

Kruger Ci Balanced Fund

July 2024



KRUGER
International
Asset & Wealth Management

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.

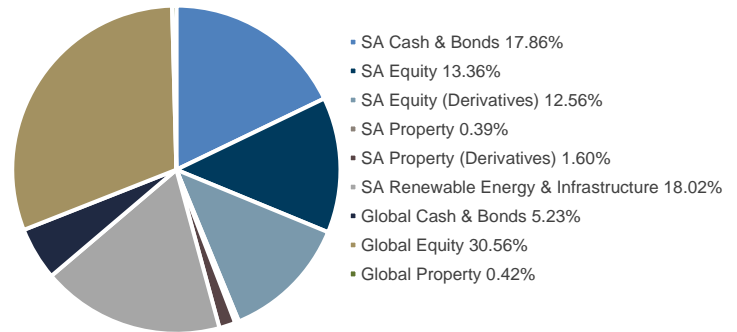
ABOUT THE FUND

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 45%.
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 Kriegler:	Fund Manager
Bernard Van Wyk:	Investment Committee Member
Anthonie Lombard:	Investment Committee Member

ASSET ALLOCATION



Latest available data

HISTORIC FUND PERFORMANCE (Annualised, net of fees)

	1 Year	3 Year	5 Year	10 Year
Kruger Ci Balanced Fund (Class A)	11.55%	8.13%	10.22%	n/a
Benchmark	11.51%	9.23%	9.56%	n/a
Highest return over 12 rolling months				29.27%
Lowest return over 12 rolling months				-5.80%

FUND MANAGER'S COMMENTARY

International:

July was a volatile month as markets digested several notable economic and political developments. A weaker-than-expected US Consumer Price Index (CPI) reading early in the month, coupled with softer US labour market data, reassured bond investors that the Federal Reserve (Fed) would soon begin cutting interest rates.

US headline inflation fell by 0.1% month-on-month (m-o-m) in June, defying market expectations of a 0.1% m-o-m increase. This marked the first monthly decline in headline CPI since May 2020 and brought the annual inflation rate down from 3.3% to 3.0%.

In July, the US unemployment rate unexpectedly rose to 4.3%, up from 4.1% in June. The unemployment rate has been trending upward in recent months, rising steadily from 3.7% at the start of 2024. Although a 4.3% unemployment rate remains low by historical standards, the clear upward trend is expected to persist due to the still elevated interest rates.

Investors now anticipate the first Fed rate cut in September, with three rate cuts priced in for this year, and approximately 150 basis points of reductions expected by June 2025. Against this backdrop, interest-rate-sensitive asset classes outperformed.

The divergence in central bank policies continued, with the European Central Bank (ECB) keeping its key interest rate unchanged at 3.75%, as expected. Meanwhile, the Bank of England (BoE) narrowly voted for the first rate cut of the current cycle, lowering the bank rate by 25 basis points to 5.00%. In contrast, the Bank of Japan continued its monetary policy normalization in July, raising its policy rate by 15 basis points to 0.25% and announcing plans to reduce Japanese Government Bond (JGB) purchases by 400 billion yen per quarter starting in August.

In the US, earnings season continued with four of the 'magnificent seven' tech companies reporting results for the previous quarter. Overall, investors were underwhelmed by these reports, putting pressure on the tech sector for most of July before a rebound at month-end. Developed market equities gained 1.8% for the month, with the Russell 2000 index outperforming the Nasdaq 100 by the largest one-month margin in over 20 years.

Local:

The South African Reserve Bank kept the repo rate unchanged at 8.25% during its July Monetary Policy Committee (MPC) meeting, in line with market expectations. However, two MPC members voted for a 25 basis point rate cut. The MPC emphasized that inflation expectations remain elevated relative to the midpoint of the inflation target of 4.5%, with the headline inflation rate for June rising by a modest 0.1% m-o-m, leading to an annual inflation rate of 5.2%, up slightly from 5.1% the previous month.

The rand remained flat against the US dollar during the month, while weakening slightly against the euro and British pound. Nominal bonds ended the month stronger, with the FTSE/JSE All Bond Index gaining 4.0%. Local equity markets also performed well, with the FTSE/JSE All Share Index rising 3.9%, largely driven by increases in resources and financial shares, which added 5.7% and 5.1%, respectively.

The Kruger Funds delivered the following returns for July 2024: Kruger Ci Prudential Fund (1.9%); Kruger Ci Balanced Fund (2.3%); Kruger Ci Equity Fund (2.7%); Kruger Ci International Flexible Feeder Fund (1.5%); and Kruger Ci International Equity Feeder Fund (1.7%).

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 Analytics Consulting, for the periods ending at the month end date of this MDD, for a lump sum using NAV-NAV prices with income distributions reinvested and is quoted net of all fees. 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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www.krugerinternational.co.za



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ABOUT THE FUND

Fund Size	R 1.86 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)

INCOME DISTRIBUTION

Income Declaration Dates	30 June and 31 December
Income Reinvestment/ Payout Dates	2nd working day in July and January
Last 12 months Distributions	28/06/2024: (A) 1.63, 29/12/2023: (A) 1.42
Class A: (cents per unit)	
Last 12 months Distributions	28/06/2024: (G) 1.50, 29/12/2023: (G) 1.30
Class G: (cents per unit)	

TOTAL EXPENSE RATIOS

Total Expense Ratio	Class A: 1.67%, Class G: 1.79%
Transaction Cost	Class A: 0.08%, Class G: 0.08%
Total Investment Charge	Class A: 1.75%, Class G: 1.87%
Calculation Period (Class A)	Class A: 1 Apr 2021 to 31 Mar 2024
Calculation Period (Class G)	Class G: 1 Apr 2021 to 31 Mar 2024

DISCLOSURES4

FAIS Disclosure

The annual fees include a fee of up to 1.10% payable to Kruger International and Analytics Consulting and a fee of up to 0.15% (Class A) or 0.25% (Class G) payable to Ci Collective Investments. These fees are stated 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 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 45% of the assets outside of 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. 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 and is quoted net of all fees. 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.

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