

Kagiso Top 40 Tracker Fund

as at 31 December 2011

Performance and risk statistics¹

	Fund	Benchmark	Outperformance
1 year	1.4%	2.2%	-0.8%
3 years	15.5%	16.4%	-0.9%
5 years	6.7%	7.5%	-0.8%
Since inception	13.0%	14.2%	-1.3%

All performances annualised

	Fund	Benchmark
Annualised deviation	21.5%	22.3%
Sharpe ratio	0.1	0.2
Maximum gain*	36.5%	37.4%
Maximum drawdown*	-43.6%	-43.4%
% Positive months	57.2%	57.2%

*Maximum % increase/decline over any period

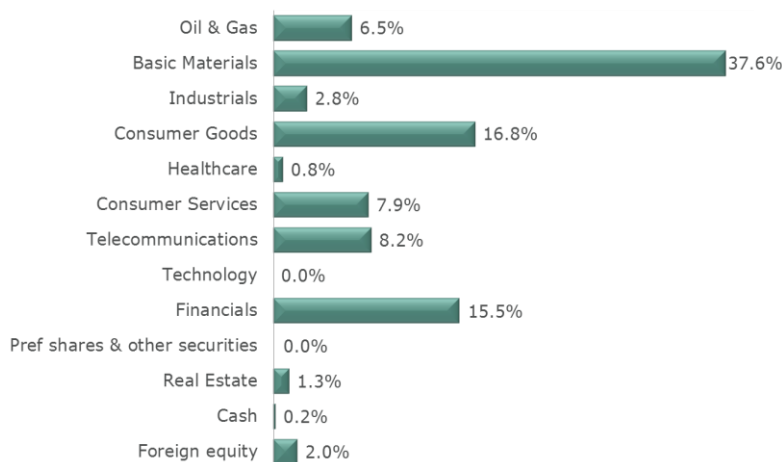
Cumulative performance since inception



Portfolio manager	Aslam Dalvi
Fund category	Domestic - Equity - Large Cap
Fund objective	To track the movements and replicate the performance of the FTSE/JSE Top 40 Index over time.
Risk profile	<p>Medium - High</p>
Suitable for	Investors who are seeking to own the entire stock selection of the JSE/FTSE Top 40 at a low cost, and who seek long-term capital growth with no short-term income requirements. Investors would be able to withstand short-term market fluctuations in pursuit of maximum capital growth over the long term.
Benchmark	FTSE/JSE Top 40 Index
Launch date	1 August 1997
Fund size	R70.4 million
NAV	3875.13 cents
Distribution dates	30 June, 31 December
Last distribution	31 December 2011: 52.82 cpu
Minimum investment	Lump sum: R5 000; Debit order: R500
Fees (excl. VAT)²	Initial fee: 0.00% Financial adviser fee: max 3.00% Ongoing advice fee: max 1.00% pa Annual management fee: 0.50%
TER³	0.67% per annum

Unconventional thinking. Superior performance

Effective asset allocation exposure



Top ten holdings

	% of fund
BHP Billiton	11.8
Anglo American	9.5
SABMiller	8.3
MTN	6.4
Sasol	5.9
Richemont	5.1
Standard Bank	3.7
Naspers	3.4
Anglogold Ashanti	3.1
Impala Platinum	2.5
Total	59.7

The Kagiso unit trust range is offered by Kagiso Collective Investments Limited ('Kagiso') registration number 2010/009289/06, a member of the Association for Savings and Investment SA (ASISA). Unit trusts are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily an indication of future performance. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Unit trust prices are calculated on a net asset value (NAV) basis, which is the total value of assets in the portfolio including any income accruals and less any permissible deductions (brokerage, Uncertificated Securities Tax, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio, divided by the number of units in issue. Instructions must reach Kagiso Collective Investments before 14:00 to ensure same day value. Fund valuations take place at approximately 15:00 each business day and forward pricing is used.

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

² A schedule of maximum fees and charges is available on request and on our website. Fees and incentives may be paid, and if so, are included in the overall costs.

³ The 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 December 2011. 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 TER's.

Commentary

The fourth quarter of 2011 saw global markets deliver a strong performance. This was due, in part, to better co-ordinated central bank measures in Europe to provide additional liquidity to the banking system, and firmer US economic data. The US market was particularly strong (the S&P 500 Index was up by 11.2%), as was the UK market (up 8.7%), outperforming most emerging markets (MSCI Emerging Markets Index was up 4.4% in USD) and the negative Japanese market (the Nikkei Index fell 2.8%).

Commodity prices were mixed for the quarter. Oil prices were up 4.5% (Brent Crude), given on-going Middle East instability and slightly stronger economic news. Gold was down 4.6%, as was platinum (-10.4%). Most other commodities relevant to South African miners were significantly down, while copper was up over the quarter (8.5%).

The Rand was little changed against the US Dollar (+0.1%) and 3.4% stronger against the Euro.

The FTSE/JSE All Share Index gained 8.4% during the quarter, coming off a low base at the end of the third quarter, ending the year just 2.6% up. There was little sectoral diversion for the quarter: resources shares (+7.3%) underperformed industrial shares (+9.2%) and financial shares (+8.7%). Equity markets experienced continued volatility, with most of the positive performance coming through in October (+9.4%) and thereafter fluctuating in a range, influenced mainly by developments in Europe.

On 7 December, the FTSE/JSE advisory committee announced that British American Tobacco (BTI) would be included in the FTSE/JSE indices effective 19 December. This followed the earlier proposal by the National Treasury that all inward listed shares be classified as domestic and included in the major indices. Given the size of BTI and its impact within the index, the December rebalance of the FTSE/JSE Top 40 saw the fund incur higher than normal trading costs to effect the necessary changes.

Despite this the fund delivered a return only marginally below its benchmark, the FTSE/JSE Top 40 Index, which closed the quarter up 8.4%. All index changes that occurred during the quarter were timeously acted upon in order to minimise the relative risk in the fund.

Portfolio manager
Aslam Dalvi