QUARTERLY REPORT

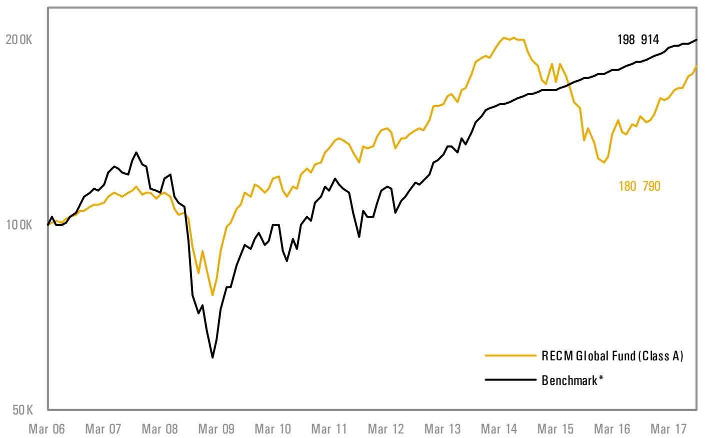
RECM GLOBAL FUND - SEPTEMBER 2017

PERFORMANCE TABLE

Net Returns	RECM Global A	Benchmark*
3 Months	8.2%	1.4%
1 Year p.a.	20.7%	7.8%
3 Years p.a.	-1.7%	7.0%
5 Years p.a.	4.9%	11.2%
10 Years p.a.	4.7%	4.6%
Since inception (31 March 2006)	5.3%	6.2%

*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:

- British retailer Tesco
- Investment holding company Berkshire Hathaway
- Energy producers Inpex and BP

Positions which detracted from returns in the last quarter:

- Luxury accessories retailer Coach
- Platinum producer Implats
- UK insurer Admiral Group PLC

PERFORMANCE SUMMARY

The Fund returned 8.2% during the quarter outperforming its benchmark of US CPI + 6%, which achieved 1.4%. Global equities, as measured by the MSCI All Countries World Index (ACWI), returned 5.2% in USD for the quarter.

British retailer Tesco saw its share price rise by 14% along with other domestic businesses which, having been out of favour in recent quarters, bounced back sharply in line with the recovery in sterling.

Rising interest rates drove many financial stocks higher. Berkshire Hathaway, which has sizeable investments in insurance companies, saw its share price increase by 8% in expectation of the positive impact of higher interest rates on insurers.

Supply disruptions in the Gulf of Mexico caused energy prices to rise, boosting energy stocks in the Fund such as Inpex and BP. Platinum producer Implats remained under pressure however after reporting a full-year loss of R8bn.

CEO Muller once again reduced targets on output, and extended timing on the ramp-up of the Rustenburg lease area, with indication of further restructuring and job cuts to come.

Shares in car insurance company Admiral Plc dropped during the quarter following the UK government's decision to reduce the personal injury discount rate, which in turn increases how much insurers pay out for personal injury claims.

After a strong second quarter, luxury accessories retailer Coach saw its share price retrace somewhat, after a lukewarm reception to the announcement that the company would be renaming itself Tapestry Inc. in an effort to unify its three brands (Coach, Stuart Weitzman and Kate Spade) under one umbrella.

With the US dollar weakening, the Fund's significant non-US exposure and cash position in sterling and euro also boosted returns during the quarter.

MARKET COMMENTARY

Global equities advanced on the back of a brighter outlook for the global economy and better-than-expected corporate earnings. US stock indices reached record highs, with the S&P500 returning 4.5% supported by generally positive macroeconomic data and a robust quarterly reporting season.

Economically sensitive sectors such as information technology, energy and materials stocks generally outpaced more defensive sectors such as consumer staples and healthcare, with financial stocks rising on expectations of higher rates.

Eurozone Equities also performed very well, with the MSCI EMU Index returning 4.3% against a backdrop of improving economic activity, and diminishing political uncertainty.

UK equities as measured by the FTSE All-Share Index rose by a more muted 2.1%, with the appreciation in the sterling negatively weighing on the internationally diversified defensive UK stocks.

Emerging market equities outperformed yet again driven by steady global growth, US dollar weakness, continued momentum in the Chinese economy and a pickup in commodity prices. For the year, the MSCI Emerging Markets Index is up 28% in US dollars.

Bond yields in the US and Europe, despite some movement intra-quarter, were broadly flat over the three months, with UK yields slightly up on the back of more hawkish comments from the Bank of England.

MANAGEMENT ACTIONS

New stocks introduced during the quarter included Williams-Sonoma, Carpetright Plc and Next Plc.

Williams-Sonoma is a specialty homeware retailer in the US, and a world leader in omni-channel sales with more than half their sales coming from online. A depressed US retail environment effectively afforded us the opportunity to buy this high quality, well-run business at a PE of around 13. For a company with a track record of generating returns on equity (ROE) in excess of 18%, paying a 3.4% dividend yield, and with a long growth runway left, this is a bargain.

Carpetright Plc is the largest flooring retailer in the UK with 25-30% market share. Historically the business was able to generate great returns through cheap sourcing, economies of scale, low store capital expenditure and cheap long-term leases. However, margins are currently well below their long-term average due to the weaker pound and a difficult UK retail environment.

Our investment thesis is based on a refocused customer offer, an improvement in consumer spending power and a recovery in sterling.

Next Plc is the UK's largest clothing retailer on the high street, as well as online, having grown organically with bargaining power supported by good merchandising and capital allocation. Next has faced pressure due to zero real wage growth weighing heavily on clothing sales. Margins should improve from current levels as the cycle turns, with online growth remaining in the double digits.

During the quarter, we finally exited our positions in Antofagasta, BHP Billiton and Anglo American after strong rallies on the back of rising metal prices. We also trimmed exposure to Russian stocks X5 Retail and Mail.Ru, as well as to industrial firm Alfa Laval – all of which rose strongly in US dollar terms.

TOP TEN HOLDINGS (%)

September 2017		June 2017	
Tesco PLC	5.2	Tesco PLC	4.8
Berkshire Hathaway Inc	5.1	Inpex Corp	4.3
Inpex Corp	4.3	Aggreko Plc	3.9
Standard Chartered PLC	4.1	Serco Group PLC	3.2
Aggreko PLC	3.9	Sonae	3.2
Sonae	3.1	Standard Chartered PLC	3.2
Serco Group PLC	3.1	Berkshire Hathaway Inc	3.1
Coach Inc	3.0	Impala Platinum Holdings Ltd	2.8
UNIQUA Insurance Group	2.7	Alfa Laval Ab	2.6
Hugo Boss	2.4	Coach Inc	2.6
Total	36.9	Total	33.7

ASSET EXPOSURE (%)

September 2017		June 2017	
Equity	74.4	Equity	74.7
Cash	25.6	Cash	25.3
Total	100.0	Total	100.0

PORTFOLIO POSITIONING

The Fund's equity allocation remained stable during the quarter at around 75%, with cash of 25% held in a combination of sterling (13% of total), euros (6% of total) and Japanese yen (6% of total). These currencies are still 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 two 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 close to 20 new investment ideas since the beginning of 2015, whilst at the same time reducing exposure to the resources sector, which has rebounded by more than 70% 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.

Global equities and in particular US equities, have continued to rally during this time, driven higher by the massive wave of funds chasing passive products, and thus the largest stocks in the indices.

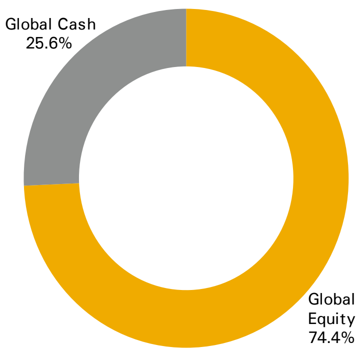
The RECM Global Fund has kept up with this surging market, but has done so with a value-based portfolio positioned very differently from the MSCI AC World Index.

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.

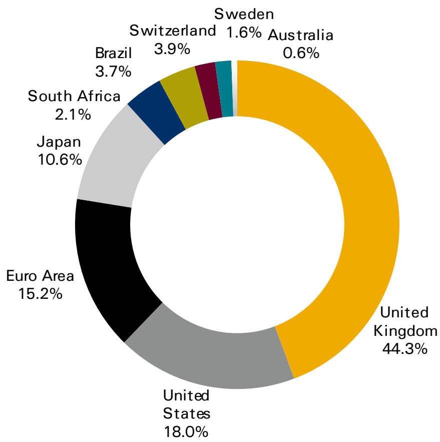
The Fund now holds only 13% of equity in resource stocks, with 26% in financial stocks and 61% in a wide array of diverse, quality industrial businesses around the world. The Fund continues to avoid exposure to bonds, and has negligible exposure to other traditional interest-bearing investments such as property. We continue to 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.

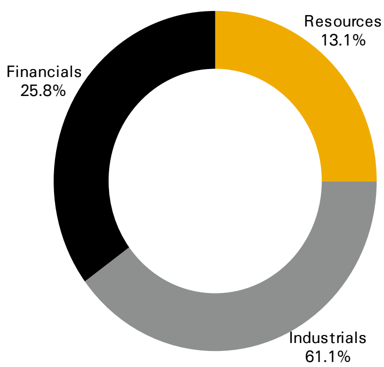
ASSET EXPOSURE (%OF FUND)



REGIONAL EXPOSURE (% OF FUND)



SECTOR EXPOSURE (% OF EQUITY)



PORTFOLIO OVERVIEW

Portfolio Managers	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 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 $145.2 million	Performance Hurdle	US CPI + 8% p.a.
Min. Investment	US $50,000 initial investment	Total Expense Ratio	1.4% for the 3 year period ending 31 June 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.

****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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