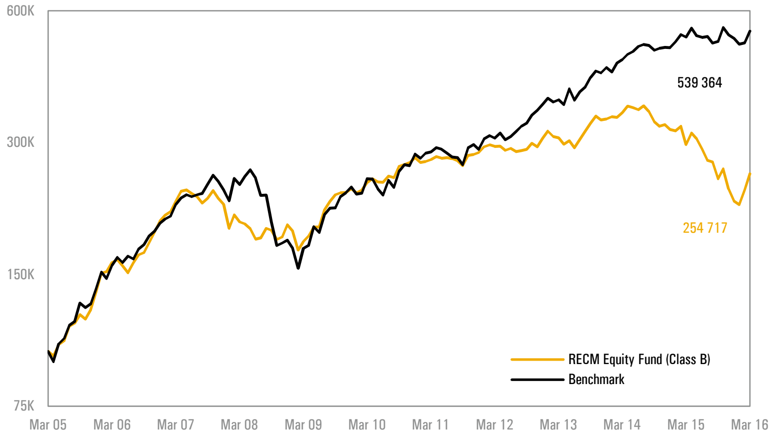
QUARTERLY REPORT

RECM EQUITY FUND - MARCH 2016

PERFORMANCE TABLE

Gross Returns	RECM Equity B	Benchmark ALSI
3 Months	15.5%	3.9%
1 Year p.a.	-14.2%	12.8%
3 Years p.a.	-6.1%	13.6%
5 Years p.a.	-1.5%	13.1%
10 Years p.a.	4.8%	16.6%
Since inception (1 March 2005)	8.9%	16.6%

PERFORMANCE NET OF FEES AND EXPENSES



PERFORMANCE REVIEW

The Fund outperformed its benchmark for the quarter.

Positions which benefited returns in the last quarter:

- Diversified global miner Anglo American
- Platinum producers Amplats and Implats
- South African bank Standard Bank

Positions which detracted from returns in the last quarter:

- Gaming & Leisure group Sun International
- Investment Holding company HCI
- Diversified industrial business Eqstra

PERFORMANCE SUMMARY

The Fund returned 15.5% during the quarter, outperforming its benchmark, the FTSE/JSE All Share Index which returned 3.9% over the same period.

During the first quarter, the FTSE/JSE Resources 10 Index was up 13%. The strongest performers in the Fund during the quarter were in the resources sector with diversified miner Anglo American returning 70%, and platinum producers Anglo Platinum (Amplats) and Impala Platinum (Implats) returning 95% and 88% respectively.

South African banks also fared well in the quarter with the FTSE/JSE Banks Index up 12% during the quarter. Fund holding Standard Bank was up 17% in the first quarter and thus added to returns.

Local gaming & leisure group Sun International however came under pressure with balance sheet and management concerns dominating sentiment. Investment holdings company Hosken Consolidated Investments (HCI), which also has investments in gaming & leisure via stakes in Tsogo Sun, Vukani Gaming and Galaxy Bingo, was also slightly down during the quarter.

Diversified industrial group Eqstra came under pressure with a reported loss for the half year to December and heightening concerns regarding present levels of debt. Management is in the process of consolidating the business and improving the balance sheet. The company rallied after the quarter end however on news of a non-binding takeover offer.

MARKET COMMENTARY

Market volatility was high across the board during the first quarter, fuelled by worries regarding global growth, China and low energy prices. Even more extreme was the volatility of crude oil which experienced a 22% drop, followed by a 19% climb, a 16% slide and finally a 35% rally.

Most emerging markets rallied after a rocky start to the year in response to more accommodating monetary policy coming out of the US and Europe. The Federal Reserve backed away from plans to impose four rate hikes during the year due to lingering concerns about the economy's vulnerability to a slowdown in China. Reacting to a deteriorating outlook, The European Central Bank (ECB) announced yet another significant easing package.

The MSCI Emerging Markets Index rose by 5% in USD with the materials and energy sectors leading the gains. The JSE/FTSE All Share Index returning 9.4% in USD and 3.9% in ZAR.

The South African equity market followed the same pattern as most emerging markets, with a drop of 3% in January, followed by a fairly flat February, and a buoyant March which saw a return of 6.4% for the month.

MANAGEMENT ACTIONS

Locally, we introduced exposure to construction firm Aveng and engineering parts distributor Invicta. Both are good businesses but very cyclical in nature, and operate in industries at or near cyclical lows. Looking through the cycle, both were priced attractively enough to initiate small positions.

The Fund also initiated new positions in SA's largest sugar producer Tongaat Hulett and poultry group Astral Foods Ltd. Tongaat's share price halved during the course of 2015 as the company's production was hit by the worst drought the country has experienced in 23 years. Tongaat's balance sheet is relatively strong however, and the business has substantial land bank and operating assets that act as collateral. Although sugar production is Tongaat's core business, the group generates a significant portion of income from its land management and development arm. We expect margins to recover over time and this translates into attractive upside from current prices.

Astral Foods saw its share price down over 30% in 2015 with increased feeding costs and lower demand impacting the business. This too is related to the drought, with a local shortage of maize forcing imports at higher prices as a result of the weak rand. Demand has also been affected by customer discretionary income coming under pressure and a high level of poultry imports. At the prices we paid, the market was discounting a scenario we felt would not last as long as the market was pricing in. The stock has subsequently recovered somewhat.

TOP TEN HOLDINGS (%)

March 2016		December 2015	
Anglo American Plc	6.0	RECM & Calibre Ltd	7.1
Standard Bank Group Ltd	6.0	Standard Bank Group Ltd	5.7
Blue Label Telecoms Ltd	5.9	Anglo American Plc	5.4
Hosken Cons Investments Ltd	5.6	Blue Label Telecom	5.3
Impala Platinum Holdings Ltd	5.6	Impala Platinum Holdings Ltd	4.9
RECM & Calibre Ltd	5.6	Hosken Cons Inv Ltd	4.7
Sasol Ltd	4.7	Sasol Ltd	4.5
Anglo Platinum Ltd	3.7	Iliad Africa Ltd	4.0
BHP Billiton Plc	3.3	Anglo Platinum Ltd	3.4
Nedbank Group Ltd	2.9	BHP Billiton Plc	3.1
Total	49.3	Total	48.1

SECTOR EXPOSURE (%)

March 2016		December 2015	
Resources	35.6	Resources	31.0
Industrials	38.1	Industrials	42.3
Financials	26.3	Financials	26.7
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

The RECM Equity Fund current has 87% exposure to equities, with 13% in cash. The Fund is positioned well for the current market environment and retains exposure to a diversified group of compelling opportunities in the market, in particular quality businesses that are robust enough to withstand the pressures of the cycle. Broad market volatility has enabled us to continue to diversify the portfolio and to introduce several new ideas.

Given that market risks remain high with many assets overpriced and vulnerable to correction, we are very comfortable holding some cash as a by-product of not being able to find enough attractively-priced high quality businesses to be fully invested. Our view remains that cash is the best tail risk hedge available to investors. The value investment philosophy offers a sensible, straightforward approach to protecting capital in risky environments: step away from the markets when risk premiums are narrow and wait until they widen again before returning.

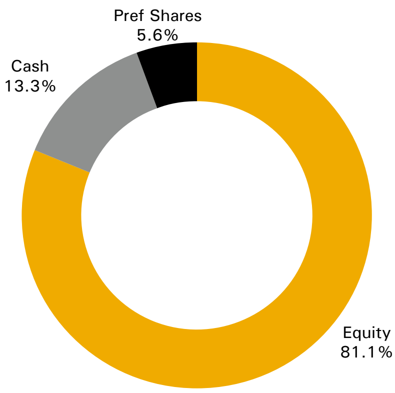
Within equities, even after the sector's dramatic rally in the first quarter, we continue to believe that the resources sector offers an exciting investment opportunity, and thus continue to hold more than a third of our equity exposure in resource businesses. Again however, our exposure is focused on the higher quality businesses that have less leverage and the best assets.

Many investors wrongly assume that economic growth must precede a recovery in the share prices of cyclical businesses. Yet, the resources sector rallied strongly at the start of the year despite the underlying businesses continuing to face dire circumstances on the ground with no real evidence of a fundamental turnaround. This is why markets tend to lead economic cycles rather than the other way around. The last time resources were as cheap as they are currently was in the late 1990s, just prior to the dot.com bubble bursting. When the market eventually fell, it fell by 49% in US dollars from peak to trough. The World Mining Index rose during this time however by 21% - during which time the US economy was in recession. Businesses do not need to do well in absolute terms to have their share prices deliver good returns – they need only do better than the market was previously expecting, or put another way – not as badly as the market was expecting.

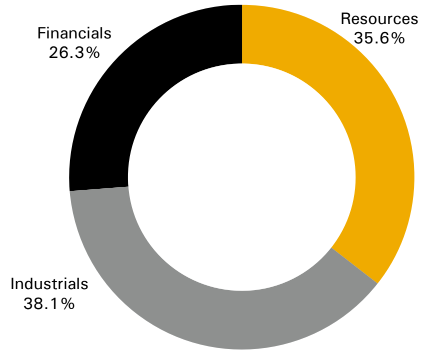
Broad market weakness has provided us with the opportunity to diversify the portfolio by increasing our exposure to quality businesses outside of the resources space which have become even more attractively priced. These businesses are spread across sectors and geographies but importantly also meet our quality criteria.

The net result is a robust value portfolio which also has the advantage of a cash component to put to use as opportunities arise.

ASSET EXPOSURE (%OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



PORTFOLIO OVERVIEW

Portfolio Managers	Piet Viljoen, Wilhelm Hertzog & Paul Whitburn	Min. Investment	R150,000 initial investment
ASISA Sector	South Africa Equity General*	Initial Fee	No initial fee
Fund Launch Date	2 March 2005	Annual Fee**	1.0% (excl. VAT)
Inception Date (Class B)	2 March 2005	Intermediary Fee**	0.0% (excl. VAT)
Total Fund Size	R57.3 million	Performance Hurdle	FTSE/JSE All Share Index + 2.5% p.a.
Benchmark (Bmk)	FTSE/JSE All Share Index	Performance Fee**	20% of the outperformance of the hurdle over 5 year rolling periods
Total Expense Ratio	1.3% for the period ending 31 December 2015		

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.

Inflation Risk

The Fund may hold investments 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.

Fees

An annual management fee (determined by the investor's selected unit class above) is levied monthly on the market value of the Fund. An annual performance fee of 20% is levied on returns (net of fees) in excess of the Performance Hurdle. Performance fees are calculated and accrued daily. While the performance fee accrual is calculated daily, for inclusion in the daily unit price, it will only be paid should the Manager outperform the performance fee hurdle over a 60-month rolling period. The performance fee is in addition to the annual management fee. No maximum is set for the performance fee. The Fund may invest in the Guernsey-domiciled RECM Global Fund and RECM Global Equity Fund, which are associated collective investment schemes, however there will be no additional investor fees connected with these investments.

****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 overleaf; these costs all being VAT inclusive.

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