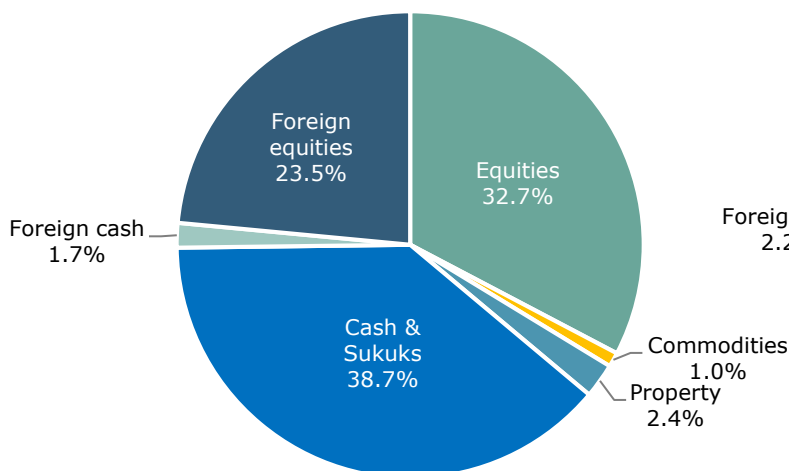


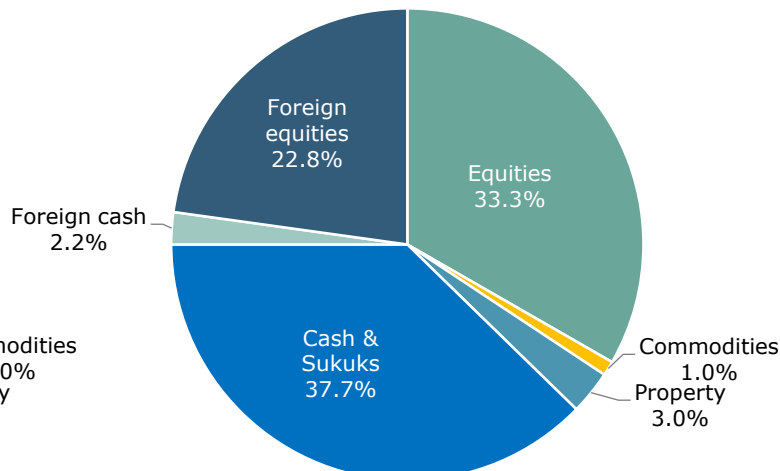
This fund will be invested in a wide variety of domestic and international asset classes such as equity securities, sukus and listed property, within the constraints of the statutory investment restrictions for retirement funds. The underlying investments will comply with Sharia requirements as prescribed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

Asset allocation

Quarter ended March 2018



Quarter ended December 2017



Top 10 holdings

Quarter ended March 2018

Sasol	3.6%
African Rainbow Minerals	2.5%
Tongaat Hulett	2.2%
BHP Billiton	2.1%
Anglo American	1.8%
AECI	1.8%
Mondi	1.8%
Nisshinbo Holdings	1.5%
National Oilwell Varco	1.5%
LyondellBasell	1.5%
Total	20.3%

Quarter ended December 2017

Datatec	3.0%
Sasol	2.9%
Tongaat Hulett	2.1%
AECI	1.7%
African Oxygen	1.7%
Mondi	1.7%
Equites Property Fund	1.5%
Nisshinbo Holdings	1.5%
BASF	1.4%
Novo Nordisk	1.4%
Total	18.9%

Fund size R1,037.21 million

NAV 153.34 cpu

Number of participatory interests 676,503,765

Income distributions

31 December 2017 0.00 cpu

30 June 2017 0.06 cpu

Key indicators

Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	-1.7%
MSCI Emerging Market Equity (US Dollar return)	1.1%
FTSE Sharia All-World Index (US Dollar return)	-2.0%
Dow Jones Islamic Market World Index (US Dollar return)	-0.7%
FTSE/JSE All Share Index	-6.0%
FTSE/JSE Resources Index	-2.7%
FTSE/JSE Industrials Index	-8.7%
Commodities and currency	Quarterly change
Platinum (\$/oz)	0.1%
Gold (\$/oz)	2.2%
Brent Crude (\$/barrel)	4.3%
Rand/US Dollar (USD)	-4.5%

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 2.3% this quarter, outperforming the average of other multi asset high equity funds. This quarter's performance was primarily due to weak performances from some of our mid-cap stocks, the PGM miners and our global holdings. The fund has returned 6.7% per annum since its inception in 2011.

Global economic backdrop

Global economic growth continues to be strong in 2018, although a slight deceleration from the strength at the end of 2017 is evident. Headline inflation rates across the world continue to slowly move higher in aggregate, although the picture for core inflation (excluding the effects of energy prices and food) remains subdued, particularly in Europe. Geopolitical tensions are running high, with a particular focus on the Middle East and the Korean peninsula, and fears of an escalating trade war between the US and China are dampening sentiment.

The US economy continues to grow above trend, with a strengthening labour market, and the year ahead will be supported by substantial front-loaded tax cuts and continued accommodative, albeit slowly tightening, monetary policy.

Emerging market economies continue to grow strongly (currently running at a robust 5.7% pa), with strong recoveries from areas of previous weakness. China's growth remains at healthy levels as a strong export market is encouraging investments in the industrial sector, while infrastructure investment is normalising lower. Chinese government measures to rebalance the economy, reign in credit growth and reduce pollution will dampen prospects in the years ahead, however.

South African economic backdrop

Despite a highly supportive global economic backdrop, South Africa's economy was very weak in 2017. Following the ANC conference in December and the resultant leadership changes, there is widespread optimism that the dramatic economic decline of the last 10 years will be halted and the country potentially set on a more constructive path. Early reformist actions have been material, in particular the strengthening of corporate governance at SOEs and concrete plans for fiscal rehabilitation, including the unpopular decision to hike the VAT rate. Such measures and very constructive rhetoric have resulted in Moody's maintaining an investment grade credit rating and upgrading their outlook to "stable".

Nevertheless, given the deep structural issues in the economy – most notably high unemployment and a skills shortage – we believe that any meaningful recovery will take an extended period of time, and that a huge level of optimism has already been priced into much equity market.

Market review

For a number of years, extreme unconventional monetary stimulus in the form of price agnostic asset purchases has distorted asset prices across the globe. Global bond yields remain very low, corporate bond credit spreads are extremely suppressed and equity prices are high, especially in sectors where growth prospects are well appreciated (such as the large global technology companies).

Global bond rates have risen somewhat since 2016 from record low levels, accompanied by a welcome rise in inflation expectations, particularly in the USA. Importantly, the rate of total global central bank asset purchases peaked in the first half of 2017 and is reducing as monetary stimulus programs begin to unwind. These changes in trend, are causing material higher market volatility and very welcome increases in dispersion across equities – as well as across asset classes – a better environment for stock pickers.

Over the quarter, equity markets were weaker. Japan and Hong Kong, which outperformed, were flat (up 0.7% and 0.5% respectively) while the UK (down 3.8%) and Germany (down 4.3%) underperformed. Emerging markets were relatively strong (up 1.5% in dollar terms).

Locally, the equity market was very weak (down 6.0%) giving up most of the gains from the previous strong quarter. Financials (down 1.1%) outperformed again this quarter, with Santam, Standard Bank, Nedbank and Old Mutual contributing materially (up 24.0%, 11.8%, 11.5% and 6.4% respectively). The property sector was very weak (down 19.6%) on the back of very sharp falls in the Resilient stable of companies.

Industrials were down 8.7%, with Naspers (down 16.2% after a very strong 2017), British American Tobacco (down 15.0%) and the telecommunication sector (down 5.2%) contributing negatively. Retailers were strong again this quarter (Massmart up 18.0%, Mr Price up 16.4% and Shoprite up 15.0%).

Resources were negative this quarter (down 2.7%), with general miners outperforming (flat), while gold (down 13.0%) and PGM miners (down 21.0%) lagged. Standout negative performers were Northam Platinum (down 30.5%), Impala Platinum (down 27.4%) and Sibanye Gold (down 25.6%), while Anglo American (up 10.5%) outperformed.

Fund performance and positioning

Strong contributors this quarter were AECl, Clover, Altron and Metair. Key detractors were our foreign exposure, Datatec, African Rainbow Minerals.

Our global holdings detracted from performance this quarter due to weaker international markets and a stronger rand. Key detractors were Johnson Electric, Corning and Spire Healthcare. Our holding in Yoox Net-A-Porter was a materially positive contributor (buyout by Richemont announced in January), as well as Cisco and Intel.

Against a global backdrop of good economic growth, high asset prices, heightened geopolitical tensions and a local market pricing in huge optimism about South Africa's turnaround, despite deep structural problems, we are increasingly guarded on the outlook for financial markets.

However, we are optimistic that more normal financial conditions (in particular higher real rates and inflation) are proving to be a much better environment for stock picking. We retain high exposure to global holdings, and local mid-cap stocks. Our mid-cap stocks (which have significantly lagged the market this quarter) have a diverse range of compelling stock-specific investment drivers (corporate restructurings, operational turnarounds, and recovering product markets). In addition, many of our holdings will benefit materially from better economic prospects in South Africa.