

Annual Report 2018



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This past year started strongly, amidst much optimism about synchronous global growth and the potential for positive political change in South Africa, but has ended with heightened global market volatility and significant economic weakness in South Africa. Our funds have slightly underperformed their benchmarks for the year as we patiently position in extremely undervalued mid-cap shares that hold huge potential for performance in future. On a three-year basis, most funds have meaningfully outperformed their benchmarks and are in the top quartile for comparable funds.

Economic backdrop

Globally, economic growth has been strong in 2018 though somewhat decelerating from the elevated levels of 2017. The US economy continues to grow above trend, with a strengthening labour market, imminent front-loaded tax cuts and continued accommodative - albeit slowly tightening - monetary policy. Inflation rates around the world continue to move slowly higher in aggregate due to higher energy prices, tightening labour markets in the developed world and currency depreciation in emerging markets. Fears of an escalating trade war between the US and its trading partners have increased. Actions announced thus far should have a limited direct impact on growth but are dampening business confidence.

Emerging market growth has moderated somewhat in 2018 due to country-specific crises and the deceleration in global trade. Inflation and interest rate outlooks have worsened as capital outflows have led to currency depreciation. However, China's growth remains at a high level due to strong local consumption growth, although there are signs that industrial activity growth may have peaked at the end of 2017. Chinese government measures to rebalance the economy, reign in credit excesses and reduce pollution are resulting in a marked deceleration in infrastructure-related growth, a trend we expect to continue for the medium term.

Despite a highly supportive global economic backdrop, South Africa's economy was very weak in 2017 and worsened into recession in the first half of 2018. The ANC

conference in December and the resultant leadership changes created widespread optimism, which has now begun to wane as the country's deep structural problems need to be confronted. Early reformist actions have been material, in particular the strengthening of corporate governance at SOCs and concrete plans for fiscal rehabilitation. Crucially, Moody's maintained an investment grade credit rating and upgraded its outlook to "stable".

Markets

For a number of years, extreme unconventional monetary stimulus in the form of price agnostic asset purchases has distorted asset prices across the globe.

Global bond yields remain very low, corporate bond credit spreads are extremely suppressed and equity prices are high, especially in sectors where growth prospects are well appreciated.

Global bond rates have risen somewhat from the record low levels of 2016, accompanied by a welcome rise in inflation expectations, particularly in the USA. Importantly, the rate of total global central bank asset purchases peaked in the first half of 2017 and is rapidly reducing as monetary stimulus programs begin to unwind. These changes in trend are causing a more normal (higher) level of market volatility and a welcome increase in dispersion across equities, as well as across asset classes – a better environment for stock pickers such as ourselves.

Against a global backdrop of high, but decelerating, economic growth, high asset prices, political uncertainty in many countries and a potentially disruptive Chinese economic rebalancing, we are mildly guarded on the outlook for financial markets. However, we are optimistic that gradually normalising financial conditions (in particular higher real rates, inflation and levels of risk-taking) are proving to be a better environment for active managers. We maintain our bottom-up valuation focus, with particular emphasis on probabilistic scenario analysis and consideration of the long term.

Our capabilities

Our extensive team of over 20 investment professionals come from diverse and complementary educational backgrounds with deep investment experience. We have a strong leadership team that has worked together for over 15 years. We continue to grow our talent from within, with increasing contributions from high calibre appointments made in recent years.

Managing our global exposure internally from Cape Town for many years has enabled us to uncover differentiated and attractive investments for our clients and has been a strong source of alpha over time. Our foreign-domiciled global funds are now available to direct investors and their respective domestic feeder funds will be launched when they are approved.

Our views

With the outlook for the South African economy weak in the medium term, we have material positions in neglected areas of the SA equity market, where we find idiosyncratic investment cases that offer improving prospects, not dependent on the economy performing. We have high exposure to mid-cap stocks where we see compelling stock-specific potential, coupled with low market valuations. This exploits a key competitive advantage that we have as a medium-sized SA investment manager relative to our larger competitors in a very concentrated SA equity market.

We prefer commodity exposure with favourable long-term demand dynamics that are less reliant on Chinese infrastructure spend and that have structural supply

challenges. Our clients continue to benefit from exposure to platinum group metals miners positioned at the bottom of the cost curve, with growth opportunities.

We have moderately reduced our exposure to foreign equities from very high levels and have recently increased our exposure to South African bonds as recent price declines have materially improved their risk-adjusted yields. We continue to maintain a small hedge against our equity exposure.

Our somewhat contrarian, valuation-based approach does not assure outperformance at all times, but is very rewarding through time as our long-term track record shows. Since our inception 16 years ago, our equity funds have been ahead of the benchmark in all but three calendar years (2012, 2014 and 2015). Our Equity Alpha Fund has made us the fourth best fund manager in the general equity fund category since inception in 2004.*

Looking ahead

We have very high expectations for our funds looking ahead, and believe there is an unusually high level of latent valuation unlock potential at present. We are optimistic that gradually normalising global financial conditions (in particular higher real rates, inflation and levels of risk-taking) are proving to be a better environment for our stock picking capabilities, both in the local and global equity markets.

We believe that this, combined with our strong asset allocation capabilities, will ensure that we continue to deliver rewarding returns for our clients.



Gavin Wood

Kagiso Collective Investments Chairman
Kagiso Asset Management Chief Investment Officer

*Source: Morningstar, Kagiso Equity Alpha Fund, inception: 26 April 2004

Trustee report

We, the Standard Bank of South Africa Limited, in our capacity as Trustee of the Kagiso Collective Investment Scheme (“the Scheme”) have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended (“the Act”), for the financial year ended 30 June 2018.

In support of our report we have adopted certain processes and procedures that allow us to form a reasonable conclusion on whether the Manager has administered the Scheme in accordance with the Act and the Scheme Deed.

As Trustees of the Scheme we are also obliged to in terms of Section 70(3) of the Act to satisfy ourselves that every statement of comprehensive income, statement of financial position or other return prepared by the Manager of the Scheme as required by Section 90 of the Act fairly represents the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme.

The Manager is responsible for maintaining the accounting records and preparing the annual financial statements of the Scheme in conformity with International Financial Reporting Standards. This responsibility also includes appointing an external auditor to the Scheme to ensure that the financial statements are properly drawn up so as to fairly

represent the financial position of every portfolio of its collective investment scheme are in accordance with International Financial Reporting Standards and in the manner required by the Act.

Our enquiry into the administration of the Scheme by the Manager does not cover a review of the annual financial statements and hence we do not provide an opinion thereon.

Based on our records, internal processes and procedures we report that nothing has come to our attention that causes us to believe that the accompanying financial statements do not fairly represent the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme administered by the Manager.

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

We conclude our report by stating that we reasonably believe that the Manager has administered the Scheme in accordance with:

- (i) the limitations imposed on the investment and borrowing powers of the manager by this Act;
- (ii) and the provisions of this Act and the deed.



Melinda Moster
Standard Bank of South Africa Limited
07 September 2018



Seggie Moodley
Standard Bank of South Africa Limited

Unit trust performance

Performance to 30 June 2018										
	1 year	3 years ¹	5 years ¹	10 years ¹	Since launch ¹	Launch date	TER ²	TC ³		
Unit trust funds⁴										
Equity Alpha Fund	4.3%	4.6%	8.4%	10.1%	16.6%	26 Apr 04	1.89%	0.50%		
SA Equity General funds mean	7.7%	2.6%	7.9%	8.3%	13.4%					
Outperformance	-3.4%	2.0%	0.5%	1.8%	3.2%					
Balanced Fund	5.0%	6.1%	8.2%		8.9%	03 May 11	1.51%	0.49%		
SA Multi Asset High Equity funds mean	7.3%	4.7%	8.0%		9.0%					
Outperformance	-2.3%	1.4%	0.2%		-0.1%					
Protector Fund	3.2%	5.8%	7.4%	6.1%	9.8%	11 Dec 02	1.59%	0.35%		
CPI +4% [#]	9.3%	10.2%	10.4%	10.4%	10.6%					
Outperformance	-6.1%	-4.4%	-3.0%	-4.3%	-0.8%					
Stable Fund	3.7%	6.3%	7.6%		7.8%	03 May 11	1.53%	0.50%		
Total return of CPI +2%*	7.0%	6.4%	6.0%		5.8%					
Outperformance	-3.3%	-0.1%	1.6%		2.0%					
Top 40 Tracker Fund	15.8%	5.7%	10.2%	8.2%	12.7%	01 Aug 97	0.73%	0.06%		
FTSE/JSE Top 40 Index	16.8%	6.8%	11.2%	9.1%	13.8%					
Outperformance	-1.0%	-1.1%	-1.0%	-0.9%	-1.1%					
Sharia unit trust funds⁴										
Islamic Equity Fund	12.0%	8.5%	9.1%		11.7%	13 Jul 09	1.46%	0.23%		
SA Equity General funds mean	7.7%	2.6%	7.9%		11.6%					
Outperformance	4.3%	5.9%	1.2%		0.1%					
Islamic Balanced Fund	9.0%	6.7%	8.0%		7.1%	03 May 11	1.47%	0.16%		
SA Multi Asset High Equity funds mean	7.3%	4.7%	8.0%		9.0%					
Outperformance	1.7%	2.0%	0.0%		-1.9%					
Highest and lowest monthly fund performance										
<i>Equity Alpha Fund</i>	Highest 6.6%	Lowest -6.0%	Highest 8.2%	Lowest -6.0%	Highest 8.2%	Lowest -6.0%	Highest 10.9%	Lowest -9.0%	Highest 11.9%	Lowest -9.0%
<i>Top 40 Tracker Fund</i>	Highest 7.6%	Lowest -4.3%	Highest 7.8%	Lowest -4.3%	Highest 7.8%	Lowest -4.3%	Highest 12.3%	Lowest -14.2%	Highest 14.4%	Lowest -27.8%
<i>Balanced Fund</i>	Highest 4.8%	Lowest -3.0%	Highest 5.5%	Lowest -4.2%	Highest 5.5%	Lowest -4.2%	Highest -	Lowest -	Highest 6.2%	Lowest -4.2%
<i>Protector Fund</i>	Highest 2.5%	Lowest -2.3%	Highest 3.4%	Lowest -4.2%	Highest 3.4%	Lowest -4.2%	Highest 7.8%	Lowest -5.3%	Highest 9.5%	Lowest -5.3%
<i>Stable Fund</i>	Highest 2.1%	Lowest -0.9%	Highest 3.8%	Lowest -3.5%	Highest 3.8%	Lowest -3.5%	Highest -	Lowest -	Highest 4.0%	Lowest -3.5%
<i>Islamic Equity Fund</i>	Highest 5.3%	Lowest -2.4%	Highest 7.3%	Lowest -4.6%	Highest 7.3%	Lowest -4.6%	Highest -	Lowest -	Highest 8.1%	Lowest -4.9%
<i>Islamic Balanced Fund</i>	Highest 4.0%	Lowest -2.0%	Highest 4.6%	Lowest -3.0%	Highest 4.6%	Lowest -3.0%	Highest -	Lowest -	Highest -	Lowest -5.4%

¹Annualised (ie the average annual return over the given time period); ²TER (total expense ratio) = % of average NAV of portfolio incurred as charges, levies and fees in the management of the portfolio for the rolling 12-month period to 30 June 2018; ³Transaction costs (TC) are unavoidable costs incurred in administering the financial products offered by Kagiso Asset Management and impact financial product 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. This is also calculated on the rolling three-year period to 30 June 2018. ⁴Source: Morningstar; net of all costs incurred within the fund and measured using NAV prices with income distributions reinvested; * Total return of CPI+2% pa from 1 January 2018 (previously: Return on deposits of R5 million plus 2% (on an after-tax basis at an assumed 25% tax rate)). [#]CPI + 4% from 1 May 2018 (previously: Risk adjusted returns of an appropriate SA large cap index).

Disclaimer: The Kagiso unit trust fund range is offered by Kagiso Collective Investments (RF) Limited (Kagiso), registration number 2010/009289/06. Kagiso is a member of the Association for Savings and Investment SA (ASISA) and is a registered management company in terms of the Collective Investment Schemes Control Act, No 45 of 2002. Kagiso is a subsidiary of Kagiso Asset Management (Pty) Limited [a licensed financial services provider (FSP No. 784)], the investment manager of the unit trust funds. Unit trusts are generally medium to long-term investments. The value of units will fluctuate and past performance should not be used as a guide for future performance. Kagiso does not provide any guarantee either with respect to the capital or the return of the portfolio(s). Foreign securities may be included in the portfolio(s) and may result in potential constraints on liquidity and the repatriation of funds. In addition, macroeconomic, political, foreign exchange, tax and settlement risks may apply. However, our robust investment process takes these factors into account. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Exchange rate movements, where applicable, may affect the value of underlying investments. Different classes of units may apply and are subject to different fees and charges.

A schedule of the maximum fees, charges and commissions is available upon request. Commission and incentives may be paid, and if so, would be included in the overall costs. All funds are valued and priced at 15:00 each business day and at 17:00 on the last business day of the month. Forward pricing is used. The deadline for receiving instructions is 14:00 each business day in order to ensure same day value. Prices are published daily on our website. Performance is based on a lump sum investment into the relevant portfolio(s) and is measured using Net Asset Value (NAV) prices with income distributions reinvested. NAV refers to the value of the fund's assets less the value of its liabilities, divided by the number of units in issue. Figures are quoted after the deduction of all costs incurred within the fund. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Kagiso may close a portfolio to new investors in order to manage it more effectively in accordance with its mandate. Please refer to the relevant fund fact sheets for more information on the funds by visiting www.kagisoam.com.

Unit trust range

Equity Alpha Fund

Fund objective

To provide strong capital growth and a total portfolio return that is in the top quartile for general equity funds.

Fund size (Rm)

300.48

Fees (excl. VAT)

Initial fee	0.00%
Financial adviser fee (maximum)	3.00%
Ongoing advice fee (maximum)	1.00% pa
Management fee	1.25 % pa

Performance fee

10% of fund's outperformance of benchmark over rolling 12-month periods

Total fee

(annual management fee plus performance fee) to be capped at 2% pa

Risk profile



Income distribution Class A

31 December 2017	0.00 cpu
30 June 2018	15.89 cpu

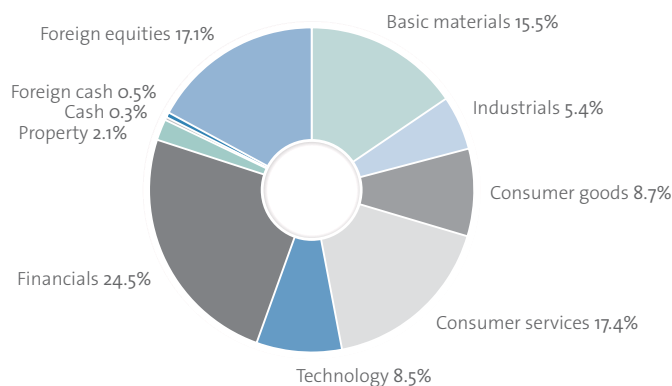
Performance¹ (annualised)

One year to 30 June 2018	4.3%
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¹Source: Morningstar

	Year ended 30 June 2018	Year ended 30 June 2017
Statement of comprehensive income		
Income available for distribution	17 217 126	24 785 599
Distribution	8 169 941	3 019 263
Statement of financial position		
Capital value of unit portfolio	293 072 966	370 595 012
Current liabilities	11 126 468	4 819 425
Total assets	304 199 434	375 414 437
Market value (Rm)	300.5	371.7

Effective asset allocation exposure*



*Please note that effective asset allocation exposure is net of derivative positions.

Top 10 holdings as at 30 June 2018

	% of fund
Naspers	13.1
Old Mutual	7.2
AECI	5.4
Altron	4.3
Northam Platinum	4.2
Datatec	4.0
African Rainbow Minerals	3.9
Standard Bank	3.4
Quilter plc	3.1
FirstRand/RMB	3.0
	51.6

Balanced Fund

Fund objective

To provide investors with high, long-term capital growth within the constraints of the statutory investment restrictions for retirement funds. The fund seeks to provide a moderated exposure to volatility in the short term.

Fund size (Rm)

447.93

Fees (excl. VAT)

Initial fee	0.00%
Financial adviser fee (maximum)	3.00%
Ongoing advice fee (maximum)	1.00% pa
Management fee	1.25% pa

Risk profile



Income distribution Class A

31 December 2017	1.31 cpu
30 June 2018	5.63 cpu

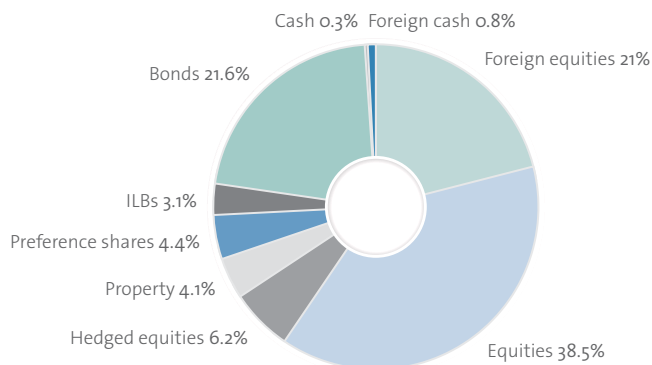
Performance¹ (annualised)

One year to 30 June 2018	5.0%
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¹Source: Morningstar

	Year ended 30 June 2018	Year ended 30 June 2017
Statement of comprehensive income		
Income available for distribution	22 749 458	26 672 737
Distribution	19 640 157	7 732 676
Statement of financial position		
Capital value of unit portfolio	432 317 343	403 447 379
Current liabilities	22 285 335	6 730 071
Total assets	454 602 678	410 177 450
Market value (Rm)	447.9	407.8

Effective asset allocation exposure*



*Please note that effective asset allocation exposure is net of derivative positions.

Top 10 holdings as at 30 June 2018

	% of fund
Naspers	6.1
Old Mutual	4.2
AECI	2.5
Altron	2.5
Zambezi Platinum Pref	2.4
Datatec	2.4
Northam Platinum	2.3
Adcorp	2.2
Quilter plc	2.1
African Rainbow Minerals	1.8
	28.5

Protector Fund

Fund objective

To provide steady capital growth and returns that are better than equity market returns on a risk-adjusted basis over the medium to longer term.

Fund size (Rm)

95.62

Fees (excl. VAT)

Initial fee	0.00%
Financial adviser fee (maximum)	3.00%
Ongoing advice fee (maximum)	1.00% pa
Management fee	1.25% pa

Risk profile



Income distribution Class A

31 December 2017	32.10 cpu
30 June 2018	125.63 cpu

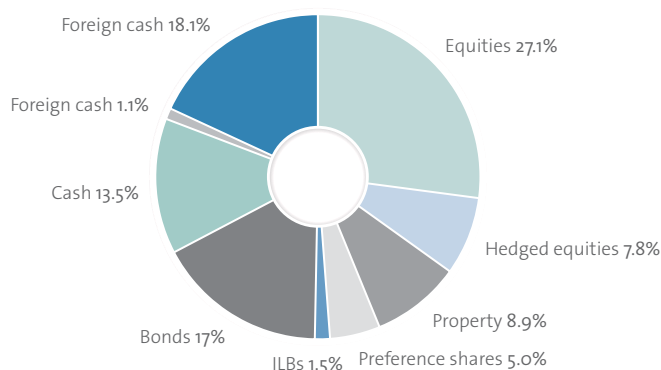
Performance¹ (annualised)

One year to 30 June 2018	3.2%
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¹Source: Morningstar

	Year ended 30 June 2018	Year ended 30 June 2017
Statement of comprehensive income		
Income available for distribution	1 352 165	11 518 023
Distribution	5 692 715	2 798 183
Statement of financial position		
Capital value of unit portfolio	91 485 442	140 816 955
Current liabilities	4 945 375	2 093 963
Total assets	96 430 817	142 910 918
Market value (Rm)	95.6	142.6

Effective asset allocation exposure*



*Please note that effective asset allocation exposure is net of derivative positions.

Top 10 holdings as at 30 June 2018

	% of fund
Datatec	4.0
Zambezi Platinum Pref	3.7
Altron	3.0
Dipula Income Fund (A)	2.8
Ethos Capital	2.7
Old Mutual	2.6
Northam Platinum	2.4
Allergan	2.3
Adcorp	2.1
Quilter plc	2.1
	27.7

Stable Fund

Fund objective

To provide total returns that are in excess of inflation over the medium term. The fund aims to provide a high level of capital stability and to minimise loss over any one-year period, within the constraints of the statutory investment restrictions for retirement funds.

Fund size (Rm)

217.67

Fees (excl. VAT)

Initial fee	0.00%
Financial adviser fee (maximum)	3.00%
Ongoing advice fee (maximum)	1.00% pa
Management fee	1.25% pa

Risk profile



Income distribution Class A

31 December 2017	2.03 cpu
30 June 2018	5.45 cpu

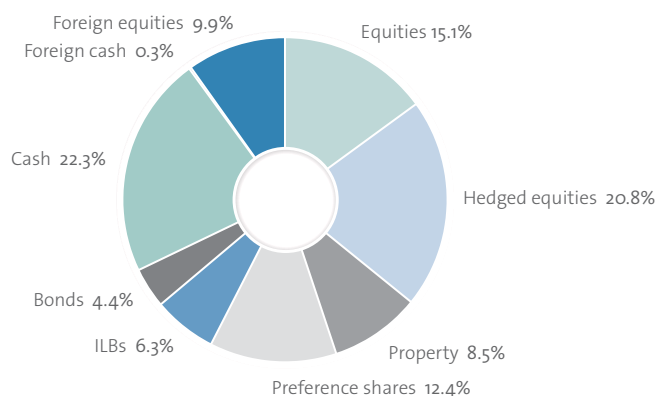
Performance¹ (annualised)

One year to 30 June 2018	3.7%
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¹Source: Morningstar

	Year ended 30 June 2018	Year ended 30 June 2017
Statement of comprehensive income		
Income available for distribution	8 874 514	18 027 918
Distribution	11 701 707	8 898 444
Statement of financial position		
Capital value of unit portfolio	209 584 103	266 819 873
Current liabilities	11 608 166	5 307 114
Total assets	221 192 269	272 126 987
Market value (Rm)	217.7	271.5

Effective asset allocation exposure*



*Please note that effective asset allocation exposure is net of derivative positions.

Top 10 holdings as at 30 June 2018

	% of fund
Zambezi Platinum Pref	3.7
Altron	3.2
Old Mutual	3.2
Dipula Income Fund (A)	3.0
Ethos Capital	2.5
Datatec	2.4
Delta Property Fund	2.0
Adcorp	2.0
Equites Property Fund	2.0
AECI	2.0
Total	26.0

Top 40 Tracker Fund

Fund objective

To track the movements and replicate the performance of the FTSE/JSE Top 40 Index over time.

Fund size (Rm)

65.85

Fees (excl. VAT)

Initial fee	0.00%
Financial adviser fee (maximum)	0.00%
Ongoing advice fee (maximum)	0.25% pa
Management fee	0.50% pa

Risk profile



Income distribution Class A

31 December 2017	77.77 cpu
30 June 2018	86.16 cpu

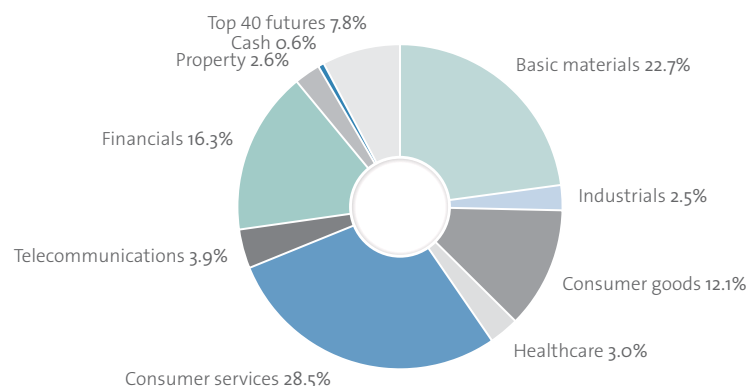
Performance¹ (annualised)

One year to 30 June 2018	15.8%
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¹Source: Morningstar

	Year ended 30 June 2018	Year ended 30 June 2017
Statement of comprehensive income		
Income available for distribution	9 041 186	354 249
Distribution	1 543 966	1 309 257
Statement of financial position		
Capital value of unit portfolio	65 035 722	55 946 836
Current liabilities	894 729	674 799
Total assets	65 930 451	56 621 635
Market value (Rm)	65.8	56.5

Effective asset allocation exposure*



*Please note that effective asset allocation exposure is net of derivative positions.

Top 10 holdings as at 30 June 2018

	% of fund
Naspers	21.8
BHP Billiton	9.5
Richemont	8.7
Anglo American	4.5
Sasol	4.1
FirstRand/RMB	3.7
Standard Bank	3.6
MTN	2.9
Mondi	2.6
British American Tobacco	2.6
	64.0

Sharia unit trust range

Islamic Equity Fund

Fund objective

A Sharia-compliant fund that aims to provide steady capital growth and a total portfolio return that is better than the average general equity fund.

Fund size (Rm)

748.21

Fees (excl. VAT)

Initial fee	0.00%
Financial adviser fee (maximum)	3.00%
Ongoing advice fee (maximum)	1.00% pa
Management fee	1.25% pa

Risk profile



Income distribution Class A

31 December 2017	1.03 cpu
30 June 2018	6.16 cpu

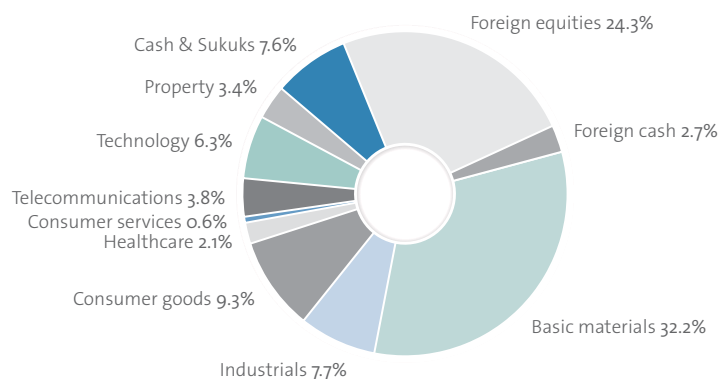
Performance¹ (annualised)

One year to 30 June 2018	12.0%
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¹Source: Morningstar

	Year ended 30 June 2018	Year ended 30 June 2017
Statement of comprehensive income		
Income available for distribution	77 550 373	54 798 588
Distribution	21 647 414	5 242 938
Statement of financial position		
Capital value of unit portfolio	729 698 425	608 262 118
Current liabilities	23 946 926	3 786 384
Total assets	753 645 351	612 048 502
Market value (Rm)	748.2	610.6

Effective asset allocation exposure



Top 10 holdings as at 30 June 2018

	% of fund
African Rainbow Minerals	4.8
Sasol	4.1
Anglo Platinum	3.6
Mondi	3.6
Adcorp	3.5
AECI	3.2
Tongaat Hulett	3.0
Altron	2.6
Anglogold Ashanti	2.2
Medi-Clinic	2.1
	32.7

Islamic Balanced Fund

Fund objective

Sharia-compliant fund that aims to provide steady long-term returns and capital growth within the constraints of the statutory investment restrictions for retirement funds.

Fund size (Rm)

1166.00

Fees (excl. VAT)

Initial fee	0.00%
Financial adviser fee (maximum)	3.00%
Ongoing advice fee (maximum)	1.00% pa
Management fee	1.25% pa

Risk profile



Income distribution Class A

31 December 2017	0.00 cpu
30 June 2018	2.26 cpu

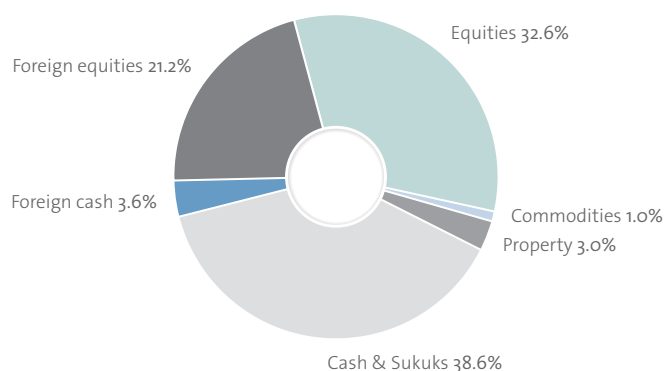
Performance¹ (annualised)

One year to 30 June 2018	9.0%
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¹Source: Morningstar

	Year ended 30 June 2018	Year ended 30 June 2017
Statement of comprehensive income		
Income available for distribution	78 624 070	29 171 286
Distribution	17 633 448	828 144
Statement of financial position		
Capital value of unit portfolio	1 148 878 334	587 097 182
Current liabilities	32 039 647	4 520 970
Total assets	1 180 917 981	591 618 152
Market value (Rm)	1166.00	587.8

Effective asset allocation exposure



Top 10 holdings as at 30 June 2018

	% of fund
Sasol	3.1
African Rainbow Minerals	2.6
Mondi	2.1
BHP Billiton	1.9
Anglo American	1.8
Equites Property Fund	1.8
Tongaat Hulett	1.7
Anglo Platinum	1.5
Datatec	1.5
AECI	1.5
Total	19.5

Our investment philosophy

We make investment decisions based on mispricings we observe in the market. Simply put, we buy investments that are priced well below their intrinsic values and avoid those that we believe are overpriced.

Opportunities arise when market prices deviate from intrinsic value

All investments represent a set of future cash flows, which can be valued with reasonable accuracy. Over time, this intrinsic value progresses at a fairly stable pace. Asset prices, however, fluctuate considerably through time. This is largely due to self-reinforcing cycles of enthusiasm or negativity, often fuelled by an excessive focus on near-term data and news flow.

Our aim is to identify and exploit mispricings in the markets. We therefore buy investments at prices well below our estimation of their intrinsic value and hold them while they deliver strong cash returns and until they can be sold above this value. Once sold, we avoid such overvalued investments for as long as the market price is above the intrinsic value.

The future is never certain

We recognise that there is considerable danger in operating with the comfort of a false sense of certainty and the accompanying behavioural reinforcement cycles that lead to a distorted evaluation of new information. As a result, we understand that despite our best efforts, we cannot possibly know all the facts.

This drives us to think more deeply, to work harder and to be more alert. We therefore view the future in terms of probabilities, we explore alternative scenarios, diversify our positions, hedge risk and seek out potential asymmetries.

Copies of the 2018 audited financial statements for each of the unit trust portfolios and the compliance certificate by the Sharia Supervisory Board are available to unit trust investors on request - free of charge.

Call our client service team on 0800 864 418 or send an email to clientservice@kagisoam.com to request a printed or electronic copy.

Kagiso Collective Investments (RF) Limited

Company Registration Number: 2010/009289/06

Trustees

Standard Bank of South Africa Limited,
Private Bag X 54, Cape Town, 8000

Directors

Executive Director: RG Greaver
Non-executive Directors: R Bhatyat, GL Carter,
D Gill and GJ Wood

Company Secretary

Tracy-Lee Scott



Kagiso Asset Management (Pty) Ltd

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