

QUARTERLY REPORT

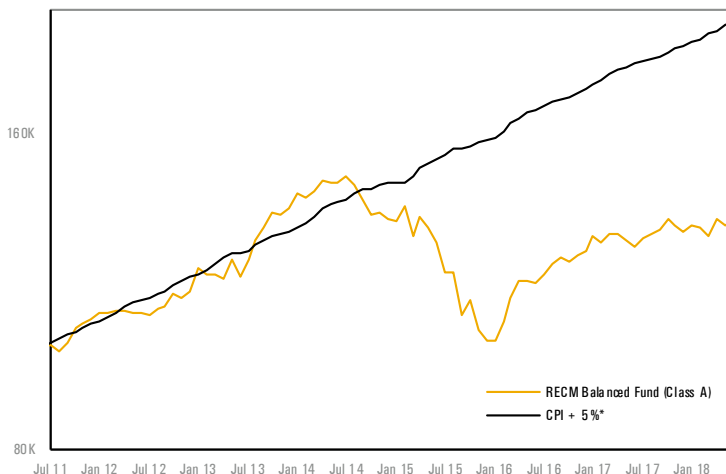
RECM BALANCED FUND - JUNE 2018

PERFORMANCE TABLE

Net Returns	RECM Balanced A	CPI + 5%	Benchmark*
3 Months	3.9%	2.6%	2.6%
1 Year p.a.	6.5%	9.4%	9.4%
3 Years p.a.	1.9%	10.3%	10.3%
5 Years p.a.	2.6%	10.4%	10.8%
Since inception (5 Jul '11)	4.1%	10.5%	11.1%

*The Fund's benchmark is SA Inflation + 5% p.a. Prior to 1 February 2014 the Fund's benchmark was SA Inflation + 6% p.a. The blended benchmark reflects this combined history.

PERFORMANCE NET OF FEES AND EXPENSES



PERFORMANCE REVIEW

The Fund outperformed its benchmark for the quarter.

Positions which benefited returns in the last quarter:

- Offshore exposure to non-rand stocks
- British retailer Tesco
- Chemicals company Sasol

Positions which detracted from returns in the last quarter:

- South African bank Standard Bank
- Brazilian private bank Itau Unibanco
- Global emerging markets bank Standard Chartered

PERFORMANCE SUMMARY

The Fund returned 3.9% during the quarter outperforming its inflation-based benchmark of CPI + 5%, which delivered 2.6%.

South African equities, as measured by the FTSE/JSE All Share Index, returned 4.5% for the second quarter, while global equities, as measured by the MSCI All Countries World Index (ACWI), returned -2.5% in US dollars.

After a strong first quarter, the rand weakened quite significantly in the second quarter, with the effects of "Ramaphoria" dissipating as the reality of tough economic conditions in South Africa came back to the fore. The Fund had actively increased its allocation to global equities while the rand was strong, and the increase in non-rand exposure helped to protect returns when the rand fell 15% against the US dollar during the quarter.

The South African equity market was buoyed by resource stocks and other rand hedge business (notably Naspers, which was up 20%) with

domestically-oriented companies such as banks and retailers de-rating significantly. As such, stocks in the Fund such as BHP Billiton, Anglo American and Sasol contributed to returns while banking stocks Standard Bank and FirstRand, as well as many of the local industrial stocks, detracted from returns.

British retailer Tesco continued to be a strong contributor to returns however with the company's turnaround strategy continuing to gather momentum and the share price up along with the UK equity market in general.

Most emerging markets came under pressure due to the stronger US dollar, and heightened global trade tensions with Brazilian stocks Itau Unibanco and Porto Seguro down, along with UK bank Standard Chartered, which derives a significant portion of its revenues from emerging markets.

MARKET COMMENTARY

Global equities were down during the second quarter with the MSCI ACWI returning -2.5%. US equities, as measured by the S&P 500 Index, rose 3.4% due to positive earnings momentum and supportive economic data including the unemployment rate reaching an 18 year low of 3.8%.

European and UK equities were also up in local currency terms, but this was offset significantly by a strengthening US dollar.

The FTSE All Share Index rose 9.2% in GBP but only 2.8% in USD with sterling weakening by 6% during the quarter. The intense pessimism towards the UK as an investment destination, triggered initially by Brexit, appears to have lessened somewhat over the past months.

The European equity market, as measured by the MSCI EMU, was up 2.5% in local currency terms but returned -2.7% in USD.

MANAGEMENT ACTIONS

On the local side, the Fund introduced a small position in leading records management and document storage company Metrofile. The company has managed to successfully build a base of sticky customers and is in the process of adjusting to meet the developing digital needs of its customers. Onerous regulatory requirements act as a further tailwind for the business.

The Fund exited its remaining position in Altron – with the stock having more than doubled since it was introduced in 2016 - and reduced exposure to some of the resource stocks such as BHP and Anglo given their strong rally in the quarter.

On the global side, the Fund sold out of its position in UK clothing retailer Next Plc, which has seen its share price rise by close to 50% in USD terms since we bought it in the third quarter of 2017.

Emerging markets underperformed, with the MSCI EM index down 8% due to a strengthening US dollar, uncertainty related to elections in Latin America and heightened global trade tensions.

The US yield curve flattened during the quarter with 2 year yields rising from 2.27% to 2.53%, and the spread between 2 and 10 year yields reaching its lowest point since 2007. The 10 year yield rose above the psychologically important 3% threshold during the quarter before settling finally at 2.85%.

South African bond yields moved higher with the All Bond Index (ALBI) down over the quarter as a result of the rand's slump, rising US rates and negative sentiment towards most emerging markets.

The Fund also sold its remaining position in Mail.ru, the Russian internet business. With technology stocks enjoying another strong quarter across all major markets, we took the opportunity to finally exit this position which has contributed strongly to the Fund since it was introduced in 2015.

Conversely, we decided to re-initiate a position in Russian domestic bank Sberbank. This stock was originally introduced into the Fund in 2014, and almost doubled in price before we eventually sold out of it completely. With Russian stock indexes and the Russian ruble falling after the United States initiated new sanctions against Moscow, we were provided with the opportunity to once again invest in this dominant retail bank, which recently posted a solid quarterly profit and is trading on a dividend yield of close to 5.5%.

TOP TEN HOLDINGS (%)

June 2018		March 2018	
Hosken Cons Investments Ltd	5.9	Hosken Cons Investments Ltd	5.2
Firstrand Ltd	5.2	Standard Bank Group Ltd	4.4
Standard Bank Group Ltd	4.9	Firstrand Ltd	4.2
MTN Group Ltd	4.7	MTN Group Ltd	3.8
RECM and Calibre Ltd	3.0	Sasol Ltd	3.0
BHP Billiton PLC	2.9	RECM and Calibre Ltd	2.9
Tesco PLC	2.8	Anglo American PLC	2.5
Mediclinic International PLC	2.6	Mediclinic International PLC	2.4
Anglo American PLC	2.6	BHP Billiton PLC	2.3
Sasol Ltd	2.5	Tesco PLC	1.8
Total	37.1	Total	32.5

ASSET EXPOSURE (%)

June 2018		March 2018	
SA Equity	46.9	SA Equity	53.8%
SA Cash	24.8	SA Cash	23.3%
Global Equity	19.0	Global Equity	15.4%
Global Cash	9.3	Global Cash	7.5%
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

The Fund has 66% exposure to local and global equities and continues to hold a meaningful portion in cash (34%). The global portion of the Fund is now just under the 30% maximum limit. The Fund remains cautious about increasing exposure to traditional interest-bearing investments such as bonds and property. We believe current yields still do not adequately compensate investors for their commensurate risk.

Being bottom-up value investors first and foremost, we make our allocations on a case-by-case basis depending on where quality and value collide within our wide opportunity set. From a portfolio construction perspective however, we ensure too that the resulting portfolio is as diversified as possible when viewed in totality. Ideally, we want the Fund to comprise of as many investment ideas as possible, across as many geographies, sectors and industries as possible, such that investment success is never overly reliant on any one particular investment thesis being proven correct within a particular frame of time.

Fortunately, over the past few years, global and local markets have offered up a number of interesting and diverse opportunities to own good businesses trading at attractive prices, often because they have simply been overlooked in favour of the bigger, headline-grabbing stocks of the moment. As this opportunity set has opened up, the Fund has been able to introduce many new and varied investment

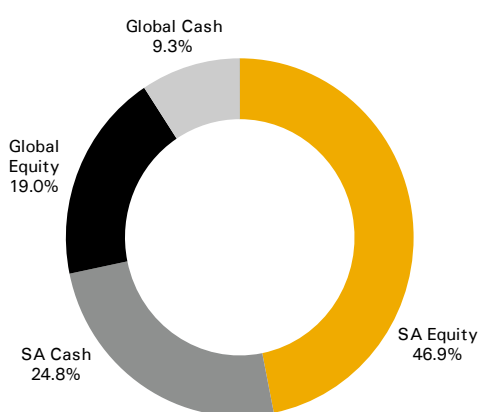
ideas locally and globally, whilst at the same time reducing exposure to the resources sector, which has more than doubled since the beginning of 2016.

The end result is a portfolio of assets which is more diversified than before, invested in higher quality companies than before. The Fund currently holds 17% of equity in resource stocks, with 29% in financial stocks and 54% in a wide array of diverse, high quality industrial businesses both locally and globally.

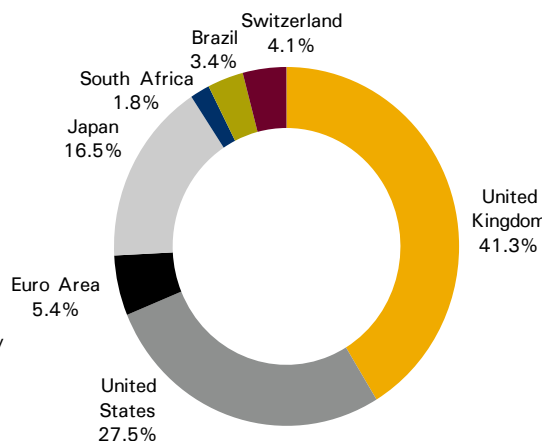
The RECM Balanced Fund is a robust, diversified portfolio of undervalued stocks, with the advantage of a meaningful cash component to put to use as opportunities arise. With the value cycle still in early stages, there is further value to be unlocked by investors who stay the course.

In the long run it has been proven that over multiple market cycles there is no factor as important to subsequent investment returns as starting valuations. Investment success over time favours those who have the patience and willingness to hold stocks trading at prices well below what the underlying companies are fundamentally worth. The RECM Balanced Fund offers investors the opportunity to capitalise on this enduring investment truth.

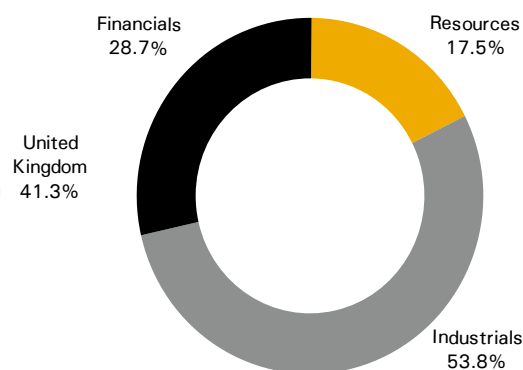
ASSET EXPOSURE (% OF FUND)



REGIONAL EXPOSURE (% OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



RECM BALANCED FUND

Quarterly Commentary - Period ended 30 June 2018

RECM

PORTFOLIO OVERVIEW

Portfolio Manager	Piet Viljoen	Initial Fee	No initial fee
ASISA Sector	South African Multi Asset High Equity	Annual Fee	0.9% (excl. VAT)
Regulation 28	Complies	Performance Fee	Not Applicable
Fund Launch Date	15 February 2010	Total Expense Ratio	3.1% for the 3 year period ending 31 December 2017
Total Fund Size	R91.6 million	Income Declarations	31 March, 30 June, 30 September, 31 December
Benchmark (Bmk)*	SA CPI + 5% p.a.		

Risks associated with investing in the Fund

All investments carry risk. Different investment strategies may carry different levels and kinds of risks depending on the assets held. You should consider the risks listed below in the context of your risk profile, which includes factors such as your investment timeframe, objectives and tolerance for performance volatility, income and age. We do not offer advice, nor does the Fund's investment strategy consider your individual circumstances and we cannot advise that the Fund is suitable for your circumstance.

The Manager does not guarantee the Fund's returns, its liquidity, and repayment of capital, interest nor a rate of return. Assets that are expected to provide the highest long-term returns often have the highest short-term risk. The Funds' investment strategy and the assets it invests in, will determine the Fund's sensitivity to these risk factors.

You should obtain financial advice to determine whether the Fund is suitable for your circumstances before investing in the Fund.

Sharemarket and Business Risk

The Fund may experience losses due to factors that affect the overall performance of the financial markets. The Fund holds securities issued by individual companies and are subject to the business risks specific to them, including sales volumes, profit margins, input costs, competition, economic climate and government regulations. The companies may also have exposure to specific financial risk, liquidity risk, market risk, exchange-rate risk and country-specific risks.

Interest Rate Risk

This is the possibility that fixed-rate debt instruments may decline in value as a result of a rise in interest rates.

Credit Risk

Refers to the possibility that a bond issuer may not be able to make expected interest payments and/or principal repayment.

Liquidity Risk

Refers to the possibility that an investor may not be able to invest or disinvest when they want to. This may occur during a period of adverse market trading conditions where the manager may not be able to buy or sell the Fund's investments because opportunities to do so are limited.

Social/Political/Legislative Risk

Risks associated with the possibility of nationalisation, unfavourable government action or social changes resulting in a loss of value is called social or political risk which may affect the Fund.

Currency/Exchange Rate Risk

Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated relative to the currency in which the Fund is denominated may add risk to the value of a security.

International Risks

International investments or investments in foreign securities could be accompanied by additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Inflation Risk

The Fund may invest in cash and bonds, in South Africa or globally, that do not generate sufficient income and capital gains to outperform inflation.

Key Person Risk

The Fund depends on the expertise of RECM and its investment team. The Fund could be negatively impacted if RECM does not retain key staff.

Third Party Operational Risk

The Fund's operations depend on third parties. Investors in the Fund may suffer financial loss or disruption in the event of third party operational failure.

**Total Expense Ratio (TER) and Transaction Costs

The TER reflects the percentage of this Fund's Net Asset Value that was incurred as expenses relating to the administration of this Fund, including the annual fee and the performance fee and intermediary fee if applicable. A Higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction costs are a necessary cost in administering this Fund and impacts this Fund's returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. The TER and Transaction costs are a measure of the actual expenses incurred by this Fund over a 3 year period (annualised). If this Fund is between 1 and 3 years old, the TER and Transaction Costs are calculated using the actual expenses incurred since the inception of this Fund. The sum of the TER and Transactions Costs is shown as the Total Investment Charge; these costs all being VAT inclusive.

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Disclosures: Collective Investment Schemes in Securities (CIS) should be considered as medium-to long-term investments. The Manager does not provide any guarantee either with respect to the capital or the return of the Fund. The value of participatory interests (units) may go up as well as down and past performance is not necessarily a guide to future performance. CIS 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. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of any underlying international investments to go up and down. These portfolios may be closed. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (Brokerage, STT, VAT, Auditor's fees, Bank Charges, Trustee and Custodian fees and the annual Management fee) from the portfolio divided by the number of participatory interests (units) in issue. A schedule of fees, charges and maximum commissions is available on request from the management company. Commission and incentives may be paid and if so, would be included in the overall costs. These portfolios may be closed. Different classes of units may apply in a portfolio and are subject to different fees and charges.