

RECM GLOBAL FUND (Class B)

Period ended 31 July 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 \$562.3 million
Fund Size (Class B)	US \$87.1 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	1.57%
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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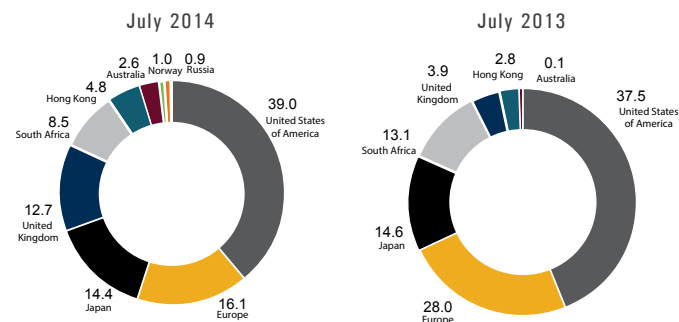
TOP TEN HOLDINGS (%)

July 2014		July 2013	
Anglo American Platinum Ltd	4.6	Anglo American Platinum Ltd	5.3
Arcelormittal	4.6	Ichirizuka Master Fund	5.2
BP Plc	4.6	Carrefour SA	5.0
Ichirizuka Master Fund	4.5	Microsoft Corp	4.7
Inpex Corp	3.6	Arcelormittal	4.6
Ultra Petroleum Corp	3.6	Ultra Petroleum Corp	4.2
Impala Platinum Holdings Ltd	3.4	Intel Corp	4.1
Anglo American Plc	3.3	BP Plc	3.2
WM Morrison Supermarkets	3.1	Sonae	3.1
Microsoft Corp	2.8	Impala Platinum Holdings Ltd	3.0
Total	38.1	Total	42.4

ASSET ALLOCATION (%)

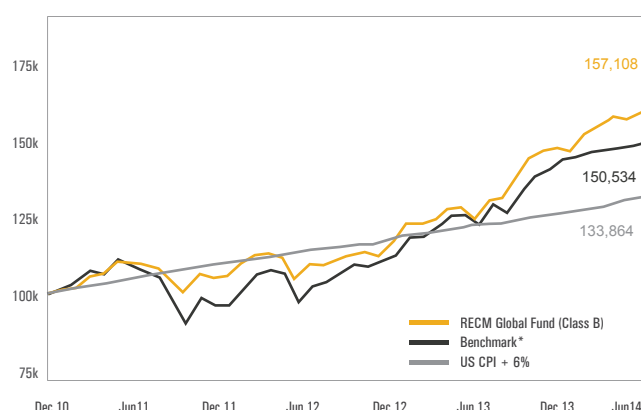
July 2014		July 2013	
Equity	70.8	Equity	85.8
Cash	28.6	Cash	12.6
Property	0.6	Property	1.6
Total	100.0	Total	100.0

GEOGRAPHICAL ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

VALUE OF US \$100,000 INVESTED AT INCEPTION WITH ALL DISTRIBUTIONS REINVESTED



ANNUALISED RETURNS TO END JULY 2014

	Fund	Benchmark*	US CPI + 6%
1 Year	20.3%	16.7%	8.1%
3 Years	13.2%	12.6%	7.8%
Since Inception	13.3%	11.9%	8.3%
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

The largest purchases in the Fund over the past six months include three new ideas, namely WM Morrison Supermarkets, American International Group (AIG) and Alumina. WM Morrison Supermarkets is the fourth largest food retailer in the UK, predominantly in the north of the country where disposable income is under pressure. Due to this, many consumers have traded down and started shopping at hard discounters such as Aldi and Lidl resulting in decreased traffic across Morrisons' store base. Morrisons has recognised this threat – albeit too late, much like the other listed retailers – and has reinvested aggressively in pricing points that will cause a reduction in short-term profitability. In addition, Morrisons didn't develop an online strategy while its largest competitors had invested in online channels for a decade. To address this, management has partnered with Ocado, one of the largest online grocery retailers in the UK. Ocado has been operating for 15 years and is aggressively trying to disintermediate the current retailing environment. This partnership gives Morrisons access to best in class global online retailing expertise. Morrisons stock currently trades at a significant discount to fair value.

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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), whilst non-quantifiable fees included in the net asset value price may comprise brokerage auditor's fees, bank charges, UST, 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 accrued and less any permissible deductions from the portfolio. Forward pricing is used. Fund valuations take place at 23h00 Guernsey time on the business day immediately preceding each dealing day. Withdrawal requests and contributions must be received by the Administrators by 15h30 Guernsey time on the business day preceding each dealing day. 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. 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).

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