

RECM EQUITY FUND (Class D)

Period ended 30 November 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 (Class D)	19 January 2009
Total Fund Size	R405.2 million
Fund Size (Class D)	R35.9 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	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)	1.60% for the period ending 30 September 2014
Total Expense Ratio (3 Years)	1.34% for the period ending 30 September 2014
Income Declarations	31 March & 30 September

PORTFOLIO DETAIL

*The RECM Equity Fund was classified as South Africa Equity General with effect from 28 February 2014. From inception in March 2005 to June 2009, the Fund was classified as South Africa Equity General and from June 2009 to February 2014 as South Africa Multi Asset Flexible.

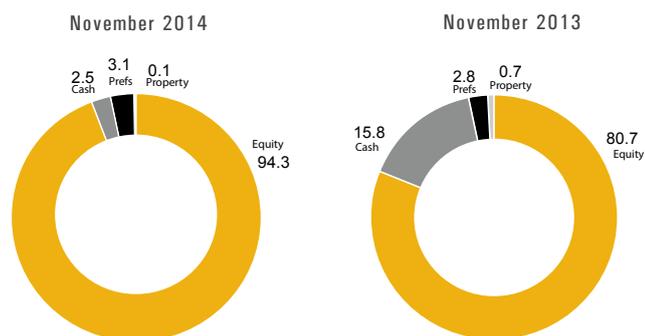
FUND RISK PROFILE

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

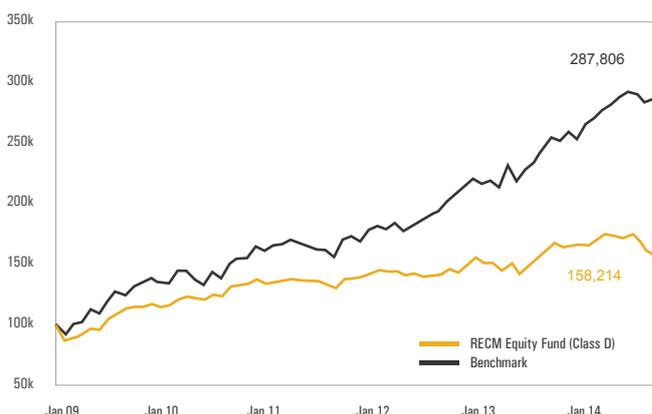
November 2014		November 2013	
Anglo Platinum Ltd	7.8	Anglo American Plc	6.8
Anglo American Plc	6.7	Anglo Platinum Ltd	6.7
Sun International Ltd	6.2	Arcelormittal South Africa	5.7
JD Group Ltd	6.2	Hosken Cons Investments Ltd	5.5
Impala Platinum Holdings Ltd	6.2	Sun International Ltd	5.0
Lonmin Plc	4.2	Impala Platinum Holdings Ltd	4.9
Standard Bank Group Ltd	4.1	Lonmin Plc	4.3
Arcelormittal South Africa Ltd	4.0	JD Group Ltd	3.7
Hosken Cons Investments Ltd	3.5	Standard Bank Group Ltd	3.7
RECM & Calibre	3.1	Blue Label	3.1
Total	52.0	Total	49.4

ASSET ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

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



ANNUALISED RETURNS TO END NOVEMBER 2014

	Fund	Benchmark
1 Year	-3.0%	14.4%
3 Years	4.7%	18.6%
5 Years	6.7%	16.5%
Since Inception	8.2%	19.9%
Maximum Drawdown (Life of Fund)	-13.0%	-10.0%

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

INVESTMENT COMMENT

The aggregate level of the South African stock market, which rose further in November, currently does not represent a true proxy for the domestic economy, having split into domestic businesses versus globally-oriented businesses. The disconnect in valuation multiples between these two segments is both significant and increasingly widening as the domestic economy continues to come to terms with the weak consumer, mining, manufacturing, construction and infrastructure sectors, while the "global" businesses are priced for perfection. The domestic portion of the market represents the best value, for reasons that we can understand, and this is what we have slowly but surely rotated a large segment of the Fund into. Simultaneously no matter how much we slice and dice the numbers for the global businesses, we cannot get close to fair value estimates that would justify current share price levels. As value investors, we will not compromise our investment philosophy to own these expensive stocks because to do so introduces real risk of permanent capital loss. We have entered another phase in the long history of our country where high levels of pessimism dominate the outlook. In every previous such phase, investment bargains presented themselves. We believe, as has happened before, that the resourcefulness of the nation combined with the restoration of balance by the intrinsic power of capital will create value for patient, contrarian investors.

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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. 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. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. 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.