FACT SHEET

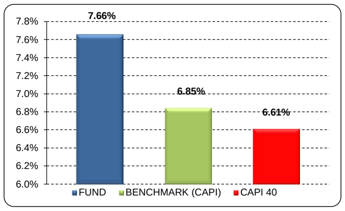
Fund Description

The fund aims to generate an excess return of 1% above the benchmark on a consistent long-term basis through both top down and bottom up analysis. The Fund uses a four factor model, namely; Macro-Economic Model, a Fundamental Accounting Value Model, a Behavioural Model, and a Technical Analysis Model. The models are blended to ensure consistency of performance and lower fund volatility versus the benchmark.

Fund Objectives

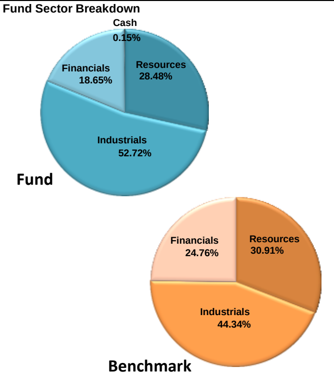
The fund aims to outperform the FTSE/JSE CAPI Index by 1% per annum over a rolling 3 year period.

Investment Performance



	Fund	Benchmark	Alpha
Cumulative Performance			
1 month	0.10%	0.55%	-0.45%
3 months	1.91%	-1.80%	3.72%
6 months	1.92%	-1.81%	3.73%
YTD	3.79%	-1.56%	5.35%
1 year	11.46%	6.76%	4.70%
3 years	6.76%	6.16%	0.60%
Calendar Year Performance			
2015	7.70%	5.17%	2.52%
2016	0.42%	3.94%	-3.52%
2017	17.15%	18.06%	-0.91%
2018			
Inception: 01-Oct-2014			

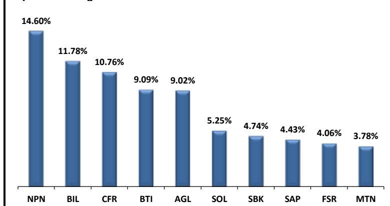
Fund Sector Breakdown



Investment Risk Measures

	Fund	Benchmark
Return	7.66%	6.85%
Sharpe Ratio	0.09	0.03
Sortino Ratio	0.21	0.06
Max Drawdown	-4.19%	-3.95%
Drawdowns	20	20
Tracking Error	**2.84%**	

Top 10 Holdings



Fund Comment

Lingering trade war concerns continue to weigh on markets at the start of the third quarter as escalating trade tensions remain the theme for July.

Equities returned 0,1% (FTSE/JSE Shareholder Weighted All Share); nominal bonds delivered 2,42% (ALBI); inflation linked bonds returned 0,26% (CILI) and cash returned 0,53% as indicated by the STeFi Call Index in Jul 2018. Within equities; the financial services sector delivered 6,56% (FINI 15), the industrial sector -2,22% (INDI 25) and the resources sector -1,4% (RESI 20).

During the same period; near term volatilities ticked down by -0,38% (SAVI) to 16,79% whilst the historic price to earnings (P/E) ratio for the FTSE/JSE SWIX Top 40 drifted higher by +0,11 points to close at 20,35. Yields for 12-month negotiable certificates of deposits fell by -5,8 bps to close the month at 7,98%. Foreigners sold local equities worth -R5,8 billion as markets sold-off during the month of Jul 2018.

The fund returned 0.10% against the benchmark 0.55% (JSE CAPI) resulting in a negative alpha of 0.45% for the month; the JSE CAPI40 returned 0.99%. The bias towards the Top 40 blue chip stocks led to a positive alpha of 0.44%, and the fund's active positions provided a negative alpha of 1.02% against the CAPI40. Over-weight positions in counters BTI & SAP contributed significantly to the alpha for July as markets were content with BTI's half year results. Whilst over weights in AGL and BVT detracted from alpha, further gains were eroded by an underweight position in DSY whose share price increased for the month. AGL share price declined as maintenance on the Minas Rio pipeline in Brazil is expected to detract US$300-400million from future EBITDA. Finally, in line with poor economic sentiment for South Africa, BVT fell accordingly.

After registering a value of 4,4% in May 2018, headline inflation for Jun 2018 was 4,6% (consensus 4,8%). On the same note, the price for brent crude oil fell by -6,54%, to end the month at $74,06 per barrel and the Rand appreciated against the Dollar by 3,33% to close at R13,28 per dollar. The seasonally adjusted Kagiso Purchasing Managers' Index (PMI) declined by -1,9 index points to reach 47,9 in Jun 2018.

On the global front, US dollar traded sideways as the Fed Chair Powell reiterated that the Fed will continue to raise rates steadily. Trade wars between the US and China seem to continue but, thankfully, has calmed down between the US and EU following the agreement reached between US President Donald Trump and the European Union to negotiate on trade. On the economic side of things, initial jobless claims rose by 3,000 during the week ending on 30 June to reach 231,000 however these numbers remained near multi-decade lows. US inflation indicators suggest increased price pressures with headline CPI continually printing above the 2% level at 2.8%. Demand pull inflation seems to be accelerating as non-farm payroll numbers for June were higher than market expectations (213000 vs 915 000). Wage growth in June was 2018's strongest so far at 4.89% with the official unemployment rate at an 18-year low. Finally, US economic growth accelerated to an annual rate of 4.1% during the second quarter, compared with a revised 2.2% in the first quarter. Euro area's economic momentum gained steam in June. Euro-zone PMI rose from 54.1 in May to 54.8 in June; ending the indicator's downward fall since January 2018 and signalling expanding business activity. Eurozone growth reflected a solid 2.5% year-on-year growth aligned with June expectations. Mixed economic data came from China, while China's GDP growth in the second quarter and fixed asset investment in June matched forecasts at 6.5% and 6% respectively. June retail sales beat expectations by 0.2% at 9% and industrial production printed 6% for the month missing expectations of 6.5%.

Locally the market largely took its cues from global events and concerns over the health of the local economy continued. The central bank announced that the main lending rate, the repo-rate, was unchanged at 6.5% but risks to inflation were rising and the outlook for economic growth had worsened. The South African Reserve Bank downgraded growth forecast for 2018 from 1.7% to 1.2%. Boosting sentiment, however, was the important outcome from the BRICS meeting, where China pledged to inject nearly $15bn into South Africa's economy, spread across the parastatals as well as various infrastructure projects. On the economic side, manufacturing grew 2.3% year-on-year in May, ahead of expectations by 0.6%. Despite improved manufacturing output, sentiment remains poor hinting at slow growth going forward. Headline consumer inflation quickened, although less than expected, to 4.6% year-on-year in June from 4.4% in May.

Equity markets remain volatile given the evolving political and economic landscape domestically and more importantly internationally. Given the uncertainty in particular with regard to the outcome and impact of the mining charter, land expropriation bill and volatility in the Rand, provide a backdrop of economic vigilance. Whilst we are encouraged by the recent changes in government, we are cognisant of the sentiment projected on the market by policy outcomes. International markets remain cautious with consideration of US tariffs wars that continue to add to market volatility. Equity markets will continue to be cautious in the short term. We will not overpay for assets and try to best manage exchange rate movements and these effects on our portfolio. It is safer to lock in investments in the Top 40 blue chip stocks which are more stable in periods of rising volatility and uncertainty. We remain cautiously optimistic with regard to 2018 growth; we have seen pockets of opportunity begin to surface, and monitor these closely. Astute stock picking that delivers superior value through the cycle and companies whose cash flows support earnings will tend to outperform the market.

Fees

0.50%: R0-R250m
0.45%: R250-R500m
0.40%: +R500m