



### INVESTMENT OBJECTIVE

The investment objective of this fund is to provide investors with capital growth over the short to medium term. The fund may also generate stable income. The fund invests in a combination of equities, listed property, bonds and money market. The fund is aimed at investors who can tolerate higher risk, as explained only by volatility, as it may have a maximum of up to 75% exposure to equities. The fund may from time to time invest in listed and unlisted derivatives, in order to achieve the fund's investment objective. The fund adheres to the prudential investment guidelines set by Regulation 28.

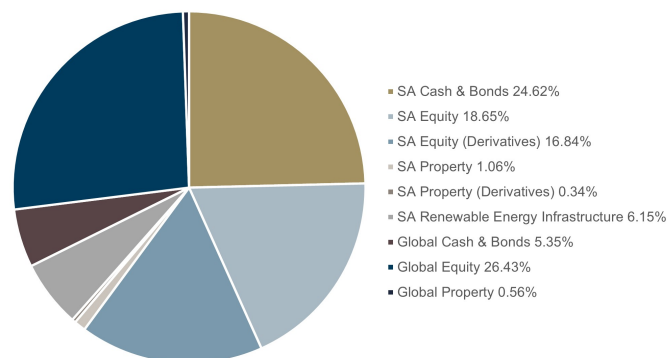
### ABOUT THE FUND

Investment Manager	Hein Kruger Internasionale Fondsbestuur (Pty) Ltd
Regulation 28 Compliant	Yes
Benchmark	South African - Multi Asset - High Equity Category Average
Equity Exposure	Maximum effective exposure of 75%.
Foreign Exposure	Maximum effective exposure of 30% and an additional 10% in Africa (ex RSA).
ASISA Classification	South African – Multi Asset – High Equity
Risk Profile	High
Transaction cut-off time	14:00
Valuation time	17:00

### THE KRUGER INVESTMENT COMMITTEE

Hein Kruger:	Chief Investment Officer
Mia Kruger:	Fund Manager
Johan Marais:	Investment Committee Member
Charl Bester:	Investment Committee Member
Analytics Consulting:	Investment Consultant

### ASSET ALLOCATION



Latest available data

### HISTORIC FUND PERFORMANCE (Annualised)

	1 Year	3 Year	5 Year	10 Year
Kruger Ci Balanced Fund (Class A)	17.65%	8.91%	n/a	n/a
Benchmark	17.31%	6.77%	n/a	n/a
Highest return over 12 rolling months				29.27%
Lowest return over 12 rolling months				-5.80%

### FUND MANAGER'S COMMENTARY

#### International:

Global equity markets marched to new highs in June mainly on the back of successful Covid-19 vaccine rollouts in leading economic blocs like the US, the UK and Europe and a sharper than expected rebound in economic activity. The combined effect of the steep declines in fresh Covid infections and the fast-tracking of economic re-openings coupled with ongoing dovish central bank commitments to accommodating monetary policy continued to sooth investor sentiment. A further boost emanated from the prospects of a one trillion-dollar bipartisan infrastructure initiative between the US Democratic and Republican parties combined with generally positive economic data. This has led to robust retail market participation with equity markets surging further into expensive territory prompting increasing warnings by some analysts and fund managers against the dangers of market bubbles. A hint of weakness has recently crept into some economic data points such as the US jobs report for June, a softer than expected ISM Services index and weaker than expected retail sales. In the light of the reversal of the recent sell off in US 10-year bonds, the best indicator of inflation, the fierce debate about the stickiness of the current spurt in inflation has cooled somewhat. Although the headline non-farm payroll number ballooned by 850 000 new jobs in the June report, well ahead of the expected 720 000 jobs, the unemployment rate disappointed by climbing to 5.9% against an expected number of 5.6% compared to 5.8% in May. With another excellent corporate reporting season for the second quarter of 2021 having kick off - some estimates have elevated average earnings growth for S&P 500 companies to 64% - the forward guidance by companies for the second half of the year will come into sharp focus. Markets gained further ground in June - the MSCI All Country Index gained +0.44% (+13.87% ytd); the Dow Jones by +0.02% (+13.79%ytd); the S&P 500 by +2.33% (+15.25%ytd) and the MSCI Emerging Markets Index by +1.63% (+16.30%ytd) - all in US dollars

#### Local:

Promising green shoots continued to appear on the local economic front in June as the world economy recovers from the impact of Covid-19. South Africa with its commodity war chest turned out to be one of the main beneficiaries as the surge in demand led to a solid spike in volumes and prices. However, the global recovery remains tentative as the fast-spreading Covid-19 Delta variant poses fresh uncertainty about the sustainability of the recovery, especially in under vaccinated developing countries like SA. The surging third wave of Covid-19 infections has forced the government to announce an amended level four lockdown measures, initially for two weeks and later for another two weeks. This setback was exacerbated by the recent political turmoil in the wake of former president Zuma's imprisonment leaving SA particularly vulnerable to more economic woes with major structural bottlenecks such as the lack of stable energy supply and chronic unemployment posing the main challenges. Among recent positive data points were the composite leading business cycle indicator which jumped by 31.5% year on year in April, a thirteenth consecutive trade balance surplus of R54.6 billion in May and a 46% surge in gross tax revenue collection. Among the negative data points were the FNB/BER consumer confidence index which decreased from -9 in quarter 1 to -13 in quarter 2, formal (non-agricultural) employment that fell by 9 000 jobs in the first quarter of 2021, manufacturing production which fell by -2.6% month on month in May, the ABSA PMI manufacturing index which edged down to 57.4 from 57.8 index in June while CPI inflation rose to 5.2% and PPI inflation to 7.4% year on year in May. In contrast to global markets, the FTSE JSE All Share Index declined by -2.43% (+13.20% ytd) in April whereas all the Kruger Funds gained ground - the Equity Fund by +0.05% (+12.32% ytd); the Balanced Fund by +0.65% (+10.06%ytd); the Prudential Fund by +1.43% (+8.29%ytd) and the International Flexible Feeder Fund by +5.23% (+3.02%ytd).

This document is a Minimum Disclosure Document (MDD) which contains key information about this fund. This MDD will be updated on a monthly basis. Sources: Performance sourced from Morningstar and Portfolio Analytics Consulting, for a lump sum using NAV-NAV prices with income distributions reinvested. CPI for all urban areas sourced from Factset. Asset Allocation and Top 10 holdings data compiled by Global Investment Reporting SA ("GIRSA")

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Kruger Ci Balanced Fund 1 of 2

# Kruger Ci Balanced Fund

## June 2021



# KRUGER

## International

Asset & Wealth Management

### ABOUT THE FUND

Fund Size	R 1.34 billion
Fund Launch Date	14 March 2018
Class Launch Date	(A): 14 March 2018, (G): 2 September 2019
Opening Class NAV Price	(A): 100.00 cents per unit
Opening Class NAV Price	(G): 100.00 cents per unit
Frequency of pricing	Our daily NAV prices are published on our website and in the national newspaper

### FUND FEES

Initial Fee	Class A: 0.00%, Class G: 0.00%
Initial Advisory Fee	Maximum 3.00% (Excl. VAT)
Annual Service Fee	Class A: 1.25% (Excl. VAT)
Annual Service Fee	Class G: 1.35% (Excl. VAT)
Annual Advisory Fee	Maximum 1.00% (Excl. VAT)

### DISCLOSURES

#### FAIS Disclosure

The annual fees include a fee of up to 0.70% payable to Kruger International, a fee of up to 0.15% (Class A) or 0.25% (Class G) payable to Ci Collective Investments, and a fee up to 0.40% payable to Analytics Consulting. 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 fund manager, the FSP/distributor may earn additional fees other than those charged by the fund manager. A FX fee of up to 0.05% (incl. VAT) on any FX transactions may be payable to Kruger International in addition to the annual fees referred to above. Kruger International is an indirect shareholder of Ci Collective Investments. Kruger International Mauritius (KIM) is the investment advisor on the International Equity Fund and International Flexible Fund. The fund may invest in the KIM funds. KIM and SIP may earn an annual investment advisory fee of up to 1.00% on all such investments. Kruger International does not charge an annual management fee on the value of investments that are placed in the KIM funds.

#### Characteristics

This is a multi-asset high equity fund which means that it may invest in a spectrum of equity, bond, property and money market and tends to have an increased probability of short term volatility and aims to maximise long term capital growth. The fund may have a maximum equity exposure of up to 75% and complies with the regulation governing retirement funds. This fund may invest up to 30% of the assets outside of South Africa plus an additional 10% of the assets in Africa excluding South Africa.

#### 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 fund with a higher risk profile. The risk profile for this fund is rated as high, as it may only invest up to 75% 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 fund 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 repay capital, which could result in losses to the fund.

#### Total Return Swaps Risk

The fund may invest in total return swaps. Total return swaps are unlisted instruments issued by a bank to provide the return of a specific index. The value of the instrument is directly linked to the performance of the underlying equities in the index and will fluctuate in line with daily market movements. Some of the equity exposure in the fund could be derived through total return swaps instead of physically holding the underlying equities.

#### 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 fund manager.

This document is not intended to address the personal circumstances of any Financial Services Provider's (FSP's) client nor is it a risk analysis or examination of any client's financial needs. Collective Investment Schemes in Securities ("CIS") are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to this fund and are subject to different fees and charges. A schedule of fees and charges is available on request from Ci. Ci does not provide any guarantee either with respect to the capital or the return of the fund. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. International Investments may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. The fund may be closed from time to time in order to manage it more efficiently in accordance with its mandate. The Kruger funds are funds established and administered by Ci, and Kruger has been appointed to manage and market the funds. Kruger is an indirect shareholder of Ci. As an indirect shareholder, Kruger may earn dividends from time to time and participation in any dividends may be linked to the revenue generated by Ci from the Kruger funds, and from any other Ci funds. Ci retains full legal responsibility for this co-named fund. Additional information on the fund may be obtained, free of charge, directly from Ci. Ci is a Non-Voting (ordinary) Member of the Association for Savings & Investment SA (ASISA).

**Total Expense Ratio (TER):** The above TER % has been annualised and indicates the percentage of the value of the fund which was incurred as expenses relating to the administration of the fund 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 fund which was incurred as costs relating to the buying and selling of the assets underlying the fund. **Transaction Costs** are a necessary cost in administering the fund and impacts fund 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 fund, 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 fund which was incurred as costs relating to the investment of the fund. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available. 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 fund 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.