

RECM MONEY MARKET FUND (Class A)

Period ended 31 May 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	R1.7 billion
Fund Size (Class A)	R534.0 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
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Effective yield as at 31 May 2014 (net of fees)	6.2%
Fund duration (days)	75

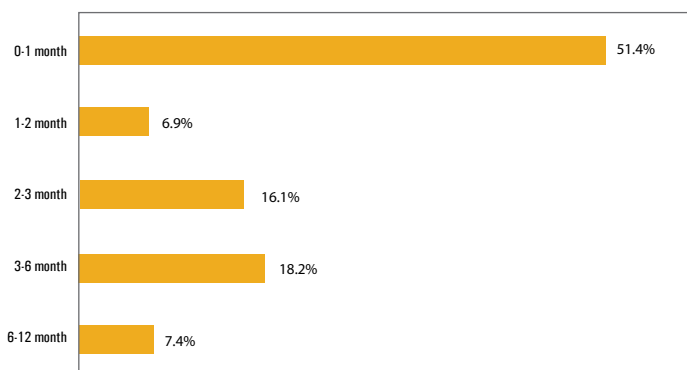
CREDIT EXPOSURE (%)

May 2014	
Government & Parastatals	0.0
Corporates	0.0
Banks	100.0
Total	100.0

TOP COUNTERPARTIES (%)

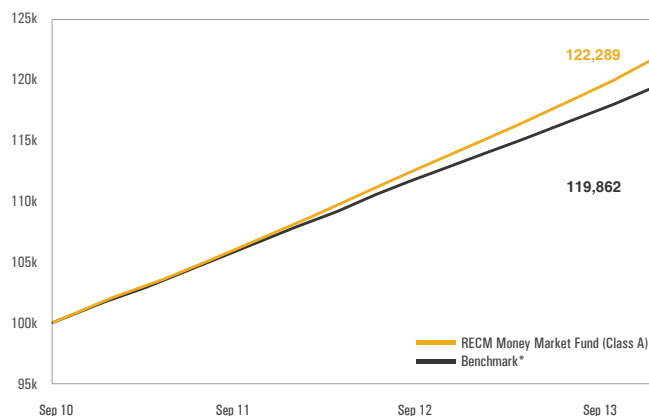
May 2014	
Firstrand	26.0%
Standard Bank	20.0%
ABSA	19.0%
Investec	18.0%
Nedbank	17.0%
Total	100.0

DURATION BREAKDOWN (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

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



MONTHLY RETURNS

Jun '13	0.45%	Jul '13	0.46%	Aug '13	0.47%	Sep '13	0.45%	Oct '13	0.48%	Nov '13	0.46%
Dec '13	0.48%	Jan '14	0.48%	Feb '14	0.45%	Mar '14	0.50%	Apr '14	0.49%	May '14	0.51%

ANNUALISED RETURNS TO END MAY 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 6.2% against the benchmark yield of 5.1% as at 31 May 2014. Portfolio duration was relatively unchanged at 75 days. Headline inflation breached the Reserve Bank's target range in April coming in at 6.1% from 6% in March. This was mainly driven by higher food and beverage costs. Producer level inflation also increased ahead of expectations. The Reserve Bank kept the repo rate unchanged at 5.5% following the MPC meeting citing the upside risks to inflation arising from currency volatility as a cause for concern. We continue to positively position the portfolio for any potential increase in interest rates by increasing exposure to floating rate instruments. There is currently about a 50% weighting between fixed and floating instruments. The economic growth forecast was revised down to 2.1% with fundamentals remaining under pressure and strikes in the mining sector continuing to constrain growth. Currently we have no exposure to corporate bonds but we continue to look in both primary and secondary markets for attractive value.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: info@recm.co.za

Website: www.recm.co.za

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.

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RECM GLOBAL FLEXIBLE FUND (Class A)

Period ended 31 May 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.

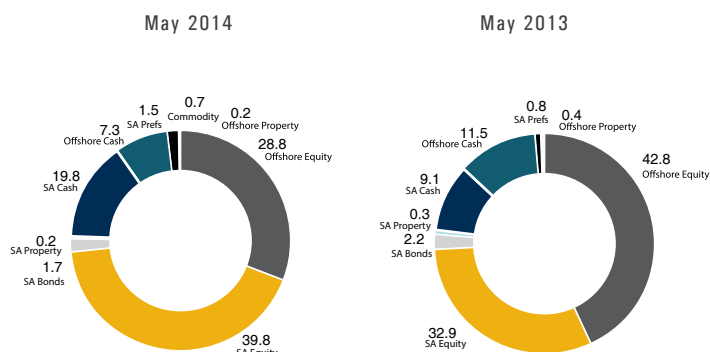
FUND RISK PROFILE

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

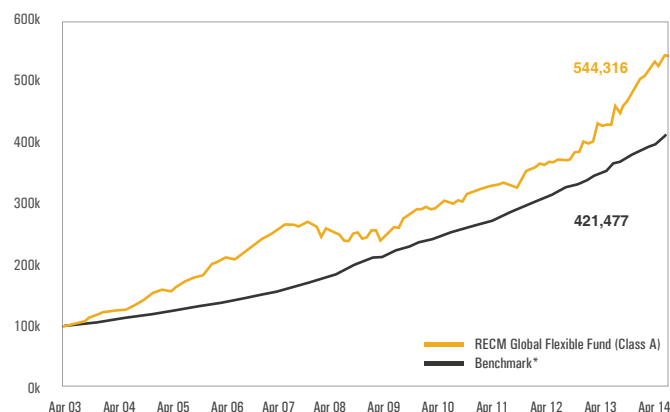
May 2014		May 2013	
Anglo American Platinum Ltd	5.8	Anglo American Platinum Ltd	4.7
Anglo American Plc	5.0	Microsoft Corp	4.2
Impala Platinum Holdings Ltd	3.5	Carrefour SA	3.8
Arcelormittal South Africa	2.8	Anglo American Plc	3.4
Sun International Ltd	2.5	Lonmin Plc	3.0
Lonmin Plc	2.3	Arcelormittal South Africa	3.0
Hosken Cons Investments Ltd	2.1	Sun International Ltd	2.9
BP Plc	2.0	BP Plc	2.7
Arcelormittal	2.0	Ultra Petroleum Corp	2.6
JD Group Ltd	1.9	Impala Platinum Holdings Ltd	2.4
Total	29.9	Total	32.7

ASSET ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

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



ANNUALISED RETURNS TO END MAY 2014

	Fund	Benchmark*
1 Year	17.0%	13.3%
3 Years	17.4%	13.2%
5 Years	15.8%	12.6%
Since Inception	16.5%	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

In May we allocated fund capital to investment ideas Astrapak, Astral Foods and Stefanutti Stocks, while raising capital from partial sales of Merafe, Blue Label Telecommunications, Iliad and Grand Parade. All the businesses on the selling side of our ledger had delivered strong price advancements ahead of their fundamental business value gains over the past year, thereby significantly reducing their respective margins of safety. No fund positions were closed out completely during May. An important development in the gambling & hotel industries was formally announced during May, involving an asset restructuring between four major industry participants; Tsogo, Sun International, HCI and Grand Parade. This is particularly relevant because these four businesses cumulatively represent a significant investment exposure in the fund. To briefly summarize, a matter of material uncertainty was resolved around a 2nd casino license being based in the Cape Town metropole and the future of GrandWest casino, a key and highly profitable asset in the Sun International stable. In the process Grand Parade have exited their gambling interests entirely for what appears to be approximately fair value and they now have the capital to pursue aggressive growth with their Burger King expansions.

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RECM EQUITY FUND (Class B)

Period ended 31 May 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	R453.7 million
Fund Size (Class B)	R112.9 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.

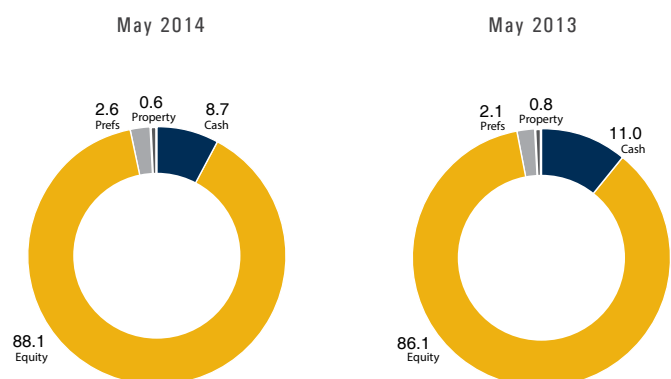
FUND RISK PROFILE

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

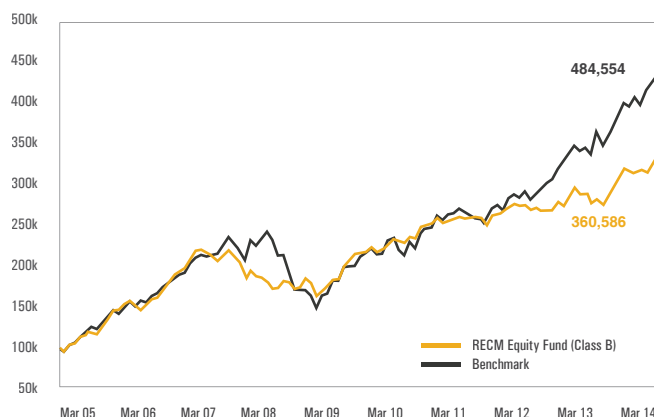
May 2014		May 2013	
Anglo American Platinum Ltd	7.5	Anglo American Platinum Ltd	6.8
Anglo American Plc	6.9	Anglo American Plc	6.0
Impala Platinum Holdings Ltd	5.6	Sun International Ltd	5.9
Sun International Ltd	5.5	Hosken Cons Investments Ltd	5.8
Arcelormittal South Africa	4.9	Lonmin Plc	5.7
Standard Bank Group Ltd	4.4	Arcelormittal South Africa	5.6
Hosken Cons Investments Ltd	4.3	Impala Platinum Holdings Ltd	4.2
JD Group Ltd	3.7	Sasol Ltd	3.8
Lonmin Plc	3.6	Standard Bank Group Ltd	3.8
Sasol Ltd	2.8	JD Group Ltd	3.6
Total	49.2	Total	51.2

ASSET ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

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



ANNUALISED RETURNS TO END MAY 2014

	Fund	Benchmark
1 Year	19.1%	21.8%
3 Years	9.3%	18.7%
5 Years	13.4%	20.2%
Since Inception	15.0%	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

In May, we allocated fund capital to investment ideas Astrapak, Astral Foods and Stefanutti Stocks, while raising capital from partial sales of Merafe, Blue Label Telecommunications, Iliad and Grand Parade. All the businesses on the selling side of our ledger had delivered strong price advancements ahead of their fundamental business value gains over the past year, thereby significantly reducing their respective margins of safety. One of the more interesting investments in the fund's current portfolio is that of JD Group. To recap: following a long period of business decline the controlling shareholder, Steinhoff, stepped in with a comprehensive turnaround package. In the process they've replaced the CEO, reshuffled the Board, bought out another 30-odd percent of the minorities and provided strategic financing and operational support to see the business through its turnaround. We elected not to sell the fund's JD Group shares to Steinhoff, for two key reasons; the primary one being that JD Group is significantly undervalued, and the secondary one being that we cannot think of a more credible turnaround expert than Steinhoff with significant skin in the game to take up the baton to fix what was still not working perfectly at JD Group. Part of the financing arranged by Steinhoff involves the equity recapitalisation of JD Group with a R1bn underwritten rights offer at R25 per share. We kept cash aside for this expected development and will be following the fund's rights.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

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RECM GLOBAL FEEDER FUND (Class A)

Period ended 31 May 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)	R569.6 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
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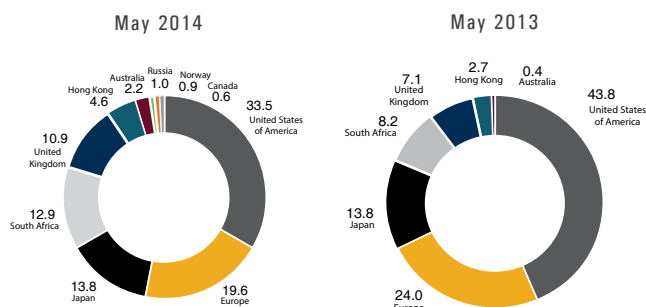
TOP TEN HOLDINGS (%)

May 2014		May 2013	
BP Plc	4.6	Microsoft Corp	6.3
Ichirizuka Master Fund	4.6	Ichirizuka Master Fund	5.2
Arcelormittal	4.4	Carrefour SA	4.6
Anglo American Platinum Ltd	4.1	Ultra Petroleum Corp	4.3
Ultra Petroleum Corp	4.1	Intel Corp	4.1
Inpex Corp	3.4	Anglo American Platinum Ltd	3.5
Microsoft Corp	3.1	Arcelormittal	3.5
Intel Corp	3.1	BP Plc	3.3
Wellpoint Inc	2.8	Sonae	2.9
Anglo American Plc	2.7	Wellpoint	2.9
Total	36.9	Total	40.6

ASSET ALLOCATION (%)

May 2014		May 2013	
Offshore Equity	63.7	Offshore Equity	72.8
Offshore Cash	22.7	Offshore Cash	17.5
SA Equity	7.1	SA Equity	7.8
SA Cash	5.8	Offshore Property	1.4
Offshore Property	0.7	SA Cash	0.4
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 MAY 2014

	Fund	Benchmark*
1 Year	25.5%	23.8%
3 Years	30.6%	28.3%
5 Years	21.1%	21.6%
Since Inception	12.5%	9.9%
Maximum Drawdown (Life of Fund)	-22.8%	-33.7%

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

INVESTMENT COMMENT

In May we allocated fund capital to existing holdings BP, Alumina, Morrison and Inpex, and raised fund capital from partial sales of existing positions in Orange, Tokyo Gas, OPAP, Amgen and a position we labelled the 'pharma basket' (a grouping of 15 pharmaceutical businesses that cumulatively represented a top 10 fund holding until recently). Most of the businesses on the selling side of our ledger had delivered strong price advancements ahead of their fundamental business value gains over the past year, thereby significantly reducing their respective margins of safety. No fund positions were closed out completely during May.

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RECM GLOBAL FUND (Class A)

Period ended 31 May 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 \$552.5 million
Fund Size (Class A)	US \$229.4 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
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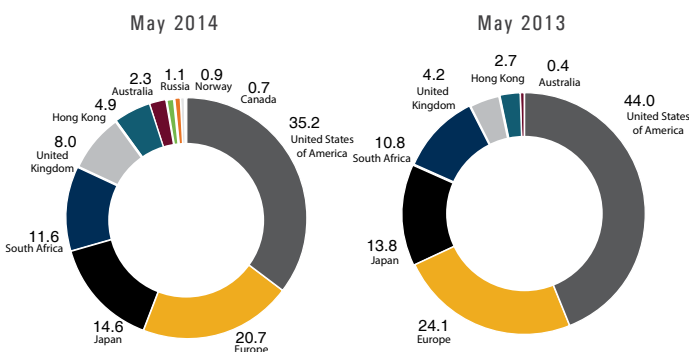
TOP TEN HOLDINGS (%)

May 2014		May 2013	
BP Plc	4.9	Microsoft Corp	6.3
Ichirizuka Master Fund	4.9	Ichirizuka Master Fund	5.2
Arcelormittal	4.6	Carrefour	4.6
Anglo American Platinum Ltd	4.3	Ultra Petroleum Corp	4.3
Ultra Petroleum Corp	4.3	Intel Corp	4.1
Inpex Corp	3.6	Anglo American Platinum Ltd	4.1
Microsoft Corp	3.3	Arcelormittal	3.5
Intel Corp	3.3	BP Plc	3.3
Wellpoint Inc	2.9	Sonae	2.9
Anglo American Plc	2.9	Wellpoint Inc	2.9
Total	39.0	Total	41.2

ASSET ALLOCATION (%)

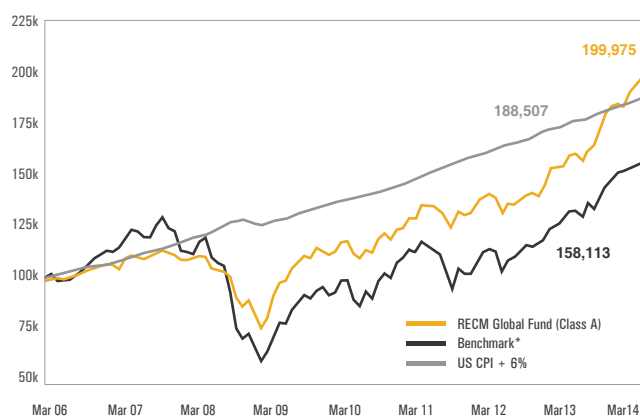
May 2014		May 2013	
Equity	74.7	Equity	81.0
Cash	24.6	Cash	17.6
Property	0.7	Property	1.4
Total	100.0	Total	100.0

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 MAY 2014

	Fund	Benchmark*	US CPI + 6%
1 Year	22.7%	18.0%	7.5%
3 Years	13.3%	10.7%	7.9%
5 Years	15.1%	14.8%	8.1%
Since Inception	8.9%	5.8%	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

In May we allocated fund capital to existing holdings BP, Alumina, Morrison and Inpex, and raised fund capital from partial sales of existing positions in Orange, Tokyo Gas, OPAP, Amgen and a position we labelled the 'pharma basket' (a grouping of 15 pharmaceutical businesses that cumulatively represented a top 10 fund holding until recently). Most of the businesses on the selling side of our ledger had delivered strong price advancements ahead of their fundamental business value gains over the past year, thereby significantly reducing their respective margins of safety. No fund positions were closed out completely during May.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: info@recm.co.za

Website: www.recm.co.za

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. The manager may borrow up to 10% of the net asset 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 15h30 Guernsey time on the business day preceding each dealing day. The Management Company is RECM Global Management Limited. The Custodian is Royal Bank of Canada (Channel Islands) Limited and the Administrators are Kleinwort Benson (Channel Islands) Fund Services Limited. This fact sheet should be read in conjunction with the "Schedule of Similarities and Differences" available on the website. RECM Collective Investments (Pty) Ltd is a member of the Association for Savings and Investment SA (ASISA).

RECM GLOBAL EQUITY FUND (Class A)

Period ended 31 May 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 \$94.1 million
Fund Size (Class A)	US \$394.1 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
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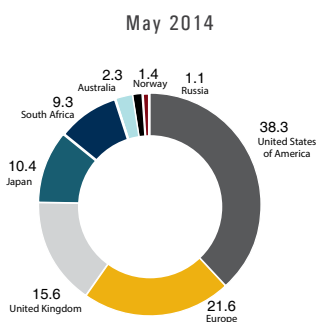
TOP TEN HOLDINGS (%)

May 2014	
Arcelormittal	5.4
BP Plc	5.4
Ultra Petroleum Corp	5.3
Anglo American Platinum Ltd	4.9
Intel Corp	4.5
Anglo American Plc	3.9
Microsoft Corp	3.9
Inpex Corp	3.7
Impala Platinum Holdings Ltd	3.6
Wells Fargo & Co	3.5
Total	44.1

ASSET ALLOCATION (%)

May 2014	
Equity	89.1
Cash	10.5
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%	-1.0%	-
Benchmark	-4.0%	4.8%	0.4%	1.0%	2.1%	-

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

INVESTMENT COMMENT

In May we allocated fund capital to existing holdings BP, Alumina, Morrison and Inpex. We raised fund capital from partial sales of existing positions in Orange, Tokyo Gas, OPAP, Amgen and a position we labelled the 'pharma basket' (a grouping of 15 pharmaceutical businesses that cumulatively represented a top 10 fund holding until recently). Most of the businesses on the selling side of our ledger had delivered strong price advancements ahead of their fundamental business value gains over the past year, thereby significantly reducing their respective margins of safety. No fund positions were closed out completely during May.

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