

Kagiso Top 40 Tracker Fund

as at 31 December 2014



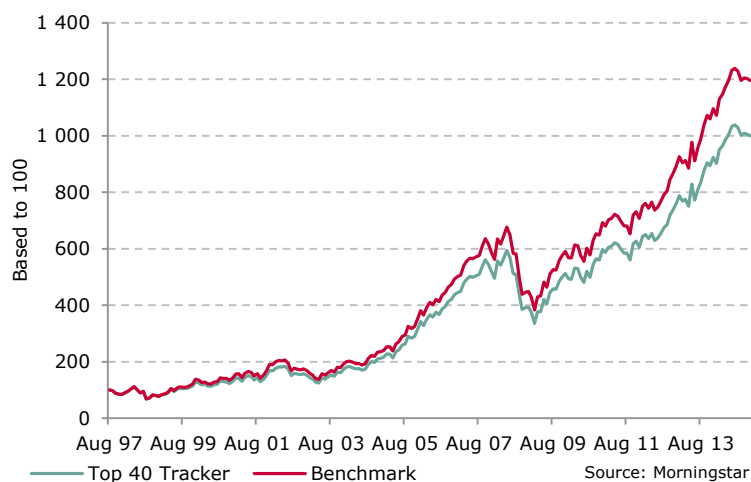
Performance and risk statistics¹

	Fund	Benchmark	Outperformance
1 year	8.2%	9.2%	-1.0%
3 years	18.1%	19.1%	-1.0%
5 years	14.3%	15.2%	-0.9%
10 years	16.8%	17.6%	-0.8%
Since inception	13.9%	15.1%	-1.2%

	Fund	Benchmark
Annualised deviation	20.1%	20.8%
Sharpe ratio	0.3	0.3
Maximum gain*	36.5%	37.4%
Maximum drawdown*	-43.5%	-43.4%
% Positive months	59.3%	59.3%

*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



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

R77.7 million

NAV

5936.23 cents

Distribution dates

30 June, 31 December

Last distribution

31 December 2014: 71.04 cpu

Minimum investment

Lump sum: R5 000; Debit order: R500

Fees (excl. VAT)

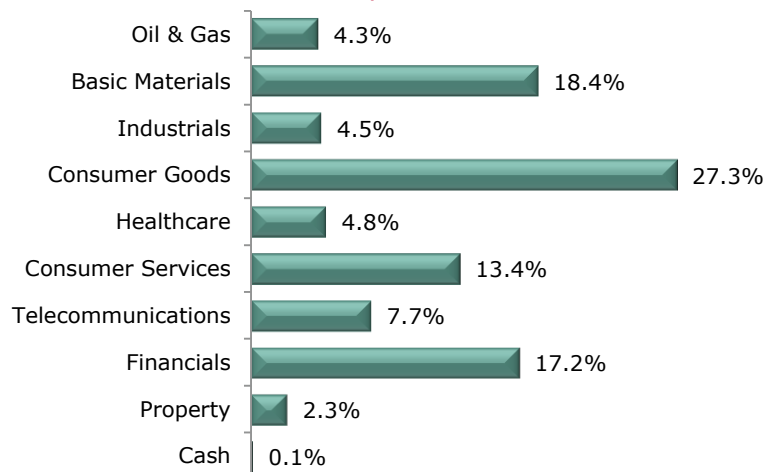
Initial fee: 0.00%
Financial adviser fee: max 0.00%
Ongoing advice fee: max 0.25% pa
Management fee: 0.50% pa

TER²

0.68%

Unconventional thinking

Effective asset allocation exposure*



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

Top 10 holdings

	% of fund
SABMiller	10.2
Naspers	9.4
BHP Billiton	9.1
Richemont	9.0
MTN	6.7
Anglo American	4.9
Sasol	4.1
FirstRand/RMB	3.5
British American Tobacco	3.3
Standard Bank	3.0
Total	63.2

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 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.

A plummeting oil price was the standout feature during the last quarter of 2014, and it triggered large price moves in the relative winners (oil consumers and importers) and losers (oil producers and exporters). Spot Brent crude oil was down 49.7% for the year, having reached a high of US\$115 per barrel in June, before falling to a four-year low of US\$55.8 at year end. Since oil is the largest commodity traded by value, its price decline is particularly important for the world economy. The cause of the decline was increased production from North America at a time of weak demand from Europe and China and growing use of substitutes (natural gas and renewables), with OPEC making no change to their production intentions.

The growth deceleration in China, the world's largest non-oil commodity consumer, came as 2014 saw an increase in supply of many of the commodities it imports. The result was large commodity price falls, with iron ore almost halving and thermal coal down 22%. Precious metals were little changed in 2014 off already low levels as supply was curtailed.

Against this backdrop global markets delivered a mixed performance for the quarter with US markets outperforming while European and Emerging markets were generally weaker. In dollar terms, the S&P 500 closed the quarter up 4.9%, the FTSE 100 closed down 4.1% while the MSCI emerging market index closed the quarter down 4.4%. US markets delivered a strong performance for the year with the S&P 500 closing up 13.7%. For 2014, the FTSE 100 was down 5.2% in dollar terms while the MSCI emerging market index closed down 1.8%.

The local economy is beginning to recover after prolonged strikes in 2014, but growth is expected to remain sluggish. Lower fuel prices are likely to outweigh the effect of the weaker rand on inflation, giving some purchasing-power relief. The rand depreciated by 9.3% against the US dollar in 2014 as we saw SA's worst economic performance since 2009, the beginning of power shortages that are likely to continue into 2015 and current account and budget deficits weighing on SA's credit ratings.

Despite disappointing economic performance, the SA equity market returned 10.9% in 2014 (21.4% in 2013). Financials were the top performing sector, with a total return of 27.3%, followed by Industrials (+16.8%). Resources lagged, declining by 14.7% for the year as lower commodity prices reduced earnings of our local resource counters. Similarly, for the fourth quarter, Financials (+10.8%) and Industrials (+7%) showed strong outperformance, while Resources (-19.3%) posted its worst quarterly performance since the 2008 market crash.

The fund underperformed its benchmark over the quarter, driven by costs incurred from flows and significant index changes that necessitated trading. On a gross basis, the fund continues to closely track its benchmark, the FTSE/JSE Top 40 Index, which was marginally up (+0.01%) this quarter and 9.17% for the year.

Portfolio Manager

Aslam Dalvi

Key indicators	
Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	0.7%
MSCI Emerging Market Equity (US Dollar return)	-4.9%
FTSE/JSE All Share Index	1.4%
FTSE/JSE Resources Index	-19.8%
FTSE/JSE Financials Index	10.4%
FTSE/JSE Industrials Index	7.2%
Commodities and currency	Quarterly change
Platinum (\$/oz)	-7.1%
Gold (\$/oz)	-2.1%
Brent Crude (\$/barrel)	-39.5%
Rand/US Dollar (USD)	1.5%