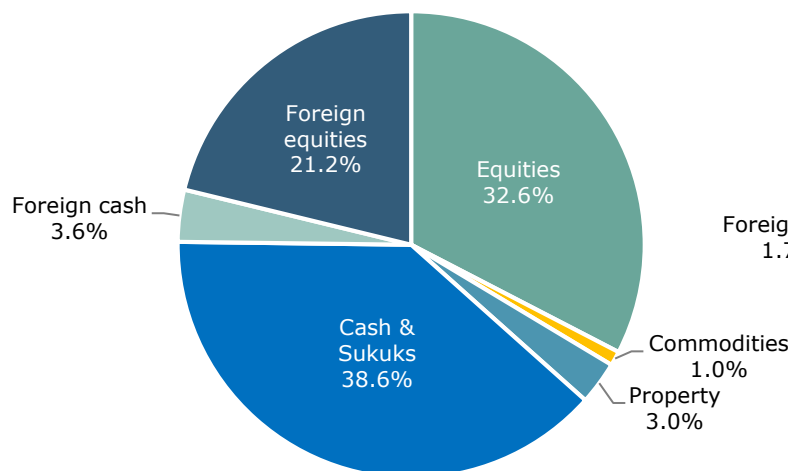


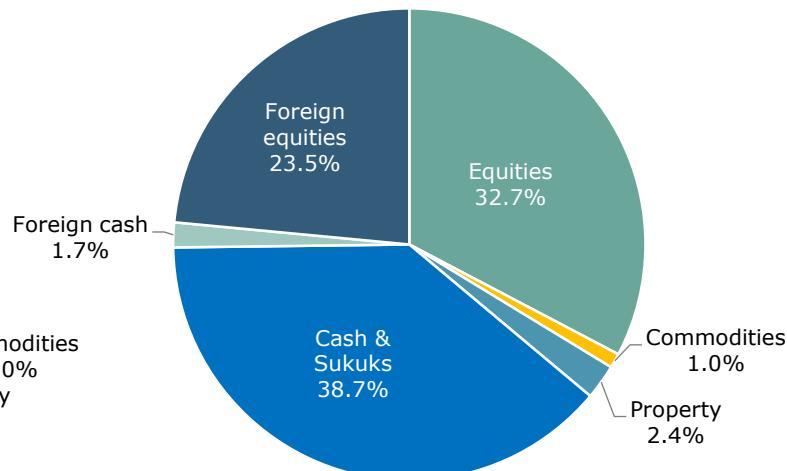
This fund will be invested in a wide variety of domestic and international asset classes such as equity securities, sukus and listed property, within the constraints of the statutory investment restrictions for retirement funds. The underlying investments will comply with Sharia requirements as prescribed 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 2018



Quarter ended March 2018



Top 10 equity holdings

Quarter ended June 2018

Sasol	3.1%
African Rainbow Minerals	2.6%
Mondi	2.1%
BHP Billiton	1.9%
Anglo American	1.8%
Equites Property Fund	1.8%
Tongaat Hulett	1.7%
Anglo Platinum	1.5%
Datatec	1.5%
AECI	1.5%
Total	19.5%

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%

Fund size R1,166.00 million

NAV 160.32 cpu

Number of participatory interests 727,125,729

Income distributions

30 June 2018 2.26 cpu

31 December 2017 0.00 cpu

Key indicators

Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	1.1%
MSCI Emerging Market Equity (US Dollar return)	-8.7%
FTSE Sharia All-World Index (US Dollar return)	0.5%
Dow Jones Islamic Market World Index (US Dollar return)	2.0%
FTSE/JSE All Share Index	4.5%
FTSE/JSE Resources Index	21.7%
FTSE/JSE Industrials Index	5.3%
Commodities and currency	Quarterly change
Platinum (\$/oz)	-8.6%
Gold (\$/oz)	-5.5%
Brent Crude (\$/barrel)	14.2%
Rand/US Dollar (USD)	16.1%

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 up 4.6% this quarter, outperforming the average of other multi-asset high equity funds. Over three years the fund has returned 6.7% per annum and is pleasingly ranked 16 in its peer group of 131 funds. This quarter's performance was primarily due to strong performance from our global and local equities. The fund has returned 7.2% per annum since its inception in 2011.

Economic backdrop

Global economic growth continues to be strong in 2018, although there has been deceleration from the elevated levels at the end of 2017, particularly outside of the USA. Inflation rates across the world continue to slowly move higher in aggregate due to higher energy prices, tightening labour markets across the developed world, and currency depreciation in emerging markets.

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.

China's growth remains at healthy levels due to strong local consumption growth, although there are signs that industrial activity growth may have peaked at the end of 2017. Chinese government measures to rebalance the economy, reign in credit excesses and reduce pollution are resulting in a marked deceleration in infrastructure related growth, a trend we expect to continue for the medium term. In emerging markets, the inflation and interest rate outlooks have worsened as capital outflows over the recent quarter have led to currency depreciation, and growth has moderated somewhat due to the recent deceleration in global trade.

In South Africa, recent data points (a much weaker than expected Q1 GDP report, less optimistic confidence indicators, and very lacklustre company results) have forced the market to appreciate that current economic conditions are weak, and that considerable structural reforms would be needed to meaningfully increase growth in the medium term.

Fears of an escalating trade war between the US and its trading partners have increased. Actions announced thus far will have a limited direct impact on growth but are dampening business confidence.

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.

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 rapidly reducing as monetary stimulus programs begin to unwind. These changes in trend are causing a more normal (and higher) level of market volatility and a welcome increase in dispersion across equities, as well as across asset classes - a better environment for stock pickers.

Over the quarter, equity markets were stronger. The UK and the USA outperformed (up 3.1% and 3.4% respectively) while Hong Kong (down 2.5%) and Germany (down 3.4%) underperformed. Emerging markets were weak (down 7.9% in dollar terms).

Locally, the equity market was strong (up 4.5%, although still 1.7% down year-to-date). Resources were very strong this quarter (up 21.7%), with general miners outperforming (up 23.7%), while gold (down 6.0%) and PGM miners (down 2.1%) lagged. Standout positive performers were BHP Billiton (up 31.9%), Sasol (up 24.7%) and Anglo American (up 11.3%), while Harmony Gold (down 24.6%) and Impala Platinum (down 14.0%) underperformed.

Industrials were up 5.3%, with Naspers (up 20.5% after a weak previous quarter) and Richemont (up 9.0%) contributing positively. Retailers were weak this quarter (Massmart down 31.0%, Truworths down 28.2% and the Foschini group down 22.2%). The Telecommunications sector was weak again this quarter (down 11.3% and down 16.0% year-to-date).

Financials (down 6.6%) underperformed this quarter, with Sanlam, Discovery, Absa and Nedbank contributing materially (down 14.8%, 13.5%, 12.8% and 10.5% respectively). The property sector was weak again (down 2.2% and down 21.3% year-to-date).

Fund performance and positioning

Strong contributors this quarter were our foreign exposure, Sasol, BHP Billiton, Mondi and African Rainbow Minerals. Key detractors were Tongaat Hullet, Metair and Libstar Holdings.

Our global holdings contributed very meaningfully to performance this quarter. Key contributors were National Oilwell Varco, Spire Healthcare, Cisco Systems and Wolters Kluwer. Our Japanese holdings detracted moderately from performance.

Our holdings in sukuks also contributed positively to performance.

Against a global backdrop of healthy (though decelerating) economic growth, high asset prices, heightened geopolitical tensions and a local market still pricing in high optimism about South Africa's turnaround, we are increasingly guarded on the outlook for financial markets.