

Kruger Ci International Flexible Feeder Fund

August 2019



KRUGER
International

INVESTMENT OBJECTIVE

The investment objective of this portfolio is to provide investors with long term capital growth by providing investors with exposure to a single international collective investment scheme portfolio comprising of a diversified mix of global exposure to various asset classes. The International Flexible Fund, the target portfolio, intends to invest principally in global equities and global equity linked securities, real estate investment trusts, global bonds, as well as cash and/or cash equivalents. The Fund may invest up to 100% of its Net Asset Value in Underlying Funds, subject to the maximum of 20% of Net Asset Value in any one Underlying Fund.

THE KRUGER INVESTMENT COMMITTEE

| | |
|-----------------------|-----------------------------|
| Hein Kruger: | Chief Investment Officer |
| Mia Kruger: | Portfolio Manager |
| Johan Marais: | Investment Committee Member |
| Charl Bester: | Investment Committee Member |
| Chris Nel: | Investment Committee Member |
| Analytics Consulting: | Investment Consultant |

ABOUT THE FUND

| | |
|----------------------|--|
| ASISA Classification | Global - Multi Asset - Flexible |
| Risk Profile | High |
| Benchmark | 50% MSCI World, 10% FTSE EPRA/NAREIT Global REIT, 20% Barclays Aggregate Bond Index, 20% ICE LIBOR 3 Months. Before 3 June 2019: 50% MSCI World Index; 50% JP Morgan Global Government Bond Index |
| Equity Exposure | The fund is fully flexible and has no limitation on asset classes. |
| Foreign Exposure | The fund will maintain an exposure of at least 80% in foreign assets. |

UNDERLYING HOLDINGS

| | |
|------------------------------|--------|
| International Flexible Fund* | 98.57% |
| USD Cash | 1.03% |
| SA Cash | 0.40% |

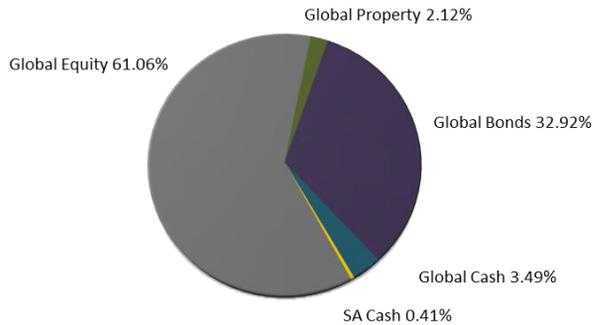
* Kruger International Mauritius is the Investment Advisor on this fund.

PORTFOLIO MANAGER'S COMMENTARY

International:
Equity markets around the globe had a tough August against a backdrop of economic and socio-political news flow, which reflected slowing global trade, as well as uncertainty with regards to political policy. According to Tantalum Capital, the G7-summit provided few noteworthy developments, other than a chance for President Trump to further his "America First" agenda. The US-China "eye for an eye" trade conflict did not do investors (other than those holding US Treasuries and gold) any favours. Despite some attempts by the Trump administration to allude that a deal is still possible, the latest tariff announcements from the US, followed by retaliation by their Chinese counterparts, represent a significant escalation in the trade war. The very nature of the uncertainty around how tensions may further escalate is becoming a great concern for economists, heightening risks of a reduction of investment due to a drop in business confidence. As if this is not enough to upset the global equity apple cart, Prime Minister Boris Johnson announced the suspension of the British Parliament, from the second week in September to the middle of October, in a move which critics argued is an attempt to hinder members of parliament to block a no-deal Brexit. Against this background markets retreated in August amid higher levels of volatility – the MSCI All Country -3.19% (+12.67%ytd); the Dow Jones -1.32% (+15.14%ytd); the S&P 500 -1.58% (+18.34%ytd) and the MSCI Emerging Markets Index which declined by -5.36% (+0.5%ytd) – all in US dollars.

Local:
South African markets struggled, not only against a gloomy global outlook, but also against weak local economic data, Moody's rating concerns, a delay in the restructuring of Eskom and political discontent – particularly about the possible implementation of prescribed assets for pension funds and developments around the latest National Health Insurance (NHI) proposals. Towards the end of the month, there was a silver lining though as Finance Minister Tito Mboweni published an economic strategy for South Africa. It is a comprehensive, detailed strategy and generally pragmatic. Most of the ideas have featured in policy proposals before, though some of the proposed (micro) interventions are fresh. Most importantly, this brings together the entire range of policy proposals and creates a sense of policy coordination and a holistic view of the required interventions (mostly from government, but in many areas it acknowledges that private sector contributions are not only required, but extremely helpful). The immediate response of financial markets illustrated that it was viewed in a positive light. The SA equity market declined in line with global EM markets in August – the FTSE/ JSE All Share index fell by -2.44% (+6.88%ytd). The entire fund range was up for the month, the International Flexible Feeder Fund (previously named Global FOF) by +5.00% (+17.11%ytd); Prudential Fund by +1.09% (+7.84%ytd); Equity by +0.22% (+7.92%ytd); Balanced FOF by +0.27% (+6.83%ytd); Prudential FOF by +1.35% (+8.06%ytd) and the new Balanced Fund by +0.62% (+7.99%ytd).

ASSET ALLOCATION



Please note: Asset allocations are one month lagged.

PORTFOLIO HISTORIC PERFORMANCE*

| | 1 year | 3 years | 5 years | 10 years |
|---|--------|---------|---------|----------|
| Kruger Ci International Flexible Feeder Fund | 2.33% | 6.99% | 10.01% | 11.57% |
| Benchmark | 8.22% | 7.09% | 11.81% | 13.36% |
| Highest return over 12 rolling months | | | | 41.96% |
| Lowest return over 12 rolling months | | | | -25.86% |

*Annualised

TOP 10 EQUITY EXPOSURES

| | | | |
|---------------|-------|------------------------|-------|
| Microsoft | 2.13% | Amedeus | 1.22% |
| PayPal | 1.63% | Waters Corp | 1.22% |
| Intuit | 1.51% | Stryker | 1.14% |
| Facebook | 1.32% | Estee Lauder Companies | 1.12% |
| Philip Morris | 1.23% | Idexx Laboratories | 1.08% |

Please Note: Top 10 equity exposures are one month lagged as disclosed by Portfolio Analytics Consulting (Pty) Ltd

This document is a Minimum Disclosure Document (MDD) which contains key information about this portfolio. This MDD will be updated on a monthly basis.
Source: Figures quoted are from Morningstar, for the period ending August 2019 for a lump sum, using NAV-NAV prices with income distributions reinvested.
CPI for all urban areas sourced from I-Net Bridge.



ADDITIONAL INFORMATION

| | | | |
|--------------------------|-----------------------------|---|---|
| Launch Date | 12 February 2007 | Total Expense Ratio | Class A: 1.11 |
| Opening NAV Price | 1000.00 cents per unit | Transaction Cost | Class A: 0.02 |
| Fund Size | R 374 million | Total Investment Charge | Class A: 1.13 |
| Initial Fee | Class A: 0% | Calculation Period | 1 July 2016 to 30 June 2019 |
| Initial Advisory Fee | Maximum 3.00% (Excl. VAT) | Income Declaration Dates | 30 June and 31 December |
| Annual Service Fee | Class A: 0.200% (Excl. VAT) | Last 12 months Distributions (cents per unit) | 30/06/2019: (A) 0.00, 31/12/2018: (A) 13.77 |
| Annual Advisory Fee | Maximum 1.00% (Excl. VAT) | Income Reinvestment / Payout Dates | 2nd working day in July and January |
| Transaction cut-off time | 14:00 | Frequency of pricing | Our daily NAV prices are published on our website and in the national newspaper |
| Valuation time | 17:00 | | |

FAIS Conflict of Interest Disclosure

The annual fees for the A class include a fee up to 0.200% payable to Ci Collective Investments. All fees stated are exclusive of VAT.

Please note that in most cases where the Financial Services Provider (FSP) is a related party to the portfolio manager, the FSP/distributor may earn additional fees other than those charged by the portfolio manager. Kruger International is an indirect shareholder of Ci Collective Investments. Kruger International Mauritius is the Investment Advisor on the International Flexible Fund. Please see further details below.

Characteristics

This is a global multi-asset flexible equity portfolio which means that the portfolio may have a maximum equity exposure of up to 100% at all times. This fund is a specialist fund of funds that seeks to invest primarily in a broad range of unit trusts over most available asset classes.

Risk Reward profile: High

Typically, the lower the risk, the lower the potential return and the higher the risk, the higher the potential return. There is no guarantee that returns will be higher when investing in a portfolio with a higher risk profile. The risk profile for this portfolio is rated as high, as it may invest up to 100% in equity securities, both locally and abroad. The risk refers only to volatility.

RISK DEFINITIONS

Market Risk

Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the unit trust, thereby affecting the overall value of the unit trust.

Currency Risk / Foreign Exchange Risk

This risk is associated with investments that are denominated in foreign currencies. When the foreign currencies fluctuate against the South African Rand, the investments face currency gains or losses.

Concentration Risk

Unit Trusts pool the assets of many investors and use the proceeds to buy a portfolio of securities. There are regulations in place which limit the amount that a unit trust may invest in securities, thereby spreading the risk across securities, asset classes and companies.

Liquidity Risk

This relates to the ability of the unit trust to trade out of a security held in the portfolio at or near to its fair value. This may impact on liquidity and in the case of foreign securities, the repatriation of funds.

Credit Risk

Credit risk arises where an issuer of a non-equity security or a swap is unable to make interest payments or to repay capital. The Fund may be exposed to credit risk on the counterparties in relation to instruments such as cash, bonds and swaps that are not traded on a recognised exchange. The possibility of the insolvency, bankruptcy or default of a counterparty with which the Fund trades such instruments, could result in losses to the Fund.

Inflation Risk

The risk of potential loss in the purchasing power of your investment due to a general increase of consumer prices.

Political Risk

The risk that investment returns could suffer as a result of a country's political changes or instability in the country. Instability could come from changes in the country's government, policy makers or military.

Tax Risk

This risk relates to any change to tax laws or to the interpretation of existing tax laws which has an impact on the manner in which unit trusts are taxed.

Compliance Risk

This refers to the risk of not complying with the legislation, regulations, prescribed investment limits and internal policies and procedures by the manager or the portfolio manager.

This document is not intended to address the personal circumstances of any Financial Services Provider's (FSP's) client nor is it a risk analysis or examination of any client's financial needs. Collective Investment Schemes in Securities ("CIS") are generally medium to long terms investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to this portfolio and are subject to different fees and charges. A schedule of fees and charges is available on request from Ci. Ci does not provide any guarantee either with respect to the capital or the return of the portfolio. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. International Investments may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. Kruger International aggregates all foreign investments within the Kruger International global portfolio range. The portfolio may therefore be invested in the Kruger International Mauritius offshore portfolios from time to time. Kruger International Mauritius and SIP may earn an annual investment management fee of up to 1% on all such investments. Kruger International does not charge any annual management fee in South Africa against the value of any investments that are placed in any of the Kruger International Mauritius offshore portfolios. The portfolio may be closed from time to time in order to manage it more efficiently in accordance with its mandate. Kruger is an indirect shareholder of Ci. As an indirect shareholder, Kruger may earn dividends from time to time and participation in any dividends may be linked to the revenue generated by Ci from the Kruger portfolios, and from any other Ci portfolios. Ci retains full legal responsibility for this co-named portfolio. Additional information on the portfolio may be obtained, free of charge, directly from Ci. Ci is an affiliate member of the Association for Savings & Investment SA (ASISA).

Total Expense Ratio (TER): The above TER % has been annualised and indicates the percentage of the value of the portfolio which was incurred as expenses relating to the administration of the portfolio over the rolling 3 year period or since fund inception, on an annualised basis. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER's cannot be regarded as an indication of future TER's.

Transaction Cost (TC): The above TC % has been annualised and indicates the percentage of the value of the portfolio which was incurred as costs relating to the buying and selling of the assets underlying the portfolio. Transaction Costs are a necessary cost in administering the portfolio and impacts portfolio 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 portfolio, investment decisions of the investment manager and the TER.

Total Investment Charge is the TER plus TC which indicates the percentage of the value of the portfolio which was incurred as costs relating to the investment of the portfolio.

Calculations are based on actual data where possible and best estimates where actual data is not available.

Performance quoted is for lump sum investment with income distributions, prior to deduction of applicable taxes, included. NAV to NAV figures have been used. The annualised return is the return of the performance period re-scaled to a period of one year. Performance is calculated for the portfolio and individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax.

Benchmark returns are a combination of the current and historic benchmarks, stitched together on effective date of the change to Kruger Ci International Flexible Feeder Fund, from the Kruger Global Fund of Funds.

FSP: Hein Kruger Internasionale Fondsbestuur (Pty) Ltd, FSP number 521, Tel: (011) 726 7700 Fax: (011) 219 7111

Company/scheme: Ci Collective Investments (RF) (Pty) Limited, PO Box 412249, Craighall, 2024; Tel: 0861 000 881, website: www.cicollective.co.za

Trustee: FirstRand Bank Limited Tel: (011) 371 2111.

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