

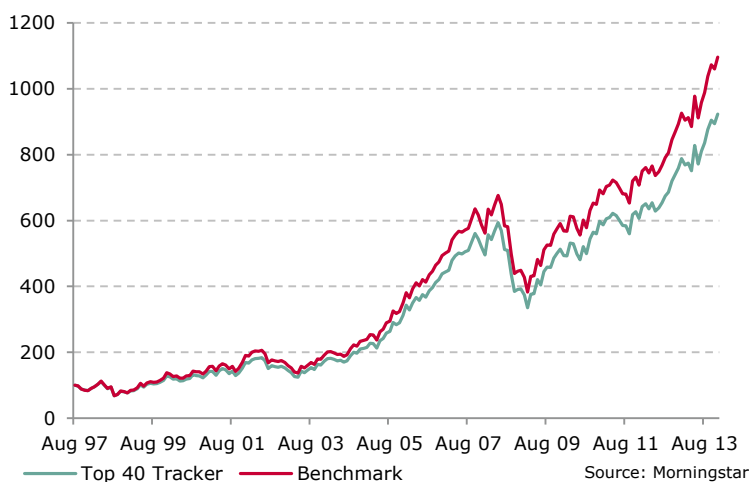
Performance and risk statistics¹


	Fund	Benchmark	Outperformance
1 year	21.6%	22.8%	-1.2%
3 years	15.6%	16.5%	-0.9%
5 years	18.7%	19.6%	-0.9%
Since inception	14.2%	15.4%	-1.2%

	Fund	Benchmark
Annualised deviation	20.6%	21.4%
Sharpe ratio	0.2	0.3
Maximum gain*	36.5%	37.4%
Maximum drawdown*	-43.5%	-43.4%
% Positive months	59.4%	59.4%

*Maximum % increase/decline over any period

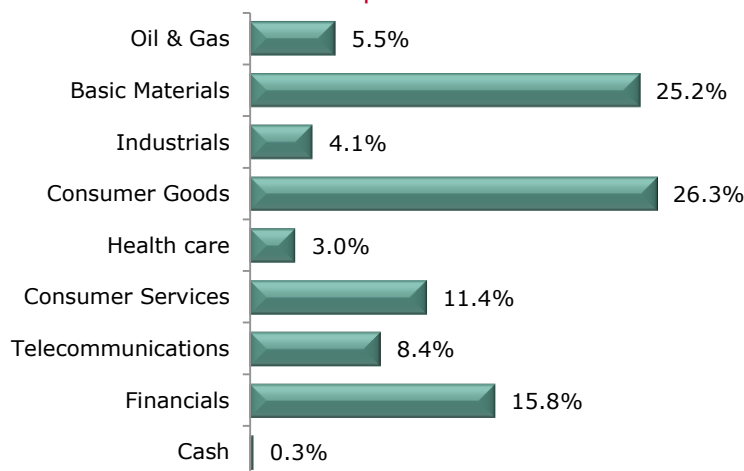
Cumulative performance since inception



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	R75.6 million
NAV	5609.38 cents
Distribution dates	30 June, 31 December
Last distribution	31 December 2013: 66.45 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%

Unconventional thinking.

Effective asset allocation exposure*



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

Top ten equity holdings

	% of fund
BHP Billiton	12.9
Richemont	9.8
SABMiller	9.8
Naspers	8.0
MTN	7.2
Anglo American	5.6
Sasol	5.3
British American Tobacco	3.2
Standard Bank	2.9
Old Mutual	2.9
Total	67.6

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. All performances are annualised.

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 December 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.

Economic and market overview

In mid-December, the US Federal Reserve announced that it was slowing the pace of its monthly asset purchases by US\$10bn. Surprisingly, this was followed by a strong rally in risky assets. As the Fed begins the journey towards eventual policy tightening, other developed market central banks are becoming increasingly accommodative. In particular, Japan has launched a massive asset purchase programme in pursuit of elusive inflation and the European Central Bank is considering further stimulus measures.

Many developed economies are beginning to show signs of a more consistent recovery. The US is showing signs of stronger industrial production and an improved labour market, while most European countries have emerged from recessions. Japan's economy is responding well to Abenomics and its weaker currency, but will need to overcome an increase in consumption tax later this year.

Locally, the SA economy remains vulnerable to portfolio inflows slowing and perhaps reversing, given the high current account and fiscal deficits. Growth continues to stutter along, hampered by labour disruptions, electricity shortages and an overburdened consumer. Inflation remains remarkably constrained, with pressures from the weaker currency showing no signs of emerging through consumer prices yet.

Global markets ended the quarter up with the MSCI world delivering a return of 8.1% for the quarter. 2013 was an excellent year for US and Japanese markets in particular with the S&P500 and Nikkei closing up 29.6% and 56.7% respectively. China was the stand out under performer with the Chinese market closing the year down 6.8% in local currency terms.

After a fairly lacklustre first half of 2013, SA equity markets recorded a very strong latter half. SA industrials and Financials were again the top performing sectors for the quarter and year. The FTSE/JSE Industrial and FTSE/JSE Financials index ended the quarter up 6.7% and 6.9% respectively. For the year the FTSE/JSE Industrial index delivered a return of 35%, well above the Financials Index (up 19.1%) and the Resources index (up 2.8%). This was mainly driven by a continued re-rating in our industrial counters as share prices significantly outpaced the growth in earnings.

Fund performance and positioning

The fund slightly underperformed its benchmark over the quarter, delivering a 5.4% return, driven by costs incurred from flows and significant index changes that necessitated trading. The fund continues to closely track its benchmark, the FTSE/JSE Top 40 Index, which closed the quarter up 5.6%.

Portfolio manager

Aslam Dalvi

Key indicators	
Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	7.6%
MSCI Emerging Market Equity (US Dollar return)	1.5%
FTSE/JSE All Share Index	5.5%
FTSE/JSE Resources Index	2.6%
FTSE/JSE Financials Index	7.3%
FTSE/JSE Industrials Index	7.1%
Commodities and currency	Quarterly change
Platinum (\$/oz)	-2.3%
Gold (\$/oz)	-9.3%
Brent Crude (\$/barrel)	2.7%
Rand/US Dollar (USD)	3.2%