

Performance and risk statistics¹

	Fund	CPI+5%	Outperformance
1 year	8.8%	11.2%	-2.4%
3 years	7.4%	10.6%	-3.2%
5 years	4.8%	10.6%	-5.8%
Since inception	10.9%	10.8%	0.1%

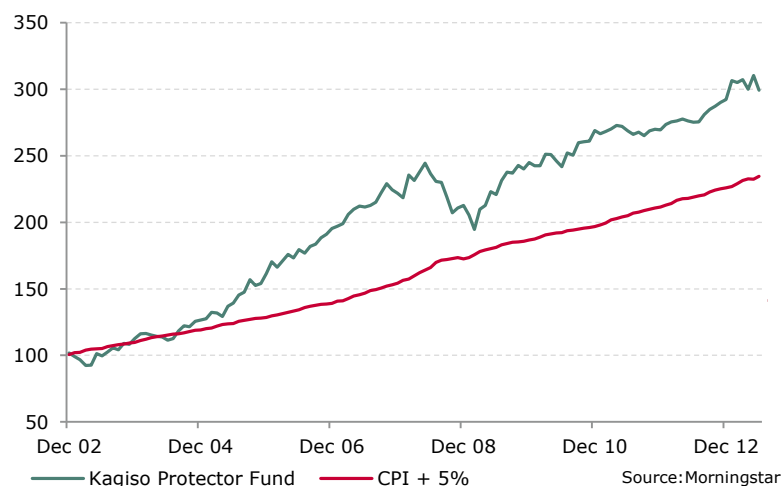
All performances annualised


	Fund	Benchmark
Annualised deviation	9.2%	18.3%
Risk adjusted return*	1.2	0.9
Maximum gain#	21.3%	37.4%
Maximum drawdown#	-20.4%	-43.4%
% Positive months	62.2%	60.3%

*Return since inception/standard deviation since inception

#Maximum % increase/decline over any period

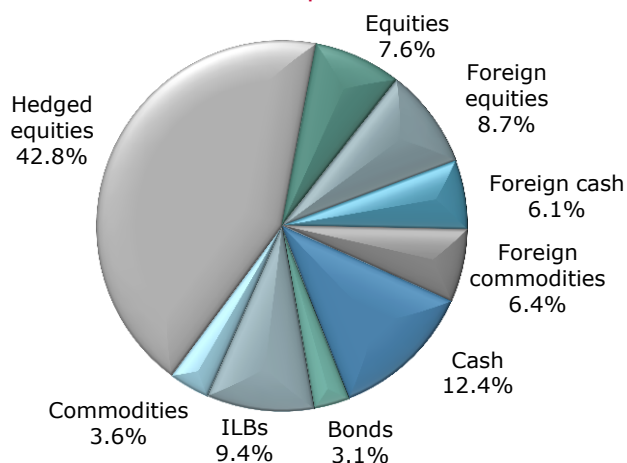
Cumulative performance since inception



Portfolio manager	Jihad Jhaveri
Fund category	South African - Multi Asset - Medium Equity
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.
Risk profile	 Low - Medium
Suitable for	Investors looking for exposure to the long-term inflation-beating characteristics of domestic equities, with reduced downside exposure and volatility and a strong focus on capital preservation.
Benchmark	Risk-adjusted returns of an appropriate SA large cap index
Launch date	11 December 2002
Fund size	R5.7 million
NAV	2185.01 cents
Distribution dates	30 June, 31 December
Last distribution	30 June 2013: 0.0 cpu
Minimum investment	Lump sum: R5 000; Debit order: R500
Fees (excl. VAT)	Initial fee: 0.00% Financial adviser fee: max 3.00% Ongoing advice fee: max 1.00% pa Annual management fee: 1.25%
TER²	1.77% per annum

Unconventional thinking. Superior performance

Effective asset allocation exposure*



* Please note that effective asset allocation exposure is net of derivative positions.

The Kagiso unit trust fund range is offered by Kagiso Collective Investments Limited (Kagiso), registration number 2010/009289/06, a voting member of the Association for Savings and Investment SA (ASISA). 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. 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.

¹ Performance is quoted from Morningstar as at month-end for a lump sum investment using Class A 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. Performance figures are quoted after the deduction of all costs incurred within the fund.

² The Total Expense Ratio (TER) is calculated as a percentage of the average NAV of the portfolio incurred as charges, levies and fees in the management of the portfolio for a rolling 12-month period to end June 2013. A higher TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TERs.

Top ten equity holdings

	% of fund
MTN	4.6
Standard Bank	4.6
Sasol	3.8
Naspers	3.4
Lonmin	3.2
Firststrand/RMB	3.1
Anglo American	2.5
Kagiso Media	2.2
AECI	2.2
Mondi	2.1
Total	31.6

Quarterly commentary

Comments from the US Federal Reserve hinting at a possible deceleration of stimulus, concerns around a Chinese slowdown and the weak South African economy were key themes during the quarter. It is still early, but there are signs that a market environment, for which we have been positioned for over a year, is finally coming to pass, with valuations driving this view.

US economic activity appears to be improving, but remains significantly below potential. The Eurozone faces significant challenges as it grapples with debt in its periphery and an increasingly negative demographic burden as its population ages. China's growth prospects remain high, but are decelerating as the new leadership undertakes necessary structural reforms and reins in excessive credit extension.

The South African economy remains weak and vulnerable. Lacklustre manufacturing, slowing household spending and a struggling mining sector, all contributed to a weak 0.9% GDP growth rate in the first quarter. In addition, the large 'twin deficits', high and rising inflation, falling commodity prices and a credit-driven consumption boom, which is now showing signs of unwinding, are all contributing to a fragile economic outlook.

The rand had another difficult quarter, weakening 6.5% against the US dollar and 7.9% against the Euro. Inflation eased to 5.6% at its most recent reading for May. However, inflation is expected to breach the 3% - 6% target band in the second half of this year due to fuel price increases and the lagged impact of the weaker rand.

The local equity market hit a new high in May, but then fell sharply during June to end the quarter down 0.2%. In line with the previous quarter's trend, Industrials (up 6.9%) outperformed the broader market, driven by rand-hedge stocks which were boosted by the depreciating currency. The positive trend in domestic industrials has again been fuelled by foreign buying, with equity inflows totalling R19.7 billion over the quarter, up from R3 billion in the previous quarter.

Financials (down 1.6%) and Resources (down 11.8%) once again lagged. Resources continue to underperform as the prospect of lower stimulus and concerns around Chinese demand contributed to pressure on commodity prices. Most commodities relevant to South African miners fell in US dollar terms. Iron ore was down 15%, copper lost 11.1%, platinum fell 14.9% and gold was down 22.8%. The oil price (Brent Crude) ended the quarter 7.4% lower.

In the derivative markets the cost of protection has increased meaningfully over the quarter from very low levels with the SAVI index increasing from 16.5% to 22.3% over the period.

The Kagiso Protector Fund was down 2.5% over the quarter, but is up 8.8% over the past 12 months. After contributing to recent outperformance, the fund's commodity ETF exposure and inflation-linked bond holdings, detracted from performance this quarter. The fund's global exposure contributed positively to performance, where the weaker currency and stock selection added value.

The fund continues to be positioned in our best ideas, based on our team's proven bottom-up stock-picking process. Significant hedging provides capital protection in an increasingly expensive market and a meaningful global allocation provides useful diversification.

Portfolio manager
Jihad Jhaveri