Kagiso Islamic Equity Fund

as at 30 June 2012

KAGISO Asset Management

Performance and risk statistics[1]

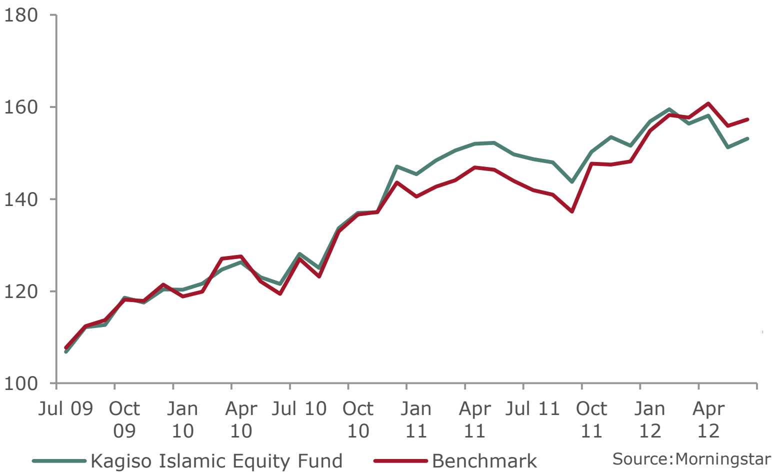
	Fund	Benchmark	Outperformance
1 year	2.3%	9.3%	-7.0%
2 years	12.2%	14.8%	-2.6%
3 years	15.3%	16.3%	-1.0%
Since inception	15.3%	16.3%	-1.0%

All performances annualised

	Fund	Benchmark
Annualised deviation	9.7%	10.7%
Sharpe ratio	0.7	0.7
Maximum gain*	17.6%	16.6%
Maximum drawdown*	-5.6%	-6.5%
% Positive months	62.9%	60.0%

*Maximum % increase/decline over any period

Cumulative performance since inception



Source:Morningstar

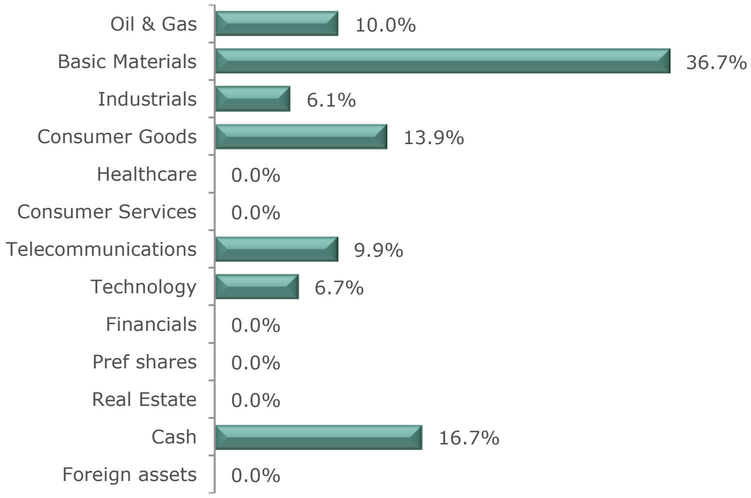
Portfolio manager	Abdulazeez Davids
Fund category	Domestic - Equity - General
Fund objective	A Sharia compliant fund that aims to provide steady capital growth and a total portfolio return that is better than the average general equity fund.
Risk profile	Medium - High
Suitable for	Muslim investors seeking a Sharia-compliant portfolio of South African equities, who are in their wealth accumulation phase. Investors would be able to withstand short-term market fluctuations in pursuit of maximum capital growth over the long term.
Benchmark	Domestic Equity General funds mean
Launch date	13 July 2009
Fund size	R148.2million
NAV	151.47 cents
Distribution dates	30 June, 31 December
Last distribution	30 June 2012: 1.11 cpu
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: 1.00%
TER[3]	1.32% per annum

Sharia advisory and supervisory board

Members: Sheigh Mohammed Tauha Karaan
Mufti Zubair Bayat
Mufti Ahmed Suliman

Unconventional thinking. Superior performance

Effective asset allocation exposure



Top ten holdings

	% of fund
Sasol	10.0
MTN	9.9
Anglo American	6.9
Tongaat Hulett	6.3
Lonmin	6.0
Mondi	5.2
AECI	4.2
Richemont	3.6
Datatec	3.4
Mustek	3.3
Total	58.8

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 permissable 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 on 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 June 2012. 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.

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KAGISO Asset Management

Commentary

The South African equity market outperformed most global markets during the second quarter of 2012 and, despite continued market volatility, the All Share Index achieved a new high of 34,788 during June. The Kagiso Islamic Equity Fund outperformed its peers (in the Domestic General Equity sector) for the month of June, but underperformed for the quarter - due mainly to our generally defensive orientation and our increased resource sector exposure, especially the Oil and Gas and Platinum sectors.

After an excellent start to the year for the US market, the S&P 500 fell by 3.3%. The UK market was relatively flat, up by only 0.5%, while the Japanese market was the worst performer over the quarter with the Nikkei down 10.7%. The MSCI Emerging Markets Index was down 8.8% in USD, underperforming the MSCI Developed Markets Index (down 4.9%).

Commodity prices weakened over the quarter as global economic data, from China to Europe and the US, was lower than expectations. The oil price fell 21.9% (Brent Crude), and most commodities relevant to South African miners were negative for the quarter, with: copper down 9.2%, gold down 3.8% and platinum down 12.9%. The rand lost 6.0% against the US dollar and 1.0% against the euro. The South African Reserve Bank kept interest rates unchanged at multi-decade lows, however, recent inflation readings and the weak domestic economy increases the likelihood of another rate cut at the next monetary policy committee meeting. Globally, many developed countries continue with their aggressive easing policies to kick-start their respective economies.

The FTSE/JSE All Share Index gained just 1.0% during the quarter, with considerable sectoral diversion as resources shares (down 3.6%) substantially underperformed industrial (up 2.6%) and financial shares (up 4.6%). Foreigners became net buyers of equities this quarter (+R3.2 billion), and bonds continued to be positive with further strong inflows (+R27.3 billion).

The fund’s overweight positions in Resources, notably platinum miners, continued to detract from performance for the month of June. In addition, our underweight positions in Industrials and specifically retail shares, also detracted from performance. The fund remains overweight Resources stocks, with Sasol and Lonmin as well as Tongaat remaining our top picks on valuation grounds. Whilst the global macro environment continues to weaken and consequently exerts downward pressure on commodity prices, we remain confident that the abovementioned stocks provide sufficient margins of safety in the current environment and in the absence of commodity price support.

The recent continued divergence between Industrials and Resources has extended the disparity in valuations in the South African market. We remain convinced that domestic industrial counters are significantly overvalued and Resources are offering good value, on a selective basis. Whilst this will remain the key focus and strategy of the fund, it is difficult to predict when these disparities will normalise. Going forward, we remain defensively positioned with a strong focus on quality, lower risk companies, which are attractively priced. We favour companies with strong balance sheets, high franchise value and/or dominant market positions, low fixed costs and defensive earnings streams. Over the last year we have moved the portfolio significantly out of industrial shares, many of which are trading at all-time highs and anticipating very strong earnings prospects, and into selected resources stocks, especially platinum group metal miners.

The fund continues to be appropriately positioned in our best stock selections, based on our team’s proven bottom-up stock picking process.

Portfolio manager

Abdulazeez Davids