QUARTERLY REPORT

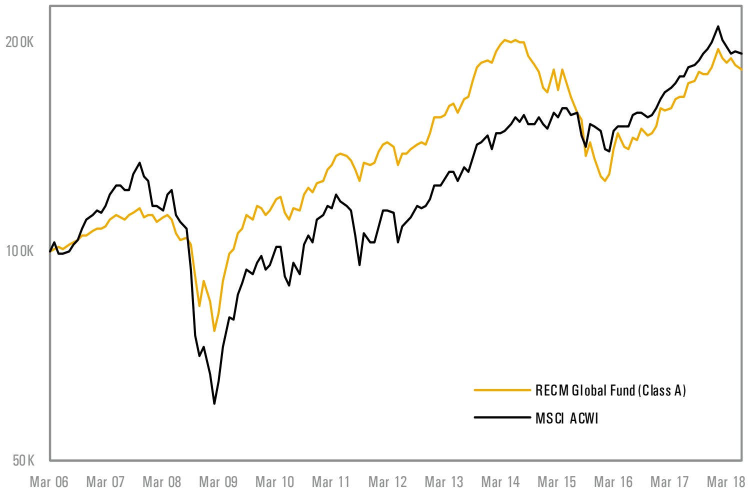
RECM GLOBAL FUND - JUNE 2018

PERFORMANCE TABLE

Net Returns	RECM Global A	MSCI ACWI*	Benchmark
3 Months	-2.6%	0.5%	1.8%
1 Year p.a.	9.1%	10.7%	8.6%
3 Years p.a.	2.9%	8.2%	8.0%
5 Years p.a.	2.9%	9.4%	10.2%
10 Years p.a.	5.5%	5.8%	6.7%
Since inception (31 Mar '06)	5.0%	5.5%	6.4%

*The MSCI All Countries World Index (ACWI) is an index designed to provide a broad measure of equity-market performance throughout the world and thus serves as a relevant global equity index for the Fund to be compared against.

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
- Homeware retailer Williams-Sonoma
- Energy Producer BP

Positions which detracted from returns in the last quarter:

- Brazilian private bank Itau Unibanco
- Brazilian insurance company Porto Seguro
- Global emerging markets bank Standard Chartered

PERFORMANCE SUMMARY

The Fund returned -2.6% for the second quarter of 2018. Although the Fund underperformed its inflation-based benchmark (US CPI + 6% per annum) for the quarter, it has kept pace with the benchmark over the last 12 months returning 9.1%.

British retailer Tesco continued to be a strong contributor to returns with the company's turnaround strategy continuing to gather momentum and the share price up along with the UK equity market in general.

US consumer discretionary stocks such as homeware retailer Williams Sonoma were buoyed by strong consumer confidence numbers and retail sales data that showed something of a rebound in consumption after a weaker first quarter.

Energy stocks rallied, supported by oil prices as they touched $80 during the quarter amid concerns about global oil supply shortages. This saw BP and many other oil stocks enjoying double digit returns during the quarter.

Most emerging markets came under pressure due to the stronger US dollar, and heightened global trade tensions – but this was further exacerbated in Brazil by political uncertainty and a national truck strike which paralysed the economy. This negatively impacted Brazilian stocks in the Fund such as private bank Itau Unibanco and insurer Porto Seguro with financial stocks the leading laggards as political and economic uncertainty is feared to slow loan growth. The Brazilian real also fell 14% against the US dollar.

UK bank Standard Chartered, which derives a significant portion of its revenues from emerging markets, felt the brunt not only of negative sentiment towards the financial sector across the board, but to emerging markets in general.

MARKET COMMENTARY

Global equities were down during the second quarter with the MSCI ACWI returning -2.5%. US equities, as measured by the S&P 500 Index, rose 3.4% due to positive earnings momentum and supportive economic data including the unemployment rate reaching an 18 year low of 3.8%.

European and UK equities were also up in local currency terms, but this was offset significantly by a strengthening US dollar.

The FTSE All Share Index rose 9.2% in GBP but only 2.8% in USD with sterling weakening by 6% during the quarter. Investors appeared to "reduce their underweight" to the UK as intense pessimism towards the UK as an investment destination, triggered initially by Brexit, seemed to lessen somewhat.

The MSCI EMU was up 2.5% in local currency terms but returned -2.7% in USD.

Emerging markets underperformed, with the MSCI EM index down 8% due to a strengthening US dollar, uncertainty related to elections in Latin America and heightened global trade tensions.

The US yield curve flattened during the quarter with 2 year yields rising from 2.27% to 2.53%, and the spread between 2 and 10 year yields reaching its lowest point since 2007. The 10 year yield rose above the psychologically important 3% threshold during the quarter before settling finally at 2.85%.

MANAGEMENT ACTIONS

During the quarter, the Fund sold out of its position in UK clothing retailer Next Plc, which has seen its share price rise by close to 50% in USD terms since we bought it in the third quarter of 2017.

The Fund also sold its remaining position in Mail.ru, the Russian internet business. With technology stocks enjoying another strong quarter across all major markets, we took the opportunity to finally exit this position which has contributed strongly to the Fund since it was introduced in 2015.

Conversely, we decided to re-initiate a position in Russian domestic bank Sberbank. This stock was originally introduced into the Fund in 2014, and almost doubled in price before we eventually sold out of it completely. With Russian stock indexes and the ruble falling after the United States hit Russian companies and officials as part of a round of new sanctions against Moscow, we were provided with the opportunity to once again invest in this dominant retail bank, which recently posted a solid quarterly profit and is trading on a dividend yield close to 5.5%.

We trimmed our positions in Williams Sonoma and BHP Billiton after both saw their share prices rise significantly during the quarter, as mentioned previously.

TOP TEN HOLDINGS (%)

June 2018		March 2018	
Tesco PLC	8.6	Tesco PLC	7.0
Berkshire Hathaway	6.1	Berkshire Hathaway	6.1
Tapestry Inc	4.4	Williams-Sonoma	4.6
Williams-Sonoma	4.2	Tapestry Inc	4.4
Standard Chartered PLC	3.2	Hugo Boss	3.6
Hugo Boss	3.1	Inpex Corp	3.4
Liberty Latin America Ltd	3.0	Standard Chartered PLC	3.3
Swatch Group	2.9	Anglo American PLC	3.0
Inpex Corp	2.6	Swatch Group	2.7
BP PLC	2.2	BHP Billiton PLC	2.5
Total	40.3	Total	40.6

ASSET EXPOSURE (%)

June 2018		March 2018	
Equity	72.3	Equity	74.5
Cash	27.7	Cash	25.5
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

The Fund's equity allocation ended the quarter at 72%, with the cash portion of the portfolio making up 28%. This includes a 12% position in Japanese yen, and a 14% position in sterling. These currencies 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.

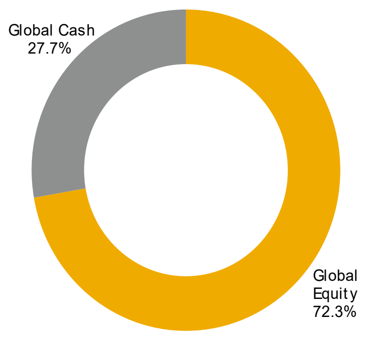
Fortunately, over the past few years, the global market has offered up a number of interesting and diverse opportunities to own good businesses that are trading at attractive prices, often because they have simply been overlooked in favour of the bigger, headline-grabbing stocks of the moment. As this 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, in higher quality companies than before.

The RECM Global Fund has kept up with a very buoyant global equity market over the past 2 years, 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 17% of equity in resource stocks, with 29% in financial stocks and 54% in a wide array of diverse, quality industrial businesses around the world.

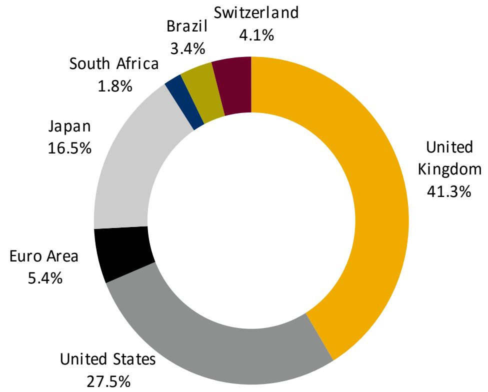
The Fund continues to avoid exposure to bonds, and has negligible exposure to other traditional interest-bearing investments such as property. We believe these assets still do not adequately compensate investors for their commensurate risk.

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.

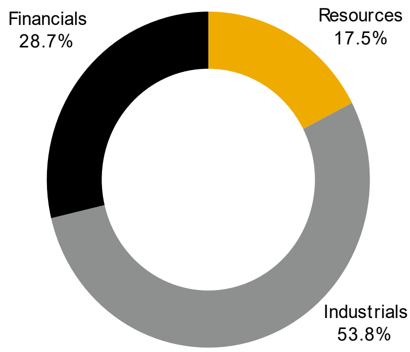
ASSET EXPOSURE (%OF FUND)



REGIONAL EXPOSURE (% OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



PORTFOLIO OVERVIEW

Portfolio Manager	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
Fund Launch Date	31 January 2006		rolling periods
Inception Date (Class A)	31 March 2006	Benchmark (Bmk)*	US CPI + 6% p.a.
Total Fund Size	US $117.7 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 30 June 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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