

RECM MONEY MARKET Fund (Class A)

Period ended 31 December 2013

RE·CM

YOUR CAPITAL FIRST

Portfolio Manager	Piet Viljoen, Sean Neethling
Sector	South African Interest Bearing Money Market
Inception Date	1 October 2010
Total Fund Size	R1.8 billion
Fund Size (Class A)	R533.1 million
Benchmark	SteFI Call Rate
Min. Investment	R150,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class A)	0.15% annual fee excl. VAT
Total Expense Ratio	0.19%
Income Declarations	Monthly distributions are paid in cents per unit
Regulation 28	Does not comply

About the Fund

The RECM Money Market Fund comprises a diversified combination of money market instruments.

Fund Objective

The Fund aims to maximise interest income, preserve capital and provide liquidity. This Fund is also suitable for risk averse investors seeking a temporary, safe holding vehicle in times of market uncertainty. Investors seeking capital preservation, requiring regular interest income and liquidity should invest in this fund.

Risk Measures

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.

RISK STATISTICS AND PORTFOLIO DETAIL

FUND RISK PROFILE

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
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Effective yield (%) as at 31 December 2013 (net of fees)	5.8
Fund duration (days)	80

CREDIT EXPOSURE (%)

December 2013	
Government & Parastatals	0.0
Corporates	3.0
Banks	97.0
Total	100.0

COUNTERPARTY EXPOSURE (%)

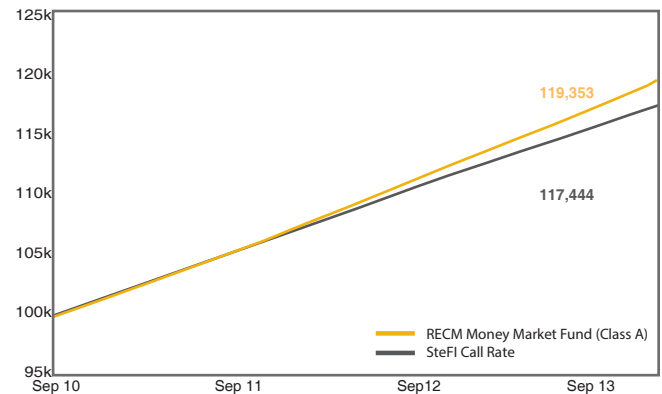
December 2013	
Standard Bank	26.0
Nedbank	21.0
ABSA	18.0
Firststrand	17.0
Investec	15.0
Corporates	3.0
National Treasury	0.0

DURATION BREAKDOWN (%)

0-1 month	25.9
1-2 month	25.3
2-3 month	25.6
3-6 month	14.3
6-12 month	8.9

PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



MONTHLY RETURNS

Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13
0.45%	0.41%	0.46%	0.45%	0.46%	0.45%
Jul '13	Aug '13	Sep '13	Oct '13	Nov '13	Dec '13
0.46%	0.47%	0.45%	0.48%	0.46%	0.48%

RETURNS TO END DECEMBER 2013

	Fund	Benchmark
1 Year	5.6%	4.7%
3 Years	5.6%	5.0%
Since Inception	5.6%	5.1%

INVESTMENT COMMENT

The RECM Money Market Fund generated an income yield of 5.8% against the benchmark yield of 4.7% as at 31 December 2013. Domestic headline inflation decreased to 5.3% in November from 5.5% in October which is within the SARB's 3 to 6% target range. The Rand continues to be under pressure following the US Federal Reserve's decision to begin tapering quantitative easing from January 2014. The fund's duration remains relatively unchanged at 80 days. There is approximately a 50% weighting between fixed and floating instruments in the portfolio and longer dated fixed instruments have recently been acquired due to the longer end of the yield curve showing value following the Rand weakness. Corporate bonds are currently not offering much value but we continue to look in both the primary and secondary markets for higher quality assets.

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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, RE·CM 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 RE·CM before 14h00 to ensure same day value (11h00 for the RE·CM 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. RE·CM 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.

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RECM Global FLEXIBLE Fund (Class A)

Period ended 31 December 2013

Portfolio Manager	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
Sector	Worldwide Multi Asset Flexible
Inception Date	3 April 2003
Total Fund Size	R1.9 billion
Fund Size (Class A)	R1.2 billion
Benchmark	Inflation (CPI) + 8%
Min. Investment	R150,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class A)	1% annual fee (excl. VAT)
Hurdle Rate	CPI + 8%
Performance Fee	20% above/below hurdle rate
Total Expense Ratio	4.64%
Income Declarations	31 March, 30 June, 30 September, 31 December
Regulation 28	Does not comply

About the Fund

The RECM Global Flexible Fund is a rand denominated worldwide balanced fund that may invest in equities, bonds, property, cash and offshore assets. Funds are shifted between various asset classes to take advantage of areas of value.

Fund Objective

The primary objective of the portfolio is to generate returns greater than inflation over the long term with lower than average risk for investors.

Risk Measures

We look at risk in terms 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.

RISK STATISTICS AND PORTFOLIO DETAIL

FUND RISK PROFILE

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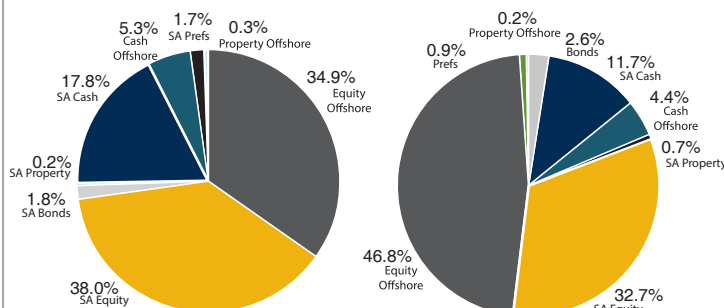
TOP TEN HOLDINGS (%)

December 2013		December 2012	
Amplats	4.8	Carrefour	6.3
Anglo American	4.3	Amplats	5.4
Arcelor Mittal	3.4	Sun International	5.1
BP	3.2	Arcelor Mittal SA	4.1
Impala Platinum	3.1	Anglo American	3.8
Microsoft	3.1	Lonmin	3.2
Arcelor Mittal SA	3.0	Microsoft	3.0
Ultra Petroleum	2.9	Berkshire Hathaway	2.7
Lonmin	2.7	BP	2.7
Sun International	2.5	Dell	2.5
Total	33.0	Total	38.7

ASSET ALLOCATION

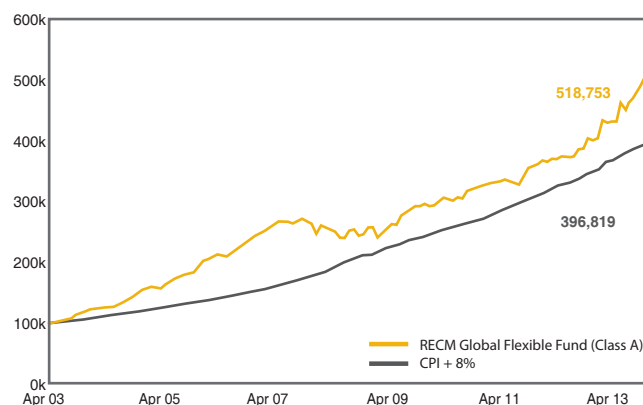
December 2013

December 2012



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END DECEMBER 2013*

	Fund	Benchmark
1 Year	29.1%	13.3%
3 Years	16.8%	13.7%
5 Years	15.2%	13.4%
Since Inception	16.7%	13.8%
Maximum Drawdown**	-11.6%	0.0%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- Periods greater than 1 year are annualised
- Inception Date, 3 April 2003

* The RECM Global Flexible Fund was reclassified to a fully flexible mandate at the end of June 2009. Prior to this date, the Fund was managed according to Reg.28 guidelines.

** Life of Fund

INVESTMENT COMMENT

Recently we allocated fund capital to existing holdings Sun International, Royal Bafokeng Platinum, BP, Ultra Petroleum and a newer investment idea, African Bank. The new CEO and COO of Sun International, Graeme Stephens and Steve Sun respectively, strike us as sensible executives who think and talk clearly about capital allocation and optimising the cost base. Time will tell if their actions back their words but we think that Sun International is an example of a decent business temporarily veering a bit off track. Thus a key aspect to our investment thesis is a change in the way the business is managed – provided of course that management does think about and focus on the things that we believe to be sensible and value-accretive. At present we think things are on track and Sun International therefore remains a significant investment in the fund. Our initial fund exposure to African Bank is small and appropriately sized for a business of this size, quality and level of cheapness. We think that the unwinding of the latest unsecured credit bubble in our country has some way to go still. On the selling side of the ledger we reduced fund exposure to Sasol, Microsoft, Carrefour, Titan Cement, OPAP and Hellenic Exchanges.

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RECM Flexible EQUITY Fund (Class B)

Period ended 31 December 2013

RE·CM

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Portfolio Manager	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
Sector	South African Multi Asset Flexible
Inception Date	2 March 2005
Total Fund Size	R439.3 million
Fund Size (Class B)	R108.1 million
Benchmark	FTSE/JSE All Share Index
Min. Investment	R150,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class B)	0.5% annual fee (excl. VAT)
Hurdle Rate	JSE All Share Index + 2.5%
Performance Fee	20% above/below hurdle rate
Total Expense Ratio	0.61%
Income Declarations	31 March & 30 September
Regulation 28	Does not comply

About the Fund

The RECM Flexible Equity Fund is an SA Equity Fund and has the flexibility to default to cash when we can't find value in equities. It aims to generate better returns than the FTSE JSE All Share Index (including income) over the long term with lower than average risk of capital loss and with less volatility than the index. This fund is suited to investors seeking long-term wealth creation through SA equity exposure, and who are comfortable with short-term volatility.

Fund Objective

The portfolio objective is to seek long-term capital growth with a level of risk acceptable to the more aggressive investor.

Risk Measures

We look at risk in terms 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 hold cash offers additional comfort when equities are expensive.

RISK STATISTICS AND PORTFOLIO DETAIL

FUND RISK PROFILE

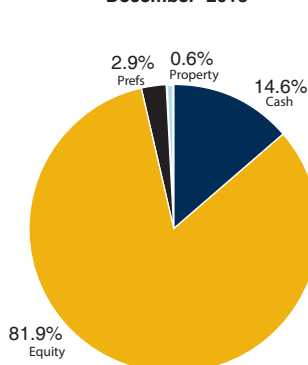
LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
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TOP TEN HOLDINGS (%)

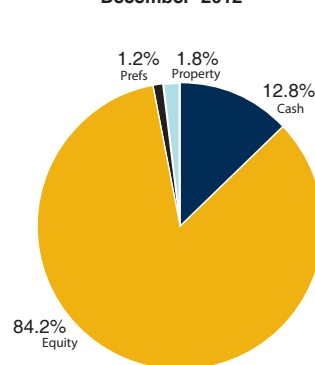
December 2013		December 2012	
Anglo American	7.2	Sun International	8.5
Amplats	6.6	Amplats	7.6
Arcelor Mittal SA	5.2	Anglo American	5.7
Impala Platinum	5.0	HCI	5.5
Sun International	4.9	Arcelor Mittal SA	5.2
HCI	4.4	Lonmin	4.8
Lonmin	4.3	Impala Platinum	3.5
Standard Bank	4.1	Sasol	3.0
JD Group	3.9	Discovery	2.8
Blue Label Telecoms	3.4	Grand Parade	2.5
Total	49.0	Total	49.1

ASSET ALLOCATION

December 2013

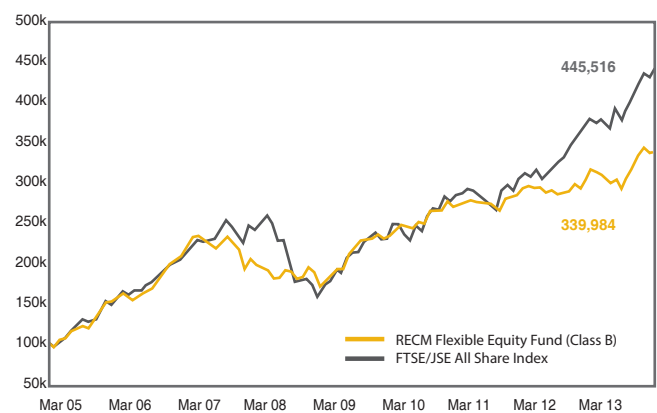


December 2012



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END DECEMBER 2013

	Fund	Benchmark
1 Year	10.7%	21.4%
3 Years	7.0%	16.4%
5 Years	11.8%	19.9%
Since Inception	15.0%	18.6%
Maximum Drawdown*	-27.1%	-40.4%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- Periods greater than 1 year are annualised
- Inception Date, 2 March 2005
- * Life of Fund

INVESTMENT COMMENT

Recently we allocated fund capital to existing holding Sun International and also to a newer investment idea, African Bank. The new CEO and COO of Sun International, Graeme Stephens and Steve Sun respectively, strike us as sensible executives who think and talk clearly about capital allocation and optimising the cost base. Time will tell if their actions back their words but we think that Sun International is an example of a decent business temporarily veering a bit off track. Thus a key aspect to our investment thesis is a change in the way the business is managed – provided of course that management does think about and focus on the things that we believe to be sensible and value-accretive. At present we think things are on track and Sun International therefore remains a significant investment in the fund. Our initial fund exposure to African Bank is small and appropriately sized for a business of this size, quality and level of cheapness. We think that the unwinding of the latest unsecured credit bubble in our country has some way to go still.

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RECM Global FEEDER Fund (Class A)

Period ended 31 December 2013

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Portfolio Manager	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
Sector	Global Multi Asset Flexible
Inception Date	1 April 2007
Total Fund Size	R1.0 billion
Fund Size (Class A)	R517.0 million
Benchmark	MSCI World Index TR (ZAR)
Min. Investment	R150,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class A)	0.3% annual fee (excl. VAT)
Total Expense Ratio	0.94%*
	*The total expense ratio includes the fee of the underlying fund, the RECM Global Fund.
Pricing Frequency	Daily
Income Declarations	None
Regulation 28	Does not comply

About the Fund

The RECM Global Feeder Fund is a rand denominated fund that provides local investors with access to the Guernsey-domiciled RECM Global Fund. The RECM Global Fund invests predominantly in large global companies listed on recognised exchanges across all markets. The Top Holdings, Geographical Allocation, Asset Allocation and Investment Comment found below, relate to the RECM Global Fund.

Fund Objective

The primary objective of the underlying fund portfolio is to outperform the MSCI World Index, in USD (including income) over the long term with lower than average risk of capital loss and with less volatility than the index.

Risk Measures

Whilst the risk is higher than that of a global balanced fund, our investment process is designed to minimise the risk of losing money over the long term.

RISK STATISTICS AND PORTFOLIO DETAIL

FUND RISK PROFILE

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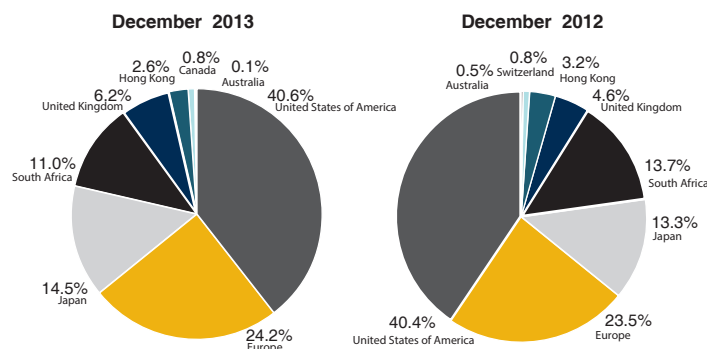
TOP TEN HOLDINGS (%)

December 2013		December 2012	
Arcelor Mittal	5.6	Carrefour	6.5
Ichirizuka Master Fund	5.3	Amplats	4.8
BP	4.6	Ichirizuka Master Fund	4.7
Ultra Petroleum	4.4	Microsoft	4.6
Intel	4.2	BP	3.9
Amplats	4.1	Intel	3.7
Microsoft	3.2	Berkshire Hathaway	3.5
Impala Platinum	3.1	NTT Docomo	3.2
Vivendi	2.9	Arcelor Mittal	3.1
Wells Fargo	2.9	Bank of America	3.1
Total	40.3	Total	41.1

ASSET ALLOCATION (%)

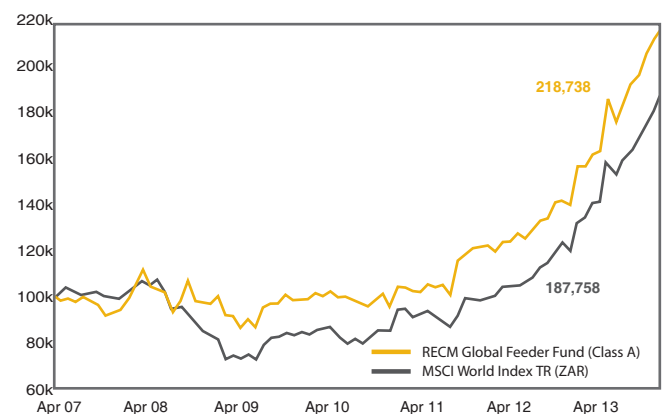
December 2013		December 2012	
Equity	77.5	Equity	90.7
Cash	21.3	Cash	8.5
Property	1.2	Property	0.8
Total	100.0	Total	100.0

GEOGRAPHICAL ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END DECEMBER 2013

	Fund	Benchmark
1 Year	57.2%	57.0%
3 Years	32.4%	30.1%
5 Years	17.9%	17.6%
Since Inception	12.3%	9.8%
Maximum Drawdown*	-22.8%	-33.7%

- Returns in ZAR net of fees with distributions re-invested. Source: RE:CM Analyst.
- Periods greater than 1 year are annualised
- Inception Date, 1 April 2007
- * Life of Fund

INVESTMENT COMMENT

Recently we allocated fund capital to existing holdings BP and Ultra Petroleum. We also reduced our holdings in Microsoft, Carrefour, Titan Cement, OPAP and Hellenic Exchanges due to reduced margins of safety following significant positive price movements. These are mostly maturing investment ideas that were acquired a number of years ago. In particular the price recovery in our European stocks has contributed handsomely to our absolute and relative investment returns. As is often the case, shares can re-rate substantially without any significant improvement in the underlying business fundamentals. Nothing of substance changed for these companies in terms of the European economy, their competitive positioning, market share, revenues or profits over the past year. Only market sentiment changed from overly pessimistic to somewhat optimistic and this has resulted in share prices doubling and tripling from depressed and much undervalued levels.

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RECM GLOBAL Fund (Class A)

Period ended 31 December 2013

Portfolio Manager	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
Sector	Global Equity
Inception Date	31 March 2006
Total Fund Size	US \$515.8 million
Fund Size (Class A)	US \$456.9 million
Benchmark	MSCI World Index TR
Min. Investment	\$50,000 initial investment
Fund Status	Open
Initial Fee	No initial fee
Annual Fee (Class A)	0.5% annual fee
Hurdle Rate	MSCI World Index TR + 2.5%
Performance Fee	20% above/below hurdle rate
Pricing Frequency	Daily
Administrators	Kleinwort Benson
Domicile	Guernsey
Total Expense Ratio	0.58%
Income Declarations	None
Regulation 28	Does not comply

About the Fund

The RECM Global Fund is a US dollar denominated equity-centric fund domiciled in Guernsey. It invests predominantly in large global companies listed on recognised exchanges across all markets. A prospectus is available from RE:CM Collective Investments (Pty) Ltd.

Fund Objective

The portfolio aims to outperform the MSCI World Index in USD (including income) over the long term with lower than average risk of capital loss and with less volatility than the index.

Risk Measures

Whilst the risk is higher than that of a global balanced fund, our investment process is designed to minimise the risk of losing money over the long term.

RISK STATISTICS AND PORTFOLIO DETAIL

FUND RISK PROFILE

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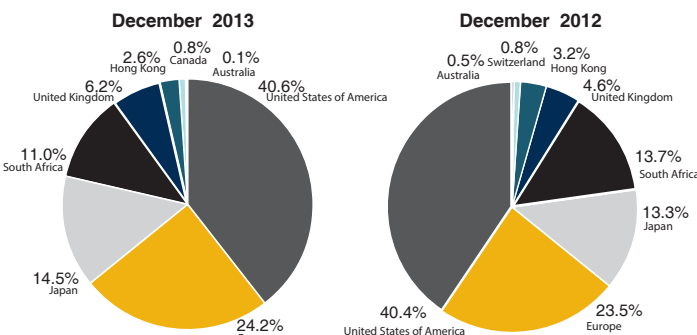
TOP TEN HOLDINGS (%)

December 2013		December 2012	
Arcelor Mittal	5.6	Carrefour	6.5
Ichirizuka Master Fund	5.3	Amplats	4.8
BP	4.6	Ichirizuka Master Fund	4.7
Ultra Petroleum	4.4	Microsoft	4.6
Intel	4.2	BP	3.9
Amplats	4.1	Intel	3.7
Microsoft	3.2	Berkshire Hathaway	3.5
Impala Platinum	3.1	NTT Docomo	3.2
Vivendi	2.9	Arcelor Mittal	3.1
Wells Fargo	2.9	Bank of America	3.1
Total	40.3	Total	41.1

ASSET ALLOCATION (%)

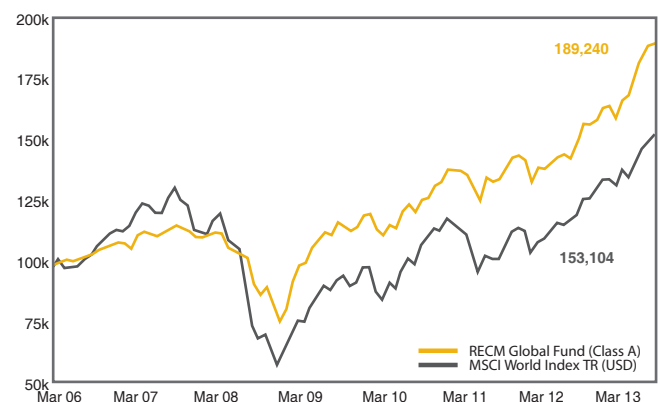
December 2013		December 2012	
Equity	77.5	Equity	90.7
Cash	21.3	Cash	8.5
Property	1.2	Property	0.8
Total	100.0	Total	100.0

GEOGRAPHICAL ALLOCATION



PERFORMANCE AND COMMENTARY

RETURNS SINCE INCEPTION (after fees)



RETURNS TO END DECEMBER 2013

	Fund	Benchmark
1 Year	27.7%	27.4%
3 Years	14.5%	12.1%
5 Years	15.8%	15.7%
Since Inception	8.5%	5.6%
Maximum Drawdown*	-33.3%	-53.7%

- Returns are in USD net of fees with distributions re-invested. Source: RE:CM Analyst, Bloomberg.
- Periods greater than 1 year are annualised
- Inception Date, 31 March 2006
- * Life of Fund

INVESTMENT COMMENT

Recently we allocated fund capital to existing holdings BP and Ultra Petroleum. We also reduced our holdings in Microsoft, Carrefour, Titan Cement, OPAP and Hellenic Exchanges due to reduced margins of safety following significant positive price movements. These are mostly maturing investment ideas that were acquired a number of years ago. In particular the price recovery in our European stocks has contributed handsomely to our absolute and relative investment returns. As is often the case, shares can re-rate substantially without any significant improvement in the underlying business fundamentals. Nothing of substance changed for these companies in terms of the European economy, their competitive positioning, market share, revenues or profits over the past year. Only market sentiment changed from overly pessimistic to somewhat optimistic and this has resulted in share prices doubling and tripling from depressed and much undervalued levels.

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Disclaimer: Collective Investment Schemes in Securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Collective investments are traded at ruling prices and can engage in 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 from the company/ scheme. Commission and incentives may be paid and if so, would be included in the overall costs. The quantifiable deduction is the annual management fee (and performance fee), whilst non-quantifiable fees included in the net asset value price may comprise brokerage, auditor's fees, bank charges, UST, trustee and custodian fees. Collective investment prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Forward pricing is used. Fund valuations take place at 23h00 Guernsey time on the business day immediately preceding each dealing day. Withdrawal requests and contributions must be received by the Administrators by 16h00 Guernsey time on the business day preceding each dealing day. The Management Company is RECM Guernsey Management Company Limited. The Custodian is Royal Bank of Canada (Channel Islands) Limited and the Administrators are Kleinwort Benson. This fact sheet should be read in conjunction with the "Schedule of Similarities and Differences" available on the website. RE:CM Collective Investments (Pty) Ltd is a member of the Association for Savings and Investment SA (ASISA).
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