

RECM GLOBAL FUND (Class B)

Period ended 31 December 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
ASISA Sector	Global Multi Asset Flexible
Fund Currency	US dollars
Inception Date	14 December 2010
Total Fund Size	US \$479.3 million
Fund Size (Class B)	US \$32.3 million
Benchmark*	US CPI + 6% p.a.
Min. Investment	US \$50,000 initial investment
Initial Fee	No initial fee
Annual Fee	1.5% annual fee

Hurdle	US CPI + 8% p.a.
Performance Fee	20% above hurdle subject to high watermark since inception of the Fund
Pricing Frequency	Daily
Total Expense Ratio	1.57% for the period ending 31 December 2014
Income Declarations	None
Domicile	Guernsey
ISIN Code	GB00B64VG915
SEDOL Code	B64VG91

PORTFOLIO DETAIL

*The Fund's benchmark is US CPI + 6% p.a. and the performance fee hurdle is US CPI + 8% p.a. Prior to 1 January 2014, the Fund's benchmark and performance fee hurdle was the MSCI World Index TR and the MSCI World Index TR + 2.5% respectively.

FUND RISK PROFILE

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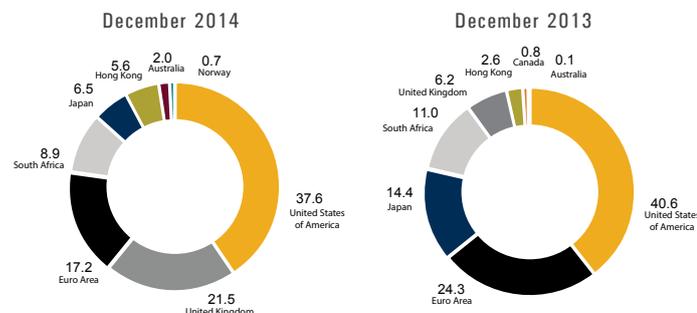
TOP TEN HOLDINGS (%)

December 2014		December 2013	
Tesco Plc	5.8	Arcelormittal	5.6
Ichirizuka Master Fund	5.7	Ichirizuka Master Fund	5.3
BP Plc	4.7	BP Plc	4.6
Anglo Platinum Ltd	4.6	Ultra Petroleum Corp	4.4
Anglo American Plc	4.6	Intel Corp	4.2
Arcelormittal	4.6	Anglo Platinum Ltd	4.1
Inpex Corp	4.1	Microsoft Corp	3.2
Wm Morrison Supermarkets Plc	4.1	Impala Platinum Holdings Ltd	3.1
Ultra Petroleum Corp	3.5	Vivendi SA	2.9
Impala Platinum Holdings Ltd	3.5	Wells Fargo and Co	2.9
Total	45.2	Total	40.3

ASSET ALLOCATION (%)

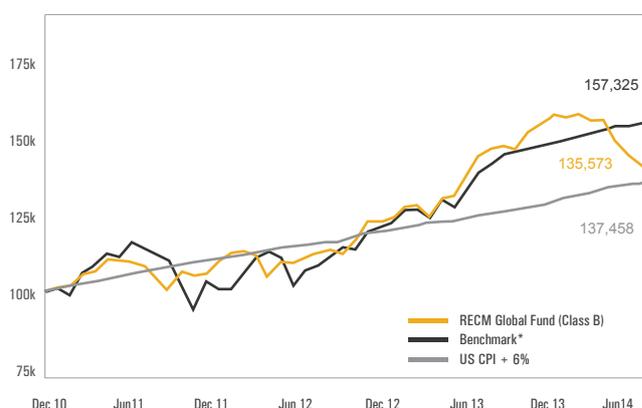
December 2014		December 2013	
Equity	75.6	Equity	77.5
Cash	23.7	Cash	21.3
Property	0.7	Property	1.2
Total	100.0	Total	100.0

GEOGRAPHICAL ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

VALUE OF US \$100,000 INVESTED AT INCEPTION



ANNUALISED RETURNS TO END DECEMBER 2014

	Fund	Benchmark*	US CPI + 6%
1 Year	-9.0%	7.8%	7.7%
3 Years	8.6%	14.8%	7.6%
Since Inception	7.8%	11.8%	8.1%
Maximum Drawdown (Life of Fund)	-14.8%	-19.4%	0.0%

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

INVESTMENT COMMENT

Resources and other cyclical businesses feature strongly in our portfolio given these are the businesses out of favour, going through difficult times and thus trading at very low prices relative to what they are worth. Investors often ask us when the share prices, assuming we are correct about them being too low, will go up. Unfortunately we have no crystal ball which allows us to know this precise timing – and this is because prices are often, especially over the short term, driven by sentiment rather than rational logic. As investors, we can only position ourselves given the mispricing we have identified and then wait patiently for the market to recognise and correct this. One of our investment ideas in the resources sector was to purchase a company called Alumina in the aluminium sector. Alumina owns some of the world's best bauxite reserves – the raw material that is ultimately processed into aluminium. The aluminium price has been depressed because of lower global demand for the metal, overcapacity in the industry and high inventory levels built up during the global recession. Using the equilibrium price for aluminium, or the price at which most producers are making economic returns, we calculated that the fair value for Alumina was substantially higher than the price at the time. The same situation exists for platinum producers today, which is why we are invested in platinum stocks. However, in contrast to platinum share prices which remain low, Alumina's share price is up close to 50% since we invested in early 2014. As such, we have lightened our exposure to Alumina over the past month.

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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 if applicable), whilst non-quantifiable fees included in the net asset value price may comprise brokerage, auditor's fees, bank charges, 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. 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. The Fund's annualised 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. 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).

A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA