

Annual Report **2020**



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The last year has again been eventful for us. We have delivered reasonable performance despite the market turmoil caused by the COVID-19 pandemic, received material client inflows, featured prominently at the two main industry award ceremonies and launched a new fund.

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.*

In January 2020, we won multiple performance accolades at the **Raging Bull Awards** across our entire conventional fund range. The Kagiso Equity Alpha Fund (Best SA Equity General Fund) and the Kagiso Protector Fund (Best SA Multi-Asset Medium Equity Fund) were particularly singled out and the Kagiso Balanced Fund and the Kagiso Stable Fund also won awards. Additionally, in February 2020, two **Morningstar Awards** were received for the Kagiso Equity Alpha Fund (Best SA Equity Fund) and the Kagiso Balanced Fund (Best Aggressive Allocation Fund).

We launched the **Kagiso Global Equity Feeder Fund** in November 2019, offering South African retail investors the opportunity to invest into our Global Equity Fund via a locally domiciled unit trust. The fund aims to achieve a total portfolio return that outperforms the world equities market over the long term.

Economic backdrop

The global economy entered the COVID-19 crisis in a buoyant position with healthy consumer dynamics in most developed markets and a moderating, but strongly growing Chinese economy. Lockdowns and other protective responses caused one of the steepest and most rapid economic contractions in history. Governments in developed countries responded to the healthcare crisis and the resultant pausing of large parts of their economies with aggressive fiscal stimulus packages. Together with a dramatic easing of monetary policy (rate cuts, increased quantitative easing and other unconventional measures), this stimulus has tempered the economic damage from the crisis. These stimulus responses have been massive and unusually swift and effective.

Efforts to reopen global economies are cautiously underway and it appears that the most severe scenarios concerning global health and economic outcomes have been averted.

However, a considerable amount of uncertainty remains around the resurgence of COVID-19 in many regions, potentially necessitating the resumption of restrictions. The immense increase in global government debt balances due to aggressive fiscal stimulus will hamper future, long-term growth and uncertainty remains high.

The Chinese economy has had a remarkably quick resumption of economic activity, with many key economic indicators above pre-crisis levels and continuing to improve. However, the path of a return to trend growth that is vital for a return of global growth to higher levels, is unlikely to be smooth as: consumer confidence is still shaken; capacity and appetite for further debt-fuelled infrastructure stimulus appears diminished; and there are risks to manufacturing and export growth from weak (though improving) global trade with possible further deterioration in geopolitical relations.

The medium-term outlook for emerging economies is extremely varied at present, with differing exposures to low energy prices (importers versus exporters), the decimated tourism industry, varying pandemic-related impacts and exposure to the more buoyant Asian regions.

Although recovering sharply from the second quarter economic activity trough, the South African economy is showing signs of permanent damage following years of mismanagement and the extended lockdown. Economic revival plans are well articulated, but still rely too heavily on policy implementation from weakened state institutions that do not draw sufficiently from private sector cooperation. South Africa's economic recovery from the pandemic will take substantially longer than the rest of the world due to the inherent structural weaknesses of the economy, with increased risk caused by unsustainably high sovereign debt, chronic unemployment and poor human capital development.

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.

The developed economy stimulus interventions have provided a powerful buffer to financial markets up to this point, but we expect increased volatility when fiscal stimulus inevitably wanes, when inflation emerges at last and when interest rates rise from the current extremely low levels.

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 believe that there will be casualties among local companies with weaker balance sheets and whose management teams do not adapt to the new environment, therefore permanently affecting prospects. Companies with better business models and stronger management teams will outperform, especially in the weaker economy in the years ahead and we are endeavouring to maintain exposure to such leading companies at the right price.

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 clients continue to benefit from exposure to platinum group metals miners, that are expanding low cost, mostly mechanised production. We maintain a high exposure across the funds to Naspers, which has unrivalled growth potential from its various online platform businesses and we hold a large weighting in the local chemical sector, which has particular exposure to the reasonably resilient agriculture and mining sectors. Our diverse selection of local mid-cap holdings offered very attractive upside prior to the recent crash. Based on revised, post-crisis assumptions and sharply lower share prices, the upside is now even greater in many cases.

We hold a high exposure to South African government long bonds due to the attractive real yields on offer.

Furthermore, we retain a position below maximum permitted limits in offshore markets, mainly due to the higher expected

returns we see in our South African holdings. 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 17 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, provides invaluable context for the local market and investment opportunities that are not typically available in the South African environment.

We are a high conviction manager with the ability and willingness to be positioned very differently to the overall market. Our somewhat contrarian, valuation-based investment approach is delivering very strong performance for our clients across our fund range

Looking ahead

We have high performance expectations for our funds and believe they hold an exciting mix of diversified prospects. In particular, there are many specific securities that have very solid fundamental investment cases and yet their prices have lagged the broader post-crisis market rebound. We believe that these individual security selections, 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 2020.

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 the entity specific basis of accounting as set out in the accounting policy notes to the Annual Financial Statements. 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 entity specific basis of accounting as set out in the accounting policy notes to the Annual Financial Statements 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
11 December 2020



Seggie Moodley
Standard Bank of South Africa Limited

Unit trust performance

Performance to 30 June 2020										
	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	-5.8%	2.7%	3.5%	8.8%	14.7%	26 Apr 04	2.24%	0.53%		
SA Equity General funds mean	-7.4%	0.3%	0.3%	7.7%	11.2%					
Outperformance	1.6%	2.4%	3.2%	1.1%	3.5%					
Top 40 Tracker Fund	1.9%	6.9%	4.5%	10.6%	11.7%	01 Aug 97	0.77%	0.12%		
FTSE/JSE Top 40 Index	-0.5%	6.7%	4.8%	11.2%	12.7%					
Outperformance	2.4%	0.2%	-0.3%	-0.6%	-1.0%					
Global Equity Feeder Fund					-1.0%	01 Nov 19				
Global Equity General funds mean					12.8%					
Outperformance					-13.8%					
Balanced Fund	-3.0%	3.6%	4.8%	-	7.6%	03 May 11	1.58%	0.47%		
SA Multi Asset High Equity funds mean	0.5%	3.6%	3.5%		7.4%					
Outperformance	-3.5%	0.0%	1.3%		0.2%					
Protector Fund	-3.3%	3.3%	4.8%	6.6%	9.0%	11 Dec 02	1.58%	0.32%		
CPI + 4% ⁵	6.1%	7.9%	9.0%	9.7%	10.2%					
Outperformance	9.4%	-4.6%	-4.2%	-3.1%	-1.2%					
Stable Fund	-7.4%	2.8%	4.7%	-	6.6%	03 May 11	1.52%	0.43%		
Total return of CPI+2% pa ⁵	4.1%	5.9%	6.0%		5.7%					
Outperformance	-11.5%	-3.1%	-1.3%		0.9%					
Sharia-compliant unit trust funds⁴										
Islamic Equity Fund	-6.4%	3.3%	4.7%	8.2%	9.3%	13 Jul 09	1.50%	0.24%		
SA Equity General funds mean	-7.4%	0.3%	0.3%	7.7%	8.7%					
Outperformance	1.0%	3.0%	4.4%	0.5%	0.6%					
Islamic Global Equity Feeder Fund	13.8%	-	-	-	14.4%	07 Jun 19				
Global Equity General funds mean	23.0%				26.4%					
Outperformance	-9.2%				-12.0%					
Islamic Balanced Fund	0.0%	4.4%	4.8%	-	6.0%	03 May 11	1.51%	0.17%		
SA Multi Asset High Equity funds mean	0.5%	3.6%	3.5%		7.4%					
Outperformance	-0.5%	0.8%	1.3%		-1.4%					
Islamic High Yield Fund	4.1%	-	-	-	5.0%	11 Mar 19				
Short-term Fixed Interest Index (STeFI)	6.9%				7.0%					
Outperformance	-2.8%				-2.0%					
Highest and lowest monthly fund performance										
<i>Equity Alpha Fund</i>	Highest 12.6%	Lowest -21.6%	Highest 12.6%	Lowest -21.6%	Highest 12.6%	Lowest -21.6%	Highest 12.6%	Lowest -21.6%	Highest 12.6%	Lowest -21.6%
<i>Top 40 Tracker Fund</i>	Highest 14.6%	Lowest -8.3%	Highest 14.6%	Lowest -8.3%	Highest 14.6%	Lowest -8.3%	Highest 14.6%	Lowest -8.3%	Highest 14.6%	Lowest -27.8%
<i>Global Equity Feeder Fund</i>	Highest -	Lowest -	Highest -	Lowest -	Highest -	Lowest -	Highest -	Lowest -	Highest 18.1%	Lowest -15.6%
<i>Balanced Fund</i>	Highest 6.9%	Lowest 15.7%	Highest 6.9%	Lowest -15.7%	Highest 6.9%	Lowest -15.7%	Highest -	Lowest -	Highest 6.9%	Lowest -15.7%
<i>Protector Fund</i>	Highest 5.1%	Lowest -13.9%	Highest 5.1%	Lowest -13.9%	Highest 5.1%	Lowest -13.9%	Highest 5.1%	Lowest -13.9%	Highest 9.5%	Lowest -13.9%
<i>Stable Fund</i>	Highest 4.0%	Lowest -11.4%	Highest 4.0%	Lowest -11.4%	Highest 4.0%	Lowest -11.4%	Highest -	Lowest -	Highest 4.0%	Lowest -11.4%
<i>Islamic Equity Fund</i>	Highest 8.2%	Lowest -14.3%	Highest 8.2%	Lowest -14.3%	Highest 8.2%	Lowest -14.3%	Highest 8.2%	Lowest -14.3%	Highest 8.2%	Lowest -14.3%
<i>Islamic Global Equity Feeder Fund</i>	Highest 14.6%	Lowest -5.6%	Highest -	Lowest -	Highest -	Lowest -	Highest -	Lowest -	Highest 14.6%	Lowest -8.4%
<i>Islamic Balanced Fund</i>	Highest 7.5%	Lowest -9.3%	Highest 7.5%	Lowest -9.3%	Highest 7.5%	Lowest -9.3%	Highest -	Lowest -	Highest 8.2%	Lowest -9.3%
<i>Islamic High Yield Fund</i>	Highest 1.9%	Lowest -2.4%	Highest -	Lowest -	Highest -	Lowest -	Highest -	Lowest -	Highest 1.9%	Lowest -2.4%

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;

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)

713.57

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 2019	3.23 cpu
30 June 2020	2.10 cpu

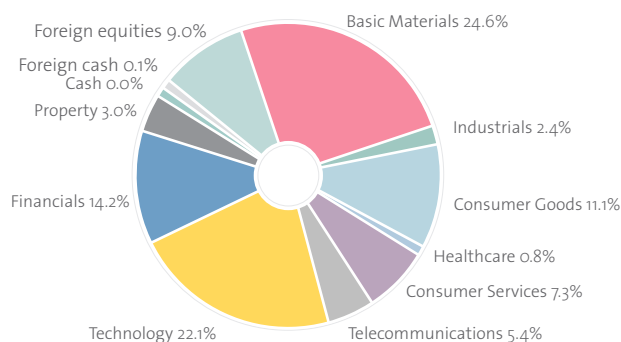
Performance¹

One year to 30 June 2020	-5.8%
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¹ Source: Morningstar

	Year ended 30 June 2020	Year ended 30 June 2019
Statement of comprehensive income		
Income available for distribution	-56 209 487	27 994 578
Distribution	10 132 921	5 143 221
Statement of financial position		
Capital value of unit portfolio	708 590 287	347 453 014
Current liabilities	21 992 790	4 214 221
Total assets	730 583 077	351 667 235
Market value (Rm)	713.6	348.9

Asset and sector allocation



Top 10 equity holdings*

	% of fund
Naspers	15.0
Northam Platinum	8.3
Omnia	4.5
AECI	4.0
Datatec	3.6
MTN	3.3
Libstar	3.3
Metair	3.2
Royal Bafokeng Platinum	3.1
Quilter plc	2.7
	51.0

*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)

1,731.05

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 2019	2.21 cpu
30 June 2020	1.61 cpu

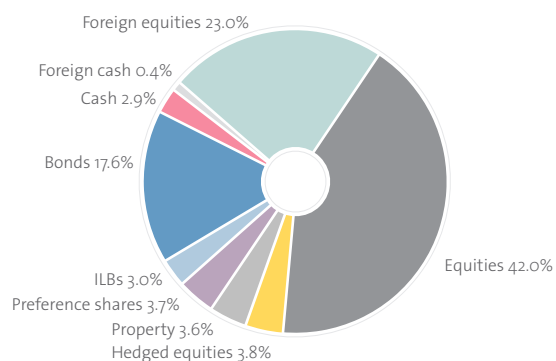
Performance¹

One year to 30 June 2020	-3.0%
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¹ Source: Morningstar

	Year ended 30 June 2020	Year ended 30 June 2019
Statement of comprehensive income		
Income available for distribution	-81 724 602	55 876 075
Distribution	43 094 426	21 489 028
Statement of financial position		
Capital value of unit portfolio	1 709 735 014	766 101 788
Current liabilities	31 130 521	19 740 062
Total assets	1 740 865 535	785 841 850
Market value (Rm)	1 731.0	776.9

Asset allocation



Top 10 equity holdings*

	% of fund
Naspers	7.4
Northam Platinum	3.8
Omnia	2.3
AECI	2.1
Datatec	2.0
Libstar	1.8
Metair	1.8
MTN	1.8
Royal Bafokeng Platinum	1.7
Brait	1.5
	26.2

*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)

138.83

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 2019	63.01 cpu
30 June 2020	46.40 cpu

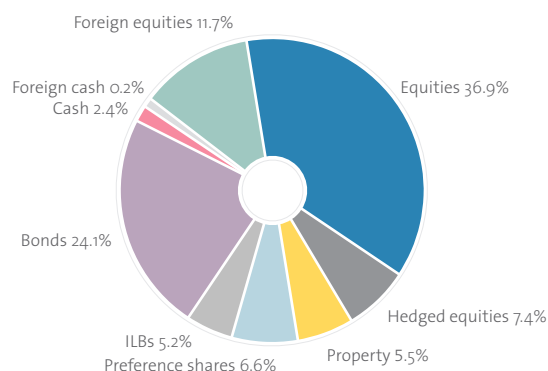
Performance¹

One year to 30 June 2020	-3.3%
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¹ Source: Morningstar

	Year ended 30 June 2020	Year ended 30 June 2019
Statement of comprehensive income		
Income available for distribution	-6 012 554	10 494 477
Distribution	5 350 081	4 496 793
Statement of financial position		
Capital value of unit portfolio	136 399 349	117 295 775
Current liabilities	2 650 735	3 178 085
Total assets	139 050 084	120 473 860
Market value (Rm)	138.8	119.7

Asset allocation



Top 10 equity holdings*

	% of fund
Northam Platinum	4.8
Naspers	4.7
Telkom	2.2
Omnia	2.2
Metair	1.9
Ethos Capital	1.7
Quilter plc	1.7
AECI	1.7
Datatec	1.7
Libstar	1.5
	24.1

*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)

463,66

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 2019	3.04 cpu
30 June 2020	2.60 cpu

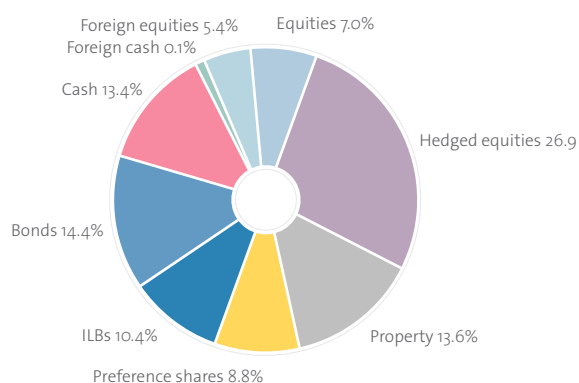
Performance¹

One year to 30 June 2020	-7.4%
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¹ Source: Morningstar

	Year ended 30 June 2020	Year ended 30 June 2019
Statement of comprehensive income		
Income available for distribution	-40 131 080	30 989 976
Distribution	19 185 949	13 136 200
Statement of financial position		
Capital value of unit portfolio	454 373 815	352 192 136
Current liabilities	10 513 094	15 479 859
Total assets	464 886 909	367 671 995
Market value (Rm)	463.7	359.5

Asset allocation



Top 10 equity holdings*

	% of fund
Northam Platinum	2.0
Libstar	1.8
Omnia	1.7
Curro	1.5
AECI	1.4
Metair	1.4
Sea Harvest	1.3
Crookes Bros	1.3
Capital Appreciation	1.3
Brait	1.3
	15.0

*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)

105.37

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 2019	141.26 cpu
30 June 2020	84.41 cpu

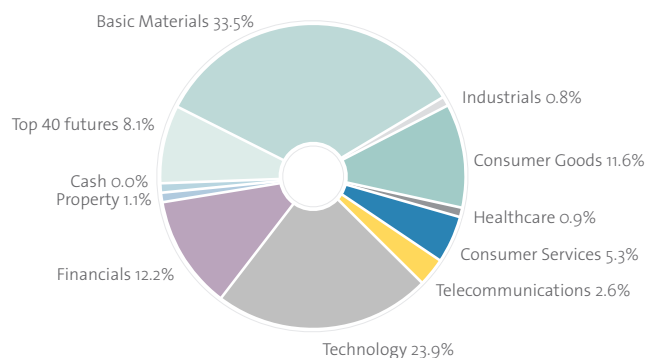
Performance¹

One year to 30 June 2020	1.9%
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¹Source: Morningstar

	Year ended 30 June 2020	Year ended 30 June 2019
Statement of comprehensive income		
Income available for distribution	1 679 411	2 230 456
Distribution	2 503 373	1 991 023
Statement of financial position		
Capital value of unit portfolio	104 037 298	63 744 494
Current liabilities	6 350 415	1 173 921
Total assets	110 387 713	64 918 415
Market value (Rm)	105.4	64.8

Asset and sector allocation



Top 10 equity holdings

	% of fund
Naspers	20.9
BHP Group	11.8
Richemont	8.8
Anglo American	7.8
Anglogold Ashanti	3.3
Prosus	3.1
British American Tobacco	2.8
FirstRand	2.8
Mondi	2.5
Gold Fields	2.2
	66.0

Global Equity Feeder Fund

Fund objective

The fund is fully invested in the dollar-denominated Kagiso Global Equity Fund (domiciled in Ireland). The fund aims to achieve a total portfolio return that outperforms the world equities market over the long term. The portfolio has a moderate level of risk and therefore seeks to provide a moderated exposure to volatility in the short term.

Fund size (Rm)

28.85

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

31 December 2019	0.00 cpu
30 June 2020	0.00 cpu

Performance¹

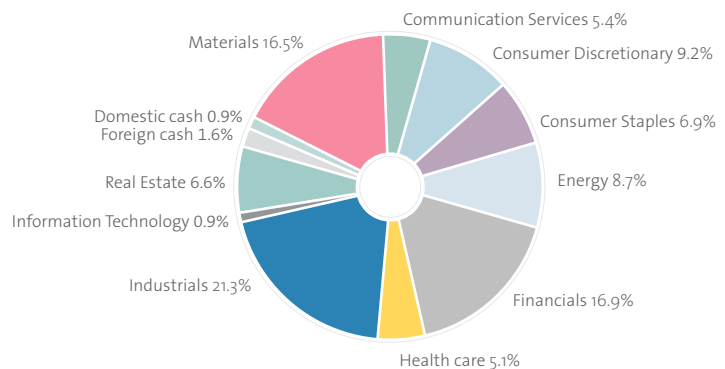
Since inception to 30 June 2020	-1.0 %
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¹ Source: Morningstar

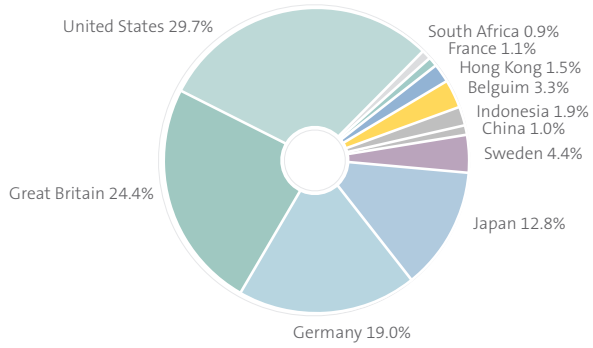
Year ended 30 June 2020	
Statement of comprehensive income	
Income available for distribution	-445 800
Distribution	-
Statement of financial position	
Capital value of unit portfolio	28 853 119
Current liabilities	1 858 430
Total assets	30 711 549
Market value (Rm)	28.9

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

Asset and sector allocation



Regional allocation



Top 10 equity holdings*

	% of fund
Kinder Morgan	5.4
Bodycote	5.0
Prudential plc	4.9
Siemens	4.7
SKF	4.4
DuPont de Nemours	4.4
Aroundtown	4.3
M&G Prudential plc	4.0
Sekisui Chemicals	3.8
Corteva	3.8
	44.7

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)

893.94

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 2019	2.01 cpu
30 June 2020	1.15 cpu

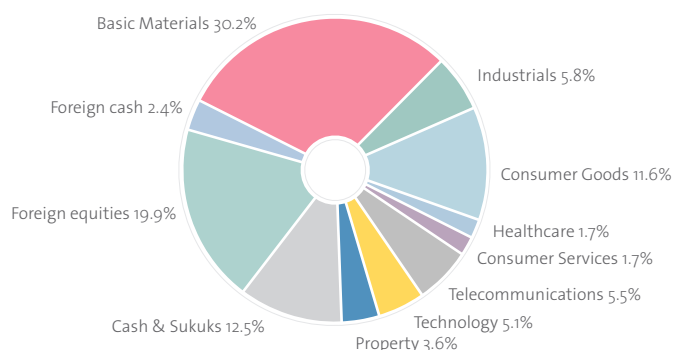
Performance¹

One year to 30 June 2020	-6.4%
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¹Source: Morningstar

	Year ended 30 June 2020	Year ended 30 June 2019
Statement of comprehensive income		
Income available for distribution	-53 769 380	42 567 774
Distribution	12 375 208	15 637 562
Statement of financial position		
Capital value of unit portfolio	889 090 799	892 382 862
Current liabilities	18 690 891	10 100 107
Total assets	907 781 690	902 482 969
Market value (Rm)	893.9	900.6

Asset and sector allocation



Top 10 equity holdings*

	% of fund
Omnia	3.8
Libstar	3.6
AECI	3.4
Northam Platinum	3.1
MTN	3.0
African Rainbow Minerals	3.0
Datatec	2.7
Metair	2.6
Anglogold Ashanti	2.5
Telkom	2.5
	30.2

*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)

1,494.00

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 2019	0.72 cpu
30 June 2020	0.54 cpu

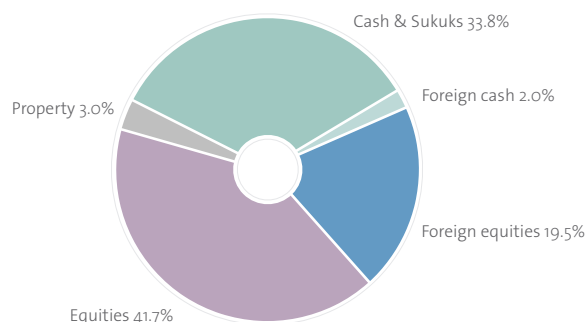
Performance¹

One year to 30 June 2020	0.0%
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¹ Source: Morningstar

	Year ended 30 June 2020	Year ended 30 June 2019
Statement of comprehensive income		
Income available for distribution	3 480 613	56 767 878
Distribution	13 422 099	8 235 161
Statement of financial position		
Capital value of unit portfolio	1 487 974 880	1 375 492 910
Current liabilities	25 265 548	6 723 776
Total assets	1 513 240 428	1 382 216 686
Market value (Rm)	1 494.0	1 380.1

Asset allocation



Top 10 equity holdings*

	% of fund
Anglogold Ashanti	2.8
African Rainbow Minerals	2.7
Northam Platinum	2.5
MTN	2.5
AECI	2.5
Anglo Platinum	2.2
Omnia	2.1
Libstar	2.1
Afrox	1.8
Telkom	1.7
	22.9

*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)

436.25

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 September 2019	1.45 cpu
31 December 2019	1.26 cpu
31 March 2020	0.75 cpu
30 June 2020	1.34 cpu

Performance¹

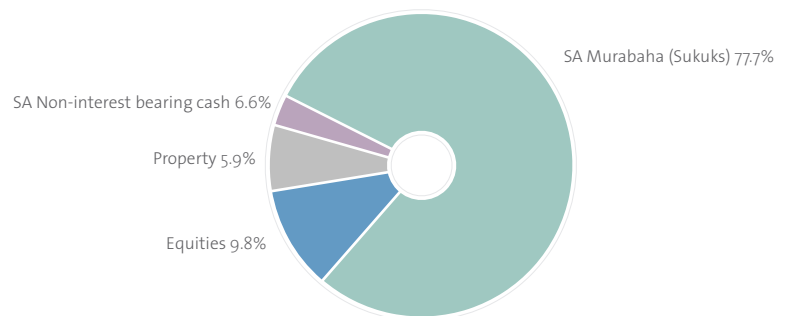
One year to 30 June 2020	4.1%
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¹ Morningstar

	Year ended 30 June 2020	Year ended 30 June 2019
Statement of comprehensive income		
Income available for distribution	14 472 113	4 960 537
Distribution	16 729 305	3 540 544
Statement of financial position		
Capital value of unit portfolio	430 469 341	208 654 049
Current liabilities	10 581 975	3 703 060
Total assets	441 051 316	212 357 109
Market value (Rm)	436.3	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)

231.65

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

31 December 2019	0.00 cpu
30 June 2020	0.00 cpu

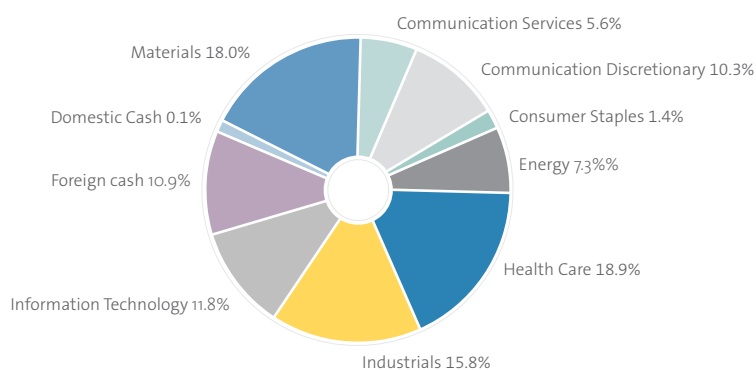
Performance¹

One year to 30 June 2020	13.8%
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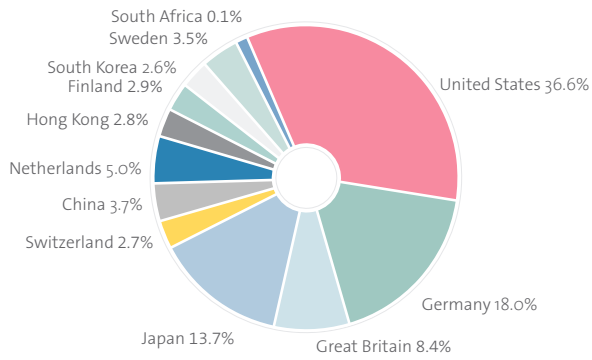
¹ Morningstar

	Year ended 30 June 2020	Year ended 30 June 2019
Statement of comprehensive income		
Income available for distribution	19 651 270	128 418
Distribution	-	-
Statement of financial position		
Capital value of unit portfolio	231 648 535	8 561 438
Current liabilities	4 435 244	42 997
Total assets	236 083 779	8 604 435
Market value (Rm)	231.7	8.6

Asset and sector allocation



Regional Allocation



Top 10 equity holdings

	% of fund
Siemens	4.0
DuPont de Nemours	3.8
SKF	3.5
Bayer	3.2
Panasonic	3.0
Corteva	2.9
Johnson Electric	2.8
Cisco Systems	2.8
LyondellBasell	2.8
Roche	2.7
	31.5

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 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 2020 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 an 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



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