

RECM GLOBAL FUND (Class B)

Period ended 30 September 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	Hurdle	US CPI + 8% p.a.
ASISA Sector	Global Multi Asset Flexible	Performance Fee	20% above hurdle subject to high watermark since inception of the Fund
Fund Currency	US dollars	Pricing Frequency	Daily
Inception Date	14 December 2010	Total Expense Ratio	1.58% for the period ending 30 September 2014
Total Fund Size	US \$567.4 million	Income Declarations	None
Fund Size (Class B)	US \$89.8 million	Domicile	Guernsey
Benchmark*	US CPI + 6% p.a.	ISIN Code	GB00B64VG915
Min. Investment	US \$50,000 initial investment	SEDOL Code	B64VG91
Initial Fee	No initial fee		
Annual Fee	1.5% annual fee		

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 + 2.5% respectively.

FUND RISK PROFILE

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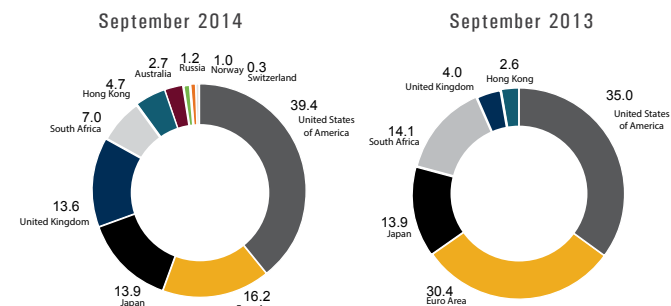
TOP TEN HOLDINGS (%)

September 2014		September 2013	
Arcelormittal	4.9	Anglo American Platinum Ltd	5.4
BP Plc	4.9	Carrefour SA	5.2
Ichirizuka Master Fund	4.7	Arcelormittal	4.9
Wm Morrison Supermarkets	3.9	Ichirizuka Master Fund	4.9
Ultra Petroleum Corp	3.8	Microsoft Corp	4.6
Inpex Corp	3.6	Ultra Petroleum Corp	3.7
Anglo American Platinum Ltd	3.6	Intel Corp	3.7
Anglo American Plc	2.9	Sonae	3.5
Impala Platinum Holdings Ltd	2.9	Impala Platinum Holdings Ltd	3.5
American International Group	2.7	BP Plc	3.3
Total	37.9	Total	42.7

ASSET ALLOCATION (%)

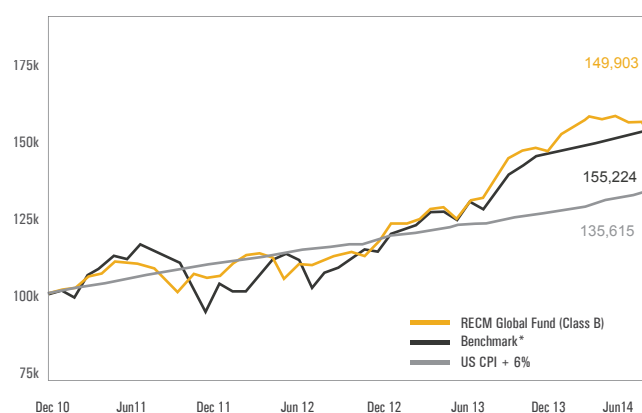
September 2014		September 2013	
Equity	71.3	Equity	82.9
Cash	28.3	Cash	15.5
Property	0.4	Property	1.6
Total	100.0	Total	100.0

GEOGRAPHICAL ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

VALUE OF US \$100,000 INVESTED AT INCEPTION



ANNUALISED RETURNS TO END SEPTEMBER 2014

	Fund	Benchmark*	US CPI + 6%
1 Year	7.8%	14.9%	8.0%
3 Years	14.8%	11.8%	7.8%
Since Inception	11.2%	12.3%	8.3%
Maximum Drawdown (Life of Fund)	-10.4%	-19.4%	0.0%

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

INVESTMENT COMMENT

The Fund holds a significant position in energy company BP. The market is placing a discount on BP due to company specific issues. Finding new barrels of oil has become increasingly expensive and Return on Capital (ROC) has been under pressure recently. The company's exposure to Russia via their 19.8% stake in Rosneft (the country's largest oil producer), as well as the extent of claims arising from the Deepwater Horizon oil spill, still continue to weigh on the price. A federal judge in New Orleans recently ruled that BP's "gross negligence" and "wilful misconduct" had caused the massive oil spill in the Gulf of Mexico in 2010. The stock is priced so low that even factoring in the worst case scenario of \$17bn in additional damages, or a write-off of their stake in Rosneft, it still trades at a discount to our estimate of fair value. Recently reserve replacement has been high; production is expected to grow next year while dividends are returning to normal. BP is a high quality business which is trading at a compelling price to earnings ratio of 6. As such, we retain a position in the stock, while enjoying a dividend yield of around 4.9%.

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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 accrual 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. 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 TER's. During the phase-in period TER's do not include information gathered over a full year. Inclusive of the TER, a performance fee of 0% of the Net Asset Value of the class of participatory interest in the portfolio was recovered. 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