

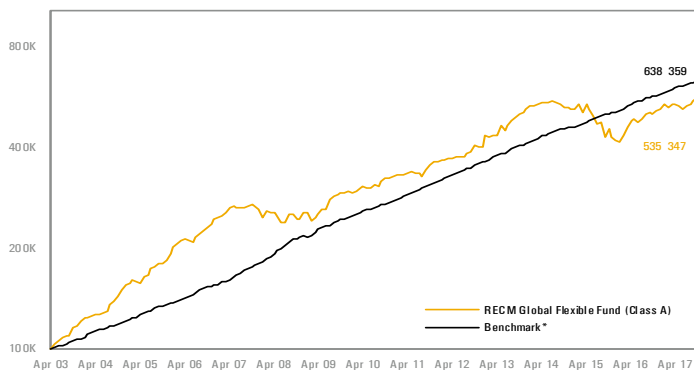
QUARTERLY REPORT

RECM GLOBAL FLEXIBLE FUND - DECEMBER 2017

PERFORMANCE TABLE

Net Returns	RECM Global Flexible A	*Benchmark CPIX then CPI + 6%
3 Months	-2.2%	2.4%
1 Year	3.4%	10.9%
3 Years	0.9%	11.6%
5 Years	5.9%	12.1%
10 Years	7.4%	13.5%
Since inception (7 April 2003)	12.1%	13.5%

PERFORMANCE NET OF FEES AND EXPENSES



PERFORMANCE REVIEW

The Fund underperformed its benchmark for the quarter.

Positions which benefited returns in the last quarter:

- Firstrand Ltd
- Standard Bank Group Ltd
- British retailer Tesco

Positions which detracted from returns in the last quarter:

- Offshore exposure to non-rand stocks
- Outsourcing firm Serco Group
- UK clothing retailer Next Plc

PERFORMANCE SUMMARY

The Fund returned -2.2% during the quarter underperforming its benchmark of CPI + 6%, which delivered 2.4%. For the year, the Fund delivered 3.4% versus benchmark of 10.9%.

South African equities, as measured by the FTSE/JSE All Share Index, returned 21% for the year. Naspers, which now makes up 23% of the index, was up 71% during this time, making up two thirds of the total market return. The market, particularly the banking sector, rallied in December with the rand strengthening by 10% versus the US dollar after the ANC shifted towards market-friendly Cyril Ramaphosa. As a result of the rand rallying, the non-rand exposure, which makes up half of the Fund, was a detractor from returns over the period.

The collapse of Steinhoff during the quarter highlighted the benefit of having at least a portion of one's portfolio invested with a benchmark-agnostic investor, which does not use the market index as a starting point when constructing a portfolio, and is thus positioned very differently to most peers.

The failure 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.

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.

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.

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 an astounding 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 quarter, the Fund introduced a small position in Mediclinic, and took advantage of small pockets of price weakness to increase exposure to stocks such as Kroton Educacional, luxury fashion retailer Hugo Boss and homeware retailer Williams Sonoma.

Mediclinic has seen its share price down more than 50% from its previous highs, with its Middle Eastern operations coming under significant pressure due to new health insurance regulations in the region. We believe current prices are now starting to offer value, and that the business should be able to grow earnings off the current low base.

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, run by exceptional management.

During the fourth quarter we sold out of our exposure to South African government bonds, which constituted around 4% of the total portfolio at the start of the quarter. We believe that the credit quality associated with these bonds has deteriorated somewhat, and that despite this, there has been no commensurate increase in yield, which is of concern.

TOP TEN HOLDINGS (%)

December 2017		September 2017	
Hosken Cons Investments Ltd	5.5	Hoskens Cons Investments Ltd	5.2
Firststrand Ltd	5.5	RECM and Calibre Ltd	4.9
Standard Bank Group Ltd	5.0	Standard Bank Group Ltd	3.8
MTN Group Ltd	4.7	Firststrand Bank Ltd	3.8
RECM and Calibre Ltd	4.4	MTN Group Ltd	3.6
Sasol Ltd	3.2	Tesco PLC	3.1
Anglo American PLC	2.7	Inpex Corp	2.3
BHP Billiton PLC	2.7	Sonae	2.0
Remgro Ltd	2.3	Remgro Ltd	1.9
Berkshire Hathaway Inc	1.9	Allied Electronics Corp Ltd	1.8
Total	37.9	Total	32.4

ASSET ALLOCATION (%)

December 2017		September 2017	
SA Equity	50.9	SA Equity	42.0
Global Equity	18.3	Global Equity	30.1
SA Cash	2.2	SA Cash	6.0
Global Cash	28.7	Global Cash	17.7
		SA Bonds	4.2
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

The Fund's allocation to South African assets ended the quarter at 53% of the total portfolio, with the global portion at 47%. With global equities rallying, the Fund did trim global equities and increase its position in offshore cash to 29%, with meaningful allocations to both Japanese yen and sterling which remain undervalued on a purchasing power parity basis. The Fund currently has 69% in equities and 31% in cash overall.

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 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.

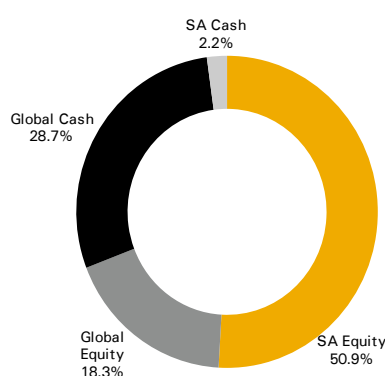
Fortunately, over the past two years, global and local markets have offered up a number of interesting and diverse opportunities to own good businesses trading at attractive prices, often because they have simply been overlooked in favour of the bigger, headline-grabbing stocks of the moment. As this opportunity set has opened up, the Fund has been able to introduce over 20 new and varied investment ideas locally and globally since the beginning of 2015, whilst at the

same time reducing exposure to the resources sector, which has rebounded by close to 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. The Fund now holds only 26% of equity in resource stocks, with 38% in financial stocks and 36% in a wide array of diverse, quality industrial businesses around the world.

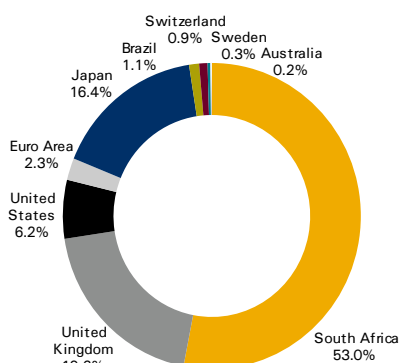
The Fund remains cautious about increasing exposure to traditional interest-bearing investments such as bonds and property. We believe current yields still do not adequately compensate investors for their commensurate risk.

The RECM Global Flexible 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 the underlying companies are fundamentally worth. The RECM Global Flexible Fund offers investors the opportunity to capitalise on this enduring investment truth.

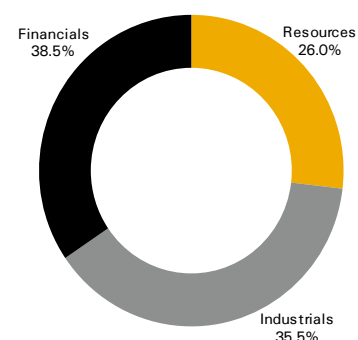
ASSET EXPOSURE (% OF FUND)



REGIONAL EXPOSURE (% OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



PORTFOLIO OVERVIEW

Portfolio Managers	Piet Viljoen	Initial Fee	No initial fee
ASISA Sector	Worldwide Multi Asset Flexible	Annual Fee**	1.0% (excl. VAT)
Fund Launch Date	3 April 2003	Intermediary Fee**	0.0% (excl. VAT)
Inception Date (Class A)	3 April 2003	Performance Fee**	20% of the outperformance of the hurdle over 5 year rolling periods
Total Fund Size	R1.18 billion	Benchmark (Bmk)*	SA CPI + 6% p.a.
Min. Investment	R150,000 initial investment	Performance Hurdle	SA CPI + 8% p.a.
Total Expense Ratio	0.4% for the 3 year period ending 30 September 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. The Fund may invest in the Guernsey-domiciled RECM Global Fund, which is an associated collective investment scheme, however there will be no additional investor fees connected with this investment.

****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.