

Annual Report 2019



Contents

- 2 Report to investors
- 4 Trustee report
- 5 Unit trust performance
- 6 Unit trust range
- 11 Sharia-compliant unit trust range
- 16 Our investment philosophy



The last year has been very eventful for us. We have delivered very strong fund performance, received material client inflows, launched a number of new funds and featured prominently at the 2018 Raging Bull Awards.

All of our funds are materially delivering on their risk and return objectives, with the result that they are placed very favourably relative to competitor funds and substantially beating inflation over most meaningful time periods. Our Equity Alpha Fund is the second best South African equity fund (general equity fund category) since its inception in 2004.*

We received two prestigious Raging Bull Awards for top fund performance for the Kagiso Protector Fund (Best South African Multi-Asset Medium Equity Fund) and the Kagiso Stable Fund (Best South African Multi-Asset Low Equity Fund). We also received nominations in two further categories for the Kagiso Islamic Equity Fund and the Kagiso Stable Fund.

Addressing specific investor needs in the market, we strengthened our fund range with the launch of two new Sharia-compliant funds - the Islamic Global Equity Feeder Fund and the Islamic High Yield Fund. Our Global Equity Feeder Fund has now also recently been launched.

Economic backdrop

Global economic growth has decelerated from the high rates of recent years, but strengthening developed economy labour markets continue to underpin consumer expenditure. Nevertheless, growth expectations have retreated meaningfully in the first half of 2019 as business confidence has deteriorated with heightened US protectionism. This is particularly the case in the manufacturing sector globally, especially in Europe and Japan. Consequently, key central banks have abruptly ended their tightening, begun loosening monetary policy again and signalling more accommodation if economic activity deteriorates.

US economic growth has been strong over the last year, but weaker manufacturing production and the tapering off of fiscal stimulus support should now lead to a moderation back to trend. In Europe, manufacturing and export related activity is weak, particularly in Germany, affected by slower

Chinese growth and a particularly severe global automotive market down cycle.

Growth in China continues to moderate as the government acts to rebalance the economy and reign in credit excesses and US and protectionist measures weigh on business confidence and exports. Infrastructure and manufacturing related growth is most affected, although somewhat shielded by domestic stimulus. Stronger commodity prices and producer currencies have led to an improvement in economic growth and inflation prospects for commodity-focused emerging economies.

The South African economy continues to deliver very weak economic growth, with persistently low business confidence, contracting investment and lacklustre consumption growth (wage settlements have moderated meaningfully and unemployment is increasing). Early progress in governance improvements (strengthening of corruption fighting institutions and improving corporate governance at SOCs) is being followed by frustratingly slow policy reforms in the face of a deteriorating fiscal position.

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 have retreated again to very low levels, corporate bond credit spreads are low and equity prices are high - especially in large cap stocks and sectors where growth prospects are well appreciated.

Despite a global backdrop of reasonable, but weaker economic growth, risks of further negative trade disruptions (as Chinese economic growth continues to trend lower) and a local market facing a very weak economy, we remain positive regarding the outlook for our fund holdings given very attractive current market prices.

Our views

With the outlook for the South African economy weak in the medium term, we continue to hold material positions in unpopular or neglected areas of the SA equity market where we find idiosyncratic investment cases that offer improving prospects, not wholly dependent on the economy performing. We have high exposure to mid-cap industrial stocks where we see compelling stock-specific potential, coupled with low market prices. Over two thirds of our SA equity exposure across our funds lies outside of the top 50 largest shares. Additionally, we continue to maintain a small hedge against our equity exposure, especially in our lower risk funds.

We have limited exposure to South African financial companies, which are very exposed to the weakest domestic economy we have seen in many years and are facing strong disruptors aided by modern technology.

Our resources sector exposure is limited and very focused on exploiting favourable long-term demand dynamics that are less reliant on Chinese infrastructure spend and where there are structural supply challenges. Our clients continue to benefit from exposure to platinum group metals miners, that are expanding low cost, mostly mechanised production.

We have more exposure to South African bonds than in recent years due to very attractive real yields on offer. Credit spreads have compressed meaningfully in the domestic market and we are reducing exposure to corporate credit where the excess returns do not adequately compensate for the additional risk.

We maintain a position well below maximum permitted limits in offshore markets, mostly because of the very exciting expected returns we see in our South African holdings and somewhat due to the relatively weak rand at

present. Our global stock picks are widely diversified across (mostly) developed markets, have somewhat of a quality cyclical orientation and stand to benefit from a less negative economic environment than is reflected in their very beaten up share prices.

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 16 years, and we continue to grow our talent from within, through increasing contributions from high calibre team additions made in recent years.

Many years of managing our global exposure, internally from Cape Town, has enabled us to uncover differentiated and attractive investments for our clients. Our foreign-domiciled global funds are available to direct dollar investors or via our local feeder funds.

Our somewhat contrarian, valuation-based investment approach is delivering very strong performance for our clients across our fund range.

Looking ahead

We have unusually high expectations for our funds looking ahead and believe they hold an exciting mix of diversified prospects. We believe that this, combined with our strong asset allocation capabilities, will ensure that we continue to deliver very 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 2019.

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 Mostert
Standard Bank of South Africa Limited
26 September 2019



Seggie Moodley
Standard Bank of South Africa Limited

Unit trust performance

Performance to 30 June 2019								
	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	10.1%	7.2%	4.5%	12.3%	16.2%	26 Apr 04	2.03%	0.44%
SA Equity General funds mean	1.2%	2.6%	2.9%	10.5%	12.6%			
Outperformance	8.9%	4.6%	1.6%	1.8%	3.6%			
Top 40 Tracker Fund	3.7%	6.5%	4.6%	12.4%	12.2%	01 Aug 97	0.73%	0.04%
FTSE/JSE Top 40 Index	4.6%	7.4%	5.6%	13.3%	13.4%			
Outperformance	-0.9%	-0.9%	-1.0%	-0.9%	-1.2%			
Balanced Fund	9.1%	7.4%	5.8%	-	9.0%	03 May 11	1.56%	0.47%
SA Multi Asset High Equity funds mean	3.2%	4.0%	4.9%		8.3%			
Outperformance	5.9%	3.4%	0.9%		0.7%			
Protector Fund	10.5%	8.7%	6.3%	7.9%	9.8%	11 Dec 02	1.57%	0.39%
CPI + 4%	8.9%	9.5%	9.8%	10.1%	10.5%			
Outperformance	1.6%	-0.8%	-3.5%	-2.2%	-0.7%			
Stable Fund	13.1%	8.3%	7.4%	-	8.5%	03 May 11	0.51%	0.48%
Total return of CPI+2% pa	6.9%	6.8%	6.3%		5.9%			
Outperformance	6.2%	1.5%	1.1%		2.6%			
Sharia-compliant unit trust funds⁴								
Islamic Equity Fund	5.3%	8.7%	5.1%	-	11.1%	13 Jul 09	1.43%	0.23%
SA Equity General funds mean	1.2%	2.6%	2.9%		10.5%			
Outperformance	4.1%	6.1%	2.2%		0.6%			
Islamic Balanced Fund	4.4%	6.5%	4.5%	-	6.8%	03 May 11	1.49%	0.16%
SA Multi Asset High Equity funds mean	3.2%	4.0%	4.9%		8.3%			
Outperformance	1.2%	2.5%	-0.4%		-1.5%			
Islamic Global Equity Feeder Fund					Not yet available	09 Jan 19		
Global Equity General funds mean								
Outperformance								
Islamic High Yield Fund					Not yet available	12 Mar 19		
Short-term Fixed Interest Index (STeFI)								
Outperformance								

Highest and lowest monthly fund performance	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
<i>Equity Alpha Fund</i>	4.2%	-5.5%	6.6%	-6.0%	8.2%	-6.0%	10.3%	-6.0%	11.9%	-9.0%
<i>Top 40 Tracker Fund</i>	5.3%	-6.7%	7.6%	-6.7%	7.8%	-6.7%	10.3%	-6.8%	14.4%	-27.8%
<i>Balanced Fund</i>	3.9%	-4.8%	4.8%	-4.8%	5.5%	-4.8%	-	-	-27.8%	-4.8%
<i>Protector Fund</i>	3.3%	-2.6%	3.3%	-2.6%	3.4%	-4.2%	4.8%	-4.2%	9.5%	-5.3%
<i>Stable Fund</i>	2.5%	-1.3%	2.5%	-1.3%	3.8%	-3.5%	-	-	4.0%	-3.5%
<i>Islamic Equity Fund</i>	3.6%	-3.9%	5.3%	-3.9%	7.3%	-4.6%	-	-	8.1%	-4.9%
<i>Islamic Balanced Fund</i>	3.6%	-2.8%	4.0%	-2.8%	4.6%	-3.0%	-	-	8.2%	-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 three-year period to 30 June 2019. ³Transaction costs (TC) are unavoidable costs incurred in administering the financial products offered by Kagiso Collective Investments (RF) Limited 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 2019. ⁴Source: Morningstar; net of all costs incurred within the fund and measured using NAV prices with income distributions reinvested.

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. A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund. 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)

348.95

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

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

Risk profile



Income distribution Class A

31 December 2018	8.87 cpu
30 June 2019	2.10 cpu

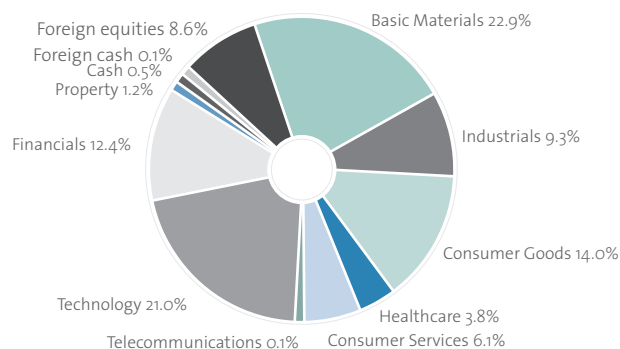
Performance¹

One year to 30 June 2019	10.1%
--------------------------	-------

¹ Source: Morningstar

	Year ended 30 June 2019	Year ended 30 June 2018
Statement of comprehensive income		
Income available for distribution	27 994 578	17 217 126
Distribution	5 143 221	8 169 941
Statement of financial position		
Capital value of unit portfolio	347 453 014	293 072 966
Current liabilities	4 214 221	11 126 468
Total assets	351 667 235	304 199 434
Market value (Rm)	348.9	300.5

Asset and sector allocation



Top 10 equity holdings*

	% of fund
Naspers	12.6
Northam Platinum	8.0
AECI	5.1
Clover	4.5
Adcorp	4.4
Altron	4.3
Royal Bafokeng Platinum	3.8
Metair	3.3
Libstar	3.2
Datatec	3.2
	52.4

*Top holdings comprise domestic and global equities

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 moderate exposure to volatility in the short term.

Fund size (Rm)

776.89

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 2018	2.88 cpu
30 June 2019	2.07 cpu

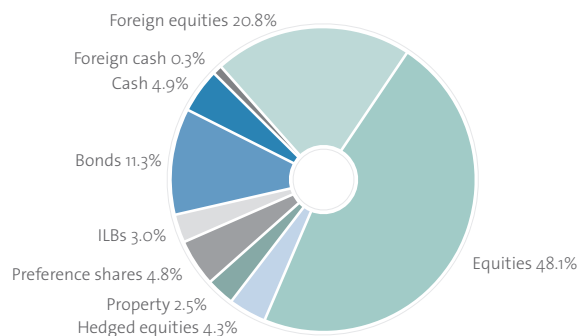
Performance¹

One year to 30 June 2019	9.1%
--------------------------	------

¹ Source: Morningstar

	Year ended 30 June 2019	Year ended 30 June 2018
Statement of comprehensive income		
Income available for distribution	55 876 075	22 749 458
Distribution	21 489 028	19 640 157
Statement of financial position		
Capital value of unit portfolio	766 101 788	432 317 343
Current liabilities	19 740 062	22 285 335
Total assets	785 841 850	454 602 678
Market value (Rm)	776.9	447.9

Asset allocation



Top 10 equity holdings*

	% of fund
Naspers	7.3
Northam Platinum	4.7
Adcorp	2.8
AECI	2.7
Clover	2.6
Altron	2.4
Royal Bafokeng Platinum	2.2
Metair	2.2
Datatec	1.9
Libstar	1.7
	30.5

*Top holdings comprise domestic and global equities

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)

119.69

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 2018	58.74 cpu
30 June 2019	59.78 cpu

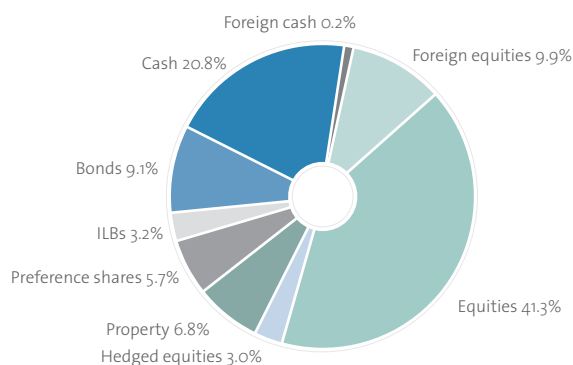
Performance¹

One year to 30 June 2019	10.5%
--------------------------	-------

¹ Source: Morningstar

	Year ended 30 June 2019	Year ended 30 June 2018
Statement of comprehensive income		
Income available for distribution	10 494 477	1 352 165
Distribution	4 496 793	5 692 715
Statement of financial position		
Capital value of unit portfolio	117 295 775	91 485 442
Current liabilities	3 178 085	4 945 375
Total assets	120 473 860	96 430 817
Market value (Rm)	119.7	95.6

Asset allocation



Top 10 equity holdings*

	% of fund
Naspers	5.1
Northam Platinum	3.0
Datatec	2.7
Adcorp	2.6
Clover	2.5
Ethos Capital	2.1
Old Mutual	1.5
Metair	1.5
AECI	1.4
Libstar	1.3
	23.7

*Top holdings comprise domestic and global equities

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)

359.55

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 2018	3.94 cpu
30 June 2019	3.05 cpu

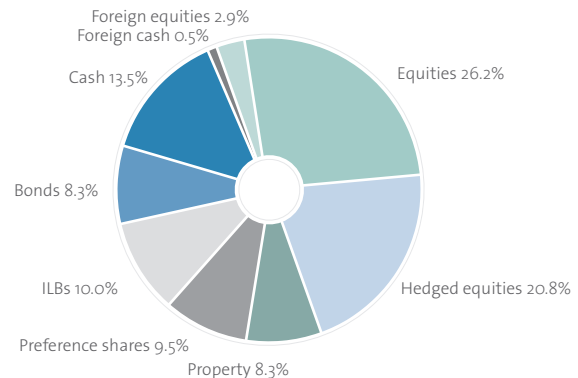
Performance¹

One year to 30 June 2019	13.1%
--------------------------	-------

¹ Source: Morningstar

	Year ended 30 June 2019	Year ended 30 June 2018
Statement of comprehensive income		
Income available for distribution	30 989 976	8 874 514
Distribution	13 136 200	11 701 707
Statement of financial position		
Capital value of unit portfolio	352 192 136	209 584 103
Current liabilities	15 479 859	11 608 166
Total assets	367 671 995	221 192 269
Market value (Rm)	359.5	217.7

Asset allocation



Top 10 equity holdings*

	% of fund
Northam Platinum	4.2
Clover	3.3
AECI	2.5
Adcorp	2.5
Royal Bafokeng Platinum	2.4
Metair	2.0
Ethos Capital	1.7
Naspers	1.6
Brait	1.6
Datatec	1.5
	23.3

*Top holdings comprise domestic and global equities

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)

64.81

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 2018	94.34 cpu
30 June 2019	116.33 cpu

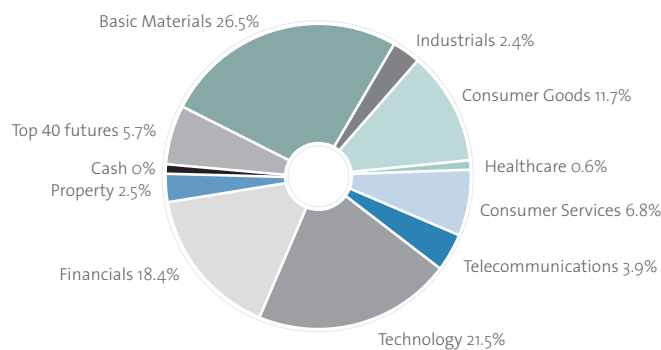
Performance¹

One year to 30 June 2019	3.7%
--------------------------	------

¹Source: Morningstar

	Year ended 30 June 2019	Year ended 30 June 2018
Statement of comprehensive income		
Income available for distribution	2 230 456	9 041 186
Distribution	1 991 023	1 543 966
Statement of financial position		
Capital value of unit portfolio	63 744 494	65 035 722
Current liabilities	1 173 921	894 729
Total assets	64 918 415	65 930 451
Market value (Rm)	64.8	65.8

Asset and sector allocation



Top 10 equity holdings*

	% of fund
Naspers	21.6
BHP Group	11.2
Richemont	9.0
Anglo American	5.9
FirstRand/RMB	4.2
Standard Bank	3.7
Sasol	2.9
MTN	2.8
Mondi	2.3
British American Tobacco	2.1
	65.7

Sharia-compliant 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)

900.56

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 2018	0.00 cpu
30 June 2019	2.23 cpu

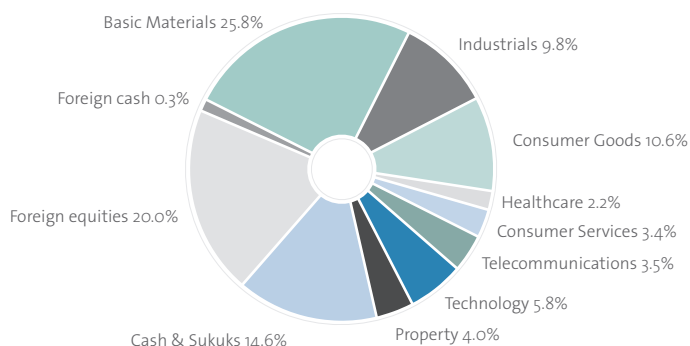
Performance¹

One year to 30 June 2019	5.3%
--------------------------	------

¹ Source: Morningstar

	Year ended 30 June 2019	Year ended 30 June 2018
Statement of comprehensive income		
Income available for distribution	42 567 774	77 550 373
Distribution	15 637 562	21 647 414
Statement of financial position		
Capital value of unit portfolio	892 382 862	729 698 425
Current liabilities	10 100 107	23 946 926
Total assets	902 482 969	753 645 351
Market value (Rm)	900.6	748.2

Asset and sector allocation



Top 10 equity holdings*

	% of fund
AECI	3.5
Metair	3.0
Datatec	3.0
Adcorp	2.9
Libstar	2.7
African Rainbow Minerals	2.4
Northam Platinum	2.3
Sasol	2.3
Mondi	2.2
Mediclinic	2.2
	26.5

*Top holdings comprise domestic and global equities

Islamic Balanced Fund

Fund objective

A 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)

1,380.08

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 2018	0.35 cpu
30 June 2019	0.44 cpu

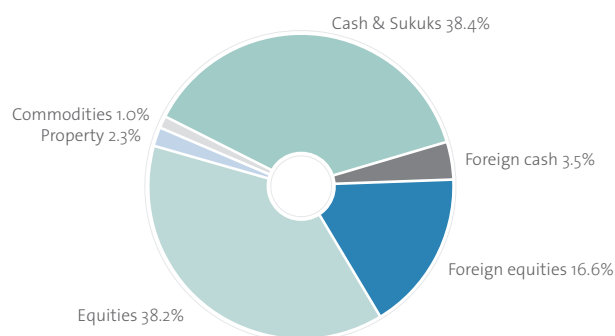
Performance¹

One year to 30 June 2019	4.4%
--------------------------	------

¹ Source: Morningstar

	Year ended 30 June 2019	Year ended 30 June 2018
Statement of comprehensive income		
Income available for distribution	56 767 878	78 624 070
Distribution	8 235 161	17 633 448
Statement of financial position		
Capital value of unit portfolio	1 375 492 910	1 148 878 334
Current liabilities	6 723 776	32 039 647
Total assets	1 382 216 686	1 180 917 981
Market value (Rm)	1 380.1	1 166.0

Asset allocation



Top 10 equity holdings*

	% of fund
AECI	2.7
Sasol	2.5
African Rainbow Minerals	2.3
MTN	2.2
Anglogold Ashanti	2.1
Datatec	2.1
Libstar	1.9
Metair	1.9
Mondi	1.7
Mediclinic	1.6
	21.0

*Top holdings comprise domestic and global equities

Islamic High Yield Fund

Fund objective

A Sharia-compliant fund that aims to provide capital stability and optimal income returns. In order to achieve its objectives, the fund will be using short-term, medium-term and long-term income generating securities as outlined by the constraints of the restrictions for retirement savings.

Fund size (Rm)

212.19

Fees (excl. VAT)

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

Risk profile



Income distribution Class A

30 June 2019 1.71 cpu

Performance¹

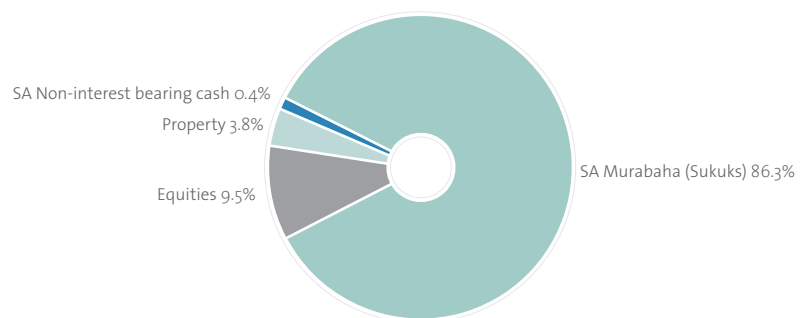
One year to 30 June 2019 N/A

¹ Performance can be communicated once the fund is six months old

Year ended 30 June 2019	
Statement of comprehensive income	
Income available for distribution	4 960 537
Distribution	3 540 544
Statement of financial position	
Capital value of unit portfolio	208 654 049
Current liabilities	3 703 060
Total assets	212 357 109
Market value (Rm)	17.7

*This fund was launched in 2019 and has no comparative figures.

Asset allocation



Islamic Global Equity Feeder Fund

Fund objective

A Sharia-compliant fund that aims to achieve optimum risk adjusted total returns by providing investors with exposure to an international collective investment scheme portfolio comprising a diversified mix of global equity and equity-related securities.

Fund size (Rm)

8.56

Fees (excl. VAT)

Initial fee	0.00%
Financial adviser fee (maximum)	3.00%
Ongoing advice fee (maximum)	1.00% pa
Management fee	1.35% pa

Risk profile



Income distribution Class A

30 June 2019 0.00 cpu

Performance¹

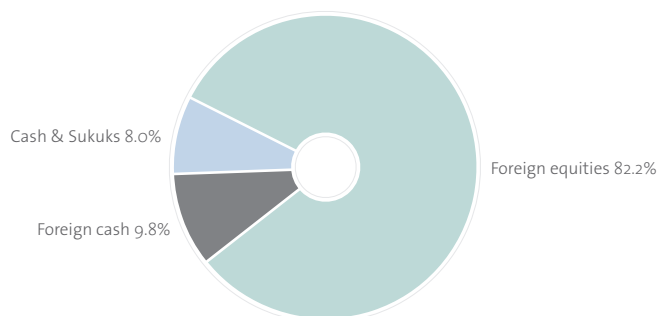
One year to 30 June 2019 N/A

¹ Performance can be communicated once the fund is six months old

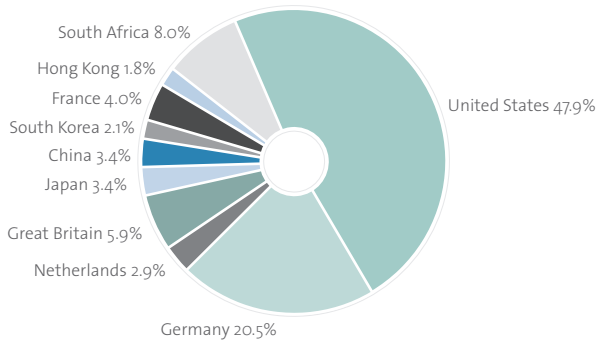
Year ended 30 June 2019	
Statement of comprehensive income	
Income available for distribution	128 418
Distribution	-
Statement of financial position	
Capital value of unit portfolio	8 561 438
Current liabilities	42 997
Total assets	8 604 435
Market value (Rm)	8.6

*This fund was launched in 2019 and has no comparative figures.

Asset and sector allocation



Regional allocation



Top 10 equity holdings

	% of fund
Siemens	4.3
Cisco Systems	3.9
Evonik	2.9
LyondellBasell	2.8
Intel	2.8
National Oilwell Varco	2.6
Altran	2.6
Covestro	2.5
DuPont de Nemours	2.4
Royal Dutch Shell	2.4
Total	29.2

Our investment philosophy

We make investment decisions based on mispricings we observe in the market. Simply put, we buy investments that are priced below our considered assessment of intrinsic value 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 generally be valued with reasonable accuracy. Over time, this intrinsic value rises 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 2019 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 X54, Cape Town, 8000

Directors

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

Company Secretary

Tracy-Lee Scott



Kagiso Asset Management (Pty) Ltd

Fifth Floor MontClare Place
Cnr Campground and Main Roads
Claremont 7708

PO Box 1016 Cape Town 8000

Tel +27 21 673 6300 Fax +27 86 675 8501

Email info@kagisoam.com

Website www.kagisoam.com

Kagiso Asset Management (Pty) Ltd is a licensed financial services provider (FSP No. 784)
Reg No. 1998/015218/07