


Performance¹

Since inception
Performances % change

Fund	Benchmark	Outperformance
0.4%	7.8%	-7.4%

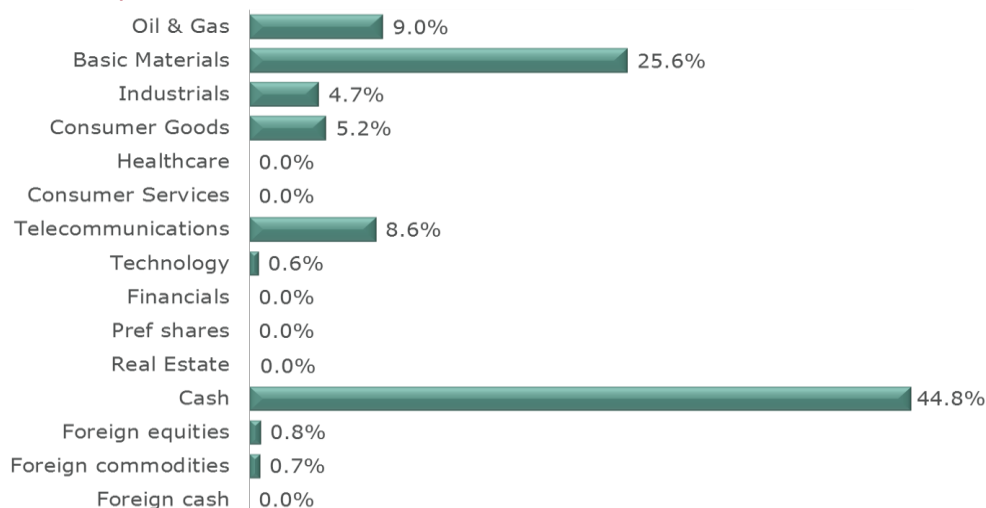
Top ten holdings

	% of equities
Sasol	16.4
MTN	13.9
Mondi	12.2
Tongaat Hulett	9.4
AECI	8.3
Anglo American	6.4
Nampak	4.5
BHP Billiton	4.3
Lonmin	3.9
African Rainbow Minerals	3.5
Total	82.7

Portfolio manager	Abdulazeez Davids
Fund category	Domestic - Asset Allocation - Prudential - Variable Equity
Fund objective	A Sharia-compliant fund that aims to provide steady long-term returns and capital growth.
Risk profile	 Medium
Suitable for	Muslim investors requiring a Sharia-compliant portfolio appropriate for retirement schemes. Investors would also be seeking to build and grow their long-term retirement capital, while preserving the purchasing power thereof over the long-term and limiting exposure to short-term market fluctuations.
Benchmark	Domestic AA Prudential Variable Equity funds mean
Launch date	3 May 2011
Fund size	R47.3 million
NAV	100.40 cents
Distribution dates	30 June, 31 December
Last distribution	Nil
Minimum investment	Lump sum: R5 000; Debit order: R500
Fees (excl. VAT)²	Initial fee: 0.00% Financial adviser fee: max 3.00% Ongoing advice fee: max 1.00% pa Annual management fee: 1.25%
TER³	N/A
Sharia advisory and supervisory board	Members: Sheigh Mohammed Tauha Karaan Mufti Zubair Bayat Mufti Ahmed Suliman

Unconventional thinking. Superior performance

Effective asset allocation exposure



The Kagiso unit trust range is offered by Kagiso Collective Investments Limited ('Kagiso') registration number 2010/009289/06, a member of the Association for Savings and Investment SA (ASISA). Unit trusts are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily an indication of future performance. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Unit trust prices are calculated on a net asset value (NAV) basis, which is the total value of assets in the portfolio including any income accruals and less any permissible deductions (brokerage, Uncertificated Securities Tax, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio, divided by the number of units in issue. Instructions must reach Kagiso Collective Investments before 14:00 to ensure same day value. Fund valuations take place at approximately 15:00 each business day and forward pricing is used.

¹ Performance is quoted from Morningstar as at month-end for a lump sum investment using Class A NAV prices with income distributions reinvested. Performance figures are quoted after the deduction of all costs incurred within the fund.

² A schedule of maximum fees and charges is available on request and from our website. Fees and incentives may be paid, and if so, are included in the overall costs.

³ The TER is calculated as a percentage of the average NAV of the portfolio incurred as charges, levies and fees in the management of the portfolio for a rolling 12-month period to end December 2011. A higher TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TER's.

Commentary

The domestic equity market continued its strong performance from the fourth quarter of 2011 into the first quarter of 2012 with a 6.0% total return. In the process the market recorded a new all-time high, with the FTSE JSE All Share Index breaching the 34000 point level for the first time. Despite the robust performance, the local market underperformed both developed markets and other emerging markets.

The US market was particularly strong, with the S&P 500 index up by 12.0% for the quarter that marked the index's best quarterly performance in over ten years. The UK equity market continued to outperform emerging markets with a 7.6% dollar return and the Japanese equity market (Nikkei 225 Index) rebounded from its poor performance in the final quarter of last year to post a commendable 19.3% equity return for the quarter.

Commodity prices were mixed for the quarter. Oil prices were up 15.4% (Brent Crude), given ongoing Middle East instability and concerns around an imminent strike against Iran. Gold was up 6.6%, whilst platinum rebounded strongly (up 18.8%). Most other commodities relevant to South African miners posted gains between 6.0% and 12.0% over the quarter.

The rand strengthened against the US dollar (+5.4%) and 2.3% stronger against the euro. The South African Reserve Bank kept interest rates unchanged at multi-decade lows, against a backdrop of rising inflation, which breached the official target in November - partly due to the weaker currency and higher transportation costs. Domestic economic growth prospects are looking softer, however.

The FTSE/JSE All Share index gained 4.9% during the quarter, thus setting a new high intra-quarter. Sectoral diversion in returns was significant: resources shares (-3.3%) underperformed industrial shares (+10.5%) and financial shares (+12.8%). Equity markets experienced continued volatility, with most of the positive performance in the financial sector coming through in January (+6.0%) whilst Resources experienced a disastrous March, declining by 8.5% in the month.

Mond Plc (+25.7%), was a strong performer for the fund, but our exposure to Anglogold (-17.2%), Implats (-8.9%) and Sasol (-3.9%) were a drag on performance.

Looking ahead, we remain cautious over prospects for the developed economies, with high levels of government debt, high levels of unemployment, stimulus removal and austerity measures looming and demographic trends moving slowly against them.

Going forward, we remain defensively positioned with a high rand cash balance and relatively low equity exposure. We have exposure to sukuks and a tactically reduced foreign exposure. Within equities we have a strong focus on attractively priced quality, companies and have increased our resource sector exposure at the expense of very highly priced industrials.

Portfolio manager

Abdulazeez Davids