

# Kagiso Top 40 Tracker Fund

as at 30 June 2016

Date of issue: 29 July 2016

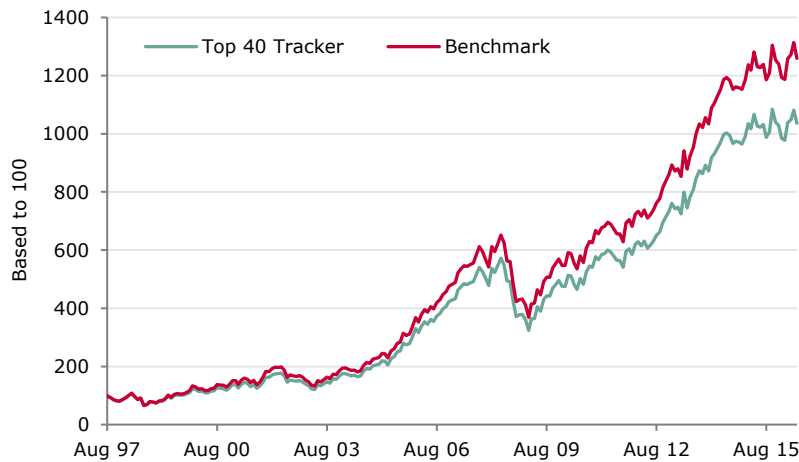


## Performance<sup>1</sup>

	Fund	Benchmark	Outperformance	Highest*	Lowest*
1 year	1.3%	2.6%	-1.3%	7.8%	-4.3%
3 years	11.6%	12.8%	-1.2%	7.8%	-4.3%
5 years	12.3%	13.3%	-1.0%	10.3%	-6.8%
10 years	11.1%	12.0%	-0.9%	12.4%	-14.2%
Since inception	13.1%	14.3%	-1.2%	14.4%	-27.8%

\* Highest and lowest monthly fund performance during specified period

## Cumulative performance since inception\*



## Risk statistics

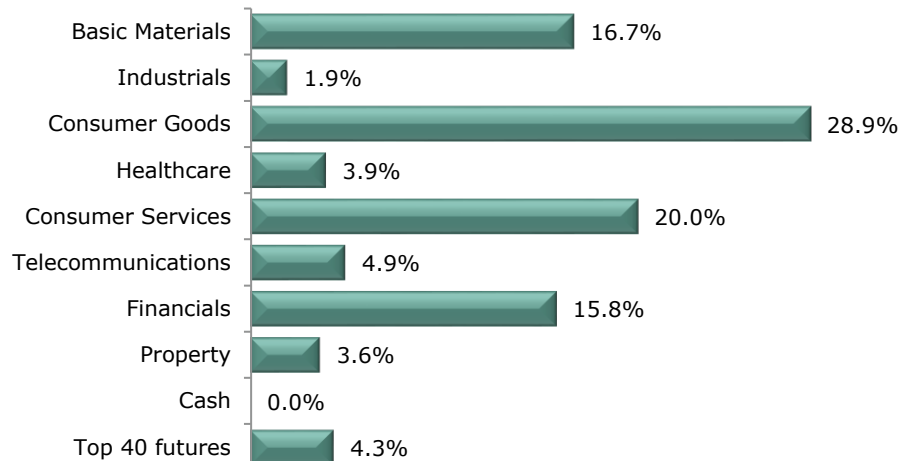
	Fund	Benchmark
Annualised deviation	19.7%	20.3%
Sharpe ratio	0.3	0.4
Maximum gain#	36.5%	37.4%
Maximum drawdown#	-43.5%	-43.4%
% Positive months	58.6%	58.6%

# Consecutive months of change in the same direction

## Top 10 holdings

	% of fund
Naspers	15.4
SABMiller	13.3
Richemont	6.8
BHP Billiton	6.1
British American Tobacco	4.5
MTN	4.0
Sasol	3.5
Steinhoff	3.5
Anglo American	3.0
Old Mutual	2.9
<b>Total</b>	<b>63.0</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>Fund size</b>	R65.0 million

<b>Risk profile</b>		
<b>NAV</b>	6,100.94	cents
<b>TER<sup>2</sup></b>	0.71%	
<b>TC<sup>3</sup></b>	0.05%	
<b>Distributions</b>	30 June 2016	53.00 cpu
	31 December 2015	79.78 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 3-year period to end June 2016. 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.

<sup>3</sup> Transaction Costs (TC) are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

\* For illustrative purposes only.

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.

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## About Kagiso Asset Management

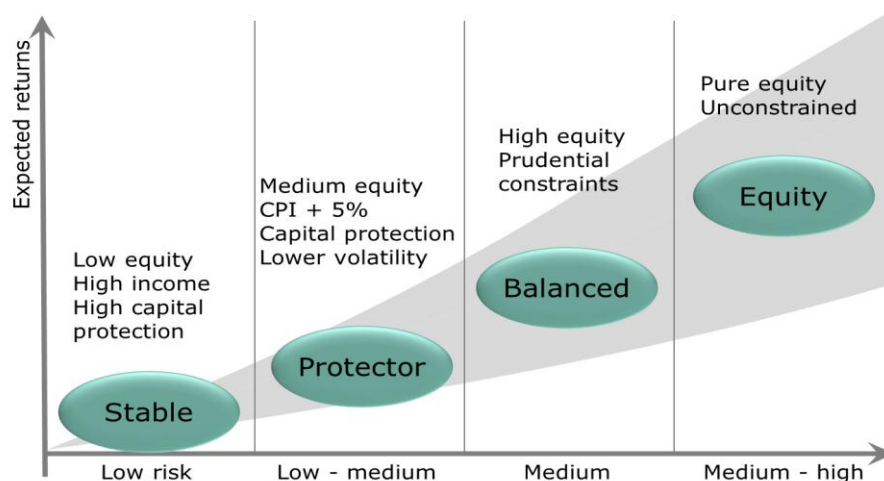
At Kagiso Asset Management, we aim to consistently deliver superior investment performance. We think deeply and independently - constantly pursuing excellence for our clients. We are a specialist investment management firm based in Cape Town, South Africa. Founded in 2001, we manage funds across the 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  
melinda.mostert@standardbank.co.za

**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. Prices are published daily on our website and in selected major newspapers.

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

Global markets had another turbulent quarter as a result of the unexpected “leave” outcome of the UK referendum on EU membership. Despite heightened volatility, global markets delivered a positive return in Q2 with the MSCI World index closing the quarter up 1.2%.

The unexpected outcome of the referendum caused significant market turbulence towards the end of the quarter with markets falling sharply late June before recovering again by quarter end. There will likely be negative growth implications for the UK and Europe but the broader implications of the vote will only be known after a period of complex and prolonged exit negotiations by the UK.

In the aftermath of the UK-referendum there was a flight to safety, with increases in gold, safe haven currencies and developed market bonds. Market expectations for rate hikes have been pushed out further this quarter seemingly because of a still weak global economy and the Brexit vote. Against this volatile backdrop we observed positive dollar returns across most markets.

The MSCI Emerging market index ended the quarter up 0.8%, the S&P 500 was up 1.9%, the FTSE up 6.7%, while Japan was weaker (down 7% in Q2). The local equity market also delivered a positive return with the FTSE/JSE All share Index closing the quarter up 0.4%.

After a prolonged period of significant weakness, we have now had two successive quarters of resource sector outperformance (up 6.4% this quarter) as commodity prices rebounded. Financials (down 4.3%) underperformed, with UK-exposed firms particularly hard hit (Investec and Capital and Counties were down 17%). Industrials ended the quarter up 0.5%

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 up 0.1%.

**Portfolio Manager**  
Aslam Dalvi

Key indicators	
Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	0.0%
MSCI Emerging Market Equity (US Dollar return)	0.0%
FTSE/JSE All Share Index	0.4%
FTSE/JSE Resources Index	6.5%
FTSE/JSE Financials Index	-6.1%
FTSE/JSE Industrials Index	0.4%
Commodities and currency	Quarterly change
Platinum (\$/oz)	4.7%
Gold (\$/oz)	7.2%
Brent Crude (\$/barrel)	25.0%
Rand/US Dollar (USD)	0.3%