RECM EQUITY FUND (Class F)

Period ended 28 February 2015

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)	2 February 2014
Total Fund Size	R317.9 million
Fund Size (Class F)	R5.3 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 matches that of it's benchmark since its inception
Total Expense Ratio (Annualised)	1.08% for the period ending 31 December 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

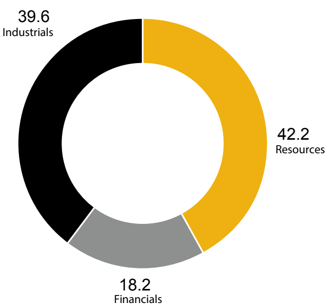
LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH

TOP TEN HOLDINGS (%)

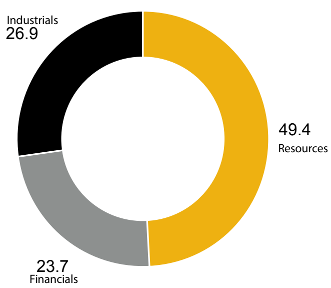
February 2015		February 2014	
JD Group Ltd	8.0	Anglo American Plc	8.6
Anglo Platinum Ltd	7.3	Anglo Platinum Ltd	7.6
Anglo American Plc	6.8	Arcelormittal South Africa	5.6
Impala Platinum Holdings Ltd	5.6	Sun International Ltd	4.9
Iliad Africa Ltd	5.0	Impala Platinum Holdings Ltd	4.8
Sun International Ltd	4.3	Lonmin Plc	4.4
Lonmin Plc	3.9	Hosken Cons Investments Ltd	4.3
Arcelormittal South Africa Limited	3.8	Standard Bank Group Ltd	3.9
Hosken Cons Investments Ltd	3.7	Blue Label	3.6
RECM and Calibre Ltd	3.7	JD Group Ltd	3.4
Total	52.0	Total	51.1

SECTOR ALLOCATION (%)

February 2015

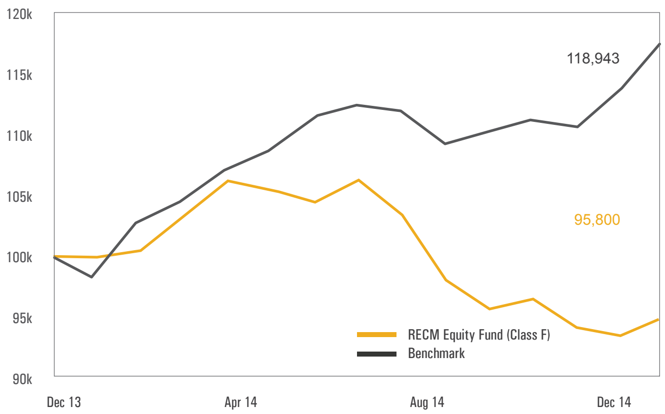


February 2014



PERFORMANCE NET OF ALL FEES AND EXPENSES

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



ANNUALISED RETURNS TO END FEBRUARY 2015

	Fund	Benchmark
1 Year	-4.6%	16.1%
Since Inception	-3.6%	16.0%
Maximum Drawdown (Life of Fund)	-12.1%	-3%

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

INVESTMENT COMMENT

Does RECM have too much exposure to resource stocks? Seven years ago resource stocks made up over 50% of the SA market. They were also the most expensive part of the market, with a price to book ratio of 4 times. At the time, RECM had a small weighting towards resource stocks, both in relative and absolute terms. Over the next 5 years, this sector proved to be the worst performing sector, despite appearing to have a very bright outlook in 2008. Many fund managers were overweight the sector at the time, implying a weighting of over 50% in resource stocks.

Today however, the resource sector makes up less than a quarter of the SA market and it is the cheapest sector trading at a price to book ratio of about 1.5 times. By comparison, the financial and Industrial sectors look increasingly expensive. RECM currently has significantly more exposure to resource stocks than the market. Despite being very underweight the industrial sector in absolute terms given its increase as a percentage of the overall market, our position size in industrial stocks is almost on par with that of resource stocks. However it is worth mentioning that the industrial stocks we own are very different to those that are the largest and most expensive in the index. From the above, we think a fair conclusion would be that we are not too concentrated in the resource sector. Additionally, the sector presents a good value investment proposition. The corollary bears questioning. If the Industrial index is 56% of the market, and a manager is overweight Industrials, are they not too concentrated in an expensive sector?

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