



KRUGER
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Monthly Client Investment Report: Kruger Ci Balanced Fund of Funds

April 2018



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Kruger International Market Commentary

International:

Equity markets rebounded in April amid the easing of geopolitical tension in the Korean peninsula and the planned meeting between the North Korean and American leaders. This positive development was unfortunately negated by the recent American withdrawal from the Iran nuclear agreement, the likely re-imposition of trade sanctions against Iran and the fresh confrontation between Israel and Palestine. Fortunately, the developing trade dispute between the US and China has cooled somewhat. On the American political front the ongoing Mueller investigation into the possible collusion between the Trump campaign and the Russians continues to lurk in the background and weigh on investors' minds, especially with the midterm elections approaching. The FED continues firmly on the path of tighter monetary policy with the next rate hike priced in for June. US nonfarm payroll data for April disappointed again as only 164 000 new jobs were created compared to an expected 195 000 – however, the unemployment rate firmed to 3.9% from 4.1% while year on year average hourly wage growth eased somewhat to 2.6%. With the first quarter corporate profit season winding down, the excellent profits amid solid economic growth and the recently introduced tax reform surpassed lofty expectations and more of the same is expected. With the exception of the MSCI Emerging Market index which lost some ground -0.11% (+0.82%ytd), the MSCI All Country advanced by +0.81% (+0.33%ytd); Dow Jones advanced by +0.34% (-1.63%ytd) and S&P 500 advanced by +0.38% (-0.38ytd) – all in US dollars.

Local:

Locally the wave of Ramaphoria continues to wane and although growth expectations are improving it still remains poor compared to the rest of the world. Although consumer and business confidence have recovered from its lows of 2017 due to the positive political changes, the deterioration might have been arrested but this does not mean South Africa is out of the woods. On the data front, mining and manufacturing disappointed during the first quarter, Sacci's business confidence index in April declined a third consecutive month after a rally at the start of the year and SA's all important unemployment number stalled again at 26.7% in the first quarter. Snippets of good news emanated from the Absa and Standard Bank PMI's settling above 50 again, a surprise uptick in exports which resulted in a positive trade balance in April and a positive leading indicator in February. On the inflation front CPI ticked surprisingly down to 3.8% in March compared with 4.0% in February while PPI also surprised at 3.7% from 4.2%. Against the background of rising oil prices and a weakening rand this trend appears to be the trough for this inflation cycle with the Reserve Bank unlikely to cut interest rates further. Due to the weaker rand the FTSE/ JSE All Share index rebounded strongly by +5, 37% (-0.92%ytd) in April. The Kruger portfolios followed suit with Equity +4.52% (+0.49% ytd), Balanced FoF +3.07% (-0, 04%jtd); Prudential FoF +2.70% (+1.05 %ytd) and Global +5.35% (-0.72%ytd).



Performance Table

Snapshot of Returns

As of Date: 30/04/2018 Data Point: Return Currency: South African Rand

	1 Year	2 Years	3 Years	4 Years	5 Years
Kruger Ci Balanced FoF A	6.38	5.53	4.22	6.59	8.47
SA CPI +5%	8.81	9.97	10.40	10.07	10.26
(ASISA) South African MA High Equity	5.24	4.33	3.80	5.99	8.31

All returns refer to A-class returns and returns for longer than 12 months are annualised.

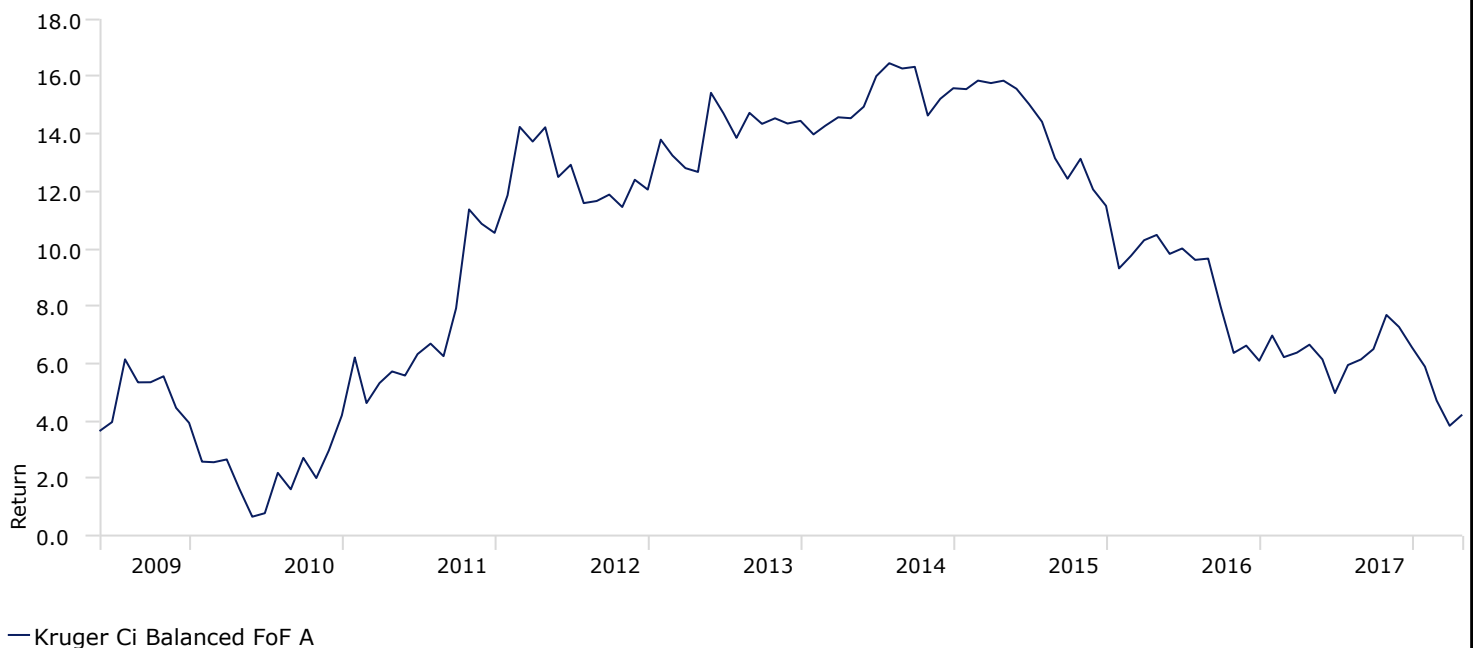
Actual month-on-month CPI figures are used in the calculations, typically with a one-month lag.

Rolling 36 month return patterns

Rolling Returns

Time Period: 01/06/2006 to 30/04/2018

Currency: South African Rand Rolling Window: 3 Years 1 Month shift





Monthly Return Table

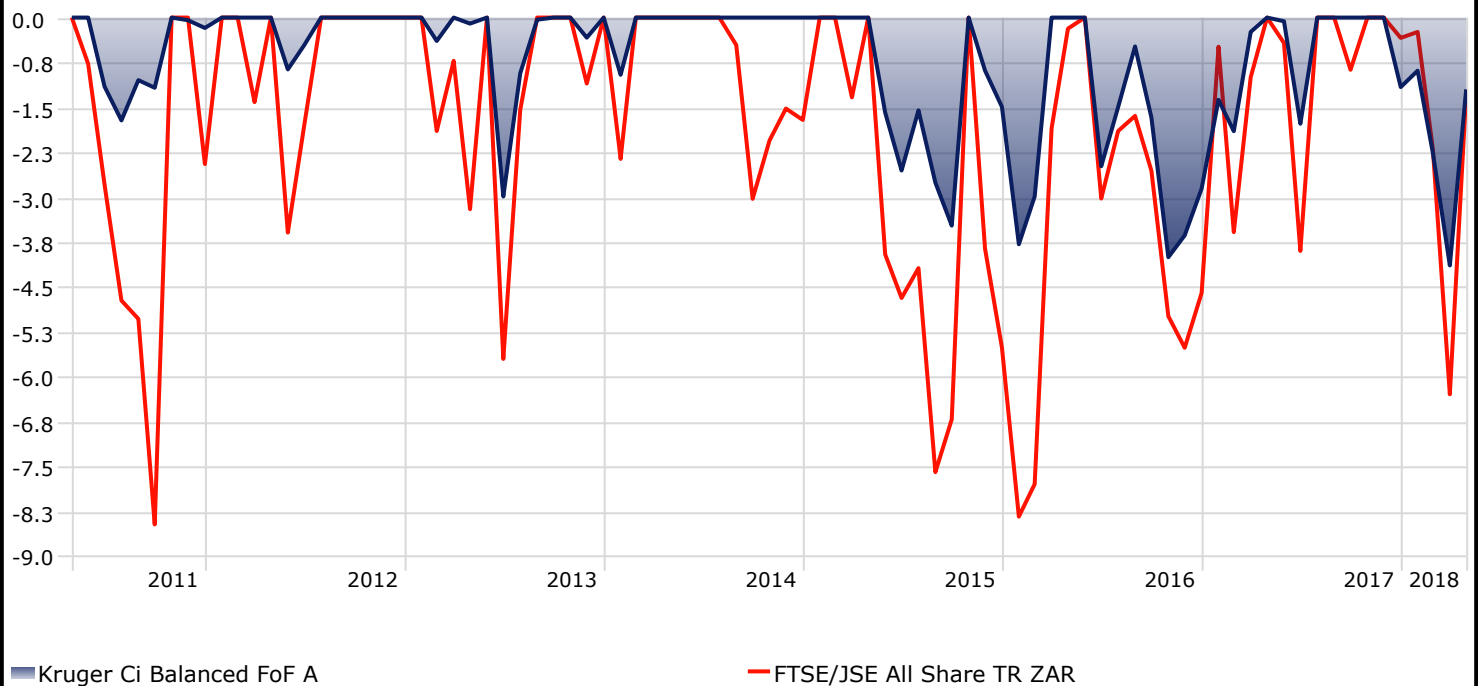
Kruger Ci Balanced FoF A - Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2013	3.63	-0.39	2.00	-0.10	4.57	-2.99	2.12	0.90	3.50	2.11	-0.34	2.32	18.49
2014	-0.95	1.60	1.24	1.37	1.39	1.62	0.59	0.21	0.02	0.39	1.49	0.83	10.20
2015	2.19	1.99	0.59	1.92	-1.59	-0.98	1.03	-1.23	-0.74	4.46	-0.89	-0.61	6.14
2016	-2.33	0.83	3.50	0.40	2.71	-2.48	1.01	1.03	-1.19	-2.37	0.38	0.81	2.11
2017	1.53	-0.53	1.69	2.17	-0.06	-1.71	3.42	0.76	1.05	3.78	0.31	-1.16	11.66
2018	0.28	-1.39	-1.92	3.07									-0.04

Risk Analysis

Drawdown

Time Period: 01/05/2011 to 30/04/2018





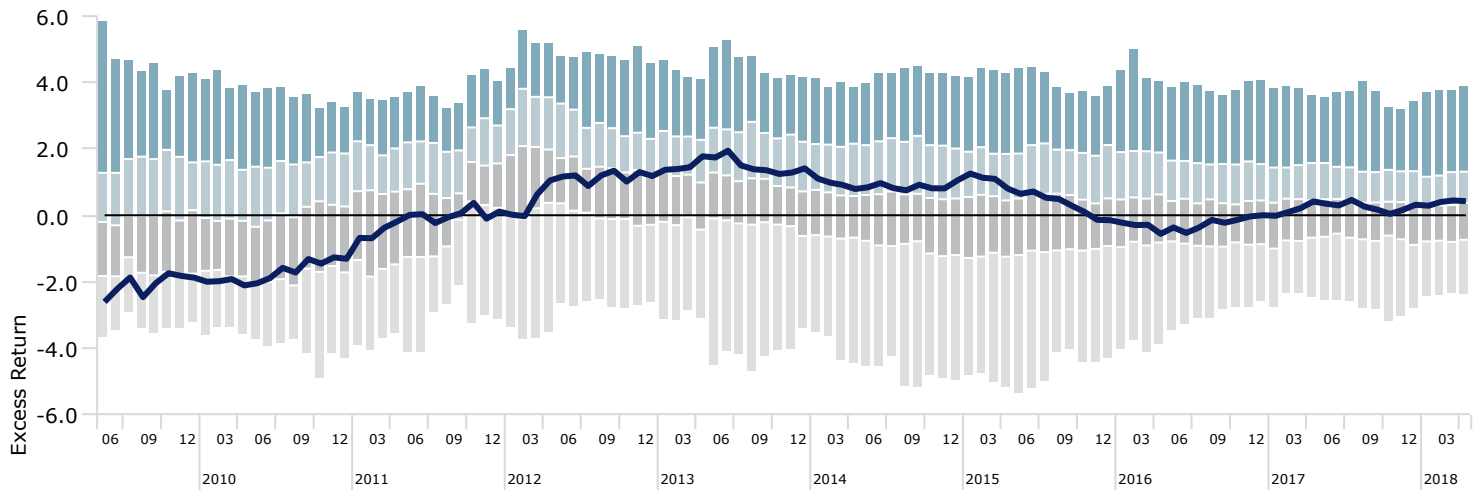
Peer Relative Performance

Rolling Returns

Time Period: 01/06/2006 to 30/04/2018

Rolling Window: 3 Years 1 Month shift Calculation Benchmark: (ASISA) South African MA High Equity

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile



— Kruger Ci Balanced FoF A

— (ASISA) South African MA High Equity

Disclaimer

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 terms 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 portfolio 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 portfolio. 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 portfolio may be closed from time to time in order to manage it more efficiently in accordance with its mandate.

A fund of funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for the fund of funds. The Kruger portfolios are portfolios established and administered by Ci, and Kruger has been appointed to manage and market the portfolios. Additional information on the portfolio may be obtained, free of charge, directly from Ci.

Ci is an affiliate member of the Association for Savings & Investment SA (ASISA).

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