Roxburgh Ci Balanced Fund of Funds
September 2017

ROXBURGH ASSET MANAGEMENT

INVESTMENT OBJECTIVE

The objective of this multi asset portfolio is to provide investors with moderate capital growth. The portfolio aims to generate a return of CPI + 3% p.a. over any rolling 5 year period and is aimed at the medium risk investor as it is limited to a maximum of 60% exposure to equities . The portfolio adheres to the guidelines set by Regulation 28.

Risk Weighting: Moderate

ABOUT THE FUND

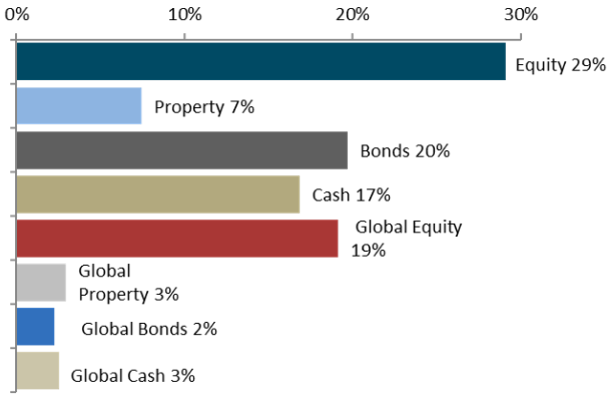
ASISA Classification	South African – Multi Asset – Medium Equity
Risk Profile	Moderate
Benchmark	CPI for all urban areas + 3% p.a. over a rolling 5 year period
Equity Exposure	The Fund will have a maximum effective exposure of 60% for equity.
Foreign Exposure	Up to 25% of the assets may be invested offshore and an additional 5% in Africa (ex RSA)

TARGETED UNDERLYING FUNDS

Coronation Balanced Plus	13.00%
Nedgroup Inv Stable	18.00%
Prudential Inflation Plus	18.00%
Investec Opportunity	18.00%
Rezco Value Trend	15.00%
Nedgroup Inv Core Guarded	13.00%
Stanlib Global Property	3.00%
SA Cash	2.00%

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

ASSET ALLOCATION



Please note: Asset allocation is one month lagged.

TOP TEN EQUITY HOLDINGS

British American Tobacco	2.06%	CF Richemont	0.97%
Naspers	1.86%	Steinhoff International	0.96%
Sasol	1.40%	Growthpoint Properties	0.87%
Discovery	1.05%	Aspen Pharmacare	0.81%
Bid Corp	1.00%	Capital & Counties Properties	0.77%

Estimated top 10 holdings as disclosed by Morningstar as at end of September 2017

PORTFOLIO HISTORIC PERFORMANCE

	1 year	3 year	5 year	Since Inception
Roxburgh Ci Balanced Fund of Funds	5.80%	N/A	N/A	8.25%
Benchmark	7.73%	N/A	N/A	14.40%
Lowest 1 year rolling return				0.00%
Highest 1 year rolling return				5.80%

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 September 2017 for a lump sum, using NAV-NAV prices with income distributions reinvested. CPI for all urban areas sourced from I-Net Bridge.

COLLECTIVE INVESTMENTS

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ADDITIONAL INFORMATION

Launch Date	01 March 2016	Total Expense Ratio	Class A: 1.68%
Opening NAV Price	100.00 cents per unit	Transaction Cost	Class A: 0.06%
Fund Size	R657 million	Total Investment Charge	Class A: 1.74%
Initial Fee	Class A: 0%	Calculation Period	Inception - 30 June 2017
Initial Advisory Fee	Maximum 3.42% (Incl. VAT)	Income Declaration Dates	30 June and 31 December
Annual Service Fee	Class A: 0.684% (Incl. VAT)	Last 12 months Distributions	30/06/2017: (A) 1.45 (B) 1.47 31/12/2016: (A) 1.49 (B) 1.51
Annual Advisory Fee	Maximum 1.14% (Incl. 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	24:00		

FAIS Conflict of Interest Disclosure

The annual fees for the A class include a fee of 0.228% payable to Roxburgh, a fee of 0.228% payable to Ci Collective Investments, a fee of 0.114% payable to Analytics Consulting, and a fee of 0.114% payable to Morningstar Investment Management.
All fees stated are inclusive 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 multi-asset medium equity portfolio which means that it may invest in a spectrum of equity, bond, property and money market and tends to display average volatility and aims for medium to long term capital growth. The portfolio may have a maximum equity exposure of up to 60% and a maximum property exposure of 25% at all times and complies with the regulation governing retirement funds. This portfolio may, at the discretion of the portfolio manager, invest up to 25% of the assets outside of South Africa plus an additional 5% of the assets in Africa excluding South Africa.

Risk Reward profile:

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 medium, as it may only invest up to 60% in equity securities, both locally and abroad.

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 is where an issuer of a non-equity security may not be able to make interest payments or repay the capital. This will impact the value of the unit trust.

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.

The TER and Transaction Costs cannot be determined accurately because of the short life span 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.

FSP: Roxburgh Asset Management (Pty) Ltd, FSP number 45552, Tel: (011) 442 2100 Fax: (011) 442 5661
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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FUNDS COMMENTARY

Roxburgh Balanced has returned **4.0**% for the third quarter of 2017 and **5.8%** for the 12 months to 30 September 2017.
The third quarter of the year was largely positive for South African investors, with local risk assets rallying and local bonds producing steady returns as expectations of lower inflation and interest rates drove broad-based returns. Despite the South African Reserve Bank surprisingly leaving rates unchanged in September, the interest rate cut in July did enough to buoy interest rate sensitive assets over the quarter. Despite President Zuma surviving a sixth vote of no confidence, the local bourse showed strong gains in the quarter. Indeed, the local political environment is likely to be a big talking point heading into the fourth quarter of 2017 as the ANC decides on the next party president at its National Conference in December 2017. The strong performance of the JSE was largely due to gains from the rand hedge shares of companies that generate significant amounts of their earnings in offshore markets. The depreciating trend in the local currency returned this quarter, providing additional tailwinds to large multi-nationals listed on the JSE as well as offshore exposures. The rand was the second worst performing emerging market currency against the US dollar in the third quarter. Another significant development in the third quarter was the broad-based recovery in commodity prices with the resurfacing of the reflation trade. Perhaps the most significant of these was the 20% increase in the price of Brent crude oil over the quarter due to strong demand as well as collaboration between OPEC and hurricanes in the US limiting production and refining. This, along with the depreciating rand is likely to lead to higher local petrol prices. Developed and emerging market equities both produced strong hard currency returns in the quarter, with the former breaking the recent trend of emerging market outperformance in September. We are pleased with the positioning of the Portfolio, with a dual focus on both income generation and capital growth over the long term. The Portfolio is diversified at the asset allocation level and draws on several return drivers, rather than relying on a single outcome. Markets are unlikely to produce linear returns and we are confident that the Portfolio will produce inflation beating returns over rolling 4-year periods.

Rezco Value Trend delivered decent absolute returns for the quarter ended 30 September 2017 despite underperforming peers. There were no major changes to the fund's asset allocation over the quarter, with a slight increase in local equity and offshore cash exposure and a slight decrease in exposure to local cash and offshore equities. The fund's primary objectives are to preserve capital while providing index-beating returns. To achieve this, a concentrated portfolio of companies with strong earnings growth records and low debt is constructed. The cautious positioning of the fund hurt relative performance over the quarter as local risk assets rallied and global developed and emerging equity markets produced strong returns. Equities now make up 47% of the portfolio, 26% of this allocated to local equities and 21% to foreign equities. The fund maintains a 4% position in the NewGold ETF which is being held as a currency hedge. Local cash exposure was decreased slightly over the quarter, but still makes up 36% of the fund allocation. The 6% allocation to listed property is predominantly achieved through a 5% allocation to Redefine International, a long term holding of the fund. The fund's top equity holdings are Discovery, Redefine International, AngloGold, Bid Corp and Investec PLC.

Nedgroup Investments Stable delivered decent absolute and relative returns for the quarter ended 30 September 2017. Major changes to the asset allocation of the fund over the quarter include an increase in the allocation to local government bonds at the expense of local cash, offshore equities and offshore cash. The managers have maintained a focus on capital preservation and are in a position to capitalise on volatility in the short term. Local bonds (26%) and local cash (24%) now make up 50% of the portfolio, indicating the managers' cautious approach. While this placed a drag on relative performance this quarter as local risk assets rallied, it provided a strong anchor in terms of risk adjusted returns. The fund's local equity exposure remained relatively stable over the quarter at 15% of the fund. This is allocated largely to rand hedge shares of companies that generate most of their earnings in offshore markets. Global equity exposure was reduced slightly over the quarter and now makes up 20% of the portfolio. This was a big driver of returns over the quarter as global equity markets continued to rally and the rand depreciated against most major currencies. The fund's top equity holdings are British American Tobacco, Capital & Counties, Aspen, Richemont and Sasol.

Nedgroup Investments Core Guarded delivered decent absolute and relative returns for the quarter ended 30 September 2017. Local equity and listed property exposures drove returns in the third quarter as risk assets outperformed income producing assets. The performance of the fund's offshore exposure was positively driven by a weaker rand against most major currencies over the quarter, as well as the added benefit of strong returns in both developed and emerging equity markets. While good active managers have the potential to add value to investors' portfolios, the inclusion of a passive component offers certain benefits. Being both low-cost and appropriately diversified across asset classes, it has the potential to enhance returns and reduce risks within a portfolio. This fund tracks tailored indices across local and global asset classes. Domestic equity exposure of 23% is obtained through the JSE SWIX Index. Offshore equity exposure is currently 13% of the fund and is obtained through the MSCI All Country World Index. The fund has an exposure to local cash of 30%. Domestic bonds and inflation-linked bonds have an allocation of 15% and 7% respectively. Local listed property exposure is currently 5%. Foreign property, inflation-linked bonds and cash each have a 2% exposure within the fund with foreign bonds having an allocation of 1%.

Coronation Balanced Plus delivered strong returns for the quarter ended 30 September 2017. Selected rand hedge exposures drove returns as the rand weakened against most major currencies over the quarter. Selected basic materials exposures also contributed positively to performance over the quarter, driven by increases in underlying commodity prices. Allocations to global markets (particularly those to emerging markets) produced strong returns in the third quarter, supported by a weakening local currency. Local equity exposure was increased over the quarter and now makes up around 44% of the fund. Naspers, which is the fund's top holding at 7% of the fund, was again a strong contributor to performance, with a return of 15% in the third quarter. Exposure to domestic assets was increased slightly over the quarter and now makes up approximately 78% of the fund. Local listed property exposure was unchanged at 13% of the fund and contributed positively to performance as the asset class rallied after having a difficult start to the year. Offshore equity exposure was slightly reduced over the quarter and now makes up 21% of the fund. The managers maintain limited exposure to offshore interest rate sensitive assets including cash, bonds and property. The fund's top local equity holdings are Naspers, British American Tobacco, Steinhoff, MTN and Intu.

Prudential Inflation Plus delivered strong returns for the quarter ended 30 September 2017. Major changes to the fund's asset allocation over the quarter include an increase in the allocation to local listed property at the expense of local bonds. This drove strong performance as the asset class posted strong quarterly gains after a disappointing start to the year. With the aim of providing real returns while mitigating downside risk the manager has kept the asset allocation relatively stable over time. The local equity allocation remained consistent this quarter at 25%. Selected rand hedge stocks, such as Naspers, again posted strong returns with the stock up 15% over the quarter. The fund's offshore equity exposure of 16%, which dominates the total offshore allocation of 25%, contributed positively to returns as global equity markets continued to rally and the rand depreciated against most major currencies. The fund continues to hold a diverse basket of assets and asset classes. This ensures that the returns of the fund are not tied to one market outcome, therefore allowing the fund to protect capital while offering the possibility of growth over the medium to long term.

Investec Opportunity delivered decent absolute returns for the quarter ended 30 September 2017 despite underperforming peers. There were no major changes to the fund's asset allocation over the quarter, with the only minor change being a slight increase in the allocation to local equities. Within equities, consumer goods (36%) make up the biggest sector allocation, followed by financials (19%), health care (13%) and basic materials (11%). The fund's offshore equity exposure of 28% contributed positively to performance over the quarter as global equity markets continued to rally and the rand depreciated against most major currencies. Selected rand hedge and basic materials exposures also contributed positively to performance, with the latter buoyed by increases in underlying commodity prices. A notable performer was Assore, which is the third biggest equity allocation of the fund and was up 46% for the quarter. The fund's local bond exposure of 19% and local cash exposure of 11% placed a drag on relative performance as local risk assets rallied over the quarter. The fund's top equity holdings are British American Tobacco, Sasol, Assore, Richemont and RMB Holdings.

Stanlib Global Property Feeder Fund delivered a decent positive return for the quarter ended 30 September 2017. The fund had a decent quarter as global property markets recovered well after a difficult second quarter and returns were bolstered by rand weakness. The global economic environment was generally supportive of this, with no major changes to developed market interest rates and positive sentiment driving gains. Global listed property offers unique diversification benefits in a portfolio and generally provides stable income and capital growth over the long term. The managers continue to favour property in developed markets that are in high demand, and the portfolio exhibits a healthy level of geographic diversification. To this extent, the fund currently has overweight positions in London and New York office property. The US allocation remains a significant 56% of the portfolio. The UK, Japan and Australia also have significant exposures making up 9%, 7% and 7% of the portfolio respectively.