



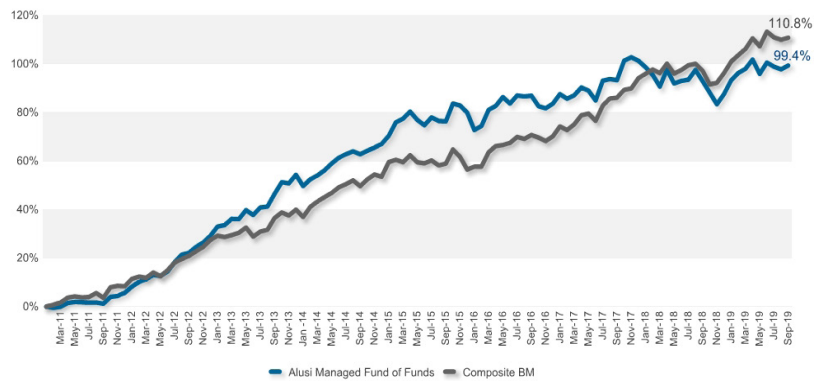
ALUSI
MANAGED
FUND OF FUNDS

Q3 SEPTEMBER 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 2019 Feb: 2.41 cpu 2019 Aug: 3.60 cpu
Total Expense Ratio	2.38% (June 2019 latest available TIC) 1.51% (AFS 2019)

CUMULATIVE FUND PERFORMANCE

PORTFOLIO AND MARKET OVERVIEW

The portfolio composition has moved slightly more defensively since the start of Q3, with a down weighting of both equities and listed property and a concomitant up-weighting of flexible fixed income instruments.

On balance of probabilities, the list of market and economic negatives simply outweigh the positives by roughly three to one. We therefore do not feel the reward for taking excessive risk nearly compensates us for the possible risks.

Whilst we are positioned more cautiously than earlier in the year, we are only slightly underweight equities. We have re-allocated the property exposure towards more defensive fixed income instruments on the basis of earning attractive running yields with very low volatility to risk of capital loss.

The ZAR has weakened materially in September after renewed global trade tensions, and further selling of SA bonds and equities by foreign investors. The upcoming Medium-term budget policy statement and a potential Moody's country review could action further volatility for the ZAR.

Local equities ended the month slightly higher after two months of losses. The good performance was concentrated in the financial sector and industrials, with healthcare also contributing, while the performance of basic material and consumer-facing sectors were mixed. Non-residents sold off R2.9bn worth of SA equities in September. The forward PE ratio of the All Share Index decreased to 11.7 times. The current dividend yield of the All Share index increased to 4.4%.

In the SA bond market, non-residents remained net sellers of local bonds. However, the R2.6bn outflow in September was far below August's R19.7bn outflow. Despite local weak fundamentals and continued policy uncertainty, local funds continued buying bonds across the maturity profile as real yields remains very attractive currently.

Local JSE Indices	Sep %	YTD %
All Share Index (JALSHTX)	0.19%	7.08%
Mid Cap Index (MIDCAPTR)	-0.17%	2.37%
Small Cap Index (JSMLC)	2.21%	-4.80%
All Bond Index (ALBTR)	0.53%	8.44%

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 30 June 2019 (latest available):

Management fee	1.15%
Performance fee	0.00%
Other cost (excl Trade/TC)	1.06%
Total TER	2.21%

Transactions Costs including VAT: 0.17%

Total Investment Charge: 2.38%

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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