

RECM EQUITY FUND (Class F)

Period ended 31 August 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 F)	1 January 2014
Total Fund Size	R449.4 million
Fund Size (Class F)	R7.0 million
Benchmark	FTSE/JSE All Share Index
Min. Investment	Subject to the relevant platform
Initial Fee	No initial fee

Annual Fee	0.9% annual fee (excl. VAT)
Hurdle	FTSE/JSE All Share Index + 2.5% p.a.
Performance Fee	The performance fees have been suspended in the F class until the performance of the B class equals that of its benchmark
Total Expense Ratio (1 Year)	0.91%
Total Expense Ratio (3 Years)	0.66%
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.

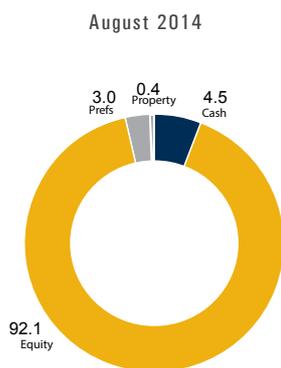
FUND RISK PROFILE

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

TOP TEN HOLDINGS (%)

August 2014	
Anglo American Platinum Ltd	7.5
Anglo American Plc	7.2
Arcelormittal South Africa	6.2
Sun International Ltd	5.9
Impala Platinum Holdings Ltd	5.3
JD Group Ltd	4.3
Lonmin Plc	3.8
Hosken Cons Investments Ltd	3.6
Standard Bank Group Ltd	3.6
Aveng Ltd	3.2
Total	50.6

ASSET ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

This Fund class 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 class' life.

MONTHLY RETURNS

Month	Fund	Benchmark
Jan '14	-0.1%	-2.4%
Feb '14	0.5%	4.9%
Mar '14	2.7%	1.8%
Apr '14	2.9%	2.7%
May '14	-0.7%	1.6%
Jun '14	-1.0%	2.8%
Jul '14	1.7%	0.9%
Aug '14	-2.7%	-0.5%
Since Inception	3.4%	12.3%

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

INVESTMENT COMMENT

An increased number of announcements regarding significant job cuts in South Africa, collectively numbering in the thousands, does not bode well for the consumer and consumer sector, which is already struggling to cope with high debt levels and inflation. Reported results present mixed signals, with the likes of Shoprite and Massmart coming in below expectations, and Truworths and Cashbuild above expectations. Despite downward pressure on many retailers' share prices due to negative sentiment regarding the health of the consumer, many of these businesses are not yet trading at prices significantly below intrinsic value. Thus the exposure we have to SA retailers is low, with nearly three quarters of it in JD Group – a turnaround thesis under the stewardship of Steinhoff presenting a lucrative prospective investment return profile.

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. 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.