

Performance and risk statistics¹

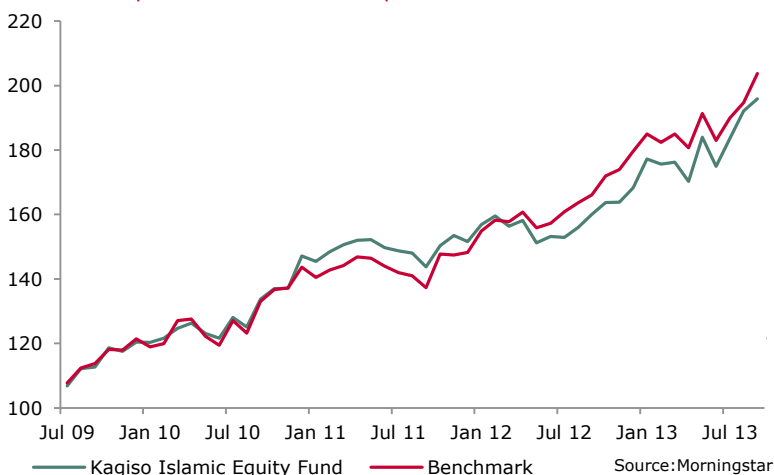
	Fund	Benchmark	Outperformance
1 year	22.4%	22.7%	-0.3%
2 years	16.7%	21.8%	-5.1%
3 years	13.6%	15.3%	-1.7%
Since inception	17.1%	18.2%	-1.1%


All performances annualised

	Fund	Benchmark
Annualised deviation	10.5%	10.7%
Sharpe ratio	1.0	1.1
Maximum gain*	18.6%	18.7%
Maximum drawdown*	-5.6%	-6.5%
% Positive months	66.7%	66.7%

*Maximum % increase/decline over any period

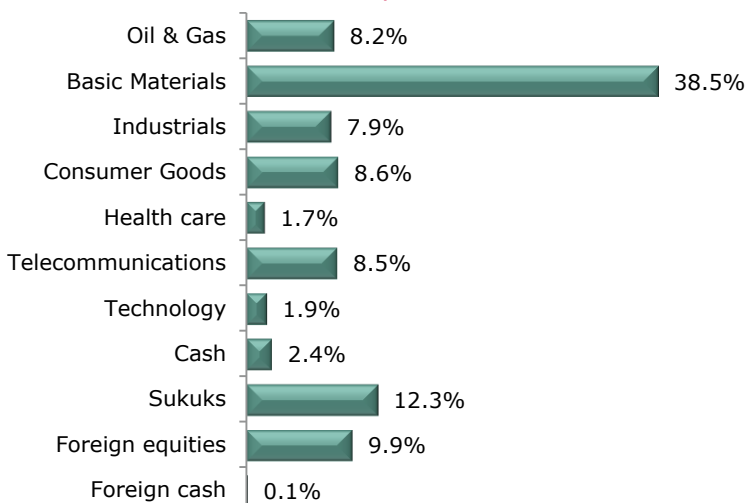
Cumulative performance since inception



Portfolio manager	Abdulazeez Davids
Fund category	South African - 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	South African - Equity - General funds mean
Launch date	13 July 2009
Fund size	R244.0 million
NAV	189.19 cents
Distribution dates	30 June, 31 December
Last distribution	30 June 2013: 1.38 cpu
Minimum investment	Lump sum: R5 000; Debit order: R500
Fees (excl. VAT)	Initial fee: 0.00% Financial adviser fee: max 3.00% Ongoing advice fee: max 1.00% pa Annual management fee: 1.00%
TER²	1.30%
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 equity holdings

	% of fund
Sasol	8.2
Anglo American	8.0
Tongaat Hulett	6.4
MTN	6.1
Microsoft Corporation	5.3
Lonmin	4.6
Metair Investments	4.4
Mondi	4.1
African Rainbow Minerals	4.0
Anglo Platinum	3.9
Total	55.0

The Kagiso unit trust fund range is offered by Kagiso Collective Investments Limited (Kagiso), registration number 2010/009289/06, a voting member of the Association for Savings and Investment SA (ASISA). Kagiso is a subsidiary of Kagiso Asset Management (Pty) Limited [a licensed financial services provider (FSP No. 784)], the investment manager of the unit trust funds. Unit trusts are generally medium to long-term investments. The value of units will fluctuate and past performance should not be used as a guide for future performance. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Exchange rate movements, where applicable, may affect the value of underlying investments. Different classes of units may apply and are subject to different fees and charges. A schedule of the maximum fees, charges and commissions is available upon request. Commission and incentives may be paid, and if so, would be included in the overall costs. All funds are valued and priced at 15:00 each business day and at 17:00 on the last business day of the month. Forward pricing is used. The deadline for receiving instructions is 14:00 each business day in order to ensure same day value.

¹ 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.

² 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 September 2013. 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 Kagiso Islamic Equity Fund performed well this quarter, outperforming its benchmark. The fund's objective of providing steady capital growth over the long term and a total portfolio return that is better than the average general equity fund has been achieved. The equity market ended the quarter near all-time highs as US monetary stimulus deceleration was delayed and the global economy showed some signs of growth.

Economic and market overview

This quarter saw the US Federal Reserve act counter to expectations it had created in the previous quarter that it would finally slow the pace of its asset purchases and thus begin the gradual reduction of its extreme monetary stimulus measures. Unsurprisingly, this fuelled a strong rally in risky assets towards the end of the quarter.

Chinese economic data seemed to suggest a milder slowdown, albeit not without concerns that there is excessive leverage supporting this strength, which was positive for commodity prices and European manufacturing data seems indicative of a mild recovery from its long slump.

The South African economy remains weak and vulnerable, with high current account and fiscal deficits supported by strong portfolio flows into our equity and bond markets. These portfolio flows may well reverse when US monetary stimulus is eventually reversed. Lacklustre manufacturing, slowing household spending and a struggling mining sector all contribute to a weak economic growth outlook at a time when inflation is heading higher due to the pass-through of currency weakness, high administered price increases and high wage settlements. This quarter saw intense strike activity across the auto sector and certain mining companies, with consequent damage to perceptions of South Africa as a competitive destination for foreign direct investment.

Equities were the strongest performing asset class over the quarter, with the local equity market generally outperforming other emerging and developed markets. This was despite very limited net foreign equity purchases in the quarter after strong foreign inflows in the first two quarters. The SA resource sector returned 19.4%, marking a departure from the general trend of the last few years where industrials led the pack. The rand weakened slightly providing some support for companies with offshore operations or with foreign currency revenue streams.

Fund performance and positioning

With a return of 12.0% for the quarter, the Kagiso Islamic Equity Fund outperformed its benchmark by 0.6%. This outperformance was driven by strong stock-selection as many of our highest conviction positions were rewarded. Lonmin (up 34.7%), Mondi (up 38.5%) and African Rainbow Minerals (up 34.9%) contributed positively to performance, while Tongaat (down 2.9%) detracted.

The fund continues to maintain a high exposure to platinum group metals - both to the SA platinum miners and to the physical platinum and palladium exchange traded funds. Key to this view is the concentration of the global supply of the metals in a small number of mining companies in South Africa, which leads us to believe that supply discipline is possible. With much of the metals being produced at a marginal profit or at losses, supply has been aggressively cut and will be reduced further until the metal prices rise to a level which is consistent with economic returns for the miners. We expect industrial demand for platinum, primarily for autocatalysts in Europe, to recover gradually in the years ahead and jewellery demand, dominated by China, to continue to grow strongly.

Lonmin, the world's third largest platinum producer, is the fund's largest platinum miner holding. The company has recovered well from the labour disruptions it experienced last year and the operational turnaround that has occurred over the last few years is continuing. Lonmin is expanding production and has moved significantly down the cost curve at a time when other large platinum producers are facing operational difficulties.

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 that have benefited disproportionately from quantitative easing over the last few years. Currently, our market continues to inch higher to yet further record highs, with much of the contribution coming from stocks that we believe have inflated valuations. We continue to be positioned in our best ideas, based on our team's proven bottom-up stock-picking process.

Portfolio manager

Abdulazeez Davids

Key indicators	
Equity markets (total return)	Quarterly change
MSCI World Equity (US Dollar return)	7.7%
MSCI Emerging Market Equity (US Dollar return)	5.0%
FTSE Sharia All-World Index	7.6%
Dow Jones Islamic Market World Index	7.4%
FTSE/JSE All Share Index	12.5%
FTSE/JSE Resources Index	19.4%
FTSE/JSE Industrials Index	12.0%
Commodities and currency	Quarterly change
Platinum (\$/oz)	4.7%
Gold (\$/oz)	7.7%
Brent Crude (\$/barrel)	5.0%
Rand/US Dollar (USD)	1.6%