

# Kagiso Top 40 Tracker Fund

as at 30 September 2014



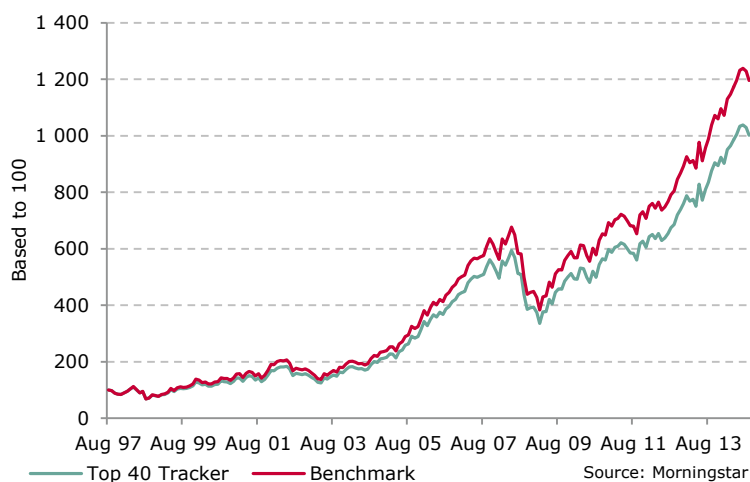
## Performance and risk statistics<sup>1</sup>

|                 | Fund  | Benchmark | Outperformance |
|-----------------|-------|-----------|----------------|
| 1 year          | 14.3% | 15.2%     | -0.9%          |
| 3 years         | 21.4% | 22.4%     | -1.0%          |
| 5 years         | 17.0% | 17.9%     | -0.9%          |
| 10 years        | 17.4% | 18.3%     | -0.9%          |
| Since inception | 14.1% | 15.3%     | -1.2%          |

|                      | Fund   | Benchmark |
|----------------------|--------|-----------|
| Annualised deviation | 20.2%  | 21.0%     |
| Sharpe ratio         | 0.3    | 0.3       |
| Maximum gain*        | 36.5%  | 37.4%     |
| Maximum drawdown*    | -43.5% | -43.4%    |
| % Positive months    | 59.7%  | 59.7%     |

\*Consecutive months of change in the same direction.

## 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.

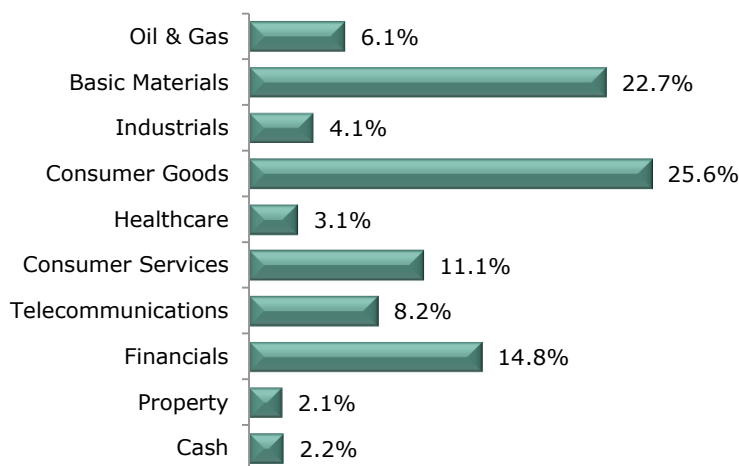
**Risk profile** Medium - High

**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** R81.0 million  
**NAV** 5949.53 cents  
**Distribution dates** 30 June, 31 December  
**Last distribution** 30 June 2014: 65.40 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  
 Management fee: 0.50% pa  
**TER<sup>2</sup>** 0.68%

Unconventional thinking

## Effective asset allocation exposure\*



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

## Top 10 holdings

| Company                  | % of fund   |
|--------------------------|-------------|
| BHP Billiton             | 12.0        |
| SABMiller                | 10.8        |
| Richemont                | 8.1         |
| Naspers                  | 7.9         |
| MTN                      | 7.4         |
| Sasol                    | 6.0         |
| Anglo American           | 5.9         |
| British American Tobacco | 3.4         |
| FirstRand/RMB            | 3.2         |
| Standard Bank            | 2.8         |
| <b>Total</b>             | <b>67.5</b> |

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.

<sup>1</sup> 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.

<sup>2</sup> 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 2014. 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.

Volatility across global financial markets increased over the quarter following heightened speculation around the timing and extent of US monetary policy normalisation. Economic growth in the Eurozone remained stagnant despite attempts by the European Central Bank to intervene. The rand dropped sharply in September, posting a 5.7% decline for the quarter against a generally strong US dollar.

Against this backdrop, global markets delivered a weak performance with the MSCI World Index closing the quarter down 2.1% in dollar terms. Emerging markets performed poorly with Russia (-15.1%) and Turkey (-11.8%) as the standouts, however India (2.3%) and China (1.5%) were able to deliver small positive gains. Developed markets were also down for the quarter with the exception of the US markets; the Dow Jones, S&P500 and FTSE 100 closed up 1.9%, 5.4% and 1.1% respectively.

In the commodities space, prices were down across the board with platinum (-12.2%), nickel (-14.4%), tin (-10.0%) and Brent Crude (-14.2%) all experiencing double digit declines. Aluminium and zinc posted small positives of 3.9% and 3.1% respectively.

While the SA equity market reached an all-time high in late July, it experienced a sharp pull-back in September, resulting in a 2.1% quarterly loss. This decline was led by the Resources sector with the platinum mining down nearly 20%. Within the Industrials positive performances from the global defensives, assisted by the weaker Rand, helped outweigh the 7.8% decline in Naspers. Financials were flat with banks negative, generally strong insurance performance and strong property performance. For the quarter the FTSE/JSE Financials Index was up 0.4%, the FTSE/JSE Industrial index down 1.8% while the FTSE/JSE Resources sector was down 7.1%.

The fund slightly underperformed its benchmark over the quarter, 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 down 2.9%.

## Portfolio Manager

Aslam Dalvi

| Key indicators                                 |                  |
|--|------------------|
| Equity markets (total return)                  | Quarterly change |
| MSCI World Equity (US Dollar return)           | -2.6%            |
| MSCI Emerging Market Equity (US Dollar return) | -4.3%            |
| FTSE/JSE All Share Index                       | -2.1%            |
| FTSE/JSE Resources Index                       | -6.6%            |
| FTSE/JSE Financials Index                      | -0.5%            |
| FTSE/JSE Industrials Index                     | -1.0%            |
| Commodities and currency                       | Quarterly change |
| Platinum (\$/oz)                               | -12.5%           |
| Gold (\$/oz)                                   | -8.9%            |
| Brent Crude (\$/barrel)                        | -15.8%           |
| Rand/US Dollar (USD)                           | 6.1%             |