

# Kagiso Top 40 Tracker Fund

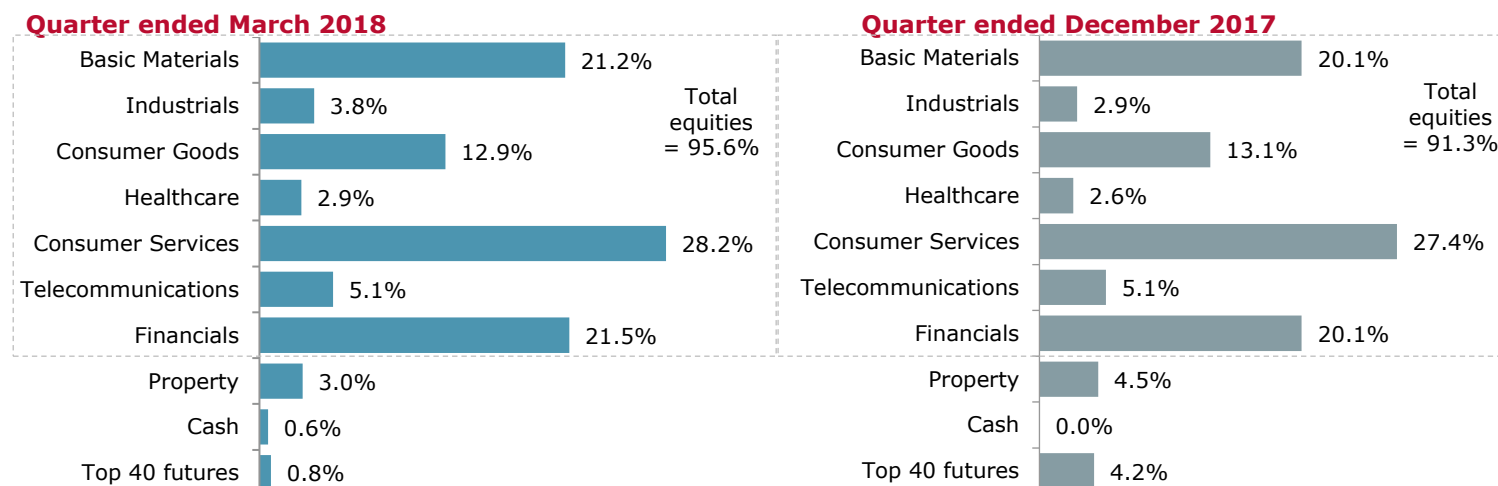
## March 2018



Date of issue: 20 April 2018

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

### Asset and sector allocation



### Top 10 holdings

#### Quarter ended March 2018

Naspers	20.6%
Richemont	9.1%
BHP Billiton	8.2%
Standard Bank	4.6%
Anglo American	4.6%
FirstRand/RMB	4.4%
Sasol	3.7%
MTN	3.6%
Old Mutual	3.3%
British American Tobacco	2.8%
<b>Total</b>	<b>64.9%</b>

#### Quarter ended December 2017

Naspers	22.5%
Richemont	8.7%
BHP Billiton	8.0%
FirstRand/RMB	4.1%
Anglo American	3.9%
Standard Bank	3.8%
MTN	3.7%
Sasol	3.6%
British American Tobacco	3.1%
Old Mutual	2.8%
<b>Total</b>	<b>64.2%</b>

**Fund size** R58.54 million

**NAV** 6,439.70 cpu

**Number of participatory interests** 909,037

#### Income distributions

31 December 2017 77.77 cpu

30 June 2017 64.14 cpu

### Key indicators

Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	-1.7%
MSCI Emerging Market Equity (US Dollar return)	1.1%
FTSE/JSE All Share Index	-6.0%
FTSE/JSE Resources Index	-2.7%
FTSE/JSE Financials Index	-1.1%
FTSE/JSE Industrials Index	-8.7%
Commodities and currency	Quarterly change
Platinum (\$/oz)	0.1%
Gold (\$/oz)	2.2%
Brent Crude (\$/barrel)	4.3%
Rand/US Dollar (USD)	-4.5%

**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

## Kagiso Top 40 Tracker Fund

### March 2018

Global economic growth continues to be strong in 2018, although a slight deceleration from the strength at the end of 2017 is evident. Geopolitical tensions are running high, with a particular focus on the Middle East and the Korean peninsula, and fears of an escalating trade war between the US and China are dampening sentiment.

The US economy continues to grow above trend, with a strengthening labour market, and the year ahead will be supported by substantial front-loaded tax cuts and continued accommodative, albeit slowly tightening, monetary policy. Emerging market economies also continue to grow strongly (currently running at a robust 5.7% pa), with strong recoveries from areas of previous weakness.

Despite a highly supportive global economic backdrop, South Africa's economy was very weak in 2017. Following the ANC conference in December and the resultant leadership changes, there is widespread optimism that the dramatic economic decline of the last 10 years will be halted and the country potentially set on a more constructive path. Early reformist actions have been material, in particular the strengthening of corporate governance at SOEs and concrete plans for fiscal rehabilitation, including the unpopular decision to hike the VAT rate. Such measures and very constructive rhetoric have resulted in Moody's maintaining an investment grade credit rating and upgrading their outlook to "stable".

Over the quarter, global equity markets were weaker. Japan and Hong Kong, which outperformed, were flat (up 0.7% and 0.5% respectively) while the UK (down 3.8%) and Germany (down 4.3%) underperformed. Emerging markets were relatively strong (up 1.5% in dollar terms).

Locally, the equity market was very weak (down 6.0%) giving up most of the gains from the previous strong quarter. Financials and Resources outperformed on a relative basis this quarter, closing down 1.1% and 2.7% respectively. SA Industrials lagged, closing down 8.7% with Naspers (down 16.2% after a very strong 2017), British American Tobacco (down 15.0%) and the telecommunication sector (down 5.2%) contributing negatively.

After fees and trading costs, the fund performed marginally below its benchmark, the FTSE/JSE Top 40 Index, which closed the quarter down 6.3%.