Quarterly investor report

Kagiso Global Equity Fund

September 2018

Date of issue: 26 October 2018

KAGISO Asset Management

Portfolio Manager
Gavin Wood

Fund objective

To provide strong capital growth and a total portfolio return that is in the top quartile for general equity funds, and is suitable for investors who are in their wealth accumulation phase, seeking exposure to equity markets. A typical investor would be able to withstand short-term market fluctuations in pursuit of maximum capital growth over the long term.

Invest with us

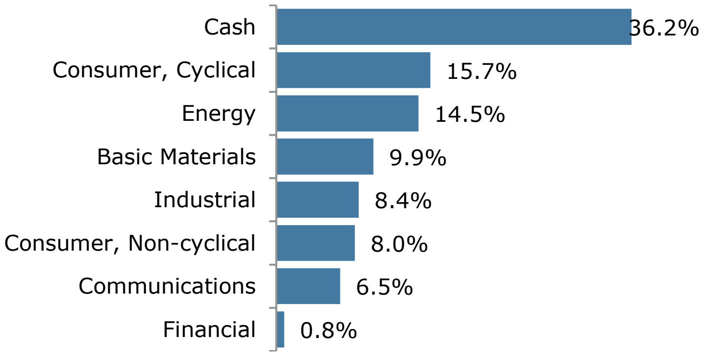
Visit our website www.kagisoam.com

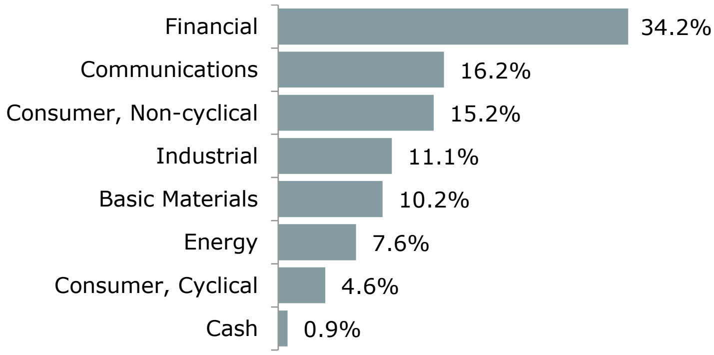
Call Client Service +(353)1 859-0300

Email KagisoICAV@MaitlandGroup.com

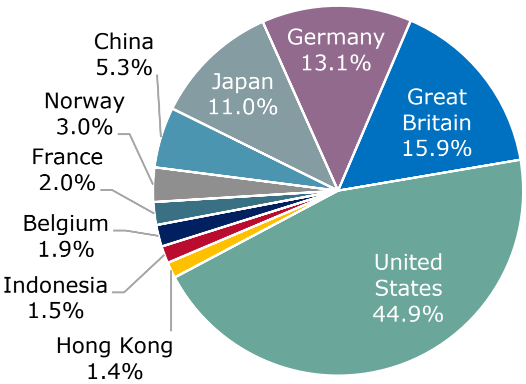
Quarter ended September 2018 | Quarter ended June 2018

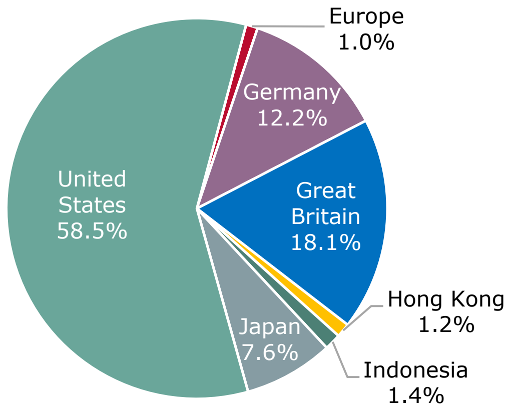
Sector composition





Geographical allocation





Top 10 holdings

Quarter ended September 2018

Just Group	6.1%
Prudential plc	5.6%
BrightSphere	5.6%
JD.com	5.3%
Siemens	5.0%
BGC Partners	4.9%
Alliance Data Systems	4.8%
Allergan	4.5%
DowDuPont	4.4%
Nisshinbo	4.0%
Total	50.2%

Quarter ended June 2018

Just Group	6.4%
Brightsphere	5.8%
Dowdupont	5.4%
Allergan	5.4%
JD.com	5.2%
BGC Partners	5.1%
Siemens	5.0%
Prudential plc	4.8%
Alliance Data Systems	4.5%
Gocompare.com	4.2%
Total	51.8%

Key indicators (US Dollar return)

Equity markets (total return)	Quarterly change
FTSE World Index	4.9%
FTSE Emerging Markets Index	-0.7%
Commodities and currency	**Quarterly change**
Gold (oz)	-4.8%
Brent Crude (barrel)	5.5%
Rand/US Dollar	3.0%
US Dollar/Euro	-0.7%

KAGISO Asset Management

Performance[1]

Not yet available

Benchmark	FTSE World Index	**Fund mandate**	International equities
Launch date	June 2018	**Vehicle**	UCITS
Fund size	$10.59 million	**Minimum investment**	Class A $10,000 Class B $1,000,000

Fees and charges (excl VAT)

Initial fee		0.00%
Management fee	Class A	1.35% pa
	Class B	0.85% pa

Fund registration no (ISIN) IE00BD5FJD62

Classification Global Equity Fund

Trustee Northern Trust Fiduciary Services (Ireland) Limited

The Kagiso Global Equity Fund is approved for marketing in South Africa under S65 of the Collective Investment Schemes Control Act of 2002.

Pricing: The Fund is valued and priced at 23:00 (Irish time) on each dealing day using the last traded price on each relevant market. The deadline for receiving instructions is 14:00 (South African time) each business day to ensure same day value. Forward pricing is used.

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). 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. Kagiso has the right to close the portfolio to new investors in order to manage it more effectively in accordance with its mandate.

The Fund is authorised in Ireland and is regulated by the Central Bank of Ireland.

Additional information: Please read the Key investor information in conjunction with the Supplemental Deed of the fund and the Fund prospectus.

Kagiso Global Equity Fund
Quarterly commentary
September 2018

KAGISO Asset Management

The fund was launched in June this year and we are, therefore, not yet able to comment on performance.

Economic backdrop

Global economic growth continues to be strong in 2018, with robust growth in the US offsetting decelerating growth elsewhere. Inflation rates around the world are on an upward trend due to higher energy prices, tightening labour markets in the developed world and currency depreciation in emerging markets.

The US economy continues to grow above trend, with a strengthening labour market and much improved investment spend. However, activity is being supported by substantial front-loaded tax cuts and continued accommodative - albeit slowly tightening - monetary policy.

In Europe and Japan, growth has decelerated but is holding at healthy levels, and there are signs of tightening labour markets. Positively, in Japan there are signs of sustained momentum in business investment spend, mostly geared towards improving productivity against a backdrop of acute labour shortages.

Chinese government measures to rebalance their economy, reign in credit excesses and reduce pollution are resulting in a marked deceleration in infrastructure-related growth, a trend we expect to continue for the medium term. There are signs that growth in manufacturing activity and consumer spending may have peaked at the end of 2017, but overall growth remains at healthy levels. In other emerging markets, the inflation and interest rate outlooks have worsened as capital outflows have led to currency depreciation and growth has moderated somewhat due to the recent deceleration in global trade. Fundamental economic situations differ widely by country, and we expect to see widely varying emerging market performances in the medium term.

Fears of an escalating trade war between the US and its trading partners have increased. Actions announced thus far are having some direct impact on trade activity (which started the year at high levels) and, more importantly, are dampening business confidence.

Market review

For a number of years, extreme unconventional monetary stimulus in the form of price agnostic asset purchases has distorted asset prices across the globe. Global bond yields remain very low (pricing in extremely low levels of future long-term inflation), corporate bond credit spreads are extremely suppressed and equity prices are high, especially in sectors where growth prospects are well appreciated.

Global bond rates are rising from the record low levels of 2016, accompanied by signs of rising inflation, particularly in the US. Importantly, the rate of total global central bank asset purchases peaked in early 2017 and is steadily reducing as monetary stimulus programs are withdrawn. These changes in trend are causing a more normal (higher) level of market volatility and a welcome increase in dispersion across equities, as well as across asset classes – a better environment for stock pickers.

Over the quarter, equity markets were stronger. The US and Japan outperformed (up 7.7% and 6.3% respectively) while Hong Kong (down 2.2%) and the UK (down 1.8%) underperformed. Emerging markets were mixed (down 0.9% in dollar terms with Brazil and Russia outperforming and South Africa and Turkey weaker).

Fund performance and positioning

Key positive contributors were Corning, Inpex, Allergan and Nisshinbo. Detractors were Just Group, JD.COM, Gocompare and Spire Healthcare. Our fund is mainly positioned in companies listed in the USA, Europe and Japan covering a broad range of diversified sectors. Some examples of the global structural themes underpinning some of our holdings include an ageing population (hospitals, pharmaceuticals and medical cosmetics companies), online disruption (e-commerce, gaming, payments, logistics), tomorrow's workforce (automation, robotics and e-learning), special situations (spin-offs/asset sales) and future mobility (energy storage, components and consumables).