QUARTERLY REPORT

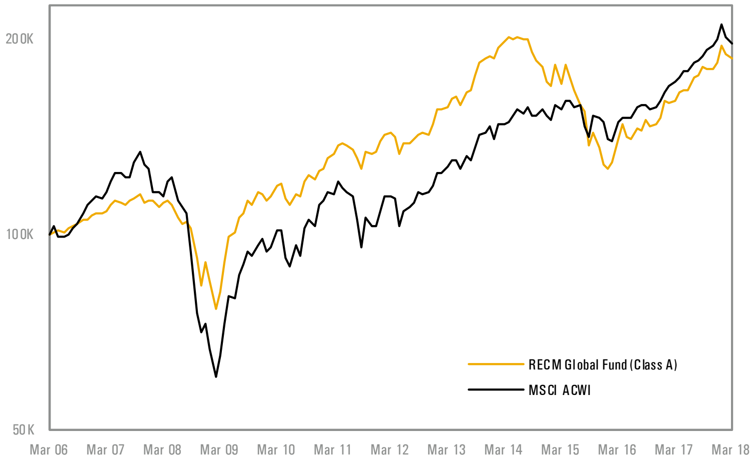
RECM GLOBAL FUND - MARCH 2018

PERFORMANCE TABLE

Net Returns	RECM Global A	Benchmark*
3 Months	-1.2%	3.0%
1 Year p.a.	16.5%	8.3%
3 Years p.a.	3.2%	8.1%
5 Years p.a.	3.6%	10.0%
10 Years p.a.	5.3%	6.4%
Since inception (31 March 2006)	5.4%	6.3%

*The Fund's benchmark is US CPI + 6% p.a. and the performance fee hurdle is US CPI + 8% p.a. Prior to 1 January 2014, the Fund's benchmark and performance fee hurdle was the MSCI World Index TR and the MSCI World Index TR + 2.5% respectively.

PERFORMANCE NET OF FEES AND EXPENSES



PERFORMANCE REVIEW

The RECM Global Fund underperformed its benchmark for the quarter.

Positions which benefited returns in the last quarter:

- Luxury accessories retailer Tapestry
- Brazilian private bank Itau Unibanco
- Brazilian insurance company Porto Segura

Positions which detracted from returns in the last quarter:

- Shipping container lessor Textainer
- Telecoms company Liberty Latin America
- Global emerging markets bank Standard Chartered

PERFORMANCE SUMMARY

The Fund continued to outperform global equity markets during the quarter, return 1.6% compared to the MSCI All Countries World Index (ACWI) which was in negative territory, returning -1.0% for the same period. Over the past year, the Fund has returned 16.5% after fees, compared to the MSCI ACWI which returned 14.9%. Although the Fund marginally underperformed its inflation-based benchmark for the quarter, it outperformed strongly over the 12 months with the benchmark delivering 8.3% for the year.

Given equity markets came under pressure, the Fund's 25% cash position had a positive impact on returns. In addition to this, the cash was held in Japanese yen and British pounds – both of which strengthened versus the US dollar during the quarter - which also contributed to returns.

Luxury accessories retailer Tapestry saw its share price up almost 20% during the quarter, with the company's turnaround strategy now firmly in place and the market appearing to approve of the appointment of ex-Michael Kors executive Anna Bakst as CEO of Kate Spade.

Brazilian equities were supported by climbing oil prices and improving economic conditions. The central bank cut rates to record lows and signalled the possibility of another cut as inflation remained in check. This saw Brazilian stocks Itau Unibanco and Porto Segura adding to returns.

Shipping container lessor Textainer came under pressure during the quarter following the release of its fourth quarter earnings in February, with investors disappointed about the rate of earnings recovery, and lease income still low given 5-8 year contract periods.

MARKET COMMENTARY

US equities started the year strongly, buoyed by positive economic data and news of tax reforms, with US business confidence reaching a multi-decade high in March. However, towards the end of the quarter, there was an increase in volatility as investors began to anticipate inflation, and with this the possibility of higher than expected rate increases.

Despite signs of ongoing improvement in their economies, European and UK equities were also down amid investor worries about a global market sell-off, rising US interest rates as well as euro and sterling strength. The MSCI Europe Index fell 2% in dollar terms while the FTSE All Share Index was down 3.4% for the quarter.

Emerging Market equities bucked the negative trend this quarter, with the MSCI Emerging Markets index up 1.3% in US dollars, having risen for a fifth consecutive quarter. Emerging markets were boosted by steady economic growth in China and other developing countries, higher oil prices and a weaker dollar.

Rising interest rates drove US bond losses, with the Fed raising the Fed funds target by 0.25% to 1.75% - the sixth hike since it began tightening in late 2015. Yields rose not only in the US, but in Europe and the UK as well – with all three yield curves flattening in expectation of rising short-term interest rates.

MANAGEMENT ACTIONS

The Fund initiated new investments in two telecommunications companies: BT Group and Liberty Latin America.

BT Group (formerly British Telecom) already provides approximately 80% of the telecommunications infrastructurein the UK. Furthermore, given their acquisition of EE mobile in 2016, they are able to offer customer bundles which cover a full suite of products including broadband, mobile, pay TV and landlines. We expect that this integration and harnessing of revenue synergies should help to increase customer retention, and increase margins and returns to shareholders.

Liberty Latin America (LILA) was spun out of Liberty Global in 2018. The company represents the Latin American and Caribbean assets of John Malone's Liberty empire. LILA is already a leading telecommunications operator in Latin America and is poised to benefit from tailwinds due to its positioning in the market, and its physical infrastructure. Another factor which works in the company's favour is that shareholders have no expectation of dividends, allowing the company to invest instead in the expansion of the business. Given still low levels of penetration and the fragmented nature of this market, we believe LILA will prove to be a good investment at current prices.

During the quarter, the Fund sold out of its position in engine manufacturer Rolls Royce which has seen its share price up close to 30% in US dollars over the past year. The Fund also took advantage of small pockets of price weakness to increase exposure to stocks such as Kroton Educaciona and Textainer Group Holdings.

TOP TEN HOLDINGS (%)

March 2018		December 2017	
Tesco PLC	7.0	Berkshire Hathaway Inc	6.4
Berkshire Hathaway	6.1	Tesco PLC	5.8
Williams-Sonoma	4.6	Standard Chartered PLC	4.2
Tapestry Inc	4.4	Tapestry Inc	4.1
Hugo Boss	3.6	Williams-Sonoma Inc	3.9
Inpex Corp	3.4	Inpex Corp	3.5
Standard Chartered PLC	3.3	Hugo Boss	3.0
Anglo American PLC	3.0	Anglo American PLC	2.2
Swatch Group	2.7	BHP Billiton PLC	2.2
BHP Billiton PLC	2.5	Admiral Group	2.2
Total	40.6	Total	37.5

ASSET EXPOSURE (%)

March 2018		December 2017	
Equity	74.5	Equity	66.0
Cash	25.5	Cash	34.0
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

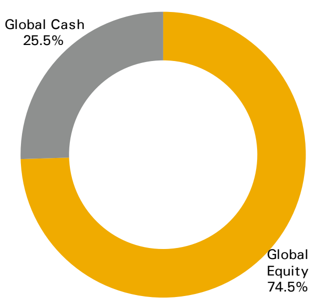
The Fund's equity allocation ended the quarter at 75%, with the cash portion of the portfolio making up 25%. This includes a 10% position in Japanese yen, and an 11% position in sterling. Despite the fact that both of these currencies strengthened somewhat during the quarter, they are still significantly undervalued on a purchasing power parity basis versus the US dollar.

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 in the global 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 as many investment ideas as possible, across as many geographies, sectors and industries, such that investment success is never overly reliant on any one particular investment thesis being proven correct within a particular frame of time.

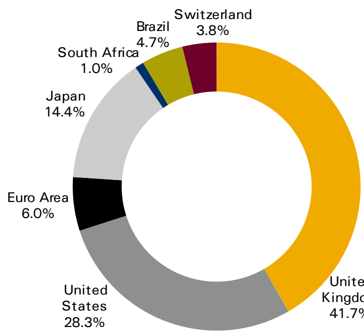
Fortunately, over the past two years, the global market has offered up a number of interesting and diverse opportunities to own good businesses that are trading at attractive prices, often because they have simply been overlooked in favour of the bigger, headline-grabbing stocks of the moment. As this opportunity set has opened up, the Fund has been able to introduce a significant amount of new investments to the portfolio, 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, and increasingly, invested in higher quality companies than before. The Fund now holds 19% of the equity in resource stocks, with 26% in financial stocks and 55% in a wide array of diverse, quality industrial businesses around the world. The RECM Global Fund has kept up with a very buoyant global equity market over the past 2 years, but importantly, has done so with a value-based portfolio positioned very differently from the MSCI AC World Index. This is significant, because given the current distortions and overvaluations in the global market, being positioned differently from the market will ultimately be very important in protecting the investors against significant market declines – as has already been evident in the first quarter of 2018.
The Fund continues to avoid exposure to bonds, and has negligible exposure to other traditional interest-bearing investments such as property. We continue to believe these assets still do not adequately compensate investors for their commensurate risk.

The Global Fund is a robust, diversified portfolio of high quality but 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 they are fundamentally worth. The Global Fund offers investors the opportunity to capitalise on this enduring investment truth.

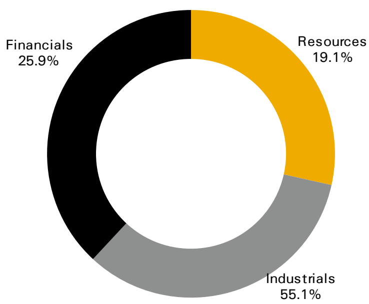
ASSET EXPOSURE (%OF FUND)



REGIONAL EXPOSURE (% OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



PORTFOLIO OVERVIEW

Portfolio Managers	Piet Viljoen	Initial Fee	No initial fee
ASISA Sector	Global Multi Asset Flexible	Annual Fee**	1.0%
Domicile	Guernsey	Intermediary Fee**	0.0 %
Fund Currency	US dollars	Performance Fee**	20% of the outperformance of the hurdle over 5 year rolling periods
Fund Launch Date	31 January 2006		
Inception Date (Class A)	31 March 2006	Benchmark (Bmk)*	US CPI + 6% p.a.
Total Fund Size	US $123.6 million	Performance Hurdle	US CPI + 8% p.a.
Min. Investment	US $50,000 initial investment	Total Expense Ratio	1.1% for the 3 year period ending 31 March 2018

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.

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.

****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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