

Performance and risk statistics¹

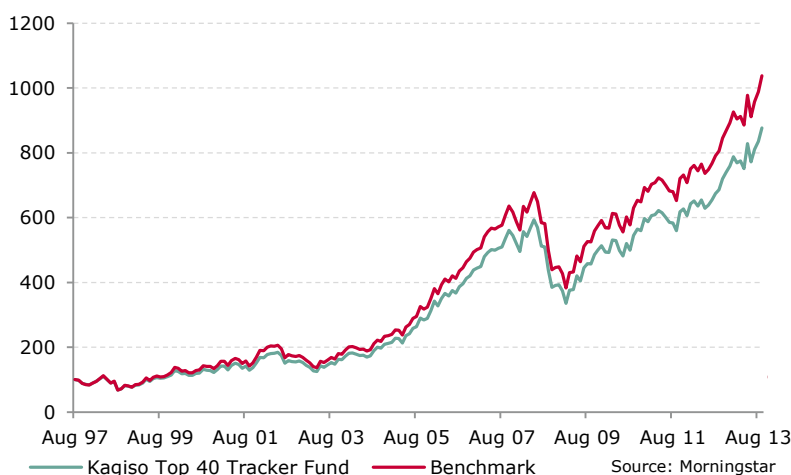
	Fund	Benchmark	Outperformance
1 year	27.8%	28.9%	-1.1%
3 years	17.2%	18.1%	-0.9%
5 years	14.9%	15.8%	-0.9%
Since inception	14.1%	15.3%	-1.2%


All performances annualised

	Fund	Benchmark
Annualised deviation	20.8%	21.5%
Sharpe ratio	0.2	0.3
Maximum gain*	36.5%	37.4%
Maximum drawdown*	-43.5%	-43.4%
% Positive months	59.3%	59.3%

*Maximum % increase/decline over any period

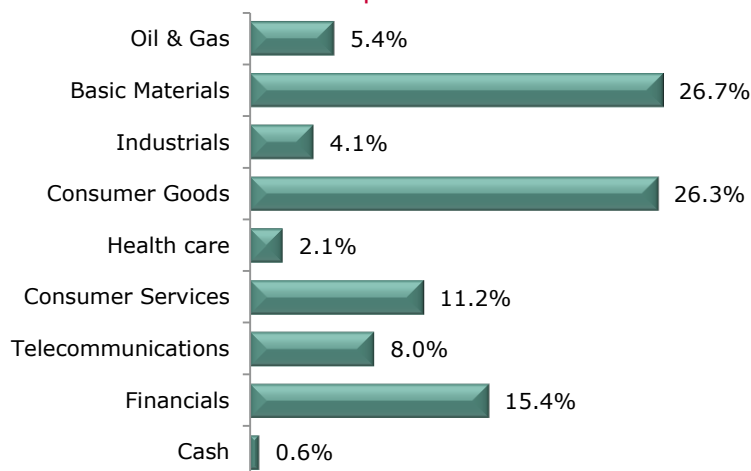
Cumulative performance since inception



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	R71.6 million
NAV	5324.22 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%
TER²	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
Richemont	10.0
SABMiller	9.9
Naspers	7.1
MTN	6.9
Anglo American	6.4
Sasol	5.2
British American Tobacco	3.0
Standard Bank	2.9
Old Mutual	2.8
Total	66.7

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 September 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.

The fund very marginally underperformed its benchmark, the FTSE/JSE Top 40 Index, over the quarter. The equity market ended the quarter near all-time highs as US monetary stimulus deceleration was delayed and the global economy showed some signs of growth.

Economic and market overview

This quarter saw the US Federal Reserve act counter to expectations it had created in the previous quarter that it would finally slow the pace of its asset purchases and thus begin the gradual reduction of its extreme monetary stimulus measures. Unsurprisingly, this fuelled a strong rally in risky assets towards the end of the quarter.

Chinese economic data seemed to suggest a milder slowdown, albeit not without concerns that there is excessive leverage supporting this strength, which was positive for commodity prices and European manufacturing data seems indicative of a mild recovery from its long slump.

The South African economy remains weak and vulnerable, with high current account and fiscal deficits supported by strong portfolio flows into our equity and bond markets. These portfolio flows may well reverse when US monetary stimulus is eventually reversed. Lacklustre manufacturing, slowing household spending and a struggling mining sector all contribute to a weak economic growth outlook at a time when inflation is heading higher due to the pass-through of currency weakness, high administered price increases and high wage settlements. This quarter saw intense strike activity across the auto sector and certain mining companies, with consequent damage to perceptions of South Africa as a competitive destination for foreign direct investment.

Equities were the strongest performing asset class over the quarter, with the local equity market generally outperforming other emerging and developed markets. This was despite very limited net foreign equity purchases in the quarter after strong foreign inflows in the first two quarters. The SA resource sector returned 19.4%, marking a departure from the general trend of the last few years where industrials led the pack. The rand weakened slightly providing some support for companies with offshore operations or with foreign currency revenue streams.

Fund performance and positioning

The fund slightly underperformed its benchmark over the quarter, delivering a 13.6% return, 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 up 13.9%.

Portfolio manager

Aslam Dalvi

Key indicators	
Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	7.7%
MSCI Emerging Market Equity (US Dollar return)	5.0%
FTSE/JSE All Share Index	12.5%
FTSE/JSE Resources Index	19.4%
FTSE/JSE Financials Index	8.2%
FTSE/JSE Industrials Index	12.0%
Commodities and currency	Quarterly change
Platinum (\$/oz)	4.7%
Gold (\$/oz)	7.7%
Brent Crude (\$/barrel)	5.0%
Rand/US Dollar (USD)	1.6%