

Kagiso Top 40 Tracker Fund

September 2017

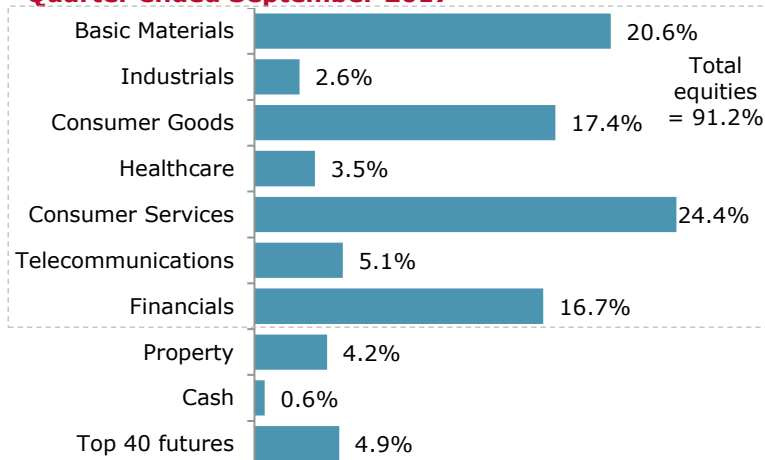
Date of issue: 31 October 2017



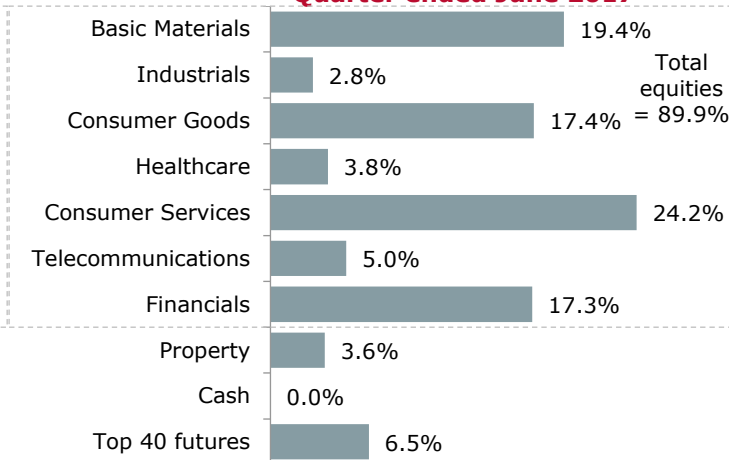
This fund aims to be fully invested in the entire stock selection of the JSE/FTSE Top 40 Index.

Asset and sector allocation

Quarter ended September 2017



Quarter ended June 2017



Top 10 holdings

Quarter ended September 2017

Naspers	19.8%
Richemont	9.9%
BHP Billiton	7.9%
Anglo American	4.3%
British American Tobacco	4.0%
MTN	3.6%
FirstRand/RMB	3.3%
Sasol	3.2%
Standard Bank	3.2%
Mondi	2.8%
Total	62.0%

Quarter ended June 2017

Naspers	19.0%
Richemont	9.6%
BHP Billiton	7.3%
British American Tobacco	3.9%
MTN	3.6%
Sasol	3.6%
Anglo American	3.4%
FirstRand/RMB	3.3%
Standard Bank	3.2%
Steinhoff	3.0%
Total	59.9%

Fund size R61.22 million
NAV 6,538.34 cpu
Number of participatory interests 936,304

Income distributions
 30 June 2017 64.14 cpu
 31 December 2016 68.24 cpu

Key indicators

Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	4.4%
MSCI Emerging Market Equity (US Dollar return)	7.0%
FTSE/JSE All Share Index	8.9%
FTSE/JSE Resources Index	17.7%
FTSE/JSE Financials Index	6.1%
FTSE/JSE Industrials Index	8.2%
Commodities and currency	Quarterly change
Platinum (\$/oz)	-1.6%
Gold (\$/oz)	3.0%
Brent Crude (\$/barrel)	16.4%
Rand/US Dollar (USD)	3.7%

Policy objective The fund adhered to the policy objective as stated in the Supplemental Deed

Additional information Please read this quarterly investment report in conjunction with the minimum disclosure document for the fund

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Meaningful and synchronized improvement in global growth has continued this quarter. Business sentiment indicators remain very strong with improvements across emerging markets. Over the quarter, developed equity markets were yet again strong across the board in dollar terms. Hong Kong (up 8.5%), Germany (up 7.7%) and France (up 7.8%) were again the outperformers. Emerging markets were also strong (up 8.0% in dollar terms).

The local economic outlook remains weak as confidence remains damaged by the actions of government and continuous news of rampant corruption in the public sector. Investment has contracted and household consumption growth has slowed to a crawl. State owned enterprises continue to be generally mismanaged, the mining sector faces a huge threat from a poorly constructed new Mining Charter, and there have been signs of the hollowing out of experience and credibility within the National Treasury. Against a very favourable global growth backdrop, South Africa's growth outlook is expected to remain one of weakest amongst emerging markets. The outcome of the ANC elective conference in December will be very important in determining the direction of future policy and the government's capacity to effectively implement it, and hence long-term growth prospects.

Despite the economic issues, the local equity market was also strong over the quarter (the All Share Index up 8.9%). Resources (up 17.7%) outperformed this quarter, with Anglo American and BHP Billiton contributing materially (up 42.2% and 22.2% respectively). Other strong performers were Kumba Iron Ore (up 39.8%) and African Rainbow Minerals (up 28.9%).

Industrials were also strong (up 8.3%), with heavyweights Naspers (up 15.0%) and Richemont (up 16.0%) contributing significantly, while British American Tobacco (down 4.2%) lagged. With the exception of Pick n Pay (down 2.4%) and Woolworths (flat), retailers were stronger after the weak previous quarter (Clicks up 12.9%, Truworths up 10.5%, Shoprite up 5.3%). Food producers were again weak this quarter (index down 1.0%). Financials were stronger this quarter (up 6.1%) as Insurers rebounded and Banks performed well.

The fund performed marginally below its benchmark, the FTSE/JSE Top 40 Index, which closed the quarter up 9.98%.