

RECM GLOBAL FLEXIBLE FUND (Class A)

Period ended 28 February 2015

RECM

The RECM Global Flexible Fund is a unit trust that may invest in equities, bonds, property, cash and offshore assets without any restrictions. The Fund's aim is to generate returns significantly greater than inflation over the long term while protecting capital against permanent loss through a rigorous adherence to a value-based 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. Our ability to move between asset classes assists in reducing the risk in the fund.

Portfolio Managers	Daniel Malan, Wilhelm Hertzog, Paul Whitburn
ASISA Sector	Worldwide Multi Asset Flexible
Inception Date	3 April 2003
Total Fund Size	R2.0 billion
Fund Size (Class A)	R1.2 billion
Benchmark*	SA CPI + 6% p.a.
Min. Investment	R150,000 initial investment
Initial Fee	No initial fee
Annual Fee	1.0% annual fee (excl. VAT)

Hurdle	SA CPI + 8% p.a.
Performance Fee	20% above hurdle subject to high watermark over rolling 5 years
Total Expense Ratio (1 Year)	-1.80% for the period ending 31 December 2014 (inclusive of a performance fee of -2.95%)
Total Expense Ratio (3 Years)	1.33% for the period ending 31 December 2014 (inclusive of a performance fee of 0.16%)
Income Declarations	31 March, 30 June, 30 September, 31 December

PORTFOLIO DETAIL

*The Fund's benchmark is SA Inflation + 6% p.a. Prior to 1 February 2014 the Fund's benchmark was SA Inflation + 8% p.a.

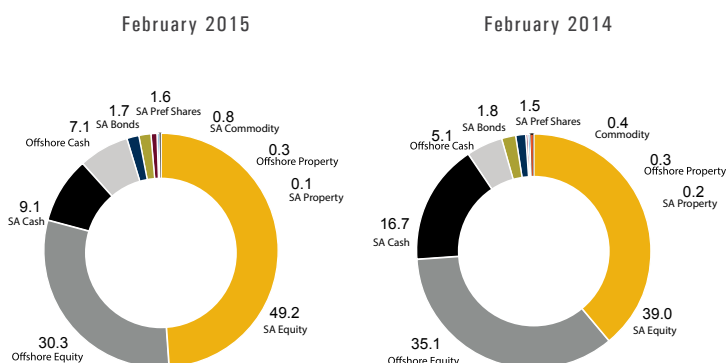
FUND RISK PROFILE

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
-----	--------------	----------	---------------	------

TOP TEN HOLDINGS (%)

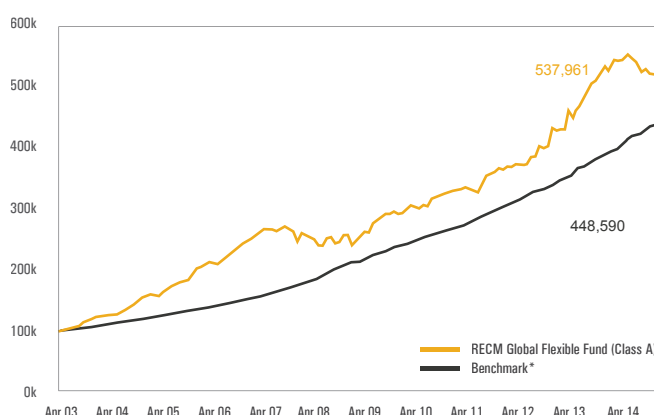
February 2015		February 2014	
Anglo Platinum Ltd	6.2	Anglo Platinum Ltd	5.3
Anglo American Plc	6.0	Anglo American Plc	4.9
JD Group Ltd	4.4	Ultra Petroleum Corp	3.7
Impala Platinum Holdings Ltd	4.1	BP Plc	3.3
Tesco Plc	3.1	Arcelormittal South Africa Ltd	3.1
Lonmin Plc	2.8	Arcelormittal	2.9
Sun International Ltd	2.8	Impala Platinum Holdings Ltd	2.8
Iliad Africa Ltd	2.4	Microsoft Corp	2.8
Arcelormittal South Africa Limited	2.2	Lonmin Plc	2.6
Ultra Petroleum Corp	2.2	Inpex	2.4
Total	36.4	Total	33.8

ASSET ALLOCATION (%)



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	1.6%	10.6%
3 Years	13.8%	11.4%
5 Years	12.8%	11.3%
Since Inception	15.3%	13.5%
Maximum Drawdown (Life of Fund)	-11.6%	0.0%

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

INVESTMENT COMMENT

Despite the fact that our portfolios are skewed towards resource counters, where we have been finding the biggest discrepancies between price and value for some time now, we also own many shares unrelated to that sector that are unloved for issues specific to that company. Examples of such current portfolio holdings include Tesco (Largest UK retailer bashed by years of unrelenting competition of discounters, compounded by revelations of accounting scandal and subsequent change in management), Adcock Ingram (supposedly with weak product portfolio and poor management – especially in comparison to market darling Aspen), Blue Telecom (lack of trust in the management team and scepticism about their business model), JD Group (investor fatigue after years of disappointing results, and lack of interest due to a small free float), Standard Bank (the one South African bank that regularly seems to get caught out by foreign ventures such as Russia in '98, the London gold price fixing investigation and recently losses due to fraud in Aluminum stock piles in China) and Capitec (cheap as a result of the fear around companies operating in the micro-lending market after the ABIL collapse).

The reasons for these businesses being out of favour may be varied, but the common theme is that they are all trading at substantially less than we calculate them to be worth. Buying them at these prices translates into low investment risk, and substantial upside for our investors.

Tel: +27 21 657 3440

Fax: +27 21 674 1088

Email: info@recm.co.za

Website: www.recm.co.za

Disclaimer: Collective Investment Schemes in Securities (Unit trusts) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to future performance. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The manager may borrow up to 10% of the market value of the portfolio where insufficient liquidity exists. A schedule of fees and charges and maximum commissions is available on request from the management company, RECM Collective Investments (Pty) Ltd (RECM). Commission and incentives may be paid and if so, would be included in the overall costs. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of units apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, defined as the total market value of all assets in the unit portfolio including any income accruals and less any permissible deductions (brokerage, uncertificated securities tax, VAT, auditors' fees, bank charges, custodian fees, trustee fees, annual management fee and performance fees) from the portfolio divided by the number of units in issue. These portfolios may be closed. The Fund's 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. RECM Collective Investments (Pty) Ltd, Company Registration Number: 2004/027540/07, is a member of the Association for Savings and Investment SA (ASISA). Trustees: The Standard Bank of SA Limited, PO Box 54, Cape Town, 8000.

A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA