QUARTERLY REPORT

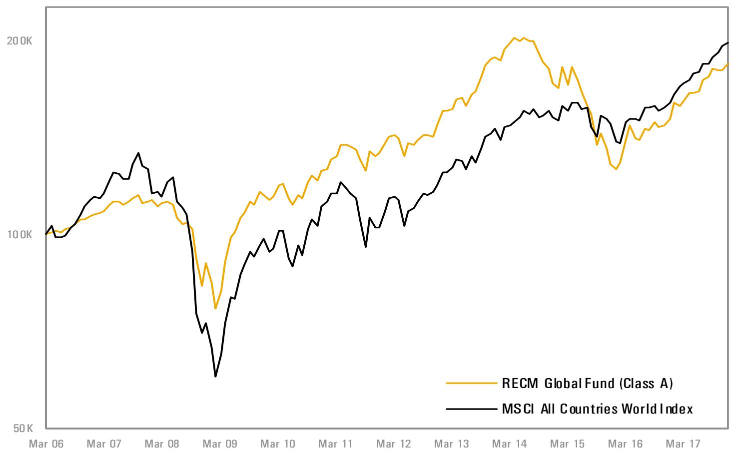
RECM GLOBAL FUND - DECEMBER 2017

PERFORMANCE TABLE

Net Returns	RECM Global A	Benchmark*
3 Months	1.9%	2.5%
1 Year p.a.	21.7%	8.2%
3 Years p.a.	2.3%	7.3%
5 Years p.a.	4.6%	11.2%
10 Years p.a.	5.0%	5.1%
Since inception (31 March 2006)	5.3%	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:

- British retailer Tesco
- Energy producers Inpex and BP
- Investment holding company Berkshire Hathaway

Positions which detracted from returns in the last quarter:

- UK clothing retailer Next Plc
- Outsourcing firm Serco Group
- Generator and temporary power supplier Aggreko

PERFORMANCE SUMMARY

The Fund returned 1.9% for the quarter, and 21.7% for the full year. Although the Fund marginally underperformed its benchmark for the quarter, it outperformed strongly over the 12 months with the benchmark delivering only 8.2% in 2017.

British retailer Tesco's share price continued to affirm evidence of the company's turnaround, with the share price up almost 13% in US dollars, bolstered by a strengthening pound.

Rising interest rates drove many financial stocks higher. Berkshire Hathaway, which has sizeable investments in insurance companies, saw its share price rise by 8% rise after reports suggested that the company could see tax liabilities drop by more than $20 billion under the new tax plan passed by the US Congress.

Crude oil prices rose another 15% to $66 per barrel after OPEC-led production cuts were extended into 2018, boosting energy stocks in the Fund such as Inpex and BP. Industrial metal prices also rallied against a generally favourable global economic backdrop which led to resource stocks such as Anglo American and BHP Billiton rising during the quarter.

Next Plc's shares closed down more than 9% after it warned of "extremely volatile" trading, with shop sales falling in October due to unseasonably warm weather which prompted consumers to pursue other pastimes rather than high street shopping.

The collapse of UK construction firm Carillion caused greater scrutiny of other private contractors to the UK government such as Serco, who maintain railways and run immigration detention centres, putting pressure on Serco's share price.

Generator and temporary power supplier Aggreko saw its share price drop when it announced in November that it is seeing delays in payments from customers in Africa, where liquidity remains a challenge.

With the US dollar weakening, the Fund's significant non-US exposure and cash position in sterling boosted returns during the quarter.

MARKET COMMENTARY

Global equities advanced yet again amid strong corporate earnings growth and improving world economic data. US equities delivered strong returns with remarkably low volatility throughout the year, with positive returns generated for every single month of 2017 - the first time this has happened since 1958. The MSCI All Countries World Index (ACWI) delivered 5.7% for the quarter and 24% for the year. The US S&P500 Index returned 6.6% for the quarter, and 21.8% for the year.

The fourth quarter saw the theme of synchronised global growth taking a firmer hold, with economically sensitive sectors such as information technology, energy and materials stocks generally outpacing more defensive sectors such as consumer staples and healthcare, and financial stocks up on expectations of higher rates and looser regulation.

The UK's FTSE All-Share index rose 5% during the quarter, supported by gains for resource stocks and progress on Brexit negotiations. This positive sentiment was reaffirmed by the Bank of England raising interest rates in November amid signs of higher inflation and a strengthening UK economy.

Eurozone equities bucked the positive trend during the fourth quarter however, with the MSCI EMU Index returning -0.5% with simmering political risk, profit-taking after the year's gains, and a stronger euro taking the blame.

Emerging market equities as measured by the MSCI Emerging Markets Index returned 7.7% for the quarter driven by steady global growth, US dollar weakness, continuing momentum in the Chinese economy and the sustained pickup in commodity prices. For the year, the MSCI Emerging Markets Index is up 37% in US dollars.

US Treasury yields rose over the quarter with the yield curve flattening amid growing expectations of tax reform which is expected to stimulate growth and reduce inflation. Bond yields in Europe rose after the ECB announced it would extend its massive bond-buying program, and in the UK, ten-year gilt yields were down.

MANAGEMENT ACTIONS

During the course of the fourth quarter, the rally in many of the Fund's equities saw positions being trimmed as share prices rose closer to fair value. This saw the equity position of the Fund falling from 75% to 66% and the cash position increasing from 25% of the fund to 34%.

The fund took advantage of small pockets of price weakness to increase exposure to stocks such as Kroton Educacional and luxury fashion retailer Hugo Boss. Kroton Educacional, based in Brazil, is the world's largest educational group and was introduced into the Fund in 2017. Kroton benefits from scale relative to its competitors with market share of 12% in on-campus universities and 44% in distance learning. This translates into margins which, historically, have been double those of competitors, with higher education in Brazil a growing market.

Brazilian equities moved lower in the fourth quarter as a pension reform bill, seen as crucial to helping fix Brazil's fiscal woes, was pushed back. This, along with a weaker Brazilian real, provided an opportunity to increase our exposure to this high quality business which has considerable scale and is run by exceptional management.

TOP TEN HOLDINGS (%)

December 2017		September 2017	
Berkshire Hathaway Inc	6.4	Tesco PLC	5.2
Tesco PLC	5.8	Berkshire Hathaway Inc	5.1
Standard Chartered PLC	4.2	Inpex Corp	4.3
Tapestry Inc	4.1	Standard Chartered PLC	4.1
Williams-Sonoma Inc	3.9	Aggreko PLC	3.9
Inpex Corp	3.5	Sonae	3.1
Hugo Boss	3.0	Serco Group PLC	3.1
Anglo American PLC	2.2	Coach Inc	3.0
BHP Billiton PLC	2.2	UNIQUA Insurance Group	2.7
Admiral Group	2.2	Hugo Boss	2.4
Total	37.5	Total	36.9

ASSET EXPOSURE (%)

December 2017		September 2017	
Equity	66.0	Equity	74.4
Cash	34.0	Cash	25.6
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

The Fund's equity allocation ended the quarter at 66%, with cash of 34% which includes a 14.8% position in Japanese yen, and a 14.7% position in sterling. These currencies are still 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.

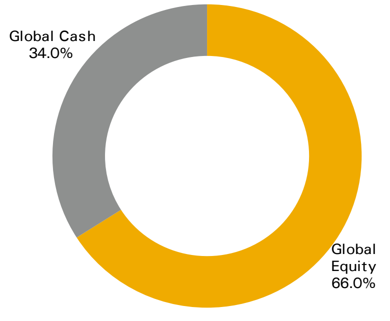
Fortunately, over the past two years, the global market has offered up a number of interesting and diverse opportunities to own good businesses that are trading at attractive prices, often because they have simply been overlooked in favour of the bigger, headline-grabbing stocks of the moment. As this opportunity set has opened up, the Fund has been able to introduce close to 20 new investment ideas since the beginning of 2015, whilst at the same time reducing exposure to the resources sector, which has rebounded by almost 100% since the beginning of 2016. The end result is a portfolio of assets which is more diversified than before, in higher quality companies than before.

Global equities and in particular US equities, have continued to rally during this time, driven higher by the massive wave of funds chasing passive products, and thus the largest stocks in the indices. The RECM Global Fund has kept up with this surging market, but has done so with a value-based portfolio positioned very differently from the MSCI AC World Index. This is significant because if value investors are correct about the current distortions and overvaluations in the global market, being positioned similarly to the market at this point in time carries with it significant risk of permanent capital loss. The Fund now holds 18% of equity in resource stocks, with 30% in financial stocks and 52% in a wide array of diverse, quality industrial businesses around the world.

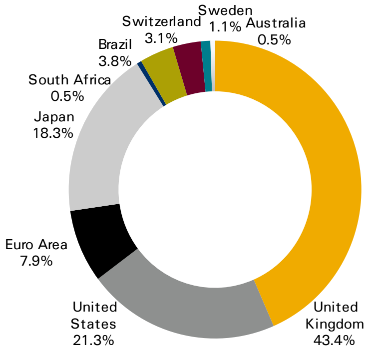
The Fund continues to avoid exposure to bonds, and has negligible exposure to other traditional interest-bearing investments such as property. We continue to believe these assets still do not adequately compensate investors for their commensurate risk.

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.

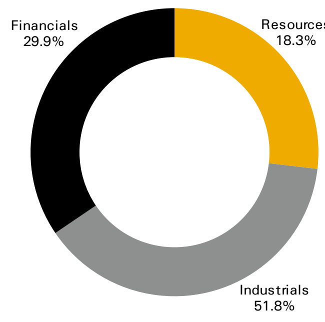
ASSET EXPOSURE (%OF FUND)



REGIONAL EXPOSURE (% OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



RECM GLOBAL FUND

Quarterly Commentary - Period ended 31 December 2017

RECM

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 $145.9 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 December 2017

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.