

Kagiso Top 40 Tracker Fund June 2019



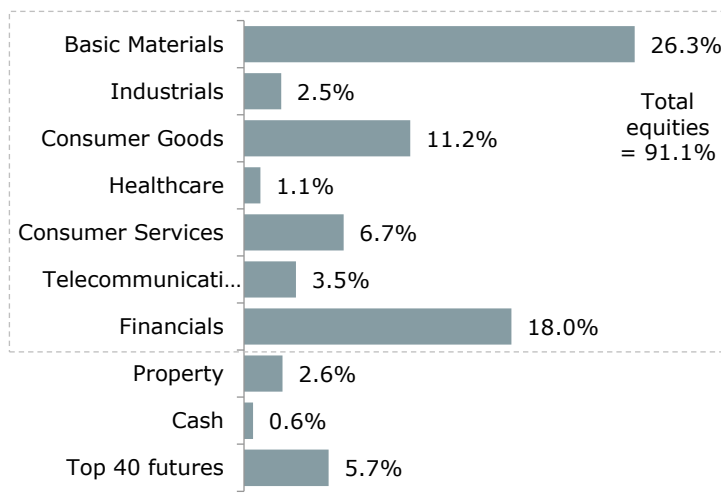
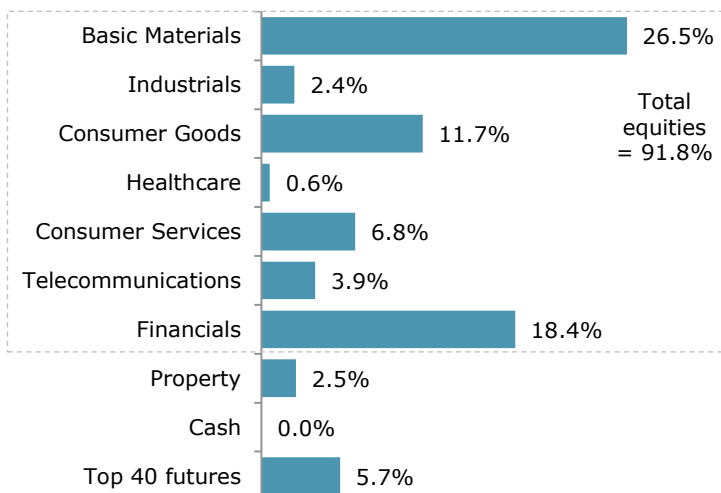
Date of issue: 26 July 2019

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

Quarter ended June 2019

Quarter ended March 2019

Asset and sector allocation



Top 10 equity holdings

Naspers	21.6%
BHP Billiton	11.2%
Richemont	9.0%
Anglo American	5.9%
Sasol	4.2%
FirstRand/RMB	3.7%
Standard Bank	2.9%
MTN	2.8%
Mondi	2.3%
British American Tobacco	2.1%
Total	65.7%

Naspers	21.8%
BHP Group	11.1%
Richemont	8.2%
Anglo American	5.9%
FirstRand/RMB	3.9%
Sasol	3.8%
Standard Bank	3.6%
MTN	2.5%
Mondi	2.4%
British American Tobacco	2.3%
Total	65.5%

Fund size R64.81 million

NAV 6 873.82 cpu

Number of participatory interests 942,905

Income distributions

30 June 2019 116.33 cpu

31 December 2018 94.34 cpu

Key indicators

Equity markets (total return)	Quarterly change
MSCI World Index (USD)	4.0%
MSCI Emerging Market Equity (US Dollar return)	0.6%
FTSE/JSE All Share Index	3.9%
FTSE/JSE Resources Index	2.6%
FTSE/JSE Financials Index	7.0%
FTSE/JSE Industrials Index	4.5%
Commodities and currency	Quarterly change
Platinum (\$/oz)	-1.7%
Gold (\$/oz)	9.1%
Brent Crude (\$/barrel)	-4.6%
Rand/US Dollar (USD)	-2.9%

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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Global economic growth, though still healthy, has decelerated from the high rates of recent years. Strengthening developed region labour markets continue to underpin consumer expenditure via solid wage growth. Inflation rate expectations have retreated meaningfully, particularly in Europe. Key central banks have therefore paused their slow tightening measures and are signaling a more accommodative monetary policy if economic data deteriorates.

US economic growth has been strong this year, but weaker manufacturing production and tapering fiscal stimulus support will now lead to a moderation back to trend. In Europe, manufacturing and export related activity is weak, particularly in Germany, affected by slower Chinese growth and a contracting global automotive market. Japan's growth is similarly weak and will be exacerbated by an impending consumer tax hike.

Stronger commodity prices and producer currencies have led to an improvement in economic growth and inflation prospects for commodity-focused emerging economies. India, Indonesia and Eastern Europe continue to outperform emerging market peers. Argentina, Turkey (contracting), South Africa (deteriorating low growth) and Brazil (significant iron ore mine disruptions) remain weak.

From a performance perspective, global markets rebounded and were strong again this quarter (up 4.2% in dollar terms and 17.4% year to date) with the USA (up 4.3%), France (up 7.5%) and Germany (up 8.9%) outperforming. Emerging markets (up 0.7% in dollar terms) were mixed and generally robust, except in China (down 3.9%).

Locally, the equity market was positive again this quarter (up 3.9%) with resources (up 2.6%) outperforming – gold and platinum miners were strong (up 26.6% and 9.4% respectively). Standout performers included Gold Fields (up 44.1%) AngloGold Ashanti (up 32.6%) and Impala Platinum (up 14.3%).

Industrials were up 2.6%. Heavyweights including MTN (up 20.5%), Richemont (up 14.2%) and Naspers (up 2.6%) contributed positively, while British American Tobacco (down 17.3%) detracted. Retailers were generally higher - Woolworths (up 5.2%), Mr. Price (up 4.7%) and Pick n Pay (up 3.9%). Hospitals (down 15.0%) and food producers (down 4.8%) underperformed.

Financials (up 5.4%) outperformed, with Absa, MMI, and FirstRand very strong (up 15.7%, 14.3% and 11.1% respectively). Listed property was generally strong (up 4.5%) with Intu Properties (down 32.9%) underperforming.

After fees and trading costs, the fund performed marginally below its benchmark, the FTSE/JSE Top 40 Index, which closed the quarter up 4.6%.