QUARTERLY REPORT

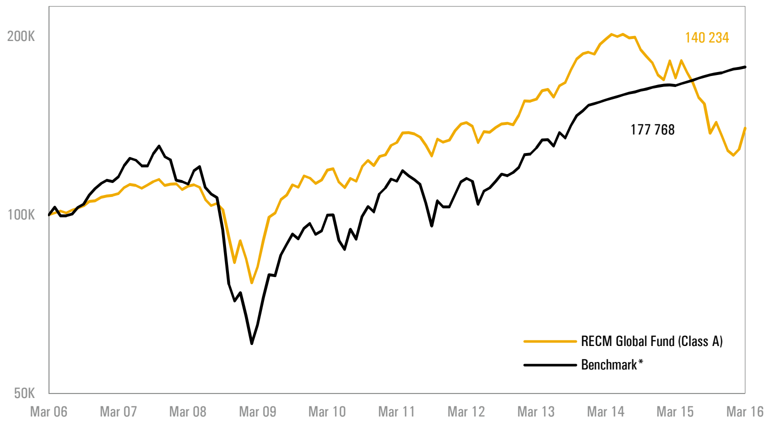
RECM GLOBAL FUND - MARCH 2016

PERFORMANCE TABLE

Gross Returns	RECM Global A	Benchmark*
3 Months	9.1%	1.5%
1 Year p.a.	-17.7%	7.4%
3 Years p.a.	-3.7%	11.1%
5 Years p.a.	1.1%	9.3%
10 Years p.a.	3.4%	5.9%
Since inception (31 March 2006)	3.4%	5.9%

*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 Fund outperformed its benchmark for the quarter.

Positions which benefited returns in the last quarter:

- Diversified global miner Anglo American
- Platinum producers Amplats and Implats
- UK retailer Tesco

Positions which detracted from returns in the last quarter:

- Japanese energy company Inpex
- US insurer AIG
- Emerging Markets bank Standard Chartered Plc

PERFORMANCE SUMMARY

The Fund returned 9.1% during the quarter, outperforming its benchmark, US CPI + 6%, which returned +1.5% over the same period. Global equities, as measured by the MSCI All Countries World Index (ACWI) , returned 0.38% in USD over the same period.

The World Basic Resources Index was up 13.8% for the quarter – in stark contrast to many of the more defensive, higher quality sectors that performed so well in 2015 but took strain in the first quarter of 2016. The World Health Care Index, for example, was down 6.8%.

The strongest performers in the Fund during the quarter were in the resources sector with diversified miner Anglo American gaining more than 80%, and platinum producers Anglo Platinum (Amplats) and Impala Platinum (Implats) gaining 108% and 98% respectively.

UK retailer Tesco also added to returns in the Fund after the stock rebounded by 25% in US dollars after reaching a 10 year low in December. Other retailers in the Fund which also performed well during the quarter included US luxury handbag and shoe retailer Coach, which was up 22% and UK food retailer WM Morrison Supermarkets which enjoyed a rally of 31% during the first three months of the year.

Stocks in the financial sector came under pressure across the board however with US insurer AIG and global emerging markets bank Standard Chartered down 13% and 18% in US dollars respectively, and thus detracting from fund returns during the quarter. Wells Fargo and Bank of America were also down over the same period, with concerns about energy-related high-yield bond defaults pressuring US banks in particular.

Against a backdrop of a falling global equity market, a sizeable cash position provided a buffer against market declines and preserved capital for that part of the portfolio.

MARKET COMMENTARY

The global equity market, as measured by the MSCI ACWI, returned 0.38% in US dollars during the first quarter. The US equity market also finished flat after having been down 10% in the middle of February. UK equity markets followed a similar path, with European markets slightly down. Market volatility was high, fuelled by worries regarding global growth, China and low energy prices. Even more extreme was the volatility of crude oil which experienced a 22% drop, followed by a 19% climb, a 16% slide and finally a 35% rally. Yields on government bonds followed a similar W-shaped path.

The decline in equities ended when the Federal Reserve backed away from plans to impose four rate hikes during the year due to lingering concerns about the economy's vulnerability to a slowdown in China. Reacting to a deteriorating outlook, The European Central Bank (ECB) announced yet another significant easing package.

Emerging Markets rallied after a rocky start to the year. The MSCI Emerging Markets Index rose by 5% with the materials and energy sectors leading the gains.

Bonds rose in the US, Europe and the UK with yields on 10 year government bonds falling by around 0.5% in all three regions. The US dollar declined against the euro, the yen and most other currencies.

MANAGEMENT ACTIONS

During the course of the first quarter, the Fund initiated small positions in Russian retailer X5 Retail, Chinese e-commerce giants Alibaba Group and JD.com, and UK-based global airplane and marine engine manufacturer Rolls-Royce.

X5 is Russia's 2nd largest food retailer and benefits from scale advantages in the form of buying power with a fragmented supplier base and cost efficiencies in its logistics network. The share price came under pressure due to Russian political risk, currency volatility and negative GDP. These temporary factors are in our opinion outweighed by the longer term growth profile of modern food retail in Russia. The negatives provided us with an opportunity to deploy capital into an investment where there is considerable upside.

Alibaba is the largest operator of Chinese on-line marketplaces and benefits from a significant network effect – more merchants attract more shoppers which attracts more merchants. JD.com is the largest direct e-commerce retailer in China dominating the electronics and appliance categories, and the second largest online marketplace after Alibaba. The share prices of both companies have come under pressure due to negative investor sentiment regarding consumer-oriented Chinese businesses, and represent attractive entry opportunities to these high quality businesses.

British engine manufacturer Rolls Royce's biggest portion of earnings comes from the manufacture of jet engines for wide body aircrafts – where they have over 50% market share. The business has been negatively impacted by the marine and power segments with large exposures to oil & gas, and a cyclical downturn in defence aviation in the US and Europe. A turn in both cycles, along with an increase in margins through the installation of a new generation of engines, translates into considerable upside from current prices.

TOP TEN HOLDINGS (%)

March 2016		December 2015	
Tesco Plc	5.3	Tesco Plc	4.9
Berkshire Hathaway Inc	4.4	American Int'l Group	3.7
Anglo American Plc	3.7	Mail.ru Group Ltd	3.7
Mail.ru Group Ltd	3.7	Serco Group	3.6
Anglo Platinum Ltd	3.5	Wm Morrison Supermarkets	3.6
Coach Inc	3.4	Inpex Corp	3.5
Inpex Corp	3.4	Standard Chartered Plc	3.4
BHP Billiton Plc	3.2	Coach Inc	3.1
Impala Platinum Holdings Ltd	3.2	Anglo American Plc	2.8
Standard Chartered Plc	3.2	Berkshire Hathaway Inc	2.7
Total	37.0	Total	35.0

ASSET EXPOSURE (%)

March 2016		December 2015	
Equity	65.0	Equity	61.0
Cash	34.9	Cash	38.9
Property	0.1	Property	0.1
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

The RECM Global Fund is positioned well for the current market environment. The Fund retains exposure to a diversified group of compelling opportunities in the market, in particular quality businesses that are robust enough to withstand the pressures of the cycle, and also continues to hold a healthy position in cash. Broad market volatility has enabled us to continue to diversify the portfolio and to introduce several new ideas.

The cash position is slightly lower than at year-end but remains significant at 35% of the total Fund value. Given that market risks remain high with many assets overpriced and vulnerable to correction, we are very comfortable holding cash as a by-product of not being able to find enough attractively-priced high quality businesses to be fully invested. Our view remains that cash is the best tail risk hedge available to investors. The value investment philosophy offers a sensible, straightforward approach to protecting capital in risky environments: step away from the markets when risk premiums are narrow and wait until they widen again before returning.

Within equities, even after the sector's dramatic rally in the first quarter, we continue to believe that the resources sector offers an exciting investment opportunity, and thus continue to hold more than a third of our equity exposure in resource businesses. Again however, our exposure is focused on the higher quality businesses that have less leverage and the best assets.

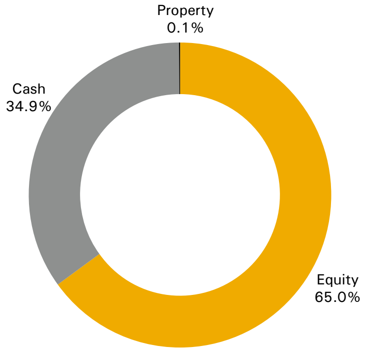
Many investors wrongly assume that economic growth must precede a recovery in the share prices of cyclical businesses.

Yet, the resources sector rallied strongly at the start of the year despite the underlying businesses continuing to face dire circumstances on the ground with no real evidence of a fundamental turnaround. This is why markets tend to lead economic cycles rather than the other way around. The last time resources were as cheap as they are currently was in the late 1990s, just prior to the dot.com bubble bursting. When the market eventually fell, it fell by 49% from peak to trough. The World Mining Index rose during this time however by 21% - during which time the US economy was in recession. Businesses do not need to do well in absolute terms to have their share prices deliver good returns – they need only do better than the market was previously expecting, or put another way – not as badly as the market was expecting.

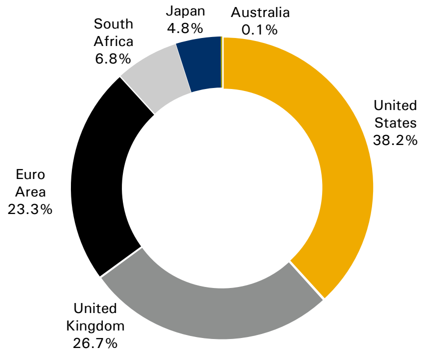
Broad market weakness has provided us with the opportunity to diversify the portfolio by increasing our exposure to quality businesses outside of the resources space which have become even more attractively priced. These businesses are spread across sectors and geographies but importantly also meet our quality criteria. Ultimately one seeks to build a portfolio where a positive outcome is not dependent on getting one singular theme or investment idea right. The portfolio is well-balanced in this regard.

The net result is a robust value portfolio which also has the advantage of a sizable cash component to put to use as opportunities arise.

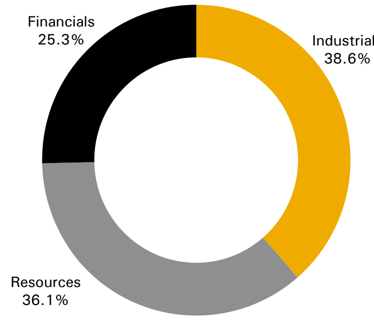
ASSET EXPOSURE (%OF FUND)



REGIONAL EXPOSURE (% OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



RECM GLOBAL FUND

Quarterly Commentary - Period ended 31 March 2016

RECM

PORTFOLIO OVERVIEW

Portfolio Managers	Piet Viljoen, Wilhelm Hertzog & Paul Whitburn	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 $171.3 million	Performance Hurdle	US CPI + 8% p.a.
Min. Investment	US $50,000 initial investment	Total Expense Ratiowwww-	1.1% for the period ending 31 December 2015

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 overleaf; these costs all being VAT inclusive.

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