Kruger Ci International Flexible Feeder Fund
June 2019

KRUGER International

INVESTMENT OBJECTIVE

The investment objective of this portfolio is to provide investors with long term capital growth by investing in a combination of offshore equities, listed property, bonds and money market. The portfolio may generate some income. It has a probability of high volatility over a short to medium term. The portfolio is aimed at investors who can tolerate higher risk, as explained only by volatility, as it invests offshore and may have a maximum of 100% exposure to equities.

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

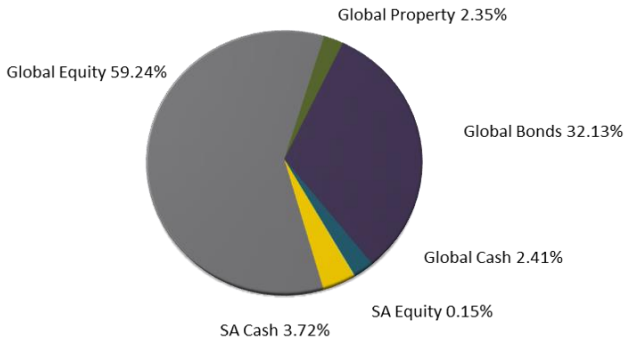
ASISA Classification	Global - Multi Asset - Flexible
Risk Profile	High
Benchmark	Composite Benchmark (ZAR): 50% MSCI World; 10% FTSE EPRA NAREIT; 20% Citigroup WGBI; 20% ICE LIBOR 3Months USD
Equity Exposure	The fund is fully flexible and has no limitation on asset classes.
Foreign Exposure	The fund will maintain an exposure of at least 80% in foreign assets.

UNDERLYING HOLDINGS

International Flexible Fund	96.26%
USD Cash	0.02%
SA Cash	3.72%

Where possible the Investment Manager will invest in portfolios or classes of portfolios that do not charge a performance fee

ASSET ALLOCATION



Please note: Asset allocations are one month lagged.

PORTFOLIO MANAGER'S COMMENTARY

International:
Markets resumed its upward trend in June despite signs of a slowing world economy but a temporary truce between Presidents Trump and Jinping and a willingness to continue with negotiations about the unresolved US/China trade dispute at the recent G20 meeting in Japan helped to sooth investor sentiment. Another boon for the markets was a clear indication by the FED about its willingness to cut rates if need be coupled with the ECB's commitment to a fresh round of economic stimulus for the waning European economy. On the geopolitical front the storm clouds continue to gather with the tension between the USA and Iran and an unresolved Brexit standing out among numerous other hot spots. A further concern is the late cycle stage of one of the longest bull markets on record and how and when it will eventually play out. However, recent headline economic data surprised on the upside with the US employment data for June standing out and coming in far stronger than the expected addition of 160 000 nonfarm payrolls. After May's disappointing 75 000 and further revised down to 72 000, a blow-out number of 224 000 was recorded. The unemployment rate slipped somewhat from 3.6% to 3.7% while growth in hourly wages nudged down to 3.1% from 3.2%. Markets will get further direction from the reporting season for the second quarter which is about to kick off – according to FactSet data, earnings are expected to decline by 2.9% for the S&P 500 while 77% of the companies that have issued forward earnings so far gave negative guidance. Against this background markets gained ground in June albeit at higher levels of volatility – the MSCI All Country +6.05% (+16.15%ytd); the Dow Jones +7.31% (+15.40%ytd); the S&P 500 +7.05% (+18.54%ytd) and the MSCI Emerging Markets Index by +4.81% (+7.61%ytd) – all in US dollars.

Local:
The local economy remains in the doldrums as borne out by recent economic data but a marginal increase in the number of green shoots are starting to look slightly more promising. Among the negative data, manufacturing and mining output continued to underwhelm - mining production maintained its annualised contractionary trend with output down 1.5% year on year in May while manufacturing grew by 1% but worse than the consensus of +1.3%. Business confidence remained subdued, inflation increased marginally while broad unemployment remained dire. Among the positive data were business confidence that rose marginally in June, trade and budget balances posted a positive surprise in May, PPI eased marginally in May, the leading indicator rose in April signalling a possible recovery by year-end and retail sales surprised to the upside in April. Expectations for President Cyril Ramaphosa to set the country fairly quickly on a new course and deliver at a faster pace continue to build while political infighting within the ruling party continues to slow him down. The jury remains out as to how far and deep he can push his structural reforms as it is imperative that they impact positively on business and consumer confidence upon which economic and job growth depend so heavily. The SA equity market rose in line with global markets in June – the FTSE/ JSE All Share index grew by +4.78% (+12.21%ytd). Bar the International Flexible Feeder Fund (previously named Global FOF) that declined marginally due to a stronger rand -0.10% (+9.61%ytd), the other Kruger funds followed suit – Equity by +3.17% (+9.59%ytd); Balanced FOF by +1.61% (+7.46%ytd); Prudential FOF by +1.25% (+6.69%ytd) while the new Kruger Balanced Funds advanced by +2.17 (+7.87%ytd) and the new Kruger Prudential Funds by +1.35% (+6.46%ytd).

PORTFOLIO HISTORIC PERFORMANCE*

	1 year	3 years	5 years	10 years
Kruger Ci International Flexible Feeder Fund	5.86%	6.72%	8.56%	11.78%
Benchmark	7.21%	8.33%	11.99%	n/a
Highest return over 12 rolling months				41.96%
Lowest return over 12 rolling months				-25.86%

*Annualised

TOP 10 EQUITY EXPOSURES

Microsoft	1.86%	Pepsico	0.87%
PayPal	1.33%	Idexx Laboratories	0.83%
Facebook	1.07%	Visa	0.82%
Intuit	1.07%	Philip Morris	0.82%
Amedeus	0.88%	Waters Corp	0.81%

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 June 2019 for a lump sum, using NAV-NAV prices with income distributions reinvested.
CPI for all urban areas sourced from I-Net Bridge.

COLLECTIVE INVESTMENTS

Kruger Ci International Flexible Feeder Fund
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ADDITIONAL INFORMATION

Launch Date	12 February 2007	Total Expense Ratio	Class A: 1.01
Opening NAV Price	1000.00 cents per unit	Transaction Cost	Class A: 0.00
Fund Size	R 335 million	Total Investment Charge	Class A: 1.01
Initial Fee	Class A: 0%	Calculation Period	1 April 2016 to 31 March 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. It is the FSP's responsibility to disclose such additional fees to the investor.

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.

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.

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

COLLECTIVE INVESTMENTS