

# Kagiso Top 40 Tracker Fund

as at 30 September 2015

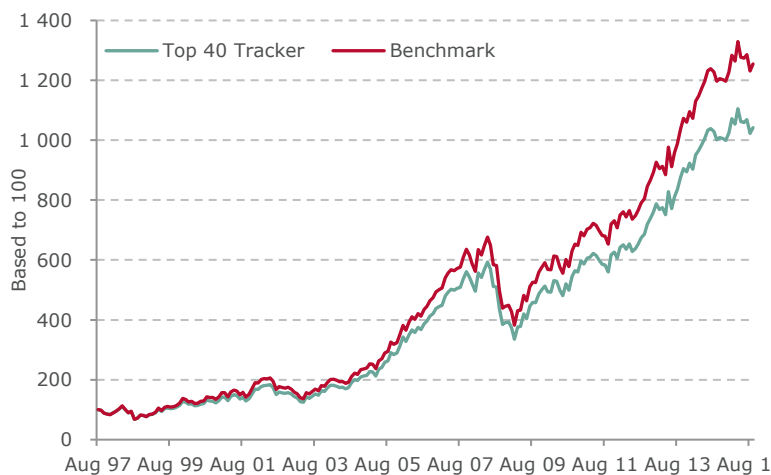


## Performance<sup>1</sup>

|                 | Fund  | Benchmark | Outperformance | Highest* | Lowest* |
|-----------------|-------|-----------|----------------|----------|---------|
| 1 year          | 4.0%  | 4.9%      | -0.9%          | 4.9%     | -4.3%   |
| 3 years         | 14.9% | 15.9%     | -1.0%          | 10.3%    | -6.8%   |
| 5 years         | 13.9% | 14.8%     | -0.9%          | 10.3%    | -6.8%   |
| 10 years        | 13.6% | 14.4%     | -0.8%          | 12.4%    | -14.2%  |
| Since inception | 13.5% | 14.7%     | -1.2%          | 14.4%    | -27.8%  |

\* Highest and lowest monthly fund performance during specified period

## Cumulative performance since inception



## Risk statistics

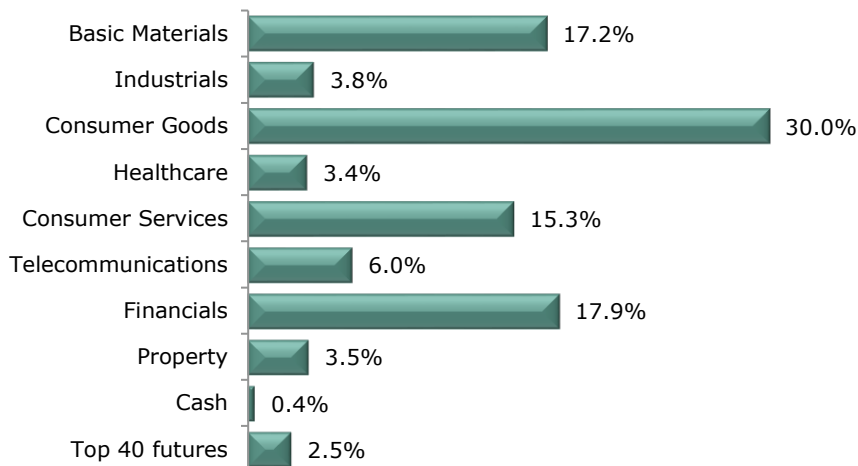
|                      | Fund   | Benchmark |
|----------------------|--------|-----------|
| Annualised deviation | 19.8%  | 20.5%     |
| Sharpe ratio         | 0.3    | 0.3       |
| Maximum gain#        | 36.5%  | 37.4%     |
| Maximum drawdown#    | -43.5% | -43.4%    |
| % Positive months    | 59.2%  | 59.2%     |

# Consecutive months of change in the same direction

## Top 10 holdings

|                          | % of fund   |
|--------------------------|-------------|
| SABMiller                | 12.9        |
| Naspers                  | 11.9        |
| Richemont                | 9.1         |
| BHP Billiton             | 7.5         |
| MTN                      | 5.2         |
| British American Tobacco | 3.8         |
| Sasol                    | 3.7         |
| Steinhoff                | 3.4         |
| FirstRand/RMB            | 3.3         |
| Old Mutual               | 3.2         |
| <b>Total</b>             | <b>64.0</b> |

## Effective asset allocation exposure\*



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

|                          |  |
|--------------------------|--|
| <b>Portfolio Manager</b> | Aslam Dalvi  |
| <b>Fund category</b>     | South African - Equity - Large Cap   |
| <b>Fund objective</b>    | To track the movements and replicate the performance of the FTSE/JSE Top 40 Index over time. |
| <b>Benchmark</b>         | FTSE/JSE Top 40 Index  |
| <b>Launch date</b>       | 1 August 1997  |

|                         |                        |              |
|-------------------------|------------------------|--------------|
| <b>Risk profile</b>     | Medium - high          |              |
| <b>Fund size</b>        | R73.3 million          |              |
| <b>NAV</b>              | 6,004.74 cents         |              |
| <b>TER<sup>2</sup></b>  | 0.62%                  |              |
| <b>Distributions</b>    | 30 June 2015           | 112.18 cpu   |
|                         | 31 December 2014       | 71.04 cpu    |
| <b>Fees (excl. VAT)</b> | Initial fee:           | 0.00%        |
|                         | Financial adviser fee: | max 0.00%    |
|                         | Ongoing advice fee:    | max 0.25% pa |
|                         | Management fee:        | 0.50% pa     |

<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. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. All performances are annualised (ie the average annual return over the given time period).

<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 2015. 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 Kagiso Top 40 Tracker Fund aims to be fully invested in the entire stock selection of the JSE/FTSE Top 40 Index.

It is 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 should be able to withstand short-term market fluctuations in pursuit of maximum capital growth over the long term.

## Portfolio Manager



**Aslam Dalvi**  
*BBusSc, CFA*

Aslam graduated from the University of Cape Town in 2000 with a BBusSc. He started his career as an analyst with Coronation Fund Managers in 2001 and joined Kagiso Asset Management in 2004. He is currently a senior Investment Analyst and Portfolio Manager.

## About Kagiso Asset Management

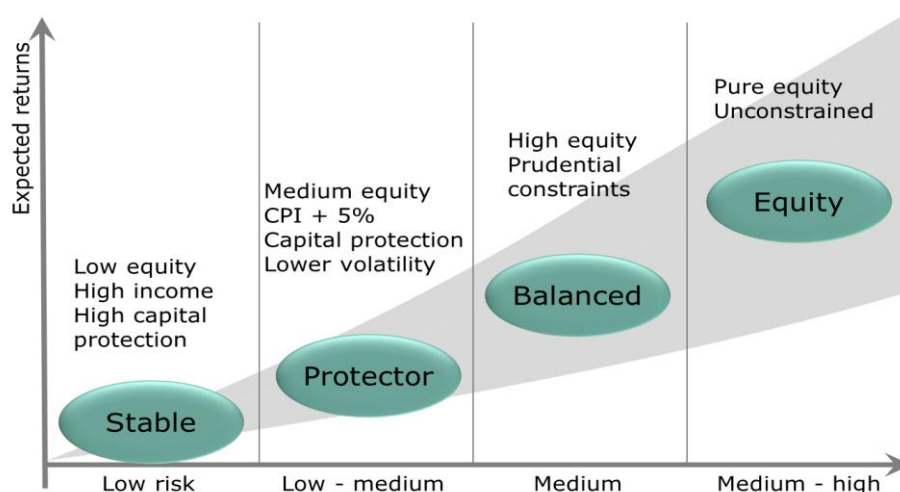
At Kagiso Asset Management, we aim to consistently deliver superior investment performance. We think deeply and independently - constantly pursuing excellence for our clients. We are a specialist investment management firm based in Cape Town, South Africa. Founded in 2001, we manage funds across the risk spectrum for sophisticated institutional and private investors.

Our ability to add value to clients stems from:

- our diverse team of experienced investment professionals;
- a disciplined investment process based on our valuation-oriented, contrarian philosophy;
- our company culture, which encourages and enables clear, differentiated thinking; and
- applying our skill to portfolios that are not constrained by size.

## Our fund range

We have a range of equity and multi-asset class funds that are designed to meet the enduring needs of our various clients. These funds are complementary and are clearly differentiated by expected risk and return characteristics.



Fund registration no

ZAE000150868

Trustee

Melinda Mostert

Head: Standard Bank Trustee Services

**Pricing:** 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 to ensure same day value.

The Kagiso unit trust fund range is offered by Kagiso Collective Investments Limited (Kagiso), registration number 2010/009289/06. Kagiso is a member of the Association for Savings and Investment SA (ASISA) and is a registered management company in terms of the Collective Investment Schemes Control Act, No 45 of 2002. 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. Kagiso does not provide any guarantee either with respect to the capital or the return of the portfolio(s). Foreign securities may be included in the portfolio(s) and may result in potential constraints on liquidity and the repatriation of funds. In addition, macroeconomic, political, foreign exchange, tax and settlement risks may apply. However, our robust investment process takes these factors into account. 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.

This fact sheet in its entirety constitutes this fund's Minimum Disclosure Document, as required by the Financial Services Board. Please contact us on the details below should you require additional information on our range of funds.

Broad emerging market economic weakness is now evident, with China's unexpected slowdown feeding through to many other emerging market countries via reduced demand for the commodities that they export. Commodity prices were sharply lower over the quarter, contributing further to deflationary forces across the globe. Commodity producing country currencies, including the rand, were sharply lower.

Developed economies continue to show reasonable economic progress, with unemployment continuing to fall, but inflationary forces proving very elusive. The US, in particular, is growing well and showing labour market and housing market strength.

The large economy central banks continued to maintain accommodative policies, with near zero interest rates and ongoing quantitative easing in Europe and Japan. The US Fed postponed its expected September rate hike, ostensibly reacting to financial market weakness emanating from China's slowdown.

The South African economy continues to weaken due to the large commodity exposure, but also due to structural problems such as power constraints, labour market rigidities and socioeconomic disparities.

The SA market declined by 2.1% over the quarter, led by resources (-17.9%), as commodity prices fell sharply. Financials closed the quarter down 1.1% while the Industrial Index closed the quarter up 0.8%.

Winners were particularly the large global companies, notably SABMiller (+25.8%), British American Tobacco (+17.6%), Steinhoff (+10.3%) and Richemont (+10.7%). SABMiller rose in the run up to the cash offer from AB Inbev, which was subsequently accepted in principle by the SABMiller board. The rand fell (-12.1%) over the quarter against the US dollar, assisting many of these global stocks.

Commodity companies were particularly weak, with sharp price falls in iron ore and platinum producers. Certain industrial companies, such as Massmart (-26.7%), Nampak (-23.6%) and Mr Price (-23.0%) also sharply reversed from very elevated levels, given the sluggish economy.

The fund very slightly underperformed its benchmark over the quarter, driven by costs incurred from flows and index changes that necessitated trading. The fund continues to closely track its benchmark, the FTSE/JSE Top 40 Index, which closed the quarter down 1.5%.

## Portfolio Manager

Aslam Dalvi

| Key indicators                                 |                  |
|--|------------------|
| Equity markets (total return)                  | Quarterly change |
| MSCI World Equity (US Dollar return)           | -8.9%            |
| MSCI Emerging Market Equity (US Dollar return) | -18.5%           |
| FTSE/JSE All Share Index                       | -2.1%            |
| FTSE/JSE Resources Index                       | -16.7%           |
| FTSE/JSE Financials Index                      | -2.9%            |
| FTSE/JSE Industrials Index                     | 1.6%             |
| Commodities and currency                       | Quarterly change |
| Platinum (\$/oz)                               | -15.9%           |
| Gold (\$/oz)                                   | -4.9%            |
| Brent Crude (\$/barrel)                        | -23.4%           |
| Rand/US Dollar (USD)                           | 13.6%            |