 4.1 |
| Inpex Corp | 3.0 | BP Plc | 3.4 |
| Microsoft Corp | 3.0 | NTT Docomo | 3.2 |
| Intel Corp | 2.9 | Arcelormittal | 3.1 |
| Anglo American Plc | 2.8 | Anglo American Platinum Ltd | 3.0 |
| Impala Platinum Holdings Ltd | 2.5 | Sonae | 2.9 |
| Total | 35.9 | Total | 39.7 |

ASSET ALLOCATION (%)

| April 2014 | | April 2013 | |
|-------------------|--------------|-------------------|--------------|
| Offshore Equity | 60.4 | Offshore Equity | 74.5 |
| Offshore Cash | 23.6 | Offshore Cash | 18.5 |
| SA Equity | 7.4 | SA Equity | 5.2 |
| SA Cash | 7.9 | SA Cash | 0.3 |
| Offshore Property | 0.7 | Offshore Property | 1.5 |
| Total | 100.0 | Total | 100.0 |

GEOGRAPHICAL ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

VALUE OF R100,000 INVESTED AT INCEPTION WITH ALL DISTRIBUTIONS REINVESTED



ANNUALISED RETURNS TO END APRIL 2014

| | Fund | Benchmark* |
|---------------------------------|--------|------------|
| 1 Year | 43.8% | 37.4% |
| 3 Years | 32.1% | 28.4% |
| 5 Years | 22.2% | 21.9% |
| Since Inception | 12.7% | 9.8% |
| Maximum Drawdown (Life of Fund) | -22.8% | -33.7% |

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

INVESTMENT COMMENT

A number of the latest corporate transactions are of particular interest to us. Firstly and most relevantly to our clients, US listed pharmaceutical giant Pfizer (a RECM holding) launched a \$100bn acquisition of UK listed AstraZeneca (a RECM holding), itself a huge global business. This is the first mega-deal in this industry for a long time and it completes the final aspect of our investment thesis. Until now large pharma had been focused on buying up their far smaller competitors in order to replenish their drug patent expiry-cliff. In the cement industry two of the world's largest cement companies are merging in a \$50bn deal to create the largest, Swiss listed Holcim and French listed Lafarge. As both companies have subsidiaries operating in SA this may have interesting consequences for domestic competition over time, depending on their new business strategy. In the gold industry the on-off on-off \$13bn merger between Canadian listed Barrick Gold and US listed Newmont Gold has spilled over into the public domain with an ugly hanging out of dirty laundry, including a fight over the location of a head office in Canada. Both businesses have struggled with ill-timed acquisitions made at the top of the cycle and we think this is indicative of the ongoing business strife in this industry. With share prices languishing and the gold price under pressure the emergence of a strong leadership will be paramount.

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RECM GLOBAL EQUITY FUND (Class A)

Period ended 30 April 2014

RECM

The RECM Global Equity Fund is a US dollar denominated offshore fund which invests exclusively in Global Equities. It aims to generate better returns than the MSCI World All Countries TR Index over the long term by selecting shares based on a value philosophy. Investors in this fund would seek long term outperformance of the passive alternatives which are derived from our stock picking skills, rather than protection against short term market volatility. 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.

| | |
|---------------------|--|
| Portfolio Managers | Daniel Malan, Wilhelm Hertzog, Paul Whitburn |
| Sector | Global Equity |
| Fund Currency | US dollars |
| Inception Date | 1 January 2014 |
| Total Fund Size | US \$35.2 million |
| Fund Size (Class A) | US \$106.4 thousand |
| Benchmark | MSCI World All Countries Total Return |
| Min. Investment | US \$50,000 initial investment |
| Initial Fee | No initial fee |

| | |
|----------------------|---|
| Annual Fee (Class A) | 1.0% annual fee |
| Hurdle Rate | MSCI World AC TR + 2.5% |
| Performance Fee | 20% above hurdle subject to high watermark over rolling 5 years |
| Pricing Frequency | Daily |
| Domicile | Guernsey |
| Income Declarations | None |
| ISIN Code | GG00BH650F49 |
| SEDOL Code | BH650F4 GG |

PORTFOLIO DETAIL

FUND RISK PROFILE

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

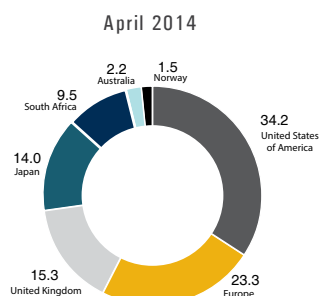
TOP TEN HOLDINGS (%)

| April 2014 | |
|------------------------------|-------------|
| Arcelormittal | 5.4 |
| BP Plc | 5.2 |
| Anglo American Platinum Ltd | 5.1 |
| Ichirizuka Master Fund | 5.0 |
| Ultra Petroleum Corp | 5.0 |
| Anglo American Plc | 4.3 |
| Intel Corp | 4.2 |
| Microsoft Corp | 3.8 |
| Impala Platinum Holdings Ltd | 3.6 |
| Inpex Corp | 3.6 |
| Total | 45.2 |

ASSET ALLOCATION (%)

| April 2014 | |
|--------------|--------------|
| Equity | 92.7 |
| Cash | 6.9 |
| Property | 0.4 |
| Total | 100.0 |

GEOGRAPHICAL ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

This Fund was launched on 1 January 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 | Jan '14 | Feb '14 | Mar '14 | Apr '14 | May '14 | Jun '14 |
|-----------|---------|---------|---------|---------|---------|---------|
| Fund | -1.8% | 4.7% | 2.4% | 1.0% | - | - |
| Benchmark | -4.0% | 4.8% | 0.4% | 1.0% | - | - |

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

INVESTMENT COMMENT

A number of the latest corporate transactions are of particular interest to us. Firstly and most relevantly to our clients, US listed pharmaceutical giant Pfizer (a RECM holding) launched a \$100bn acquisition of UK listed AstraZeneca (a RECM holding), itself a huge global business. This is the first mega-deal in this industry for a long time and it completes the final aspect of our investment thesis. Until now large pharma had been focused on buying up their far smaller competitors in order to replenish their drug patent expiry-cliff. In the cement industry two of the worlds' largest cement companies are merging in a \$50bn deal to create the largest, Swiss listed Holcim and French listed Lafarge. As both companies have subsidiaries operating in SA this may have interesting consequences for domestic competition over time, depending on their new business strategy. In the gold industry the on-off on-off \$13bn merger between Canadian listed Barrick Gold and US listed Newmont Gold has spilled over into the public domain with an ugly hanging out of dirty laundry, including a fight over the location of a head office in Canada. Both businesses have struggled with ill-timed acquisitions made at the top of the cycle and we think this is indicative of the ongoing business strife in this industry. With share prices languishing and the gold price under pressure the emergence of a strong leadership will be paramount.

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RECM GLOBAL FUND (Class A)

Period ended 30 April 2014

RECM

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. The Offering Memorandum is available at www.recm.co.za.

| | |
|---------------------|--|
| Portfolio Managers | Daniel Malan, Wilhelm Hertzog, Paul Whitburn |
| Fund Currency | US dollars |
| Inception Date | 31 March 2006 |
| Total Fund Size | US \$563.5 million |
| Fund Size (Class A) | US \$242.3 million |
| Benchmark* | US CPI + 6% p.a. |
| Min. Investment | US \$50,000 initial investment |
| Initial Fee | No initial fee |
| Annual Fee | 1.0% annual fee |

| | |
|---------------------|---|
| Hurdle | US CPI + 8% p.a. |
| Performance Fee | 20% above hurdle subject to high watermark over rolling 5 years |
| Pricing Frequency | Daily |
| Total Expense Ratio | 0.67% |
| Income Declarations | None |
| Domicile | Guernsey |
| ISIN Code | GB00B12W4642 |
| SEDOL Code | B12W464 |

PORTFOLIO DETAIL

*The Fund's benchmark is US CPI + 6% p.a. Prior to 1 January 2014, the Fund's benchmark was the MSCI World Index TR

FUND RISK PROFILE

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

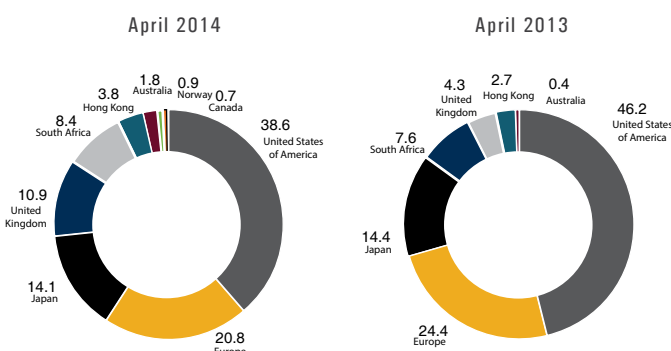
TOP TEN HOLDINGS (%)

| April 2014 | | April 2013 | |
|------------------------------|-------------|-----------------------------|-------------|
| Arcelormittal | 4.8 | Microsoft Corp | 6.1 |
| Ichirizuka Master Fund | 4.8 | Carrefour SA | 5.0 |
| Anglo American Platinum Ltd | 4.8 | Ichirizuka Master Fund | 4.8 |
| Ultra Petroleum Corp | 4.6 | Intel Corp | 4.1 |
| BP Plc | 4.4 | Ultra Petroleum Corp | 4.1 |
| Inpex Corp | 3.2 | BP Plc | 3.4 |
| Microsoft Corp | 3.2 | NTT Docomo | 3.2 |
| Intel Corp | 3.2 | Arcelormittal | 3.1 |
| Anglo American Plc | 3.1 | Anglo American Platinum Ltd | 3.0 |
| Impala Platinum Holdings Ltd | 2.7 | Sonae | 2.9 |
| Total | 38.8 | Total | 39.7 |

ASSET ALLOCATION (%)

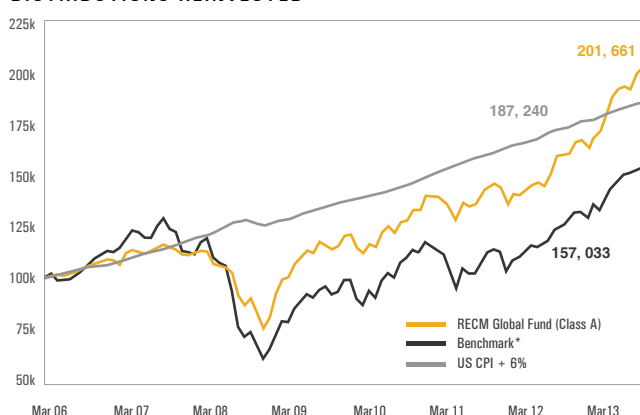
| April 2014 | | April 2013 | |
|--------------|--------------|--------------|--------------|
| Equity | 73.3 | Equity | 81.0 |
| Cash | 26.0 | Cash | 17.5 |
| Property | 0.7 | Property | 1.5 |
| Total | 100.0 | Total | 100.0 |

GEOGRAPHICAL ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

VALUE OF US \$100,000 INVESTED AT INCEPTION WITH ALL DISTRIBUTIONS REINVESTED



ANNUALISED RETURNS TO END APRIL 2014

| | Fund | Benchmark* | US CPI + 6% |
|---------------------------------|--------|------------|-------------|
| 1 Year | 24.4% | 17.3% | 7.1% |
| 3 Years | 13.6% | 9.7% | 8.0% |
| 5 Years | 16.8% | 16.7% | 8.0% |
| Since Inception | 9.1% | 5.7% | 8.1% |
| Maximum Drawdown (Life of Fund) | -33.3% | -53.7% | 0.0% |

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

INVESTMENT COMMENT

A number of the latest corporate transactions are of particular interest to us. Firstly and most relevantly to our clients, US listed pharmaceutical giant Pfizer (a RECM holding) launched a \$100bn acquisition of UK listed AstraZeneca (a RECM holding), itself a huge global business. This is the first mega-deal in this industry for a long time and it completes the final aspect of our investment thesis. Until now large pharma had been focused on buying up their far smaller competitors in order to replenish their drug patent expiry-cliff. In the cement industry two of the worlds' largest cement companies are merging in a \$50bn deal to create the largest, Swiss listed Holcim and French listed Lafarge. As both companies have subsidiaries operating in SA this may have interesting consequences for domestic competition over time, depending on their new business strategy. In the gold industry the on-off on-off \$13bn merger between Canadian listed Barrick Gold and US listed Newmont Gold has spilled over into the public domain with an ugly hanging out of dirty laundry, including a fight over the location of a head office in Canada. Both businesses have struggled with ill-timed acquisitions made at the top of the cycle and we think this is indicative of the ongoing business strife in this industry. With share prices languishing and the gold price under pressure the emergence of a strong leadership will be paramount.

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