

Investment objective (summary of investment policy)

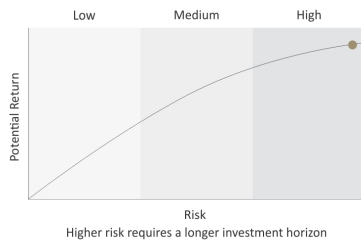
The PSG Global Equity Feeder Fund's investment objective is to achieve capital growth over the long term with the generation of income not being the main objective of the portfolio. It is a rand-denominated equity feeder fund whose investment policy provides for it to invest solely into the PSG Global Equity Sub-Fund, a sub-fund of PSG Global Funds SICAV plc, denominated in US dollars. The underlying fund invests mainly in global listed securities and aims to reduce risk relative to its benchmark. Please refer to the Minimum Disclosure Document of the PSG Global Equity Sub-Fund for more information.

Who should consider investing?

Fund specific risks: The fund sits at the top end of the risk/reward spectrum and investors should be comfortable with fluctuations in global equity markets. The risk of short-term monetary loss is high due to volatility of exchange rates and global markets. The portfolio is exposed to equity and currency risk. Investing in foreign securities may be subject to risks pertaining to overseas jurisdictions and markets, including (but not limited to) local liquidity, macroeconomic, political, tax, settlement risks and currency fluctuations. Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

This fund is suitable for investors who:

- want exposure to global equities without personally expatriating rands
- are comfortable with international equity market and currency fluctuations
- have a long-term investment horizon of seven years and longer

Risk/reward profile

Fund details

Inception date	3 May 2011
Fund manager	Philipp Wörz and Greg Hopkins
Fund size (ZAR)	R 148 532 741
Latest distribution (cpu)	0.00c
Annual distribution	28 Feb 18
ASISA sector	Global - Equity - General
Benchmark	MSCI Daily Total Return Net World USD Index (in ZAR)
Minimum investment	As per the platform minimum
Number of units	7420829
Price (net asset value per unit)	R2.32
Regulation 28 compliant	No

To invest

Speak to your financial adviser or visit www.psg.co.za.

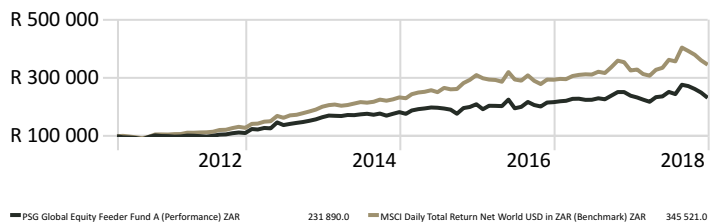
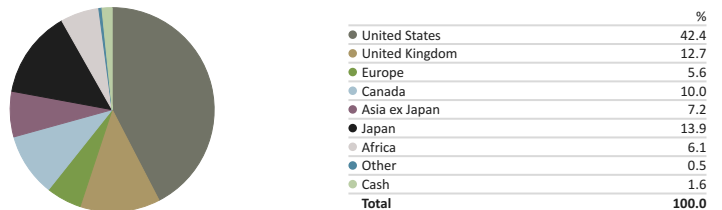
Cut-off times for daily transactions are determined by investment platforms.

Year-to-date (YTD) performance (%)

	YTD (not annualised)
Return	-3.01

Cumulative long-term performance

Time Period: 5/04/2011 to 12/31/2018


Regional allocation


There may be slight differences in the totals due to rounding.

Asset allocation/investment exposure (%)

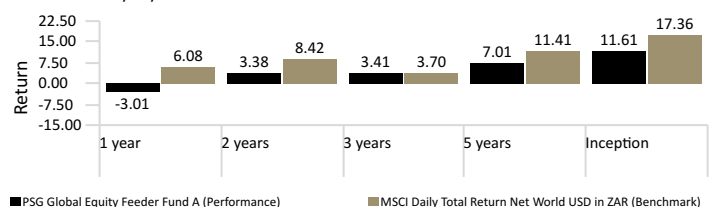
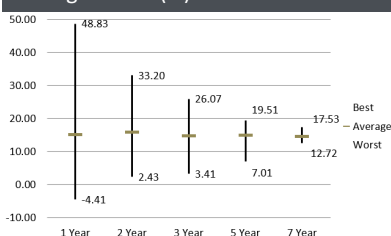
As of Date: 12/31/2018	
Domestic equity	6.2
Domestic cash	0.3
Foreign equity	85.0
Foreign property	7.6
Foreign cash	0.9
Total	100

Top ten equity holdings (%)

As of Date: 12/31/2018	
Brookfield Asset Management Inc	10.0
Japan Post Insurance Co Ltd	8.0
L Brands Inc	5.8
The Mosaic Co	5.4
Liberty Global Inc	5.1
AIA Group Ltd	4.5
Colfax Corp	4.2
Babcock International Group plc	4.0
Resona Holdings Ltd	3.8
Washington Prime Group Inc	3.8

Annualised returns % (after fees)

As of Date: 12/31/2018


Rolling returns (%)


This chart shows you how the performance can vary over time. It is an indication of the distribution of historical rolling returns from the portfolio over each rolling 12-month period.

What is a total expense ratio?

The Total Expense Ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past three years. This percentage of the average Net Asset Value (NAV) of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER ratio imply a good return. The current TER cannot be regarded as an indication of future TERs. Part of the Annual Management Fee is payable to the financial intermediary. The sum of the TER and transaction costs is shown as the Total Investment Charge. Since Fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns.

Fees

A schedule of fees and charges and maximum commissions is available on request from PSG Collective Investments (RF) Limited. Commission and incentives may be paid and, if so, are included in the overall costs. Different classes of participatory interest can apply to these portfolios and are subject to different fees, charges and possibly dividend withholding tax and will thus have differing performances. Adviser fees are negotiated between the client and adviser and is distinct from the other fees on this document.

Total investment charge

Total Investment Charge annualised for the period 1/1/2016 to 31/12/2018

Total Expense Ratio % (incl. VAT)	2.53
<i>Annual Management Fee % (incl. VAT)</i>	<i>0.86</i>
<i>Other costs excl. transaction costs % (incl. VAT)</i>	<i>1.67</i>
<i>Transaction costs % (incl. VAT)</i>	<i>0.30</i>
Total Investment Charge % (incl. VAT)	2.83

Transaction costs

Transaction costs are shown separately and are a necessary cost in administering the Financial Product and impacts Financial Product returns.

Transaction costs should not be considered in isolation as return may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

Disclaimer

Collective Investment Schemes in Securities (CIS) are generally medium to long-term investments. The value of participatory interests (units) or the investment may go down as well as up and past performance is not a guide to future performance. Fluctuations or movements in the exchange rates may cause the value of underlying international investments to go up or down. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. Where foreign securities are included in a portfolio, the portfolio is exposed to risks such as potential constraints on liquidity and the repatriation of funds, macroeconomic, political, foreign exchange, tax, settlement and potential limitations on the availability of market information. The portfolios may be capped at any time in order for them to be managed in accordance with their mandate. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed payouts over time may be followed. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

Feeder Funds

A Feeder Fund is a portfolio which, apart from assets in liquid form, invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

Performance

All performance data for a lump sum, net of fees, include income and assumes reinvestment of income on a NAV to NAV basis. Annualised performances show longer term performance rescaled over a 12 month period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Performance is calculated for the portfolio and individual investor performance may differ as a result thereof. The portfolio is valued at 15h00 daily. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website www.psg.co.za/asset-management and in the daily newspapers. Figures quoted are from Morningstar Inc.

Pricing

Forward pricing is used. Unit trust prices are calculated on a net asset value (NAV) basis, which is the market value of all assets in the portfolio including

income accruals less permissible deductions divided by the number of units in issue.

Company details

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Konsult Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Konsult Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email assetmanagement@psg.co.za.

Conflict of interest disclosure

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

Trustee

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Cape Town, 8001

Tel: +27 21 401 2443

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Additional information

Additional information is available free of charge on the website www.psg.co.za/asset-management and may include publications, brochures, forms and annual reports.

Current context

2018 was a tough year for most investors, despite a strong start. Global markets hit record highs in January, and the market environment in developed markets overall – and the US specifically – was relatively benign over the first nine months of the year. The MSCI World Index rose 3.8% and the S&P 500 Index rose 9.0% for the year to September. However, events took a turn for the worse in the last few months of the year. Investor sentiment swayed as the realities of rising interest rates, geopolitical concerns and generally elevated market valuations set in. The MSCI World Index declined 13.8% in the final quarter of 2018 and the S&P 500 Index was down 14.0%. Emerging markets, which in contrast to their developed counterparts had struggled for most of the year, continued their disappointing run. In combination, this resulted in global markets experiencing their worst annual performance since the financial crisis. For 2018, the MSCI World Index declined 10.4% (a total return of -8.2% including dividends), the S&P 500 Index fell by 6.2% (-4.4% total return) and the MSCI Emerging Markets Index was down 16.6% (-14.5% total return).

Our perspective

A year ago, we cautioned against the unusually low levels of fear and high levels of complacency in markets, which were reflected in 14 consecutive monthly gains by the S&P 500; its longest ever historical run. Overall, global equity valuations are not yet at levels we perceive to be highly attractive. In many cases, valuations were too stretched and have merely normalised somewhat. There are, however, pockets in global markets where investor fear has become pervasive. This has resulted in price action that is now presenting a number of opportunities where valuations can be likened to those available in the midst of a bear market. These tend to be in the more cyclical parts of the markets, where low expectations and low prices have resulted in quality assets trading at wide margins of safety. These include Brookfield Asset Management, Japan Post Insurance, Mosaic & Co, L Brands and Liberty Global. Most of these are companies we have held for some time and which we believe offer even better return prospects post the recent sell-off.

Portfolio positioning

After the sharp rise in asset prices throughout 2017 and early 2018, we harvested many of our existing holdings as they approached and exceeded our estimates of intrinsic value. Expensive markets and a lack of new high-conviction opportunities saw some buildup of cash in early 2018. As communicated in previous commentaries, we allocated capital to select opportunities over the course of 2018, mainly in Japanese financials, US retail real estate and the global fertilizer industry. With global markets and existing holdings coming under severe pressure in the last quarter of 2018 (and in December specifically), we increased conviction levels across the portfolio (particularly in Japanese financials), which resulted in cash reducing to 1.2% of fund value. At the end of December 2018, the fund's top 10 holdings accounted for 54.9% of the fund.

We are disappointed with the fund's drawdown in the last quarter of 2018 but maintain the view that the holdings in the portfolio are of above-average quality and now trade at even wider margins of safety (and generally, on low levels of earnings). Low share prices, wide discounts to intrinsic values and a cheap portfolio valuation of around 10 times earnings generally bode well for strong long-term returns.

Changes in portfolio positioning

Q3 2018		Q4 2018	
Domestic equity	4.5%	Domestic equity	6.2%
Domestic cash	0.3%	Domestic cash	0.3%
Foreign equity	76.2%	Foreign equity	85.0%
Foreign property	7.2%	Foreign property	7.6%
Foreign cash	11.8%	Foreign cash	0.9%

Q3 2018		Q4 2018	
US	39.1%	US	42.4%
Europe	6.0%	Europe	5.6%
UK	12.6%	UK	12.7%
Asia ex Japan	6.1%	Asia ex Japan	7.2%
Japan	9.5%	Japan	13.9%
Canada	9.7%	Canada	10.0%
Africa	4.5%	Africa	6.1%
Other	0.4%	Other	0.5%
Cash	12.1%	Cash	1.6%

There may be slight differences in the totals due to rounding.

Please note that this commentary is for the US dollar-denominated PSG Global Equity Sub-Fund. The PSG Global Equity Feeder Fund is 100% invested in the underlying US dollar fund. However, there may small short-term valuation, trading and translation differences between the two funds.

All data as per Bloomberg to 31 December 2018.