

Kagiso Stable Fund

as at 31 August 2016

Date of issue: 13 September 2016

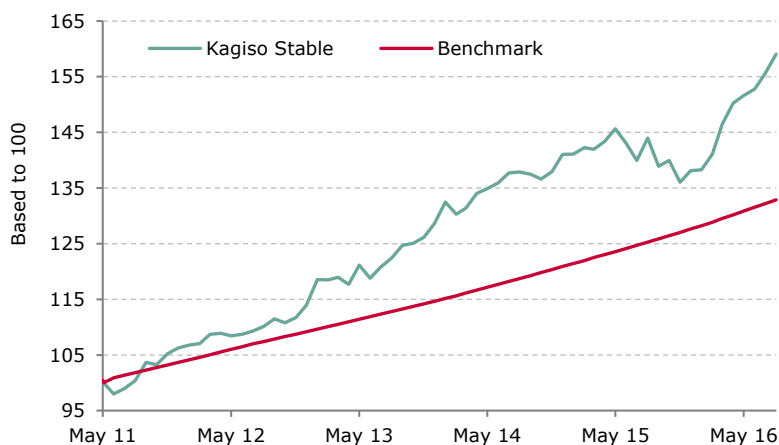


Performance¹

| | Fund | Benchmark | Outperformance | Highest* | Lowest* |
|-----------------|-------|-----------|----------------|----------|---------|
| 1 year | 10.5% | 6.1% | 4.4% | 3.8% | -3.5% |
| 3 years | 9.1% | 5.6% | 3.5% | 3.8% | -3.5% |
| 5 years | 9.6% | 5.4% | 4.2% | 4.0% | -3.5% |
| Since inception | 9.1% | 5.5% | 3.6% | 4.0% | -3.5% |

* Highest and lowest monthly fund performance during specified period

Cumulative performance since inception*



Risk statistics

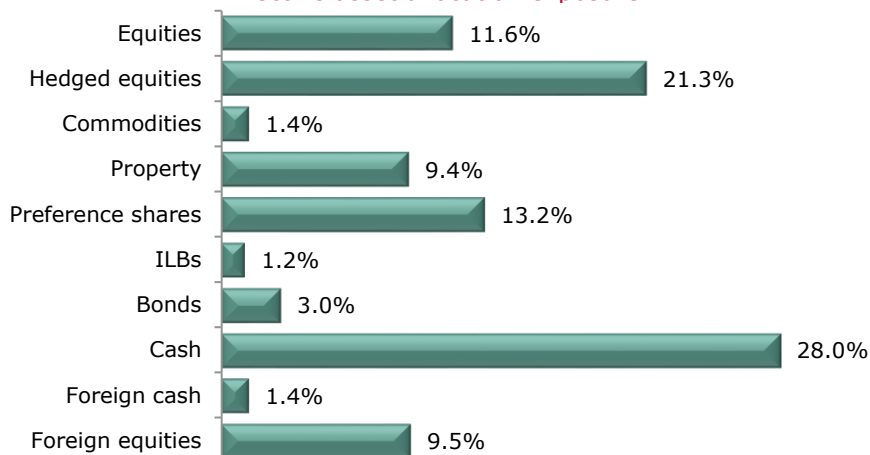
| | Fund | Benchmark |
|----------------------|-------|-----------|
| Annualised deviation | 5.2% | 0.1% |
| Sharpe ratio | 0.6 | n/a |
| Maximum gain# | 16.9% | 32.9% |
| Maximum drawdown# | -6.6% | n/a |
| % Positive months | 75.0% | n/a |

Consecutive months of change in the same direction

Top 10 equity holdings

| | % of fund |
|-------------------------|-------------|
| Zambezi Platinum Pref | 3.2 |
| Equites Property Fund | 2.9 |
| Old Mutual | 2.9 |
| Naspers | 2.8 |
| Delta Property Fund | 2.1 |
| RECM & Calibre Pref | 2.0 |
| Royal Bafokeng Platinum | 2.0 |
| Capital Appreciation | 2.0 |
| AECI | 1.8 |
| Absa Pref shares | 1.6 |
| Total | 23.3 |

Effective asset allocation exposure*



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

| | |
|--------------------------|---|
| Portfolio Manager | Gavin Wood |
| Fund category | South African - Multi Asset - Low Equity |
| Fund objective | To provide total returns that are in excess of inflation over the medium term. It seeks 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. |
| Benchmark | The return on deposits for amounts in excess of R5 million plus 2% (on an after-tax basis at an assumed 25% tax rate). |
| Launch date | 3 May 2011 |
| Fund size | R199.9 million |

| | | |
|-------------------------|------------------------|--------------|
| Risk profile | | |
| NAV | 147.46 cents | |
| TER² | 1.58% | |
| TC³ | 0.54% | |
| Distributions | 30 June 2016 | 2.32 cpu |
| | 31 December 2015 | 1.53 cpu |
| Fees (excl. VAT) | Initial fee: | 0.00% |
| | Financial adviser fee: | max 3.00% |
| | Ongoing advice fee: | max 1.00% pa |
| | Management fee: | 1.25% pa |

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. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. All performances are annualised (ie the average annual return over the given time period).

² TER (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 2016;

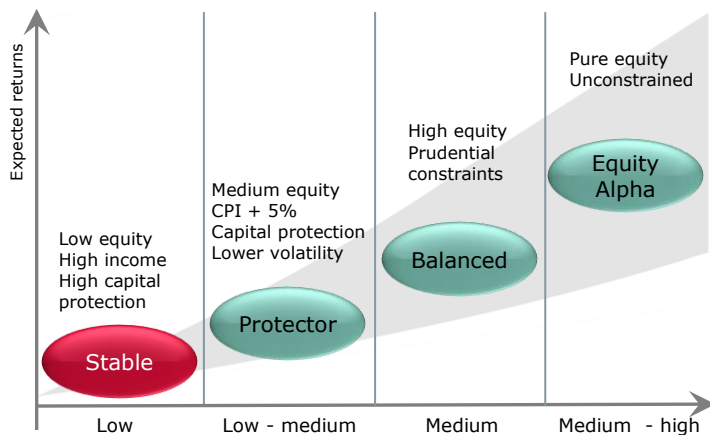
³ Transaction costs (TC) are unavoidable costs incurred in administering the financial products offered by Kagiso Collective Investments and impact financial product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, 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 2016;

* For illustrative purposes only.

The Kagiso Stable Fund is Regulation 28 compliant and can invest in a wide variety of domestic and international asset classes (such as equities, listed property, conventional bonds, inflation-linked bonds and cash). As the fund aims to maximise returns, it will have a strong bias towards equities - typically the asset class with the highest expected long-term returns. The fund is positioned in our team's best ideas - which emanate from our bottom-up research process - and is actively managed to maximise long-term returns without assuming excess risk of loss.

This fund is suitable for investors who are risk averse and require a high degree of capital stability while requiring a reasonable income and some capital growth. A typical investor would be retired or nearing retirement and seeking to preserve capital over any one-year period.

Risk vs reward



Portfolio Manager



Gavin Wood
BBusSc, CFA, FFA

Gavin is a founder of Kagiso Asset Management (2001) and has headed up the investment team since inception. He also serves as Executive Director. Previously he was an investment analyst with Coronation Fund Managers.

gwood@kagisoam.com

Minimum investment
Fund registration no

Lump sum: R5 000; Debit order: R500
 ZAE000155008

Our investment philosophy

At Kagiso Asset Management, we make investment decisions based on mispricings we observe in the market. Simply put, we buy investments that are priced well below their intrinsic values 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 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.



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Trustee

Melinda Mostert -
 Head: Standard Bank Trustee Services
 melinda.mostert@standardbank.co.za

Pricing: 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 to ensure same day value. Prices are published daily on our website and in selected major newspapers.

The Kagiso unit trust fund range is offered by Kagiso Collective Investments Limited (Kagiso), registration number 2010/009289/06. Kagiso is a member of the Association for Savings and Investment SA (ASISA) and is a registered management company in terms of the Collective Investment Schemes Control Act, No 45 of 2002. 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. Kagiso does not provide any guarantee either with respect to the capital or the return of the portfolio(s). Foreign securities may be included in the portfolio(s) and may result in potential constraints on liquidity and the repatriation of funds. 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. 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. Kagiso may close a portfolio to new investors in order to manage it more effectively in accordance with its mandate.

This fact sheet in its entirety constitutes this fund's Minimum Disclosure Document, as required by the Financial Services Board. Please contact us on the details below should you require additional information on our range of funds.