

RECM EQUITY FUND (Class D)

Period ended 30 June 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	19 January 2009
Total Fund Size	R454.5 million
Fund Size (Class D)	R32.9 million
Benchmark	FTSE/JSE All Share Index
Min. Investment	R150,000 initial investment

Initial Fee	No initial fee
Annual Fee	1.5% 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)	1.45%
Total Expense Ratio (3 Years)	1.29%
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.

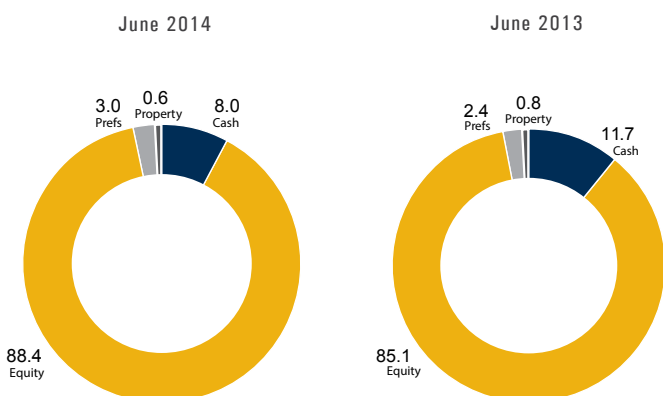
FUND RISK PROFILE

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

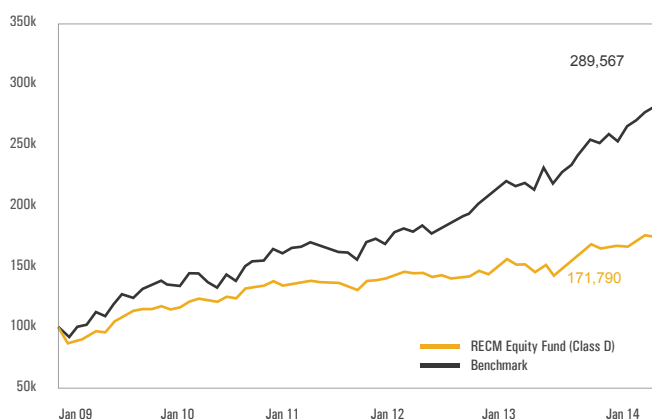
June 2014		June 2013	
Anglo American Platinum Ltd	7.5	Anglo American Platinum Ltd	6.3
Anglo American Plc	6.9	Arcelormittal South Africa	5.9
Sun International Ltd	5.8	Hosken Cons Investments Ltd	5.9
Impala Platinum Holdings Ltd	5.5	Sun International Ltd	5.5
Arcelormittal South Africa	4.4	Anglo American Plc	5.4
JD Group Ltd	4.4	Lonmin Plc	4.8
Hosken Cons Investments Ltd	4.3	Impala Platinum Holdings Ltd	4.3
Lonmin Plc	4.1	JD Group Ltd	4.3
Standard Bank Group Ltd	3.3	Standard Bank Group Ltd	3.9
Sasol Ltd	3.0	Sasol Ltd	3.3
Total	49.2	Total	49.6

ASSET ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

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



ANNUALISED RETURNS TO END JUNE 2014

	Fund	Benchmark
1 Year	21.5%	32.7%
3 Years	8.0%	20.6%
5 Years	12.3%	21.6%
Since Inception	10.5%	21.7%
Maximum Drawdown (Life of Fund)	-13%	-10%

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

INVESTMENT COMMENT

During the past 12 months RECM's portfolio managers have sold stocks where prices had increased significantly and replaced them with ones where prices had declined. Of the top ten allocations of fund capital, eight were to brand new investment ideas. RECM's rotation into cheap assets out of more expensive assets has increased the overall funds' level of cheapness despite sharply higher stock market levels. Investment risk has thus been reduced. Resources remain the largest exposure at 48%, with financials the smallest at 23%.

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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. Forward pricing is used. Funds are valued daily at 15h00. Instructions must reach RECM before 14h00 to ensure same day value. 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, uncertificated 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. The RECM Equity Fund Class B has a Total Expense Ratio of 1.45%. For the period from 1 July 2013 to 30 June 2014, 1.45% of the average Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. Inclusive of the TER of 1.45%, a performance fee of 0.0% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.