

SMARTASSETS SHARIAH PORTFOLIO | MARCH 2018



ABOUT THE PORTFOLIO

The SmartAssets Shariah Portfolio complies with the regulations that govern retirement funds (Regulation 28). Regulation 28 allows for the equity exposure to range from 0%-75% but, in accordance with Shari'ah guidelines, the combined equity and property holdings will never fall below 30%. The fund aims to provide Muslim investors with the opportunity to achieve long term wealth creation within a moderate level of risk. This is done by investing in a portfolio of equities listed on the JSE Limited and Sukuks, in accordance with the Islamic Principles approved by the Shari'ah Supervisory Board.

MONTHLY ECONOMIC COMMENTARY

March brought a sharp market correction, triggered by an escalating trade war waged by US President Donald Trump, a sell-off in technology shares, and an increase in US interest rates. The sell-off in technology stocks was caused by Facebook's data breach scandal, chip maker Nvidia's suspension of self-driving car tests after a fatal crash, Trump criticising Amazon for not paying taxes and renewed concerns about Tesla's production plans.

The past quarter delivered the worst returns in eight years, with the FTSE All World Index down 1.4%, the S&P 500 Index down 1.2%, the FTSE 100 Index down 8.0%, the Nikkei Index down 5.8% and the FTSE/JSE All Share Index down 6.0%.

The month started with the US imposing 25% tariffs on imports of steel and 10% on aluminium, prompting warnings of retaliation from other countries. By month-end, the US had imposed 25% tariffs on US\$60 billion of Chinese imports, citing violation of US intellectual property rights. Given the strong economic data and a pick-up in inflation, the US Fed increased interest rates to between 1.5% and 1.75%, while projecting two more increases for 2018. The US Fed expects a GDP growth rate of 2.7% in 2018.

On the opposite side of the spectrum, business activity in the eurozone slowed for a second month, while inflation, at 1.1% year-on-year, came in lower than expected despite a steady fall in unemployment.

Chinese economic data was a mixed bag, with the country setting a target of "around 6.5%" for 2018 economic growth. China's actual growth in 2017 came in at 6.9%, buoyed by global demand and aggressive government efforts to keep the economy stable.

In South Africa, the equity market delivered its worst quarterly performance since September 2011. This came against a backdrop of largely positive news, with Moody's retaining its investment grade rating of South Africa's debt, fourth quarter GDP growth surprising on the upside at 3.1%, manufacturing activity improving, inflation slowing to 4.0% and the Reserve Bank cutting interest rates to 6.5%.

In March, the FTSE/JSE SWIX Index delivered -5.0%, the JSE All Bond Index 2.1% and the FTSE/JSE Property Index -1.0%. The rand weakened by 0.3% relative to the US dollar.

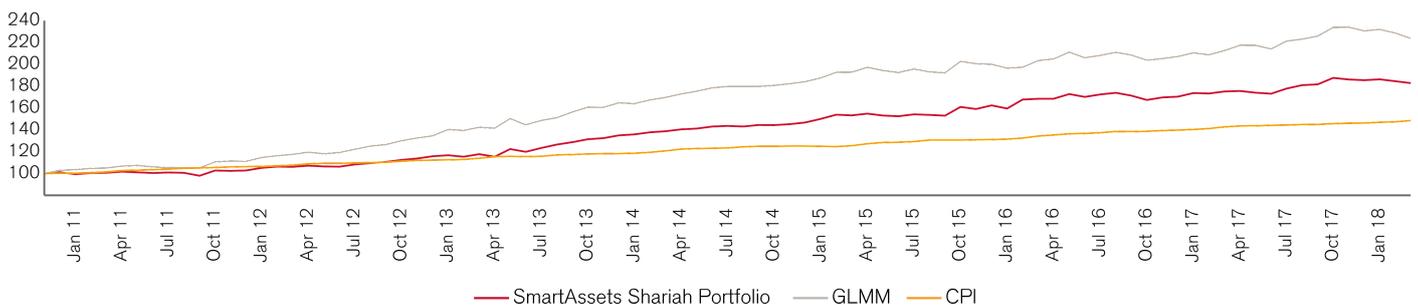
STRATEGIC BENCHMARK

GLMM: Global Large Manager Median

INCEPTION

20 February 2015

CUMULATIVE PERFORMANCE



PERFORMANCE TO 31 MARCH 2018

YEAR*	FUND	BENCHMARK	OUTPERFORMANCE
2011	1.7%	8.1%	-6.4%
2012	12.7%	20.9%	-8.3%
2013	16.5%	22.5%	-6.0%
2014	8.7%	11.7%	-3.0%
2015	10.7%	8.6%	2.0%
2016	4.9%	3.6%	1.4%
2017	8.9%	11.3%	-2.5%
PERIOD*	FUND	BENCHMARK	OUTPERFORMANCE
1 Month	-0.9%	-2.2%	1.3%
3 Months	-1.4%	-3.0%	1.6%
6 Months	0.6%	-0.9%	1.6%
Year to Date	-1.4%	-3.0%	1.6%
1 Year	4.4%	5.2%	-0.9%
3 Years	6.1%	5.1%	1.0%
5 Years	9.2%	9.5%	-0.3%

*Returns for periods greater than one year have been annualised. Returns prior to inception are simulated returns based on reasonable assumptions using similar strategies managed by Sygnia.

RISK STATISTICS

	FUND	BENCHMARK
Standard Deviation	6.0%	6.6%
Downside Deviation	2.3%	3.2%
% Positive Months	65.0%	65.0%
% Negative Months	35.0%	35.0%
Average Positive Month	1.7%	1.8%
Average Negative Month	-1.0%	-1.2%
Average Return	0.8%	0.8%
Best Month	6.1%	6.2%
Worst Month	-2.3%	-3.8%
Largest Drawdown	-3.8%	-4.4%

GLOSSARY

Standard Deviation

It is a statistical measure reflecting the variability of returns. The higher the number, the less predictable the returns can be expected to be in the future.

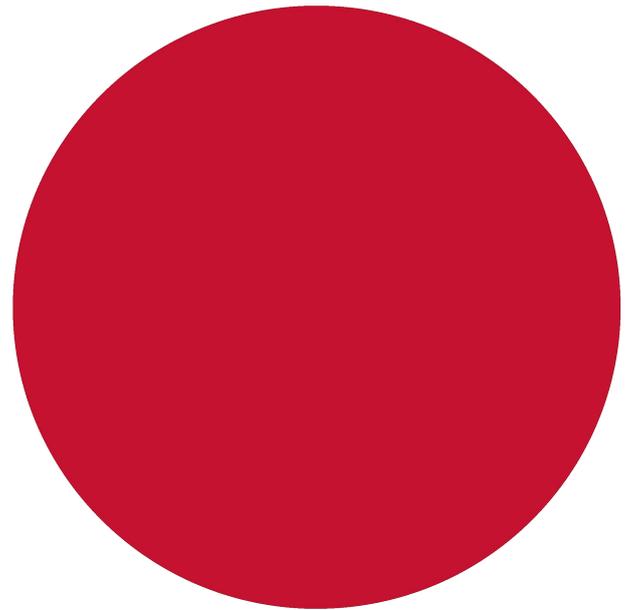
Downside Deviation

A similar measure to the standard deviation except that it only considers months in which there are negative returns.

Maximum Drawdown

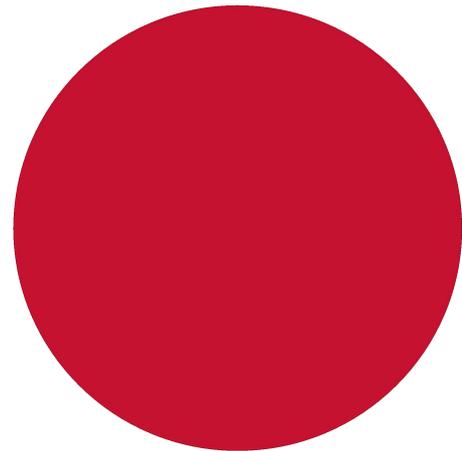
Calculates the worst historical loss in value from previous peak to subsequent trough.

MANAGER ALLOCATION



Old Mutual Asset Management - 100.0%

STRATEGIC ASSET ALLOCATION



Islamic Balanced - 100.0%

MONTHLY PERFORMANCE FIGURES

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2014	0.7%	1.4%	0.7%	1.3%	0.5%	1.3%	0.4%	-0.4%	1.0%	-0.1%	0.6%	1.1%	8.7%
2015	2.3%	2.6%	-0.4%	1.0%	-1.1%	-0.4%	1.1%	-0.3%	-0.5%	5.2%	-1.2%	2.1%	10.7%
2016	-1.8%	5.2%	0.4%	0.0%	2.5%	-1.5%	1.3%	0.9%	-1.5%	-2.3%	1.4%	0.4%	4.9%
2017	1.9%	-0.2%	1.1%	0.3%	-0.9%	-0.5%	2.7%	1.8%	0.4%	3.3%	-0.8%	-0.3%	8.9%
2018	0.4%	-0.9%	-0.9%										-1.4%

DISCLAIMER - SYGNIA LIFE LIMITED

The returns of the policy are market linked and are not guaranteed. The market value of the policy will therefore fluctuate, and past performance is not necessarily a guide to future performance. The investments referred to in this document are generally medium-to-long term investments. Fluctuations or movements in exchange rates may cause the value of the underlying international investments to increase or decrease. Commission and incentives may be paid and, if so, would be included in the overall costs. Life funds are offered under the life licence of Sygnia Life Limited (a registered long-term insurer) and are administered by Sygnia Life Limited and Sygnia Asset Management (Pty) Limited (a registered financial services provider).

To the extent that the fund invested in hedge funds this may result in unique and/or additional risks.