

QUARTERLY REPORT

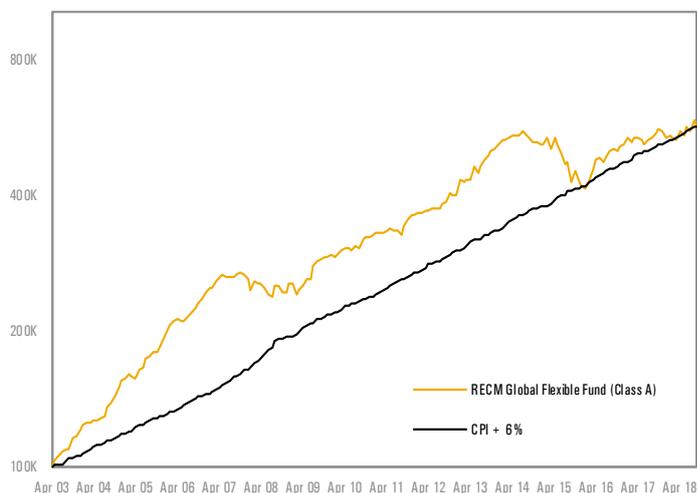
RECM GLOBAL FLEXIBLE FUND - SEPTEMBER 2018

PERFORMANCE TABLE

Net Returns	RECM Global Flexible A	CPI + 6%	Benchmark*
3 Months	0.5%	2.6%	2.6%
1 Year	3.8%	10.9%	10.9%
3 Years	9.8%	11.2%	11.2%
5 Years	3.0%	11.3%	11.7%
10 Years	8.4%	11.2%	12.6%
Since inception (7 Apr '03)	11.9%	11.6%	13.4%

*The Fund's benchmark is SA Inflation + 6% p.a. Prior to 1 January 2014 the Fund's benchmark was SA Inflation + 8% p.a. The blended benchmark reflects this combined history.

PERFORMANCE NET OF FEES AND EXPENSES



PERFORMANCE REVIEW

The Fund underperformed its benchmark for the quarter.

Positions which benefited returns in the last quarter:

- Offshore exposure to non-rand stocks
- Japanese energy producer Inpex
- Investment holding company Berkshire Hathaway

Positions which detracted from returns in the last quarter:

- Telecommunications company MTN
- Luxury fashion house Hugo Boss
- UK retailer Tesco Plc

PERFORMANCE SUMMARY

The Fund returned 0.5% during the quarter, outperforming local equity markets which were in negative territory with the FTSE/JSE All Share index down 2.2% for the quarter. Since inception in 2003, the fund has managed to generate 11.9% above inflation per annum over the past 15 years, beating its benchmark of CPI + 6%.

The rand continued to weaken in the third quarter, with "Ramaphoria" continuing to dissipate as the reality of tough economic conditions in South Africa became the market's prime focus. The Fund had actively increased its allocation to global equities when the rand was unusually strong at the start of 2018, and the increase in non-rand exposure again helped to protect returns - with the rand peaking at 15.44 to the US dollar before retracing somewhat before quarter-end.

Globally, rising interest rates continued to drive many financial stocks higher. Berkshire Hathaway, which has sizeable investments in insurance companies, saw its share price increase by 13.5% in expectation of the positive impact of higher interest rates on insurers.

Japanese energy producer Inpex was up more than 20% as the first shipment of gas from the Ichthys gas project in Australia to Japan became imminent after two years of delays due to a combination of contractor disputes, technical difficulties and bad weather.

Telecoms company MTN saw its share price fall sharply after the Nigerian government accused the company of illegally repatriating \$8.1bn of funds from Nigeria and alleges it owes a further \$2bn in back taxes.

Fashion retailer Hugo Boss was down along with many other luxury retailers as markets considered the potential impact of rising protectionism and tariffs on consumer spending power in the United States and China - the world's two biggest consumers of European luxury goods.

British retailer Tesco also fell on fears of a "no-deal" Brexit, which weighed on many UK domestic companies, compounded by a weaker pound.

MARKET COMMENTARY

Global equities had a strong quarter against a backdrop of strong corporate earnings data and robust economic growth with the MSCI ACWI returning 4.3%. US equities, as measured by the S&P500 Index, outperformed other developed markets posting 7.7% for the quarter. The US economy grew by 4.2% in the second quarter, supported by a strong labour market with the unemployment rate remaining at 18-year lows.

Eurozone equities were up modestly in the second quarter with the MSCI EMU Index returning 0.4% in local currency. UK equities, as measured by the FTSE All-Share index, fell by 0.8% in local currency however, with Brexit uncertainty continuing to weigh on the market. The US dollar rallied against the euro, yen, pound and most other currencies.

The strong US dollar contributed to emerging markets underperforming, including South Africa, with rising US interest rates and heightened US-China trade tensions further compounding emerging market woes. The MSCI Emerging Market Index was consequently down 1.1% during the quarter.

US Treasury bonds came under pressure as yields rose with the Fed hiking rates for the third time this year. This outweighed a short bout of safe haven demand in August caused by emerging market instability, trade wars and political instability in Europe. Yields also rose in Europe and UK, putting bond markets under pressure across the board. South African bonds were also down as yields rose with the emerging market sell-off.

MANAGEMENT ACTIONS

During the quarter, the Fund introduced positions in financial services company Prudential Plc, and global telecommunications company Liberty Global.

Prudential Plc is a multinational insurance and financial services company headquartered in London, UK. It owns Prudential Corporation Asia, which has operations across 14 markets in Asia, Jackson National Life Insurance Company, is one of the largest life insurance providers in the United States, and M&G Prudential, a leading savings and investments business in the UK and Europe. The company has top-three share in nine of its target markets (including Hong Kong, Indonesia, Singapore, Malaysia, India and Vietnam) and a strong 50-50 joint venture with CITIC in mainland China that has been driving growth. We believe the company's high-growth Asian operations, better-than-assumed US operation and improving UK operations all contribute to the share offering value at current levels.

Liberty Global is a multinational telecommunications company which holds UK and European cable assets and is one of the largest

broadband services companies in the world. The economics of the business model revolves around economies of scale. Providing multiple services or products to consumers reduces consumer churn. This leads to more stable revenue streams and the ability to maximise cost efficiencies. Our investment thesis is that we are buying assets with a margin of safety that have good economics in markets with currently weak currencies (euro and sterling), relative to the reporting currency of the group (US dollar). Furthermore, the group is controlled by an excellent capital allocator (John Malone) with a proven track record, in a sector that is moving from being more fragmented to being more concentrated.

During the quarter, we also trimmed exposure to Sasol, Berkshire Hathaway, Tapestry and Sawai Pharmaceuticals, all of which had gained strongly during the quarter. We took advantage of price weakness to add to our positions in Richemont.

TOP TEN HOLDINGS (%)

September 2018		June 2018	
Tesco PLC	6.0	Tesco PLC	5.6
Inpex Corp	5.1	Hosken Cons Investments Ltd	5.5
MTN Group Ltd	4.7	RECM and Calibre Ltd	4.7
RECM and Calibre Ltd	4.7	Firststrand Ltd	4.5
Hosken Cons Investments Ltd	4.5	Anglo American PLC	4.3
Anglo American PLC	4.4	MTN Group Ltd	4.2
Mediclinic International PLC	4.0	Standard Bank Group	4.0
Liberty Latin America Ltd	3.9	Inpex Corp	3.9
Williams-Sonoma	3.8	Tapestry Inc	3.8
BHP Billiton PLC	2.9	Mediclinic International PLC	3.6
Total	44.0	Total	44.1

ASSET ALLOCATION (%)

September 2018		June 2018	
SA Equity	37.6	SA Equity	40.1
Global Equity	40.0	Global Equity	37.3
Global Cash	19.3	Global Cash	17.4
SA Cash	3.1	SA Cash	5.2
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

The Fund's allocation between South African assets and offshore assets remains tilted towards global assets with of 60% of the portfolio in a combination of global equities and cash, and 40% remaining in South Africa. This move away from rand-based assets was an active decision when the rand was particularly strong in early 2018, and has stood the Fund in good stead whilst the rand has been under pressure.

Within the offshore portion of the portfolio, roughly a third of this is held in a combination of Japanese yen and British sterling - both of which remain undervalued on a purchasing power parity basis. The rest of the offshore allocation consists of a diverse array of quality global businesses, trading at significant discounts to fair value. Within the local equity portfolio of the portfolio, the emphasis is on more domestically-oriented businesses, which have been out of favour. The Fund currently has 78% in equities and 22% 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 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

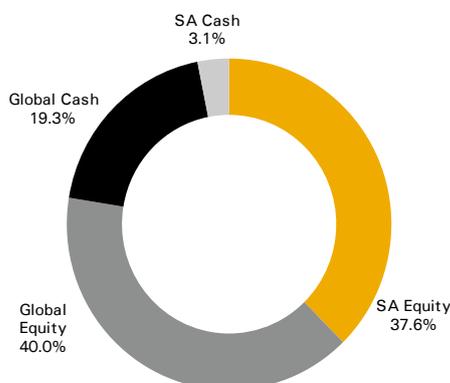
stocks of the moment. As this opportunity set has opened up, the Fund has been able to introduce many new and varied investment ideas locally and globally, whilst at the same time reducing exposure to the resources sector, which has rebounded by close to 100% since the beginning of 2016.

The end result is a portfolio of assets which is more diversified than before, invested in higher quality companies than before. The Fund now holds 24% of equity in resource stocks, with 29% in financial stocks and 47% in a wide array of diverse, quality industrial businesses around the world.

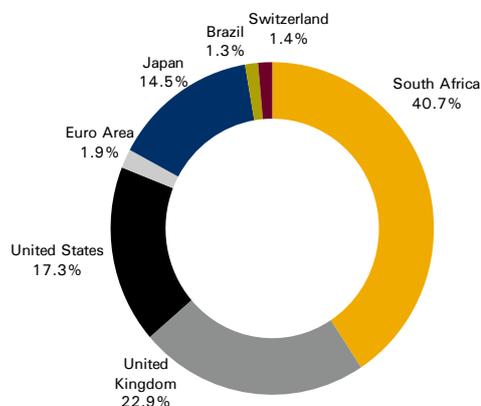
The Fund remains cautious about increasing exposure to traditional interest-bearing investments such as bonds and property. We believe current yields still do not adequately compensate investors for their commensurate risk.

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.

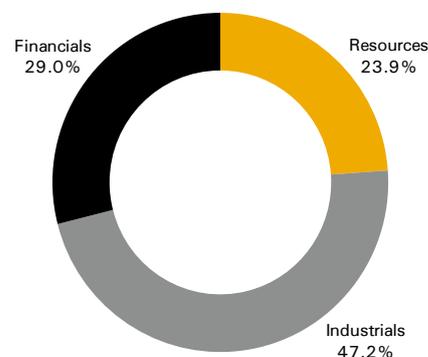
ASSET EXPOSURE (% OF FUND)



REGIONAL EXPOSURE (% OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



PORTFOLIO OVERVIEW

Portfolio Manager	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	R641.6 million	Benchmark (Bmk)*	SA CPI + 6% p.a.
Min. Investment	R10,000 initial investment	Performance Hurdle	SA CPI + 8% p.a.
Total Expense Ratio	1.0% 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. 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.