Quarterly general investor report

Kagiso Islamic Global Equity Feeder Fund

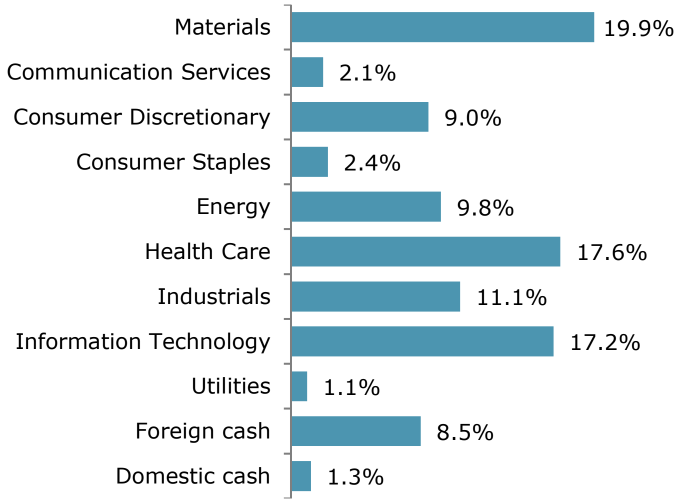
September 2019

Date of issue: 22 October 2019

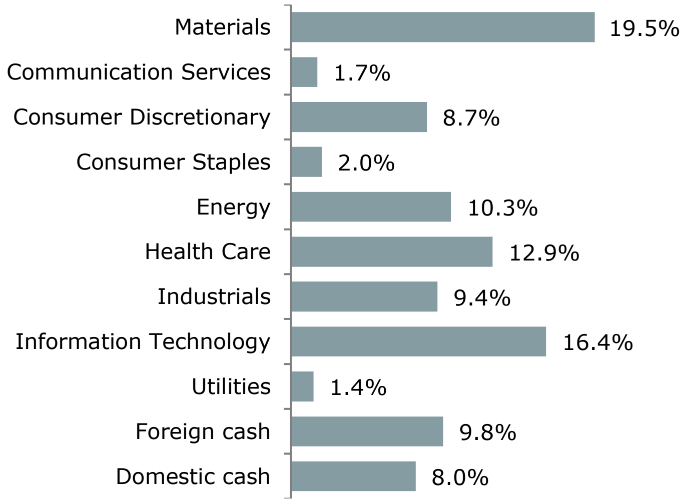
This is a feeder fund and will be fully invested in the dollar-denominated Kagiso Islamic Global Equity Fund, which invests in a diversified portfolio of international equity securities, subject to the statutory investment limitations. The underlying investments will comply with Sharia requirements as prescribed by the Accounting & Auditing Organisation for Islamic Financial Institutions (AAOIFI) and will not invest in any interest-bearing instruments.

Asset and sector allocation

Quarter ended September 2019



Quarter ended June 2019



Top 10 equity holdings

Quarter ended September 2019

Cisco Systems	4.7%
Siemens	4.1%
LyondellBasell	3.7%
Evonik	3.6%
Roche	3.6%
Altran	3.0%
Intel	2.8%
Royal Dutch Shell	2.7%
Covestro	2.7%
Allergan	2.6%
Total	33.5%

Quarter ended June 2019

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%

Fund size R61.83 million
NAV 111.20 cpu
Number of participatory interests 55,012,438

Income distributions

30 June 2019	0.00 cpu
31 December 2018	N/A

Key indicators

Equity markets (total return)	Quarterly change
MSCI World Index (USD)	0.5%
MSCI Emerging Market Equity (US Dollar return)	-4.2%
FTSE Sharia All-World Index (US Dollar return)	-0.3%
Dow Jones Islamic Market World Index (US Dollar return)	0.6%
FTSE/JSE All Share Index	-4.6%
FTSE/JSE Resources Index	-7.3%
FTSE/JSE Industrials Index	-2.3%

Commodities and currency	Quarterly change
Platinum ($/oz)	5.8%
Gold ($/oz)	4.5%
Brent Crude ($/barrel)	-7.1%
Rand/US Dollar (USD)	7.4%

Policy objective The fund adhered to the policy objective as stated in the Supplemental Deed
Additional information Please read this quarterly investment report in conjunction with the minimum disclosure document for the fund

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Kagiso Islamic Global Equity Feeder Fund
September 2019

KAGISO
Asset Management

Economic backdrop

Global economic growth, though still healthy, has decelerated further from the high rates of recent years largely due to a continuing moderation in Chinese growth. Growth expectations have continued to retreat this quarter as business confidence has deteriorated with accelerating US protectionism, particularly in the global manufacturing sector (especially Europe and Japan). Consequently, key central banks have abruptly ended their tightening and begun loosening monetary policy and signaling more accommodation, should economic activity deteriorate. Trade activity continues to weaken due to the ongoing trade dispute between the US and China and this seems to be dampening business confidence.

US economic growth has been strong this year, but weaker manufacturing production (due to trade tensions) and the tapering off of fiscal stimulus support is now leading to a moderation back to trend. In Europe, manufacturing and export related activity is very weak, particularly in Germany, affected by slower Chinese growth and a contracting global automotive market. Japan's recent economic resilience is somewhat due to pre-emptive consumption ahead of an impending consumer tax hike.

Overall growth in China continues to moderate as the government acts to rebalance the economy and reign in credit excesses and as export growth is affected by trade tensions. Infrastructure investment and manufacturing related growth is most affected, although the economy is somewhat shielded by domestic stimulus.

Emerging market currencies were weaker this quarter as many countries continued along the path of aggressive rate cutting. India, Indonesia and Eastern Europe continue to outperform, but growth has eased in line with global growth. Indian growth in particular has been dampened by unexpected tax rises and a clampdown on the shadow banking sector. Previous laggards (South Africa, Russia and Turkey) have seen sequential growth off very low levels.

Market review

Global markets were only moderately higher in the last quarter in US dollars (up 0.7%) with the USA (up 1.7%) and Japan (up 2.8%) offsetting declines in France (down 1.4%), Germany (down 3.8%) and the UK (down 2.2%). Emerging markets (down 4.1% in dollar terms) were weak, particularly South Korea (down 4.8%), India (down 5.2%) and South Africa (down 12.4%).

For several years, extreme, unconventional monetary stimulus in the form of price agnostic asset purchases have distorted asset prices across the globe. Global bond yields have retreated to very low levels (pricing in exceedingly low levels of future long-term inflation), corporate bond credit spreads are depressed, and equity prices are high, especially in large cap stocks and sectors where growth prospects are well appreciated.

US bond yields are moderately higher than the record low levels of 2016, accompanied by tentative signs of wage led rising inflation (although yields in other developed markets are now back down to record lows). Recent trade tensions between the US and its key trading partners appear to have negatively impacted the global growth outlook and central banks are now undertaking pre-emptive easing measures in an attempt to avert material economic deterioration.

Fund performance and positioning

Fund performance was below benchmark for the quarter with key positive contributors being Procter & Gamble, RWE Group, Intel Corporation, and Micron Technology. Evonik, Cisco, Siemens and Imersys underperformed.

Our fund is mainly positioned in companies listed in developed markets, with exposure to a broad range of diversified sectors. Some examples of the global structural themes underpinning some of our holdings include an ageing population (hospitals), online disruption (e-commerce, payments, logistics), tomorrow's workforce (automation and robotics), special situations (spin-offs/asset sales) and future mobility (energy storage, components and consumables). Our fund positions have somewhat of a quality cyclical orientation and stand to benefit from a less negative economic environment than is reflected in their very depressed ratings.

Despite a global backdrop of reasonable, but slower, economic growth and risks of negative disruptions as Chinese economic growth continues to trend lower, we remain positive on the outlook for our stock holdings given attractive valuations.