

RECM GLOBAL FLEXIBLE FUND (Class C)

Period ended 31 July 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 | 1 June 2005 |
| Total Fund Size | R2.2 billion |
| Fund Size (Class C) | R488.4 million |
| Benchmark* | SA CPI + 6% p.a. |
| Min. Investment | R150,000 initial investment |

| | |
|-------------------------------|---|
| Initial Fee | No initial fee |
| Annual Fee | 1.5% 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) | 4.29% |
| Total Expense Ratio (3 Years) | 3.29% |
| 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.

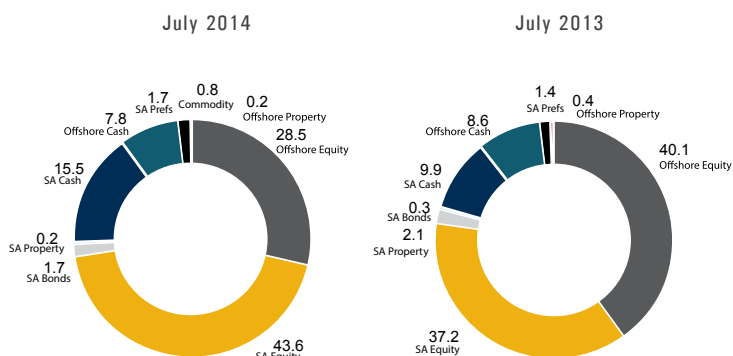
FUND RISK PROFILE

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

TOP TEN HOLDINGS (%)

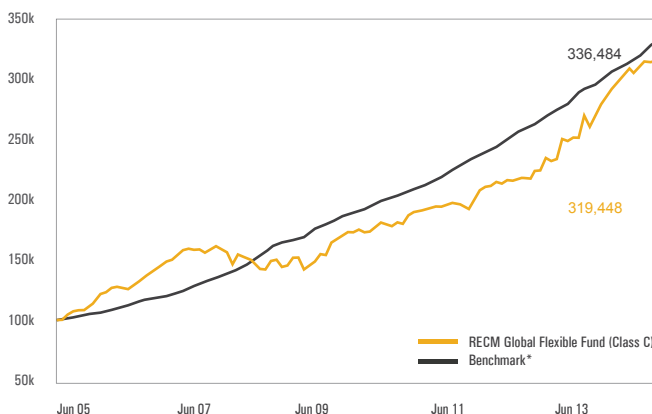
| July 2014 | | July 2013 | |
|------------------------------|-------------|------------------------------|-------------|
| Anglo American Platinum Ltd | 6.1 | Anglo American Platinum Ltd | 5.6 |
| Anglo American Plc | 6.0 | Anglo American Plc | 5.0 |
| Impala Platinum Holdings Ltd | 4.2 | Carrefour SA | 3.7 |
| Arcelormittal South Africa | 3.0 | Microsoft Corp | 3.3 |
| Sun International Ltd | 2.5 | Arcelormittal South Africa | 3.1 |
| Lonmin Plc | 2.5 | Impala Platinum Holdings Ltd | 3.1 |
| JD Group Ltd | 2.2 | Lonmin Plc | 2.9 |
| Ichirizuka Master Fund | 2.1 | Sun International Ltd | 2.6 |
| Arcelormittal | 2.0 | BP Plc | 2.4 |
| BP Plc | 1.9 | JD Group Ltd | 2.3 |
| Total | 32.4 | 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 JULY 2014

| | Fund | Benchmark* |
|---------------------------------|--------|------------|
| 1 Year | 18.8% | 13.4% |
| 3 Years | 17.6% | 12.7% |
| 5 Years | 14.1% | 12.3% |
| Since Inception | 13.5% | 14.2% |
| Maximum Drawdown (Life of Fund) | -12.0% | 0.0% |

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

INVESTMENT COMMENT

The rerating of global equity markets has resulted in a rerating of the stocks which the RECM Global Flexible Fund owns and over the past six months we have consequently reduced exposure to these stocks and increased cash balances. The Fund continues to hold very little fixed income and property while additional equity allocations have been to WM Morrison Supermarkets, American International Group (AIG) and Anglo American. The largest sales across the Fund were offshore investments, including Microsoft, WellPoint and Carrefour. The past six months saw a considerable rerating of 'old' IT companies such as Microsoft, HP and Intel, and we've taken this opportunity to reduce the Fund's position in these counters. The allocation towards local stocks increased as we continue to witness a substantial divergence between the valuations of large and expensive industrial stocks on one hand, and the bargains available in the resource and unsecured lending sectors on the other.

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. Forward pricing is used. Funds are valued daily at 15h00. Instructions must reach RECM before 14h00 to ensure same day value. 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. 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. The RECM Global Flexible Fund Class C has a Total Expense Ratio of 4.29%. For the period from 1 July 2013 to 30 June 2014, 4.29% of the average Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. Inclusive of the TER of 4.29%, a performance fee of 2.52% of the Net Asset Value of the class of participatory interest in the portfolio was recovered.