

RECM GLOBAL FLEXIBLE FUND (Class A)

Period ended 30 November 2014

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 | R2.1 billion |
| Fund Size (Class A) | R1.3 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) | 0.51% for the period ending 30 September 2014 (inclusive of a performance fee of -0.65%) |
| Total Expense Ratio (3 Years) | 1.99% for the period ending 30 September 2014 (inclusive of a performance fee of 0.81%) |
| 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 January 2014 the Fund's benchmark was SA Inflation + 8% p.a.

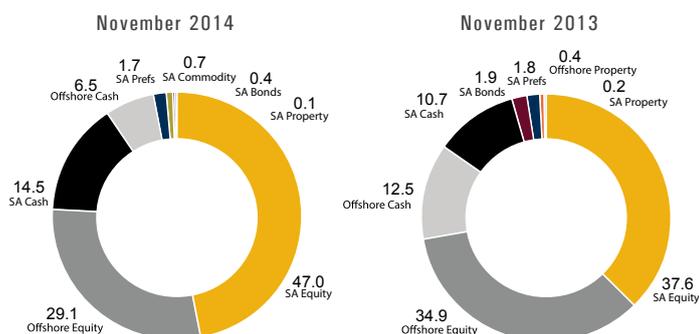
FUND RISK PROFILE

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

TOP TEN HOLDINGS (%)

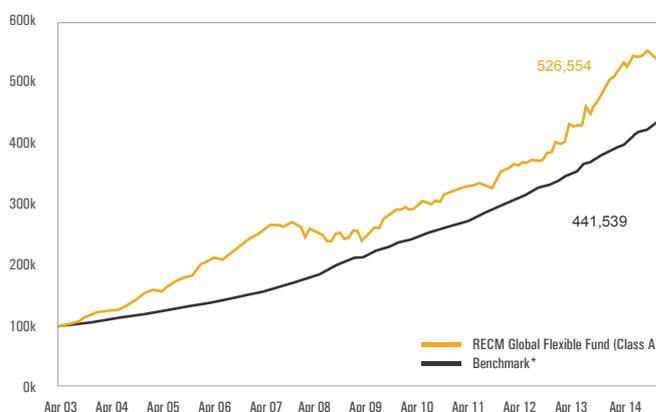
| November 2014 | | November 2013 | |
|-------------------------------------|-------------|--------------------------------|-------------|
| Anglo Platinum Ltd | 6.3 | Anglo Platinum Ltd | 4.9 |
| Anglo American Plc | 6.0 | Anglo American Plc | 4.4 |
| Impala Platinum Holdings Ltd | 4.4 | Arcelormittal South Africa Ltd | 3.4 |
| JD Group Ltd | 3.6 | Arcelormittal | 3.3 |
| Lonmin Plc | 3.0 | Microsoft Corp | 3.3 |
| Sun International Ltd | 2.6 | BP Plc | 3.2 |
| Ichirizuka Master Fund | 2.5 | Impala Platinum Holdings Ltd | 3.1 |
| Tesco Plc | 2.3 | Lonmin Plc | 2.7 |
| Arcelormittal South Africa Ltd | 2.2 | Ultra Petroleum Corp | 2.6 |
| Hosken Consolidated Investments Ltd | 2.1 | Sun International Ltd | 2.6 |
| Total | 35.0 | Total | 33.5 |

ASSET ALLOCATION (%)



PERFORMANCE NET OF ALL FEES AND EXPENSES

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



ANNUALISED RETURNS TO END NOVEMBER 2014

| | Fund | Benchmark* |
|---------------------------------|--------|------------|
| 1 Year | 3.4% | 12.1% |
| 3 Years | 13.5% | 11.8% |
| 5 Years | 12.5% | 11.5% |
| Since Inception | 15.4% | 13.7% |
| Maximum Drawdown (Life of Fund) | -11.6% | n/a |

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

INVESTMENT COMMENT

The aggregate level of the South African stock market, which rose further in November, currently does not represent a true proxy for the domestic economy, having split into domestic businesses versus globally-oriented businesses. The disconnect in valuation multiples between these two segments is both significant and increasingly widening as the domestic economy continues to come to terms with the weak consumer, mining, manufacturing, construction and infrastructure sectors, while the "global" businesses are priced for perfection. The domestic portion of the market represents the best value, for reasons that we can understand, and this is what we have slowly but surely rotated a large segment of the Fund into. Simultaneously no matter how much we slice and dice the numbers for the global businesses, we cannot get close to fair value estimates that would justify current share price levels. As value investors, we will not compromise our investment philosophy to own these expensive stocks because to do so introduces real risk of permanent capital loss. We have entered another phase in the long history of our country where high levels of pessimism dominate the outlook. In every previous such phase, investment bargains presented themselves. We believe, as has happened before, that the resourcefulness of the nation combined with the restoration of balance by the intrinsic power of capital will create value for patient, contrarian investors.

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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 TERs. 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.