

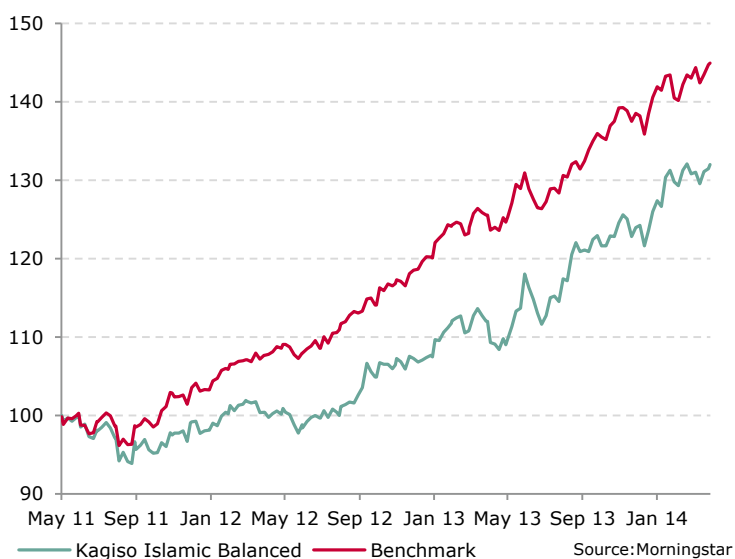
## Performance and risk statistics<sup>1</sup>


	Fund	Benchmark	Outperformance
1 year	17.9%	15.5%	2.4%
2 years	14.7%	15.9%	-1.2%
Since inception	10.0%	13.5%	-3.5%

	Fund	Benchmark
Annualised deviation	8.3%	5.8%
Sharpe ratio	0.6	1.4
Maximum gain*	13.1%	14.7%
Maximum drawdown*	-5.4%	-3.5%
% Positive months	68.6%	74.3%

\*Maximum % increase/decline over any period

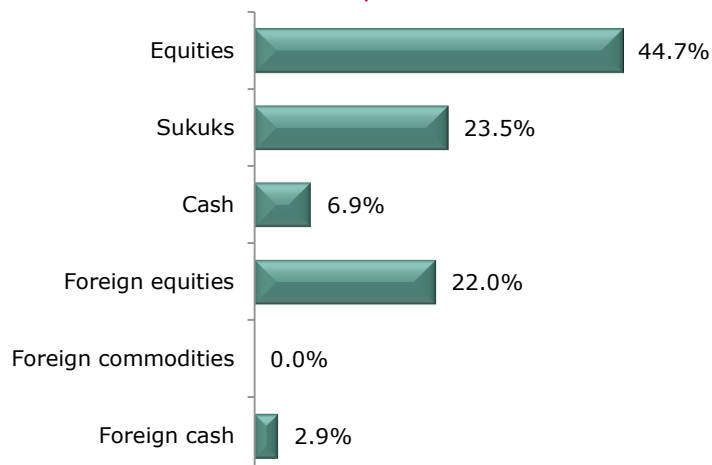
## Cumulative performance since inception



<b>Portfolio manager</b>	Abdulazeez Davids
<b>Fund category</b>	South African - Multi Asset - High Equity
<b>Fund objective</b>	A Sharia-compliant fund that aims to provide steady long-term returns and capital growth within the constraints of the statutory investment restrictions for retirement funds.
<b>Risk profile</b>	 <p>Medium</p>
<b>Suitable for</b>	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.
<b>Benchmark</b>	South African - Multi Asset - High Equity funds mean
<b>Launch date</b>	3 May 2011
<b>Fund size</b>	R327.6 million
<b>NAV</b>	130.43 cents
<b>Distribution dates</b>	30 June, 31 December
<b>Last distribution</b>	31 December 2013: 0.37 cpu
<b>Minimum investment</b>	Lump sum: R5 000; Debit order: R500
<b>Fees (excl. VAT)</b>	Initial fee: 0.00% Financial adviser fee: max 3.00% Ongoing advice fee: max 1.00% pa Annual management fee: 1.25%
<b>TER<sup>2</sup></b>	1.57%
<b>Sharia advisory and supervisory board members:</b>	Sheigh Mohammed Tauha Karaan Mufti Zubair Bayat Mufti Ahmed Suliman

Unconventional thinking.

## Effective asset allocation exposure



## Top ten equity holdings

Equity Holding	% of fund
Sasol	6.0
Anglo American	5.1
Microsoft Corporation	5.1
MTN	4.9
Tongaat Hulett	4.1
Intel Corporation	3.7
BASF	3.5
Anglo Platinum	3.4
Apple	3.0
Mondi	2.4
<b>Total</b>	<b>41.2</b>

<sup>1</sup> Performance is quoted from Morningstar as at month-end for a lump sum investment using Class A Net Asset Value (NAV) prices with income distributions reinvested. NAV refers to the value of the fund's assets less the value of its liabilities, divided by the number of units in issue. Performance figures are quoted after the deduction of all costs incurred within the fund. All performances are annualised.

<sup>2</sup> The Total Expense Ratio (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 March 2014. 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 TERs.

The Islamic Balanced Fund had a good start to the year returning 4.0% for the quarter, 1.7% ahead of the peer benchmark.

#### Economic and market overview

This quarter saw significant market volatility, a gradually improving economic picture in developed markets and problems in many developing market economies. Geopolitical tensions and social unrest in the Ukraine were a notable feature over the period, but were largely shrugged off by markets, except in Russia.

In January, the SA Reserve Bank raised rates by 0.5%, signalling the start of a rising rate cycle after an extended period of highly accommodative monetary conditions. This is likely to be a gradual and shallow tightening phase, given the poor growth prospects in South Africa and the fragility of the low-income consumer.

Emerging markets experienced substantial currency and market volatility this quarter, notably with Turkey's central bank hiking rates by around 4% in January at an emergency meeting. The rand was very weak at the start of the year, but proceeded to strengthen - ending the quarter largely unchanged - as South Africa seemed to be seen as a safe haven emerging market relative to some elsewhere with severe problems.

The labour strike on the large Rustenburg platinum mines continued into a third month, further pressurising South Africa's uncomfortably large current account deficit and slow economic growth profile.

Global developed markets were stronger in line with their better economic showing and emerging markets were weak and volatile. Local markets were weaker in the quarter, but followed the global equity market recovery to end the quarter at new all-time highs.

Bonds had a reasonably poor quarter with significant increase in yields in January, followed by a recovery to end the quarter with a total return slightly less than cash. Following on from the rate hike in January, cash rates are now finally offering positive real returns (albeit meagre). The oncoming rate cycle is likely to gradually improve the attractiveness of this asset class. Given the ongoing weakness in the economy (in the absence of a significant currency shock from here) we expect a fairly shallow and gradual rate hiking cycle of around 2% over the next two years.

#### Fund performance and positioning

Strong local equity contributors to performance over the period were Sasol (up 14.7%) and Anglo American (up 21.0%). Lonmin (down 5.6%) and Netcare (down 8.1%) detracted.

The fund's global exposure added little to performance given the stronger rand. The fund's defensive positioning was well rewarded during the market weakness in January, but were a drag on performance over the rest of the quarter as equity markets continued to new all-time highs.

Looking ahead, while the unwinding of stimulus will be a slow process, the reality is that any slowing (and ultimately reduction) represents a significant change in the flow of liquidity to markets. This will have implications for several asset classes and we will continue to avoid those assets whose prices have benefited disproportionately from such excess liquidity. The fund's asset allocation remains defensive in the face of what we see as an overextended market. Low net exposure to SA equities and sukuku provides some capital protection with high exposure to our top stock picks.

Commodities (primarily through the domestic platinum and palladium ETFs) provide further diversification and expected real returns. The fund maintains the maximum allocation to foreign assets, primarily in international equities and property. We continue to find high quality companies at attractive valuations in developed markets.

**Portfolio manager**  
Abdulazeez Davids

Key indicators	
Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	0.8%
MSCI Emerging Market Equity (US Dollar return)	-0.8%
FTSE Sharia All-World Index (US Dollar return)	8.1%
Dow Jones Islamic Market World Index (US Dollar return)	8.9%
FTSE/JSE All Share Index	4.3%
FTSE/JSE Resources Index	10.4%
FTSE/JSE Industrials Index	1.0%
Commodities and currency	Quarterly change
Platinum (\$/oz)	3.4%
Gold (\$/oz)	6.5%
Brent Crude (\$/barrel)	-2.7%
Rand/US Dollar (USD)	1.8%