Kagiso Top 40 Tracker Fund
as at 30 June 2013

KAGISO Asset Management

Performance and risk statistics[1]

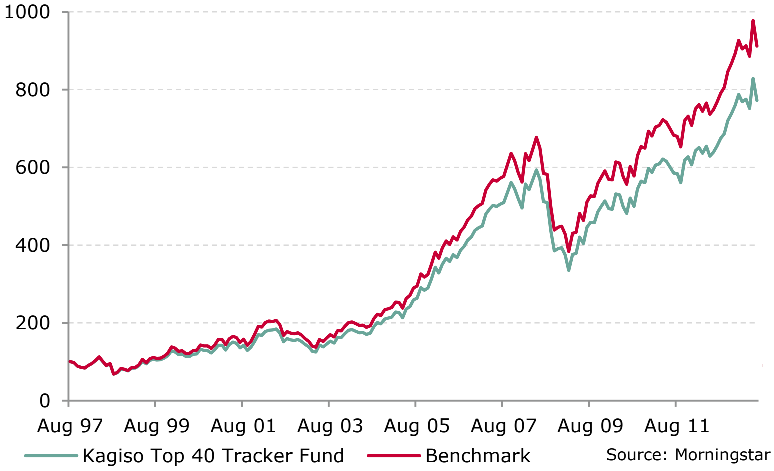
	Fund	Benchmark	Outperformance
1 year	20.9%	21.8%	-0.9%
3 years	17.0%	17.9%	-0.9%
5 years	6.3%	7.0%	-0.7%
Since inception	13.4%	14.6%	-1.2%

All performances annualised

	Fund	Benchmark
Annualised deviation	20.9%	21.6%
Sharpe ratio	-0.5	-0.5
Maximum gain*	36.5%	37.4%
Maximum drawdown*	-43.6%	-43.4%
% Positive months	58.6%	58.6%

*Maximum % increase/decline over any period

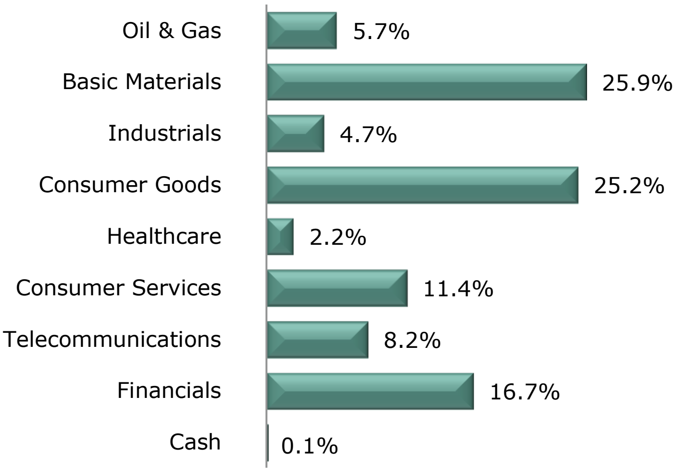
Cumulative performance since inception



Portfolio manager	Aslam Dalvi
Fund category	South African - Equity - Large Cap
Fund objective	To track the movements and replicate the performance of the FTSE/JSE Top 40 Index over time.
Risk profile	Medium - High
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	R64.87 million
NAV	4735.03 cents
Distribution dates	30 June, 31 December
Last distribution	30 June 2013: 48.99 cpu
Minimum investment	Lump sum: R5 000; Debit order: R500
Fees (excl. VAT)	Initial fee: 0.00% Financial adviser fee: max 0.00% Ongoing advice fee: max 0.25% pa Annual management fee: 0.50%
TER[2]	0.70% per annum

Unconventional thinking. Superior performance

Effective asset allocation exposure*



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

Top ten equity holdings

	% of fund
BHP Billiton	12.5
SABMiller	10.9
Richemont	7.9
MTN	7.1
Naspers	6.6
Anglo American	5.8
Sasol	5.5
British American Tobacco	3.3
Standard Bank	3.1
Old Mutual	3.0
Total	65.6

[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.

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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.

With the exception of Japan, global markets performed poorly in June as news of the Fed's stimulus tapering saw a re-pricing across risky asset classes and bond markets. Yet, despite the sharp sell-off in June, most developed equity markets performed well over the quarter. The US market (S&P 500 Index) ended the quarter up 2.4%, the Japanese market was a strong performer, with the Nikkei 225 Index gaining 10.3%, however the UK market (FTSE 100 Index) fell 3.1% as did the MSCI Emerging Markets Index, which was down 9.1% (in US dollar terms).

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.

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 fund delivered a return marginally below its benchmark, the FTSE/JSE Top 40 Index, over the quarter driven by costs incurred from flows, significant index changes that necessitated trading and its futures position which underperformed the spot index. The fund continues to closely track its benchmark, the FTSE/JSE Top 40 Index, which closed the quarter down 0.2%.

Portfolio manager

Aslam Dalvi