

Annual Report **2021**



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With the pandemic market shock more than a year behind us and materially changed economic prospects for the companies and economies in which we invest, our funds have rebounded considerably and continue to outperform. Meaningful client inflows were received and our funds again won numerous industry awards.

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

This year we were honoured to have received the **Morningstar Award for Best Fund House: Smaller Fund Range** for consistent risk-adjusted performance across our focused fund range over many years.

We also won a **Raging Bull Award for the Protector Fund** and the **2021 Lipper Global Islamic Fund Award for the Islamic Balanced Fund**.

Economic backdrop

Rapid rollouts of vaccines have substantially progressed in many developed markets. This is allowing a faster return to more normal activity in those regions, limiting further scarring in services sectors (particularly tourism and leisure). In the near-term, it seems that many developed economies are growing at above trend levels. Nevertheless, sustainable economic conditions may be visible only when fiscal support and monetary stimulus tapers off and the reality of permanent job losses manifests.

Unfortunately, several less wealthy nations are enduring continued heavy Covid-19 impacts, accompanied by slow vaccine rollouts, delaying their economic recoveries.

Following a rapid resumption of economic activity back to pre-crisis levels, the Chinese economy is again growing strongly, largely due to the successful early containment of the pandemic, government stimulus and surprisingly strong exports and manufacturing activity.

The local economy continues to recover, with consistently high commodity prices (particularly platinum group metals and iron ore) significantly supporting economic outcomes and the agricultural sector remaining buoyant. However, with an ineffective vaccine rollout, recurring Covid-19 variant surges continue to hamper the recovery of our services sectors, preventing the economy from fully opening up.

South Africa is lagging the global recovery considerably, showing signs of permanent economic damage from the lockdown and years of state mismanagement. We suffer from a very

depressed labour market, unstable electricity supply, weakened and tax-hungry municipalities and chronically low business and investment confidence. We therefore remain pessimistic regarding the structural growth rate for the local economy and have been wary of extrapolating a short-term cyclical growth rebound too far into the future when valuing cash flows. While economic revival plans are well articulated, they still rely too heavily on implementation from weakened state institutions and do not draw sufficiently on private sector participation.

A full post-crisis economic recovery will take meaningfully longer than the rest of the world due to the inherent structural weaknesses of the South African economy, with increased risk due to unsustainably high sovereign debt. The tragic recent looting unrest and resultant sapping of business confidence and economic damage are another reminder of the long-term structural growth impediments we face. Recurrent social instability and unrest is an unfortunate inevitability given very high levels of unemployment and inequality.

The SARB has reached the end of its path of easing, keeping the repo rate at 3.5% at the July meeting. There is likely to be some near-term negative growth impacts resulting from the recent unrest in SA. However, over the medium term, inflation is expected to remain benign (despite higher food and oil prices) and base effects (causing higher current inflation) should recede in the coming months.

The medium-term outlook for other developing economies varies widely at present, with differing exposures to volatile energy prices (importers versus exporters), other strong commodity prices, decimated tourism industries and opposing impacts from the management of the pandemic and progress of vaccine rollouts. Due to recovering domestic demand and some signs of increased inflation, policy interest rates have started normalising higher in these economies from the extraordinarily low crisis levels.

Markets

Extremely high developed market fiscal and monetary stimulus measures are providing a powerful support for financial markets and have led to dramatic increases in general asset prices. We expect increased volatility and weakness in many now buoyant areas when fiscal stimulus inevitably wanes, if sustained inflation emerges at last, and when interest rates rise from their extremely low levels.

The South African equity market contains many global companies, which are benefitting from the global economic rebound and healthy liquidity conditions. JSE-listed companies that operate primarily in the local economy face a poor growth outlook and, in our view, many of them are discounting too bright a future. The very steep South African yield curve is offering highly attractive long bond returns and slim pickings at the short end.

Our views

Our portfolios contain a large preference for SA Industrials, with particular holdings in Naspers/Prosus, telecoms and a basket of under-priced, mid-caps with good prospects. We are underweight in the financial sector, preferring the asset managers and Sanlam.

We are selective within the basic materials sector where we maintain our high exposure to low-cost, growing PGM miners. We expect a sustained shortage in PGM metals when global economic activity normalises due to structural supply impediments, demand from tightened emission regulations, increased jewellery demand and a rapidly growing hydrogen energy sector. Current share prices offer very attractive near-term free cash flow yields, even with expected lower metal prices. We also continue to see attractive prospects for the SA-listed chemical companies.

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.

Evidently, companies with stronger balance sheets, better business models and flexible, more adaptable management teams are outperforming in the recovery period and we believe this will be even more pronounced in the weaker economy in the years ahead. We are maintaining exposure to such companies, at the right price.

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 mainly listed on developed market exchanges. They cover a broad range of diversified sectors with somewhat of a quality cyclical orientation, that are benefitting meaningfully from the stronger global economic environment.

We have more exposure to ultra-long South African government bonds than in recent years due to highly attractive real yields on offer - despite the very weak fiscal position of the country. We remain guarded on corporate credit exposure given the weak SA economy and low credit spreads on offer, with exposures mainly in short-term credit instruments of well-capitalised financial companies.

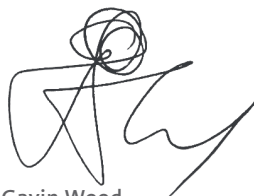
Our capabilities

Our extensive team of over 17 highly skilled investment professionals have deep investment experience. The core of our investment team has worked together for over 15 years and truly owns our long-term track record. We continue to grow our talent from within through high calibre team appointments and a strong skills transfer program. Many years of managing our global exposure from Cape Town provides invaluable context for the local market.

We are a high conviction manager with the ability and willingness to be positioned very differently to the market and competitors. Our somewhat contrarian, valuation-based investment approach delivers notably strong long-term 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. Combined with our strong asset allocation capabilities, we believe that these individual security selections 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 2021.

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
23 September 2021



Seggie Moodley
Standard Bank of South Africa Limited

Unit trust performance

Performance to 30 June 2021								
	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	40.0%	13.2%	10.2%	10.5%	16.0%	26 Apr 04	2.01%	0.50%
South African Equity General funds mean	25.3%	5.5%	4.6%	8.1%	12.0%			
Outperformance	14.7%	7.7%	5.6%	2.4%	4.0%			
Top 40 Tracker Fund	22.4%	9.0%	8.6%	10.4%	12.2%	01 Aug 97	0.75%	0.20%
FTSE/JSE Top 40 Index	23.0%	8.6%	8.7%	11.0%	13.1%			
Outperformance	-0.6%	0.4%	-0.1%	-0.6%	-0.9%			
Global Equity Feeder Fund#	19.8%	--	-	-	10.7%	01 Nov 19	2.67%	0.33%
FTSE World Index (ZAR)	15.9%				17.4%			
Outperformance	3.9%				-6.7%			
Balanced Fund	27.6%	10.5%	8.9%	9.7%	9.4%	03 May 11	1.61%	0.42%
South African Multi Asset High Equity funds mean	17.2%	6.7%	5.8%	8.6%	8.3%			
Outperformance	10.4%	3.8%	3.1%	1.1%	1.1%			
Protector Fund	25.7%	10.3%	9.3%	7.9%	9.9%	11 Dec 02	1.61%	0.33%
CPI + 4%	8.8%	7.8%	8.6%	9.6%	10.2%			
Outperformance	16.9%	2.5%	0.7%	-1.7%	-0.3%			
Stable Fund	24.5%	9.2%	8.0%	8.6%	8.3%	03 May 11	1.53%	0.46%
CPI+2% pa	6.9%	5.8%	6.2%	5.8%	5.8%			
Outperformance	17.6%	3.4%	1.8%	2.8%	2.5%			
Shariah unit trust funds⁴								
Islamic Equity Fund	36.4%	10.3%	10.4%	9.3%	11.4%	13 Jul 09	1.55%	0.23%
South African Equity General funds mean	25.3%	5.5%	4.6%	8.1%	10.0%			
Outperformance	11.1%	4.8%	5.8%	1.2%	1.4%			
Islamic Global Equity Feeder Fund#	9.9%	-	-	-	12.5%	07 Jan 19	2.32%	0.17%
Global Equity General funds mean	14.3%				21.2%			
Outperformance	-4.4%				-8.7%			
Islamic Balanced Fund	27.1%	9.9%	9.0%	8.3%	7.9%	03 May 11	1.55%	0.15%
South African Multi Asset High Equity funds mean	17.2%	6.7%	5.8%	8.6%	8.3%			
Outperformance	9.9%	3.2%	3.2%	-0.3%	-0.4%			
Islamic High Yield Fund#	10.5%	-	-	-	7.3%	11 Mar 19	0.59%	0.03%
Short-term Fixed Interest Index (STeFI)	4.0%				5.7%			
Outperformance	6.5%				1.6%			

Highest and lowest monthly fund performance	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
<i>Equity Alpha Fund</i>	10.9%	-2.8%	12.6%	-21.6%	12.6%	-21.6%	12.6%	-21.6%	12.6%	-21.6%
<i>Global Equity Feeder Fund</i>	15.4%	-6.6%	-	-	-	-	-	-	18.1%	-15.6%
<i>Top 40 Tracker Fund</i>	10.4%	-5.4%	14.6%	-8.3%	14.6%	-8.3%	14.6%	-8.3%	14.6%	-27.8%
<i>Balanced Fund</i>	9.1%	-1.0%	9.1%	-15.7%	9.1%	-15.7%	9.1%	-15.7%	9.1%	-15.7%
<i>Protector Fund</i>	7.4%	-0.4%	7.4%	-13.9%	7.4%	-13.9%	7.4%	-13.9%	9.5%	-13.9%
<i>Stable Fund</i>	6.1%	-1.7%	6.1%	-11.4%	6.1%	-11.4%	6.1%	-11.4%	6.1%	-11.4%
<i>Islamic Equity Fund</i>	9.6%	-1.4%	9.6%	-14.3%	9.6%	-14.3%	9.6%	-14.3%	9.6%	-14.3%
<i>Islamic Global Equity Feeder Fund</i>	7.9%	-4.9%	-	-	-	-	-	-	14.6%	-8.4%
<i>Islamic Balanced Fund</i>	8.0%	-1.1%	8.0%	-9.3%	8.0%	-9.3%	8.2%	-9.3%	8.2%	-9.3%
<i>Islamic High Yield Fund</i>	2.7%	0.1%	-	-	-	-	-	-	2.7%	-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 2021; # over 12 months to 30 June 2021. ³ Transaction costs (TC) are unavoidable costs incurred in administering the financial products offered by Kagiso Collective Investments 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 2021; # over 12 months to 30 June 2021. 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)

987.43

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 2020	1.70 cpu
30 June 2021	28.06 cpu

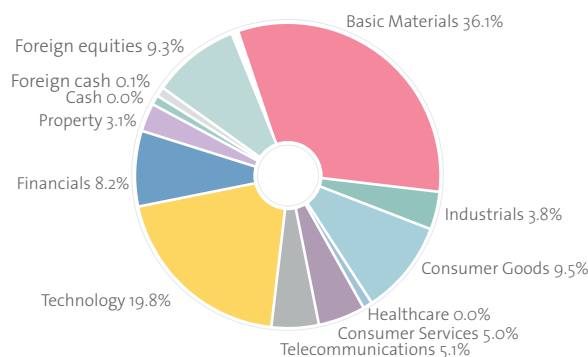
Performance¹

One year to 30 June 2021	40.0%
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¹ Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	272 639 165	-56 209 487
Distribution	33 435 923	10 132 921
Statement of financial position		
Capital value of unit portfolio	957 314 253	708 590 287
Current liabilities	36 815 114	21 992 790
Total assets	994 129 367	730 583 077
Market value (Rm)	987,4	713,6

Asset and sector allocation



Top 10 equity holdings*

	% of fund
Naspers	13.3
Omnia	8.6
Northam Platinum	7.0
Anglo American	6.2
Datatec	4.6
Anglo Platinum	4.3
MTN	4.1
Royal Bafokeng Platinum	3.7
Curro	3.3
Metair	3.1
	58.2

*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 moderated exposure to volatility in the short term.

Fund size (Rm)

2,356.25

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 2020	1.64 cpu
30 June 2021	4.57 cpu

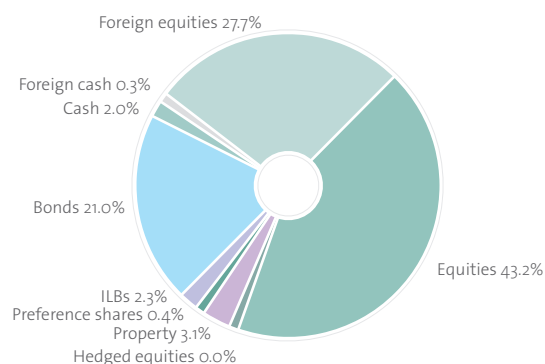
Performance¹

One year to 30 June 2021	27.6%
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¹ Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	483 722 453	-81 724 602
Distribution	79 734 028	43 094 426
Statement of financial position		
Capital value of unit portfolio	2 298 148 257	1 709 735 014
Current liabilities	135 555 993	31 130 521
Total assets	2 433 704 250	1 740 865 535
Market value (Rm)	2 356,3	1 731.0

Asset allocation



Top 10 equity holdings*

	% of fund
Naspers	5.8
Omnia	4.2
Northam Platinum	3.4
Anglo American	3.0
Datatec	2.1
Anglo Platinum	2.0
Royal Bafokeng Platinum	1.9
MTN	1.9
Curro	1.5
Metair	1.5
	27.3

*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)

135.05

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 2020	31.09 cpu
30 June 2021	99.36 cpu

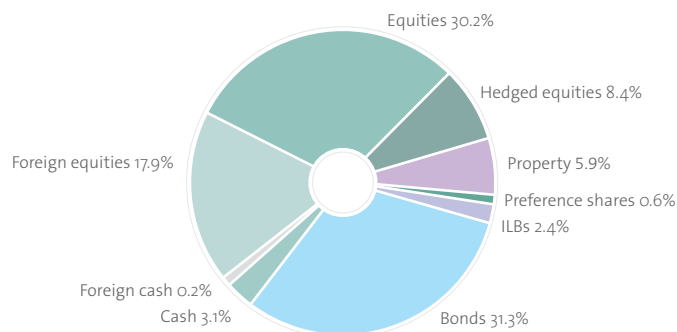
Performance¹

One year to 30 June 2021	25.7%
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¹ Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	26 386 837	-6 012 554
Distribution	5 734 006	5 350 081
Statement of financial position		
Capital value of unit portfolio	142 329 925	136 399 349
Current liabilities	11 048 902	2 650 735
Total assets	153 378 827	139 050 084
Market value (Rm)	146,8	138,8

Asset allocation



Top 10 equity holdings*

	% of fund
Naspers	3.6
Omnia	3.3
Northam Platinum	2.9
MTN	2.1
Datatec	1.8
Anglo American	1.7
Anglo Platinum	1.7
Sanlam	1.6
Curro	1.6
British American Tobacco	1.5
	21.8

*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)

435.19

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 2020	1.81 cpu
30 June 2021	4.99 cpu

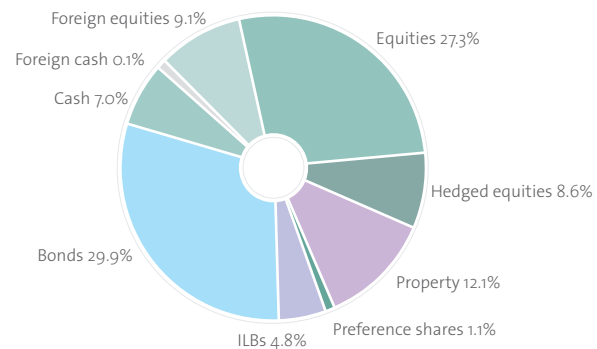
Performance¹

One year to 30 June 2021	24.5%
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¹ Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	74 514 018	-40 131 080
Distribution	17 662 440	19 185 949
Statement of financial position		
Capital value of unit portfolio	421 901 149	454 373 815
Current liabilities	29 799 247	10 513 094
Total assets	451 700 396	464 886 909
Market value (Rm)	435,2	463,7

Asset allocation



Top 10 equity holdings*

	% of fund
Omnia	3.1
Northam Platinum	2.7
Anglo American	2.5
Datatec	1.7
Anglo Platinum	1.6
MTN	1.6
Royal Bafokeng Platinum	1.5
Naspers	1.3
Metair	1.2
Libstar	1.2
	18.4

*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)

134.83

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 2020	44.82 cpu
30 June 2021	91.64 cpu

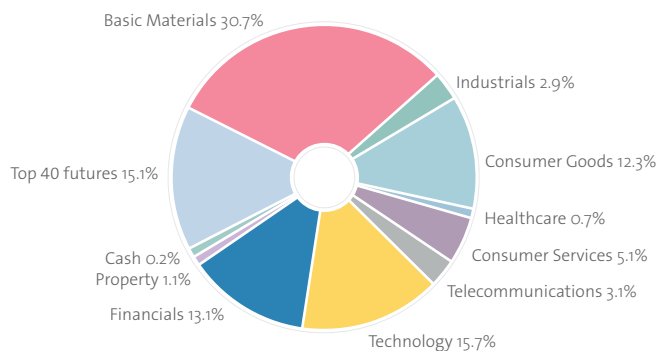
Performance¹

One year to 30 June 2021	22.4%
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¹Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	20 617 680	1 679 411
Distribution	2 148 678	2 503 373
Statement of financial position		
Capital value of unit portfolio	133 306 632	104 037 298
Current liabilities	1 672 234	6 350 415
Total assets	134 978 866	110 387 713
Market value (Rm)	134,8	105,4

Asset and sector allocation



Top 10 equity holdings*

	% of fund
Naspers	14.6
BHP Group	10.7
Richemont	10.6
Anglo American	8.4
Firststrand	3.1
Impala Platinum	2.2
MTN	2.2
Mondi	2.2
Sibanye Stillwater	2.1
Standard Bank	2.0
	58.1

*Top holdings comprise domestic equities

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)

78.90

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 2020	0.00 cpu
30 June 2021	0.00 cpu

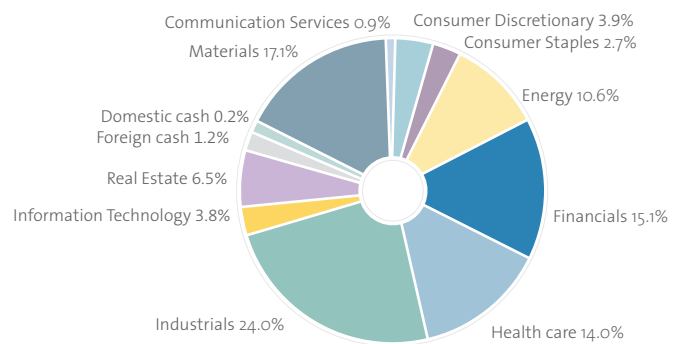
Performance¹

Since inception to 30 June 2021	19.8%
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¹ Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	7 563 844	-445 800
Distribution	-	-
Statement of financial position		
Capital value of unit portfolio	78 903 593	28 853 119
Current liabilities	5 073 209	1 858 430
Total assets	83 976 802	30 711 549
Market value (Rm)	78,9	28,9

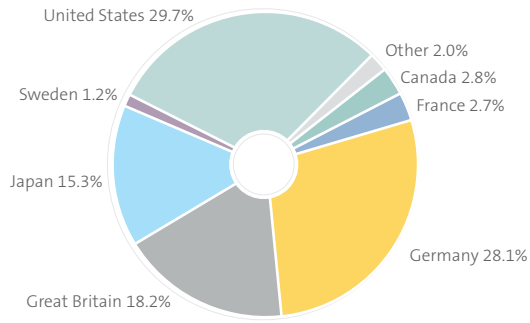
Asset and sector allocation



Top 10 equity holdings*

	% of fund
Siemens	6.5
Bayer	5.8
Inpex	5.8
Nisshinbo	5.5
Aroundtown	5.3
Siemens Energy	5.0
Kinder Morgan	4.8
Evonik	4.8
Prudential plc	4.7
M&G plc	4.6
	52.8

Regional allocation



*Top holdings comprise global equities

Shariah-compliant unit trust range fund

Islamic Equity Fund

Fund objective

A Shariah-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)

1,189.09

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 2020	1.19 cpu
30 June 2021	8.27 cpu

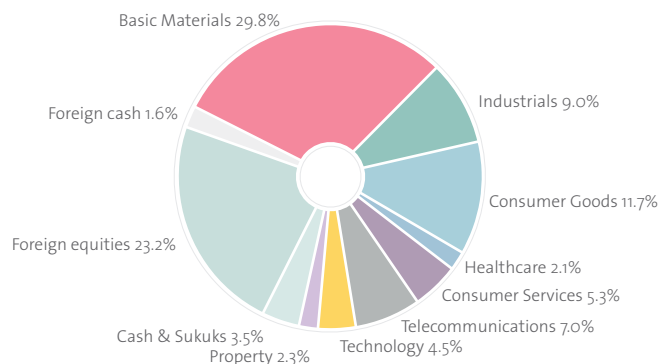
Performance¹

One year to 30 June 2021	36.4%
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¹Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	314 238 432	-53 769 380
Distribution	36 504 937	12 375 208
Statement of financial position		
Capital value of unit portfolio	1 157 474 110	889 090 799
Current liabilities	36 162 552	18 690 891
Total assets	1 193 636 662	907 781 690
Market value (Rm)	1 189,1	893,9

Asset and sector allocation



Top 10 equity holdings*

	% of fund
Omnia	5.6
MTN	4.4
Anglo Platinum	3.1
Sibanye Stillwater	3.1
Anglo American	3.1
Northam Platinum	3.1
Datatec	3.0
Metair	2.6
Telkom	2.5
Libstar	2.5
	33.0

*Top holdings comprise domestic and global equities

Islamic Balanced Fund

Fund objective

A Shariah-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)

2,198.06

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 2020	0.45 cpu
30 June 2021	3.51 cpu

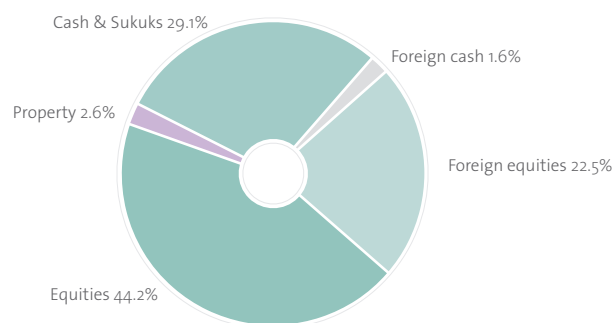
Performance¹

One year to 30 June 2021	27.1%
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¹ Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	426 275 818	3 480 613
Distribution	44 923 848	13 422 099
Statement of financial position		
Capital value of unit portfolio	2 158 638 483	1 487 974 880
Current liabilities	47 083 268	25 265 548
Total assets	2 205 721 751	1 513 240 428
Market value (Rm)	2 198,1	1 494.0

Asset allocation



Top 10 equity holdings*

	% of fund
Omnia	3.6
MTN	3.5
Anglo Platinum	2.2
Northam Platinum	2.2
Sibanye Stillwater	2.1
Telkom	2.0
Libstar	1.8
Anglo American	1.8
Exxaro Resources	1.8
Datatec	1.7
	22.7

*Top holdings comprise domestic and global equities

Islamic High Yield Fund

Fund objective

A Shariah-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)

493.65

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 2020	0.31 cpu
31 December 2020	0.33 cpu
31 March 2021	0.17 cpu
30 June 2021	0.47 cpu

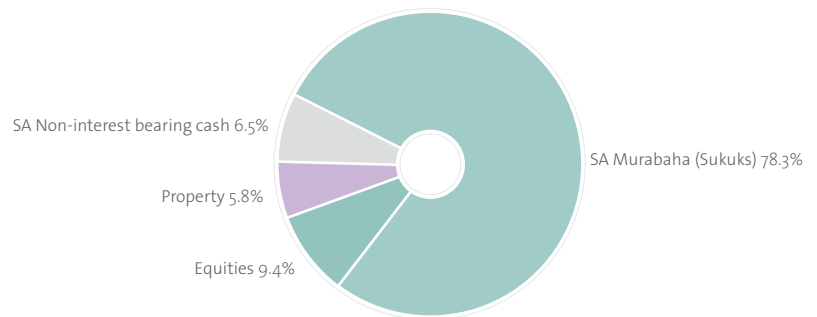
Performance¹

One year to 30 June 2021	10.5%
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¹ Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	44 767 358	14 472 113
Distribution	5 424 287	16 729 305
Statement of financial position		
Capital value of unit portfolio	491 538 412	430 469 341
Current liabilities	2 560 264	10 581 975
Total assets	494 098 676	441 051 316
Market value (Rm)	493.7	436.3

Asset allocation



Islamic Global Equity Feeder Fund

Fund objective

A Shariah-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)

411.97

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 2020	0.00 cpu
30 June 2021	0.00 cpu

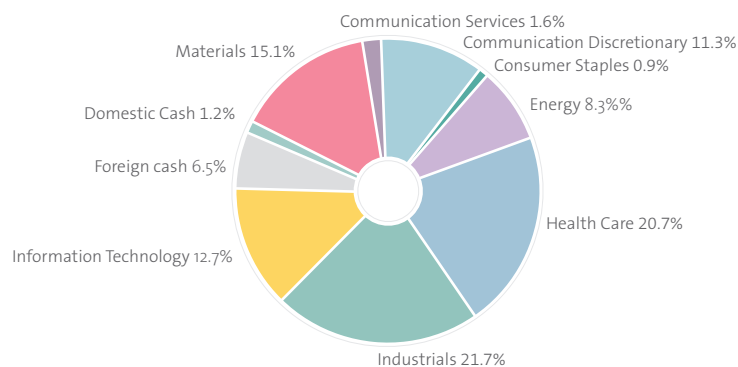
Performance¹

One year to 30 June 2021	9.9%
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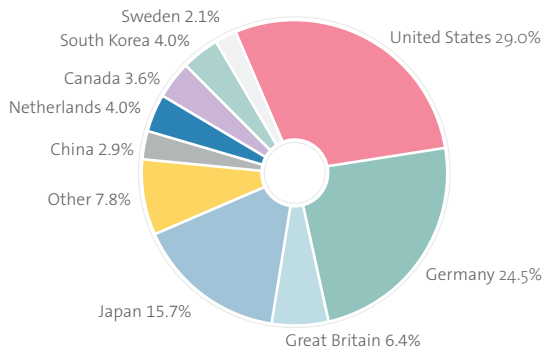
¹Source: Morningstar

	Year ended 30 June 2021	Year ended 30 June 2020
Statement of comprehensive income		
Income available for distribution	34 778 027	19 651 270
Distribution	-	-
Statement of financial position		
Capital value of unit portfolio	411 973 460	231 648 535
Current liabilities	383 384	4 435 244
Total assets	412 356 844	236 083 779
Market value (Rm)	412,0	231.7

Asset and sector allocation



Regional Allocation



Top 10 equity holdings*

	% of fund
Bayer	4.9
Nisshinbo	4.8
Inpex	4.4
Samsung	4.0
Siemens	3.8
Siemens Energy	3.7
Continental	3.0
Panasonic	3.0
Hochtief	2.9
Merck	2.6
	37.1

*Top holdings comprise global equities

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 2021 audited financial statements for each of the unit trust portfolios and the compliance certificate by the Shariah 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 X 54, 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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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

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