

# SMARTASSETS SHARIAH PORTFOLIO | APRIL 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

April started with another round of technology company and trade-war woes, with the S&P 500 tumbling below its 200-day moving average which is a key measure of momentum.

China retaliated against 25% tariffs proposed on Chinese goods by the US worth US\$50 billion by targeting high-value American exports, from airplanes to soybeans. In a further tit-for-tat move Trump raised the value of tariffs on Chinese goods to US\$100 billion. Although neither takes effect immediately, the dollar weakened and global stock markets fell. Markets recovered only after the US expressed willingness to negotiate.

Within a week Trump upset the markets again with a set of sanctions on Russia targeting individuals and entities connected to President Vladimir Putin. This immediately boosted commodity prices, in particular, aluminium and palladium.

On a positive note, Wall Street enjoyed a blockbuster earnings season thanks to US tax reforms, a weak US dollar and higher oil prices all playing key roles. The markets were also buoyed by optimism as North and South Korea held their first summit in over a decade.

On the economic front the US economy grew by an above-expectation annualised 2.3% in the first quarter, while consumer inflation, excluding energy and food, came in at 2.1% year-on-year in March. With inflation building up, the US Fed expects to increase interest rates three times in 2018 and 2019.

China's GDP rose by 6.8% from a year earlier in the first quarter, beating expectations. However, flagging exports and factory output may prove a drag in the coming months.

In South Africa, headline inflation came in at 3.8% year-on-year for the first quarter, driven by a decline in fuel and food prices. The IMF has revised its growth forecasts upwards to 1.5% in 2018 and 1.7% in 2019 due to the positive political changes, but warned that structural bottlenecks remain a concern.

The FTSE/JSE SWIX Index rose by 4.3%, with Resources up 9.4%, Industrials 5.8% and Financials 3.0%. The JSE All Bond Index fell by 0.7%, while the Rand weakened by 5.4% relative to the US dollar.

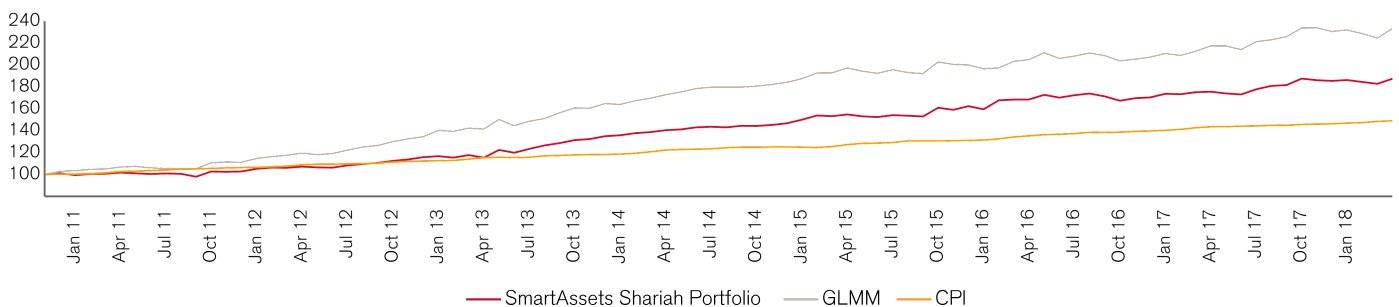
## STRATEGIC BENCHMARK

GLMM: Global Large Manager Median

## INCEPTION

20 February 2015

## CUMULATIVE PERFORMANCE



## PERFORMANCE TO 30 APRIL 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	2.6%	3.9%	-1.3%
3 Months	0.7%	0.6%	0.1%
6 Months	0.0%	-0.2%	0.2%
Year to Date	1.1%	1.2%	-0.1%
1 Year	6.8%	7.3%	-0.5%
3 Years	6.6%	5.7%	0.8%
5 Years	10.2%	10.5%	-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	5.9%	6.7%
Downside Deviation	2.2%	3.2%
% Positive Months	66.7%	66.7%
% Negative Months	33.3%	33.3%
Average Positive Month	1.7%	1.9%
Average Negative Month	-0.9%	-1.2%
Average Return	0.8%	0.9%
Best Month	6.1%	6.2%
Worst Month	-2.3%	-3.8%
Largest Drawdown	-3.8%	-4.0%

## 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.

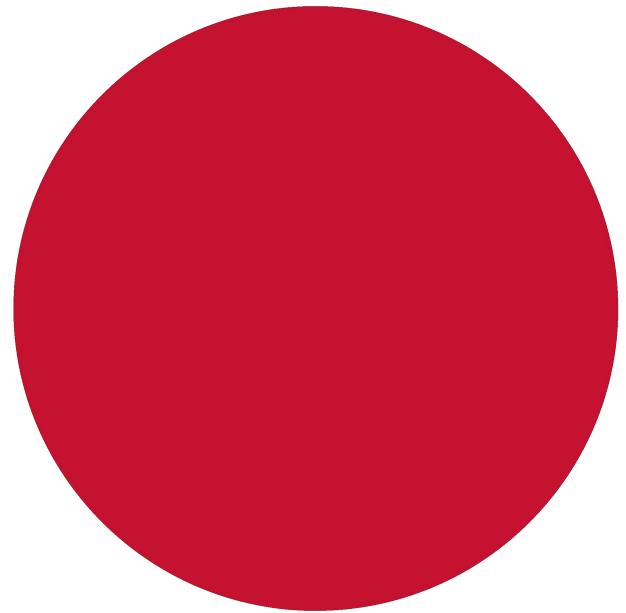
### Downside Deviation

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

### Maximum Drawdown

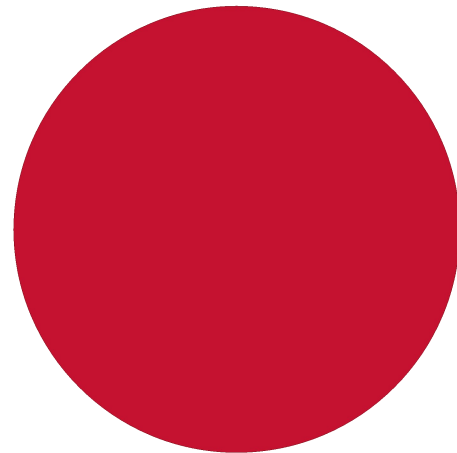
Calculates the worst historical loss in value from previous peak to subsequent trough.

## 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%	2.6%									1.1%

## 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.