



ALUSI
MANAGED
FUND OF FUNDS

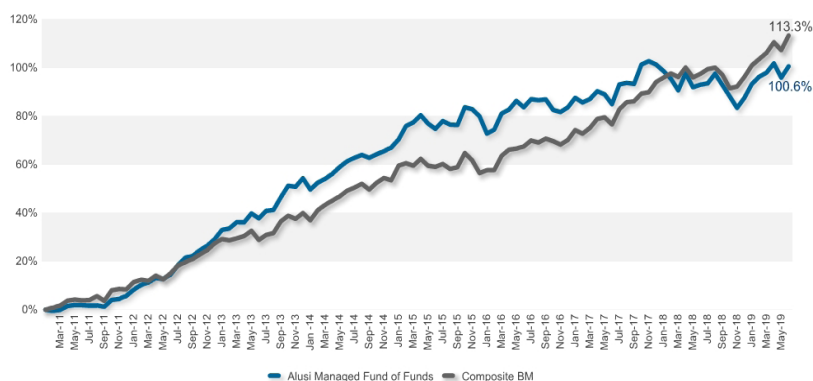
Q2 JUNE 2019

Conscious investing for
a brighter tomorrow

GENERAL FUND INFORMATION

| | |
|----------------------------|--|
| Launch Date | 1 February 2011 |
| Fund Class | B |
| Benchmark | Composite Benchmark 40% ALSI 40% ALBI 20% STEFI |
| Fund Category | Prudential Variable Equity |
| Investment Minimum | R1,000,000 |
| Income Distribution | February & August 2018 Feb: 1.92 cpu 2018 Sep: *2.61 cpu <small>* 7 month distribution (Including September 2018)</small> 2019 Feb: 2.41 cpu |
| Total Expense Ratio | 2.09% (Mar 2019 latest available TIC) 1.51% (AFS 2019) |

CUMULATIVE FUND PERFORMANCE



PORTFOLIO AND MARKET OVERVIEW

A ceasefire in the US-China trade war dispute increased the prospects for the world economy, boosting equity and bond prices across the globe. Hopes of renewed rate cuts by the Fed, and further stimulus from China and the Euro area, also supported asset prices. However, as markets have rallied over the last month, global trade and PMI data have continued to worsen. Worries about global growth helped gold, a perceived safe-haven asset, rise to the highest level in almost three months.

Locally, The key focus points of President Ramaphosa's State of the Nation speech were on measures to revive the economy, guidance on the way forward for Eskom, and policy certainty in the context of on-going factional infighting in the ANC. The National Development Plan (NDP) was revived. This underscores the importance of returning certainty to a policy framework, which under the Zuma administration did not feature high on the list of priorities.

The FTSE/JSE All Share (ALSI) increased by 4.8% on a total return basis as at 28 June 2019, whilst the All Bond Index increased by 2.2%, and STEFI returned 0.5%. The JSE Top 40 index increased by 5.4%, Mid-Caps increased by 2.5%, and Small Caps decreased by -0.2% during the month. The best sector performance of local equities was in Gold Mining (+24.5%) and Platinum Mining (+14.9%). The worst performing sectors were industrial Transportation (-10.0%) and Support Services (-8.3%).

| Local JSE Indices | Jun % | YTD % |
|---------------------------|-------|-------|
| All Share Index (JALSHTR) | 4.8% | 12.2% |
| Mid Cap Index (MIDCAPTR) | 2.5% | 4.3% |
| Small Cap Index (JSMLC) | -0.2% | -1.6% |
| All Bond Index (ALBTR) | 2.2% | 7.6% |

Equity prices rebounded as hopes for a US-China trade deal rose, and a dovish Fed remains poised for a rate cut in July. Basic materials was once again the biggest beneficiary, whilst the industrial sector continued to disappoint. Non-residents sold R1bn of SA equities, the slowest pace in the last 12 months. The forward PE ratio of the All Share Index decreased to 12.9 times. The current dividend yield of the All Share index decreased to 3.96%.

In the SA bond market, non-residents remained large net sellers of local bonds. The R16.7bn outflow in June far outstrips May's R8bn outflow. Despite foreign selling, bonds across the maturity curve appreciated with the longer-end of the yield curve attracting the most interest as local investors favoured current attractive real yields.

FUND MANAGERS



Pieter Davis
Portfolio Manager and Head of Business Strategy
B.Com; B.Hons (B&A); MBA; CFA



Lynn Lekay
Investment Management Team (under supervision)
B.Com (Hons)

IMPORTANT INFORMATION

Collective Investment Schemes in Securities (Unit trusts) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to future performance.

Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The manager may borrow up to 10% of the market value of the portfolio where insufficient liquidity exists.

A schedule of fees and charges and maximum commissions is available on request from the management company, Alusi Management Company (Pty) Ltd (Alusi). Commission and incentives may be paid and if so, would be included in the overall costs.

The Alusi Managed Fund of Funds is not a guaranteed fund. The Fund Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees.

The Manager retains full legal responsibility for any third-party-named portfolio.

Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Performance has been calculated using net NAV to NAV numbers with income reinvested. Annualised performance figures represent the geometric average return earned by the fund over the given time period expressed as a percentage. Cumulative performance figures have been used to present fund performance. Fund performance has been disclosed monthly and compounded annually. Fund performance is expressed in a percentage format. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.

The investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown and income is reinvested on the reinvestment date. Other fees include the permissible deductions of brokerage, STT, VAT, bank charges, trustees and custodian fees incurred in the ordinary course of running the Fund.

CIS prices are calculated daily and published daily on the Morningstar website - code ACBCB, ISIN ZAE000153011. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. A Fund of Funds unit trust only invests in other unit trusts, which levy their own charges, which could result in a higher fee structure for these portfolios. Forward pricing is used.

Funds are valued daily at 16:00. Instructions must reach Alusi before 12:00 to ensure same day value.

Alusi Management Company (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Services Board in terms of the Collective Investment Schemes Control Act. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate.

The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.

Breakdown for period ending 31 March 2019 (latest available):

| | |
|----------------------------|--------------|
| Management fee | 1.15% |
| Performance fee | 0.00% |
| Other cost (excl Trade/TC) | 0.76% |
| Total TER | 1.91% |

Transactions Costs including VAT: 0.18%

Total Investment Charge: 2.09%

For any additional information such as fund prices, application forms, etc. please contact alusiclientservices@alusi.co.za

Alusi Management Company (Pty) Ltd, Company Registration Number: 2008/023212/07, is a member of the Association for Savings and Investment SA (ASISA) and a Collective Investment Scheme (CIS) licence holder. The Trustees are FirstRand Bank Limited, PO Box 7713, Johannesburg 2000.

CONTACT DETAILS**Management Company:**

Alusi Management Company (Pty) Ltd, **Company Registration Number:** 2008/023212/07 **Physical Address:** Edge House, 3 Heuvelkruin Close, Durbanville, 7550 **Postal Address:** P O Box 4188, Tygervalley 7536 **Telephone number:** +2721 976 1012 **Email Address:** alusiclientservices@alusi.co.za **Website:** www.alusi.co.za

Fund Manager:

Alusi Asset Management (Pty) Ltd, **Company Registration Number:** 2009/011108/07 an authorised Financial Services Provider (FSP 43346) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision.

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