









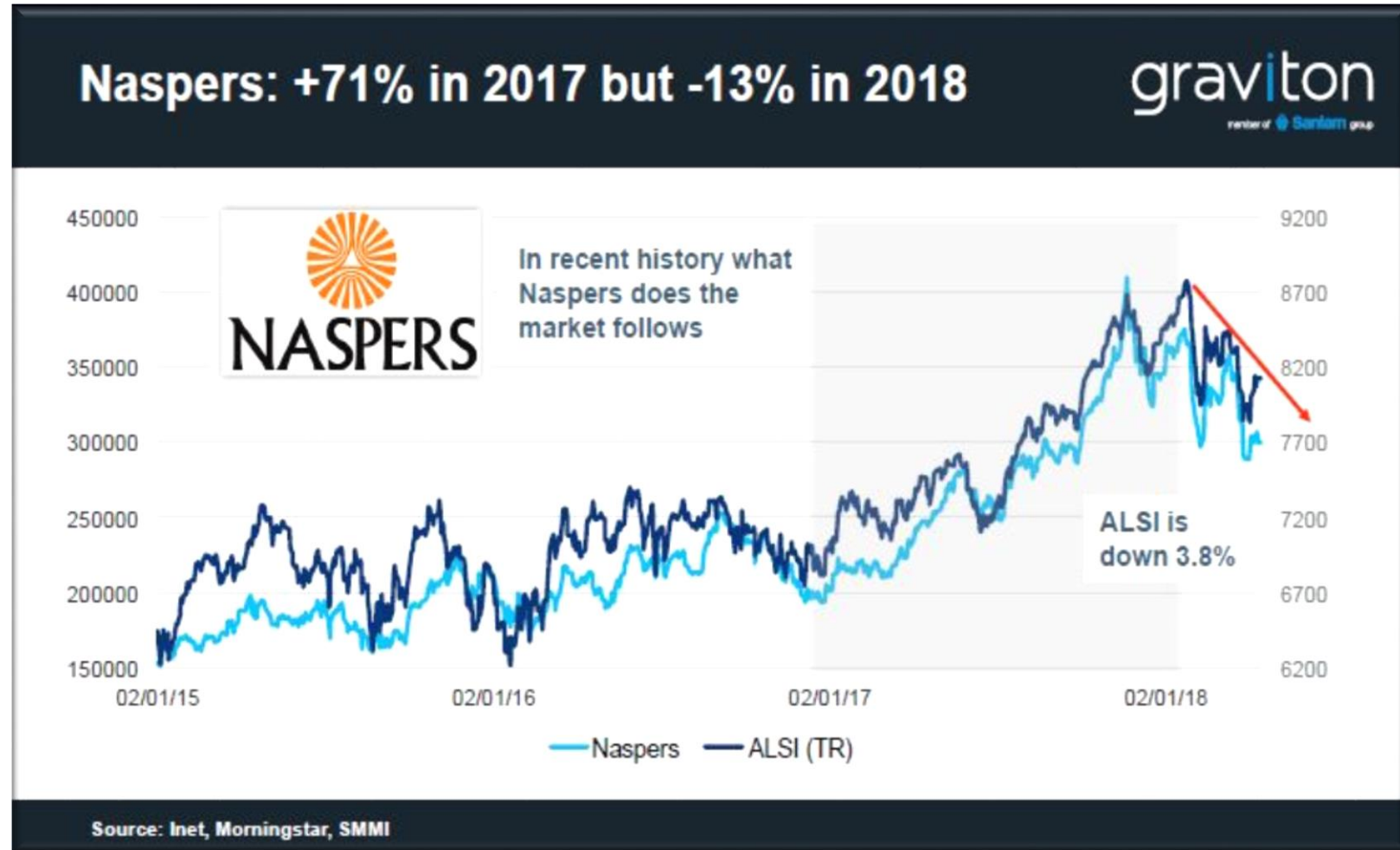
MARKET PERFORMANCE

COUNTRY	MAY%	YTD %
 South Africa	-3.50%	-4.37%
 Brazil	-10.87%	0.46%
 Russia	0.26%	9.73%
 India	0.46%	3.72%
 China	-1.10%	1.84%
 USA	1.05%	-1.23%
 UK	2.49%	0.11%
 Germany	-0.06%	-2.42%

MARKET COMMENTARY

The month of May was a disrupted month for markets, with multiple factors pushing and pulling markets in various directions. With the Rand closing weaker and losses from the Financials and Industrials sectors, the JSE closed the month down -3.50%. The Indian BSE ended the month in positive territory, amid ongoing tension between the US and China. The FTSE ALSI closed the month up 2.49%, with the UK manufacturing sector expanding at a faster pace in May. The German Dax was down -0.06% due to U.S. imposed tariffs on European steel and aluminium. The Chinese market closed at -1.10%, after moderate growth slow down due continued trade friction with the US. The Brazilian market was down a massive -10.87%, after a crippling truckers' strikes caused shortages of fuel and fresh produce. Despite the trade angst in China, the performance of technology sector caused the US market to close up by 1.05%.

Naspers now makes up approximately **20%** of the value of the JSE. This is unprecedented. With Naspers most valuable asset being its investment in Tencent, the Chinese tech giant – a substantial part of the value of Naspers is in fact the value of Tencent. In the 2017 calendar year, the JSE provided a return of 21%, with **9,8% of that due to Naspers alone!** (Naspers increased by 71% in 2017!)



FINAL COMMENTS: Most Fund Managers do not find it prudent to hold 20% of their Fund in 1 share (Naspers). Thus, you will generally find Fund Managers underweight Naspers (generally holding 10-15%) and some not holding Naspers at all! Our opinion is that this is prudent and the best way to manage stock-specific risk. Due to this you can expect fund managers' returns to differ materially from the JSE.