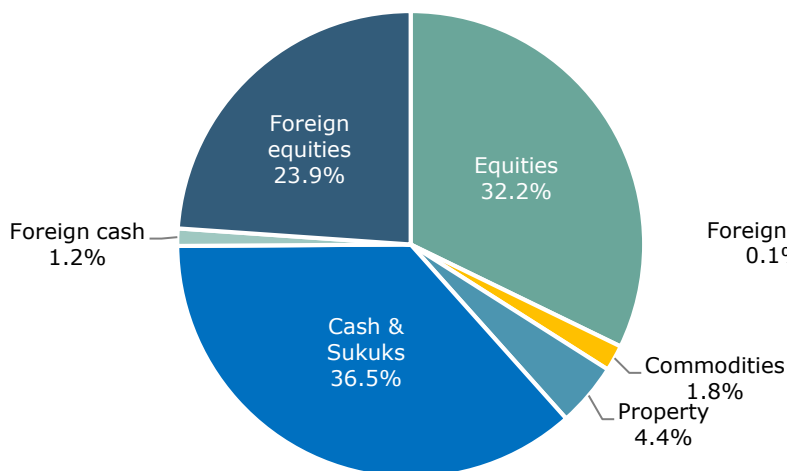


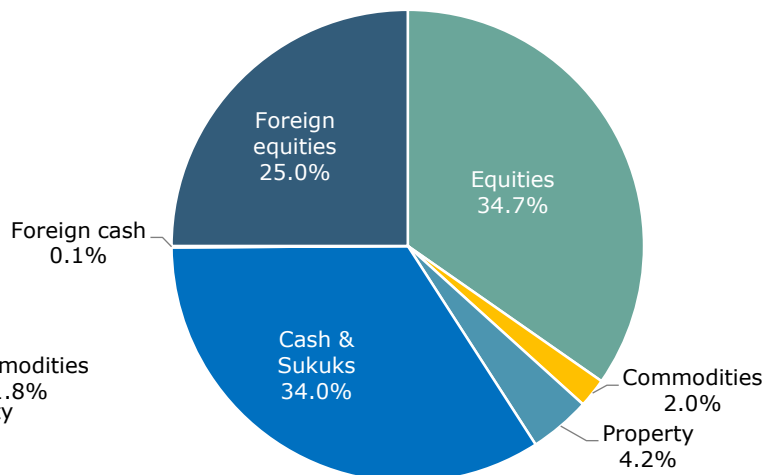
This fund will be invested in a wide variety of domestic and international asset classes such as equity securities, sukus and listed property, within the constraints of the statutory investment restrictions for retirement funds. The underlying investments will comply with Sharia requirements as prescribed by the Accounting & Auditing Organisation for Islamic Financial Institutions (AAOIFI). The fund will not invest in any interest-bearing instruments.

Asset allocation

Quarter ended June 2017



Quarter ended March 2017



Top 10 holdings

Quarter ended June 2017

Sasol	4.0%
Equites Property Fund	2.8%
Mondi	2.2%
Tongaat Hulett	2.2%
Pan African Resources	2.1%
Cisco Systems	2.0%
LyondellBasell	1.9%
Bayer	1.9%
Spire Healthcare	1.8%
Datatec	1.8%
Total	22.7%

Quarter ended March 2017

Sasol	4.6%
Equites Property Fund	3.1%
Tongaat Hulett	2.6%
Mondi	2.5%
Cisco Systems	2.4%
LyondellBasell	2.3%
Spire Healthcare	2.0%
AECI	1.7%
Datatec	1.6%
Allergan	1.6%
Total	24.4%

Fund size R587.77 million

NAV 147.14 cpu

Number of participatory interests 399,353,874

Income distributions

30 June 2017 0.06 cpu

31 December 2016 0.00 cpu

Key indicators

Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	3.4%
MSCI Emerging Market Equity (US Dollar return)	5.5%
FTSE Sharia All-World Index (US Dollar return)	3.0%
Dow Jones Islamic Market World Index (US Dollar return)	4.6%
FTSE/JSE All Share Index	-0.4%
FTSE/JSE Resources Index	-6.1%
FTSE/JSE Industrials Index	3.4%
Commodities and currency	Quarterly change
Platinum (\$/oz)	-2.5%
Gold (\$/oz)	-0.6%
Brent Crude (\$/barrel)	-8.9%
Rand/US Dollar (USD)	-2.6%

Policy objective The fund adhered to the policy objective as stated in the Supplemental Deed

Additional information Please read this quarterly investment report in conjunction with the minimum disclosure document for the fund

The fund was down 0.7% this quarter, underperforming the average of other high equity multi-asset class funds (down 0.2%). The fund has returned 6.9% per annum since its inception in 2011.

Global economic backdrop

There has been a fairly meaningful and synchronised improvement in global growth in 2017. Sentiment indicators remain positive, and there are now early signs that business investment is improving. Although inflation rates across the world have generally increased this year, developed market core inflation (stripping out the effect of food and energy prices) remains weak.

In the US, consumer and business confidence remain high and private sector investment is slowly picking up. Despite a tightening labour market, there haven't yet been meaningful wage increases – a critical lever for meaningful consumption growth. The implementation of well signalled corporate tax cuts is needed to prevent confidence retreating.

European business confidence has picked up materially over the quarter, and is being followed up by marked improvements in industrial production and retail sales. Political risk has declined following the election of a new centrist government in France. Despite an improving backdrop, GDP growth is expected to be only moderately better this year. Japanese GDP growth is moderately stronger this year with much improved business confidence, particularly relating to capital expenditure plans.

Emerging market economies have shown good growth in 2017 so far, with increased exports and generally improving trade balances due to the synchronised global recovery. There has also been a marked increase of capital flows into emerging markets. China's central bank has tightened monetary policy this year, somewhat reigning in excessively high levels of credit growth. With credit growth slowing after a period of rapid expansion, and debt servicing costs rising, Chinese economic activity is likely to slow from current levels.

South African economic backdrop

The local economic outlook has worsened over the quarter as confidence has been dented by the actions of government and continuous news of rampant corruption in the public sector. The cyclical rebounds in agriculture and mining have not been enough to offset weakness in consumption and manufacturing sectors. State owned enterprises continue to be generally mismanaged, the mining sector faces a huge threat from a poorly constructed new Mining Charter and rhetoric emerging that suggests tampering with the independence of the Reserve Bank. This environment ensures that business confidence, and the private sector's appetite for investment that is necessary to create growth, is severely suppressed. A positive is that strong, broad-based emerging market inflows are supporting the rand and, together with a weak oil price, are dampening inflation and creating room for moderate interest rate cuts.

The outcome of the ANC elective conference in December will be very important in determining the direction of future policy and the government's capacity to effectively implement it, and hence medium-term growth prospects.

Market review

For a number of years, extreme unconventional monetary stimulus in the form of price agnostic asset purchases have distorted asset prices across the globe. Bond yields remain very low, and equity prices are generally high, especially in sectors where stable cashflows are generated (such as consumer staples) and where growth prospects are well appreciated (such as the large global technology companies). Global bond rates have risen somewhat since the second of half of 2016 from record low levels, accompanied by a welcome rise in inflation expectations. These changes in trends, accompanied by increased event-driven market volatility (internationally and locally) is causing welcome increased dispersion across equities, as well as across asset classes – and is bringing about a better environment for stock pickers.

Over the quarter, developed equity markets were again strong across the board in dollar terms. Hong Kong (up 8%), Germany (up 6.8%) and France (up 9.2%) were again the outperformers. Emerging markets were also strong (up 6.4% in dollar terms).

The local equity market lost 0.4% over the quarter resulting in a low one-year return of 1.7%. Industrials (up 3.4 %) outperformed again this quarter, with Naspers contributing materially (up 9.9%). Other heavyweight global constituents were also moderately positive (Richemont up 2% and British American Tobacco up 1.4%). Telecommunication company performance was mixed (Vodacom up 11.0% while MTN was down 6.5% and Telkom down 14.0%). With the exception of Shoprite (up 3.0%), retailers were materially weaker (Massmart down 22.5%, Truworths down 17.4%, Woolworths down 11.8%, Pick 'n Pay down 9.1%). Food producers were also weak (index down 8.3%).

The basic materials sector was negative this quarter (down 7%). Underperformers were Harmony (down 34%), Northam (down 21% and reversing the previous quarter's gain), Sibanye (down 19%), Impala (down 19%), and Anglo American (down 14%).

Financials were flat this quarter (up 0.3%). Insurers were generally weaker (life insurance index down 1.8% and non-life insurance index down 6%). Banks were very mixed. Capitec (up 10%) Barclays Africa (up 7%) and Investec (up 6.2%) outperformed, whilst Nedbank (down 11%) lagged. Local property counters were on average moderately higher (index up 0.9%) as were UK property stocks (Capital & Counties up 4%, Hammerson up 2.6%, and Intu Properties up 1%).

Fund performance and positioning

Strong contributors this quarter were our global stocks and Datatec. Key detractors were African Rainbow Minerals and Metair.

Another strong rise in global stock markets, together with good stock selection, meant a meaningfully positive contribution from our global holdings despite a stronger currency. As in the prior quarter, strong contributors were luxury goods online retailer Yoox Net-A-Porter and Chinese ecommerce company JD.com (up 54% year to date). Global pharmaceutical company Novo Nordisk was also a strong contributor.

Against a global backdrop of improving economic growth, high asset prices, rising political uncertainty in many countries, and a potentially disruptive Chinese economic rebalancing, we are guarded on the outlook for financial markets. However, we are optimistic that more normal financial conditions (in particular higher real rates, inflation and levels of risk-taking) are proving to be a better environment for stock picking. The outlook for the South African economy is negatively skewed both in the short and medium term and we are appropriately positioned. We retain very high exposure to global holdings, local mid-cap stocks where we see compelling stock-specific growth vectors coupled with low market valuations. We continue to hold positions in lower-cost platinum group metals miners and certain platinum group metals ETFs.