QUARTERLY REPORT

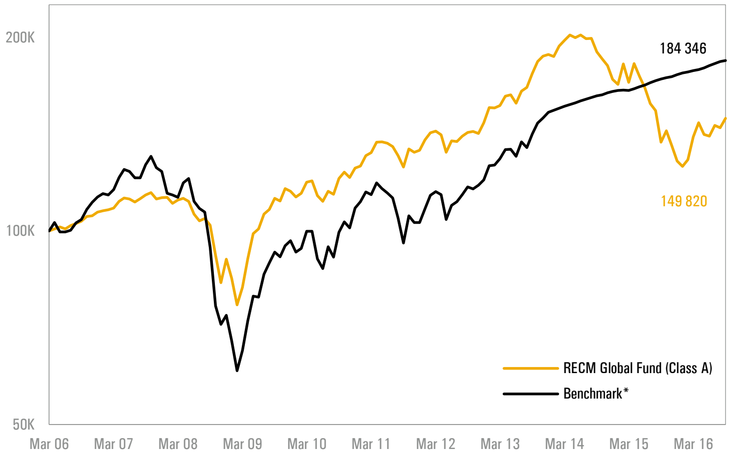
RECM GLOBAL FUND - SEPTEMBER 2016

PERFORMANCE TABLE

Gross Returns	RECM Global A	Benchmark*
3 Months	6.6%	1.8%
1 Year p.a.	9.0%	6.9%
3 Years p.a.	-5.2%	9.2%
5 Years p.a.	3.6%	14.0%
10 Years p.a.	3.8%	5.9%
Since inception (31 March 2006)	3.9%	6.0%

*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:

- Platinum producer Impala Platinum
- Russian retailer X5 Retail
- Japanese energy producer Inpex

Positions which detracted from returns in the last quarter:

- Generator and temporary power supplier Aggreko
- Luxury accessories retailer Coach
- Russian internet company Mail.ru

PERFORMANCE SUMMARY

The Fund returned 6.6% during the quarter, outperforming its benchmark, US CPI + 6%, which returned 1.8% over the same period. Global equities, as measured by the MSCI All Countries World Index (ACWI), returned 5.3% in USD over the same period.

Platinum producer Impala Platinum continued its share price rally, as did most other resource stocks in the portfolio, despite a pullback in the platinum price. Impala platinum remains our preferred exposure to the platinum industry by virtue of their proactive capital expenditure throughout the cycle which will see them benefiting the most from a sustained upturn in platinum prices. Japanese energy producer Inpex saw its share price rise as they closed in on completion of the Ichthys project, despite a slight retracement of energy prices during the quarter.

X5 Retail, Russia's second biggest food retailer, more than doubled its second quarter net profits sending its shares to a four-year high.The company saw its operating margin increase with high like-for-like sales and growing economy of scale.

Temporary power generator and supplier Aggreko saw its share price come under pressure after reporting half year results. Revenue was down, reflecting a tough operating environment with lower utilization and increased competition putting downward pressure on pricing.

Luxury accessories retailer Coach saw its share price decline after brokerage firm Morgan Stanley downgraded Coach's rating to "underweight" citing concerns regarding the company's turnaround plan. Many luxury retailers have seen their share prices deteriorate following the Chinese stock market crash and given an overall slowdown in Chinese growth.

MARKET COMMENTARY

The third quarter was a positive one for most global equity markets, both developed and emerging, with emerging markets up the strongest fuelled by a surge in technology stocks and a continuation of the rally in resource stocks. The MSCI Emerging Market Index was up 8.3% during the quarter.

The S&P 500 gained 4%, buoyed by the Fed's decision to keep the target range for rates between 0.25% and 0.50%, as well as by positive economic news and strong quarterly earnings reports from several companies. Technology stocks in particular rallied strongly as results for several firms such as Apple, Microsoft and Facebook came out better than analysts expected, with the sector returning 13%. Even the financial sector was up 5% despite the high-profile Wells Fargo scandal making headlines.

European markets appeared to brush off Brexit concerns and instead turned their attention to ongoing central bank stimulus measures, resulting in stocks rebounding strongly after steep declines in the second quarter. Overall, the MSCI Europe Index was up 6% with the euro also rising modestly against the US dollar.

MANAGEMENT ACTIONS

New investments in the Fund over the past quarter include two new additions to high-end retail exposure in the Fund, as well as a new position in ALS (Australian Laboratory Services).

As mentioned earlier, the luxury goods sector has come under pressure due to a slowdown in China, as well as lower tourism spend in Europe, the US and Hong Kong because of terrorist attacks, weak emerging market currencies, general political turmoil and uncertainty. The current climate has presented a good opportunity to buy businesses in this part of the market at attractive price entry points for high quality companies with proven track records of delivering superior returns above cost of capital over time. As we have only recently initiated our investment positions in this idea, we prefer not to disclose more details at this stage.

ALS (Australian Laboratory Services) is a global commercial services company specializing in the testing of minerals, oil, environmental, pharmaceutical and industrial products. Despite the growth of the more stable Life Sciences division, the stock came under pressure as a result of the mineral and energy divisions being closely linked to the commodity cycle. The company is a high quality business due to its global network and economies of scale. Revenue and margins should improve through a combination of cost-cutting and a recovery in testing sample volumes as the cycle works through.

Given the continued rally in share prices, and commensurate decrease in discounts to fair value, it should come as no surprise that positions in resource stocks such as Anglo American and Anglo Platinum were again trimmed during the quarter. For similar reasons, the Fund's exposure to Russian bank Sberbank has been reduced as well.

TOP TEN HOLDINGS (%)

September 2016		June 2016	
Tesco Plc	5.0	Tesco Plc	4.8
Inpex Corp	4.7	Inpex Corp	4.0
Impala Platinum Holdings Ltd	4.5	Berkshire Hathaway Inc	3.7
Berkshire Hathaway Inc	3.3	Serco Group	3.6
Standard Chartered Plc	3.3	Coach Inc	3.4
Alfa Laval Ab	3.1	Standard Chartered Plc	3.3
BHP Billiton Plc	3.1	Alfa Laval Ab	3.0
Serco Group	3.1	BHP Billiton Plc	3.0
X5 Retail	3.1	Aggreko Plc	2.8
Coach Inc	3.0	Antofagasta Plc	2.6
Total	36.2	Total	34.2

ASSET EXPOSURE (%)

September 2016		June 2016	
Equity	77.9	Equity	69.9
Cash	22.0	Cash	30.0
Property	0.1	Property	0.1
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

The Fund continues to hold a fair amount of cash, with most of this held in British pounds, euros and Japanese yen – all of which are undervalued on a purchasing power parity basis versus the US dollar. Having said this, the cash allocation did come down during the quarter with equity exposure increasing from 69% to 78% due to a combination of strong equity performance and the deployment of cash into the new investments mentioned earlier in the commentary.

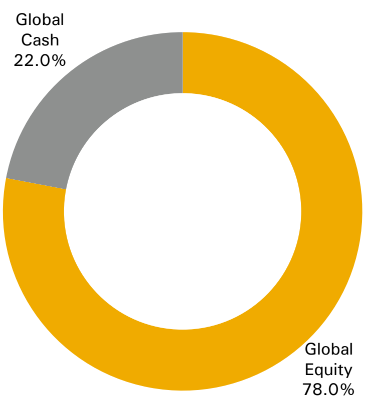
The Fund continues to have zero exposure to bonds, and negligible exposure to other traditional interest-bearing investments such as property. With an estimated 30% of the global government bond market now trading at negative yields, investors continue to clamour for any vehicle which may give them an alternative source of yield – heightening both the prices and risks of these investments in excess of what yield levels currently compensate for.

The Fund is still meaningfully exposed to stocks in the resources sector, which currently make up a third of the Fund's equities. We continue to trim this exposure as share prices rise, while retaining our emphasis on higher quality businesses that are robust enough to withstand the severity of the cycle. The mix of companies in this segment is more diversified than it was at the start of the year, which is preferable – reflecting a widening of opportunities in the sector as the cycle has progressed. As mentioned last quarter, the Fund has also now invested in high quality industrial businesses such as Alfa Laval, Aggreko, Rotork and ALS with indirect exposure to the still depressed energy and/or mining sectors. These companies are suppliers of highly specialised and critical components or services to producers in these sectors.

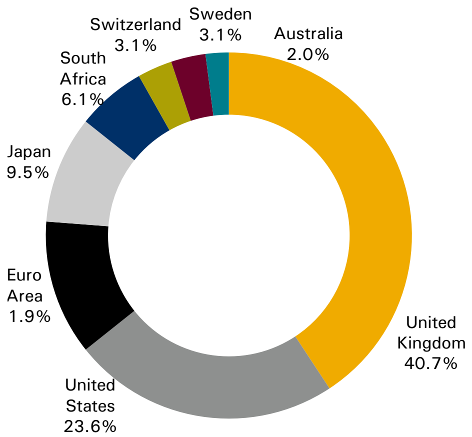
The Fund, although managed from a bottom-up basis, continues when viewed from an overall perspective to tilt in favour of areas in the global market that are under pressure and thus offering value. These areas, outside of resources, include the luxury sector, and increasingly a number of companies which have revenues derived from emerging markets. The challenge with investing directly in emerging markets companies is that high quality businesses in these areas are by and large not cheap enough to invest in yet.

The Global Fund is a robust, diversified portfolio of unpopular and undervalued stocks, with the advantage of a sizable cash component to put to use as opportunities arise. Global markets have favoured value strategies year-to-date, a significant shift from the last several years. This has boosted the Fund's returns recently. We expect that value investors will ultimately be handsomely rewarded for their patience and willingness to hold unpopular but attractively priced stocks - as has been the case for many cycles before this one.

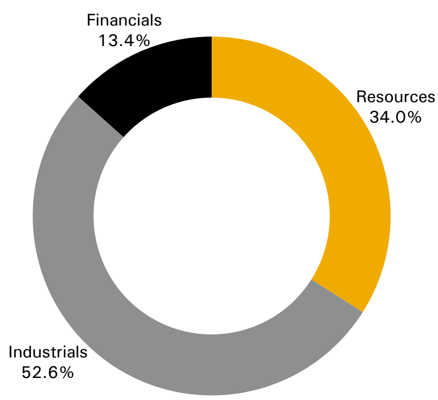
ASSET EXPOSURE (%OF FUND)



REGIONAL EXPOSURE (% OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



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 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 $159.9 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 March 2016

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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