

Kagiso Top 40 Tracker Fund

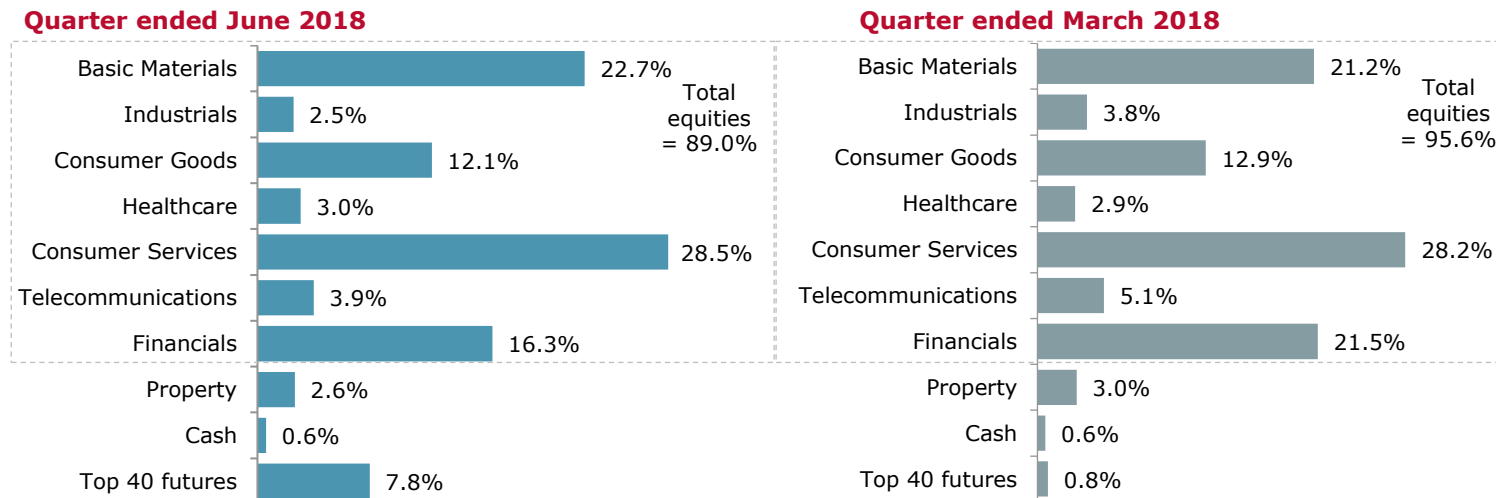
June 2018

Date of issue: 26 July 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 June 2018

Naspers	21.8%
BHP Billiton	9.5%
Richemont	8.7%
Anglo American	4.5%
Sasol	4.1%
FirstRand/RMB	3.7%
Standard Bank	3.6%
MTN	2.9%
Mondi	2.6%
British American Tobacco	2.6%
Total	64.0%

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%
Total	64.9%

Fund size R65.85 million
NAV 6,820.65 cpu
Number of participatory interests 965,411

Income distributions
 30 June 2018 86.16 cpu
 31 December 2017 77.77 cpu

Key indicators

Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	1.1%
MSCI Emerging Market Equity (US Dollar return)	-8.7%
FTSE/JSE All Share Index	4.5%
FTSE/JSE Resources Index	21.7%
FTSE/JSE Financials Index	-6.6%
FTSE/JSE Industrials Index	5.3%
Commodities and currency	Quarterly change
Platinum (\$/oz)	-8.6%
Gold (\$/oz)	-5.5%
Brent Crude (\$/barrel)	14.2%
Rand/US Dollar (USD)	16.1%

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

Global economic growth continues to be strong in 2018, although a slight deceleration from the strength at the end of 2017 is evident. Inflation rates around the world continue to move slowly higher in aggregate due to higher energy prices, tightening labour markets in the developed world and currency depreciation in emerging markets.

The US economy continues to grow above trend, supported by substantial front-loaded tax cuts and continued accommodative, albeit slowly tightening, monetary policy. Fears of an escalating trade war between the US and its trading partners have increased, dampening business confidence.

China's growth remains at healthy levels due to strong local consumption growth, although there are signs that industrial activity growth may have peaked at the end of 2017. In other emerging markets, the inflation and interest rate outlooks have worsened as capital outflows over the recent quarter have led to currency depreciation. Growth has moderated somewhat due to the recent deceleration in global trade.

Recent South African data points such as the negative first quarter GDP report, less optimistic confidence indicators and very lacklustre company results have been much weaker than expected. This has resulted in significant weakness in equities with domestic exposure, bonds and the Rand reflecting an appreciation that current economic conditions are weak and that considerable structural reforms are required to meaningfully increase growth in the medium term.

Over the quarter, global equity markets were stronger. The UK and the USA outperformed (up 3.1% and 3.4% respectively) while Hong Kong (down 2.5%) and Germany (down 3.4%) underperformed. Emerging markets were generally weak (down 7.9% in dollar terms).

Locally, the equity market was strong (up 4.5%, although still 1.7% down year-to-date). Resources were very strong this quarter (up 21.7%), with general miners outperforming (up 23.7%), while gold (down 6.0%) and PGM miners (down 2.1%) lagged. Industrials were up 5.3%, with Naspers (up 20.5% after a weak previous quarter) contributing positively to overall index returns. Financials (down 6.6%) underperformed this quarter and the property sector was weak again (down 2.2% and down 21.3% year-to-date).

After fees and trading costs, the fund performed marginally below its benchmark, the FTSE/JSE Top 40 Index, which closed the quarter up 6.2%.