

RECM GLOBAL FUND (Class B)

Period ended 28 February 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
Fund Currency	US dollars
Inception Date	14 December 2010
Total Fund Size	US \$527.2 million
Fund Size (Class B)	US \$66.0 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 over rolling 5 years
Pricing Frequency	Daily
Total Expense Ratio (1 Year)	1.05%
Income Declarations	None
Domicile	Guernsey
ISIN Code	GB00B64VG915
SEDOL Code	B64VG91

PORTFOLIO DETAIL

*The Fund's benchmark is US CPI + 6% p.a. Prior to 1 January 2014, the Fund's benchmark was the MSCI World Index TR

FUND RISK PROFILE

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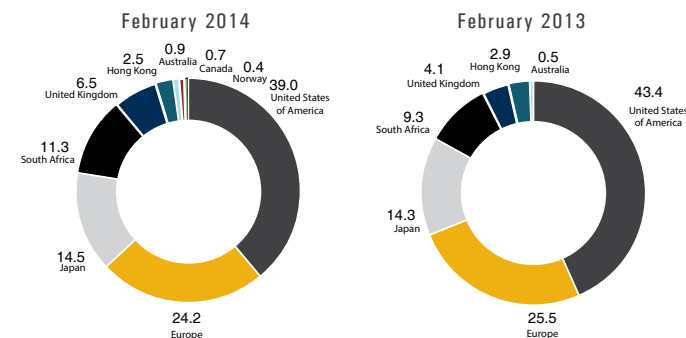
TOP TEN HOLDINGS (%)

February 2014		February 2013	
Ichirizuka Master Fund	5.4	Carrefour	6.3
Ultra Petroleum	5.0	Microsoft	5.4
Arcelor Mittal	4.8	Ichirizuka Master Fund	5.0
BP	4.7	Amplats	3.6
Amplats	4.6	Berkshire Hathaway	3.6
Intel	3.7	Intel	3.6
Microsoft	3.2	Dell	3.4
Vivendi	2.9	BP	3.3
Wells Fargo	2.9	NTT Docomo	3.2
NTT Docomo	2.9	Ultra Petroleum	3.1
Total	40.1	Total	40.5

ASSET ALLOCATION (%)

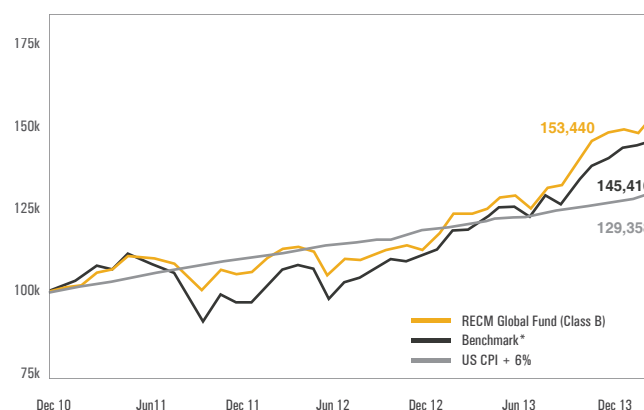
February 2014		February 2013	
Equity	78.4	Equity	86.6
Cash	20.4	Cash	12.3
Property	1.2	Property	1.1
Total	100.0	Total	100.0

GEOGRAPHICAL ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

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



ANNUALISED RETURNS TO END FEBRUARY 2014

	Fund	Benchmark*	US CPI + 6%
1 Year	24.5%	22.5%	7.5%
3 Years	13.2%	10.5%	8.1%
Since Inception	14.3%	12.4%	8.2%
Maximum Drawdown (Life of Fund)	-10.4%	-19.4%	0.0%

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

INVESTMENT COMMENT

During February, we continued with our buying program of Inpex and introduced two new investment ideas, being Norsk Hydro and Semapa. Norsk Hydro is a fully-integrated low-cost global aluminium producer with a best-in-class balance sheet. The business cycle is super-low in this industry right now, with the aluminium price trading at record lows relative to production cost. A semi-permanent competitive advantage for this business is its access to cheaper electricity due to owning its own hydro-electricity generating capacity covering half of its energy requirements. Semapa is a family owned (49%) industrial conglomerate listed in Portugal with an 81% stake in listed company Portucel and 100% of a diversified cement business, Secil. Portucel makes up the bulk of the intrinsic value and is a highly admired paper and packaging business in Europe with a favourable position on the cost curve.

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