

SMARTASSETS SHARIAH PORTFOLIO | AUGUST 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

August marks the 11th anniversary of the start of the Global Financial Crisis and, as liquidity dried up over the US summer holidays, markets once again experienced heightened volatility. The political stand-off between the US and Turkey, and the Turkish reversion to an authoritarian regime, led to a 24% drop in the value of Turkish lira, which, in turn triggered a further sell-off of emerging markets. South Africa was not immune, with the Rand breaching the R15/US\$ level. Both Naspers and MTN made the news, with Tencent's disappointing results pulling down the former, and Nigeria's R8 billion repatriation demand triggering a 23% fall in MTN's share price. The MSCI Emerging Market Index dropped to 24% below its January peak, technically entering a bear market. At month-end the markets were boosted by the news that Mexico and the US had reached a trade deal. Markets fell again, however, as the US threatened to pull out of the World Trade Organization and impose tariffs on US\$200 billion more of Chinese goods earlier than expected.

In Europe, growth remains subdued but resilient, despite political ruptures in Italy, Poland and Hungary and continuing uncertainty about Brexit. With Turkey's credit rating downgraded deeper into junk territory by both Moody's and S&P, the ECB expressed concern about four European banks.

STRATEGIC BENCHMARK

GLMM: Global Large Manager Median

Further east, Russia announced it will hold its biggest war games in four decades. Japan's economic outlook continued to improve and China's central bank resumed its daily support for the yuan, a signal that it is not ready to allow its currency to depreciate despite US trade tariffs.

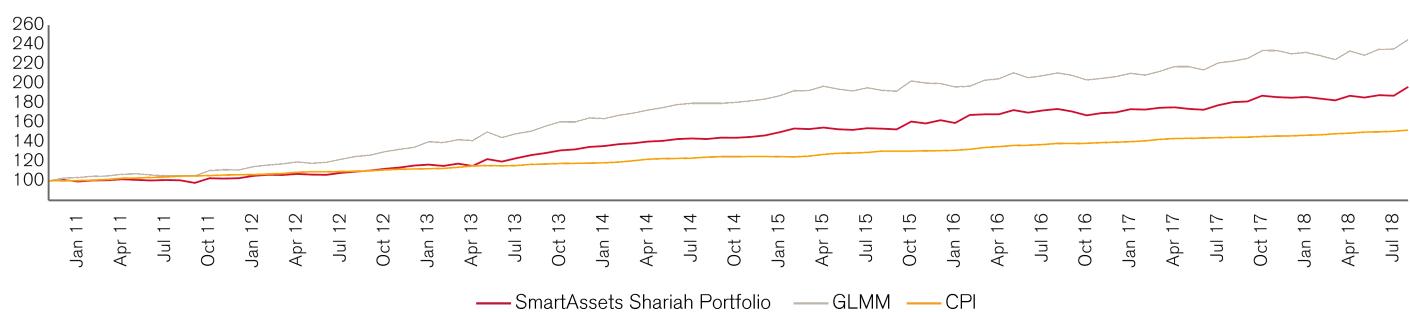
On the commodities front, high oil prices remain a risk to global growth. Oil rose to US\$75 a barrel after the US implemented sanctions on Iran's energy industry, and Venezuela's supply decreased due to its economic crisis. High oil prices and weak currencies are pushing inflation to multi-year highs and forcing many countries to hike interest rates. According to Merrill Lynch, the number of rate hikes globally is now at levels last seen before the Global Financial Crisis.

The FTSE/JSE SWIX Index delivered a return of 1.2%, with Resources at 5.8%, Industrials at 2.1% and Financials down 0.3%. The JSE All Bond Index fell by 1.9%, while the rand depreciated by 11.0% relative to the US dollar.

INCEPTION

20 February 2015

CUMULATIVE PERFORMANCE



SYGNIA LIFE LIMITED

Registration No. 2000/022679/06

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PERFORMANCE TO 31 AUGUST 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	4.9%	4.2%	0.7%
3 Months	5.9%	7.1%	-1.2%
6 Months	6.6%	7.3%	-0.7%
Year to Date	6.0%	6.4%	-0.3%
1 Year	8.7%	10.0%	-1.3%
3 Years	8.6%	8.3%	0.3%
5 Years	9.2%	10.2%	-1.0%

*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	5.5%	6.2%
Downside Deviation	2.0%	2.5%
% Positive Months	65.0%	66.7%
% Negative Months	35.0%	33.3%
Average Positive Month	1.6%	1.8%
Average Negative Month	-0.8%	-1.1%
Average Return	0.8%	0.8%
Best Month	5.2%	5.5%
Worst Month	-2.3%	-2.4%
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.

MONTHLY PERFORMANCE FIGURES

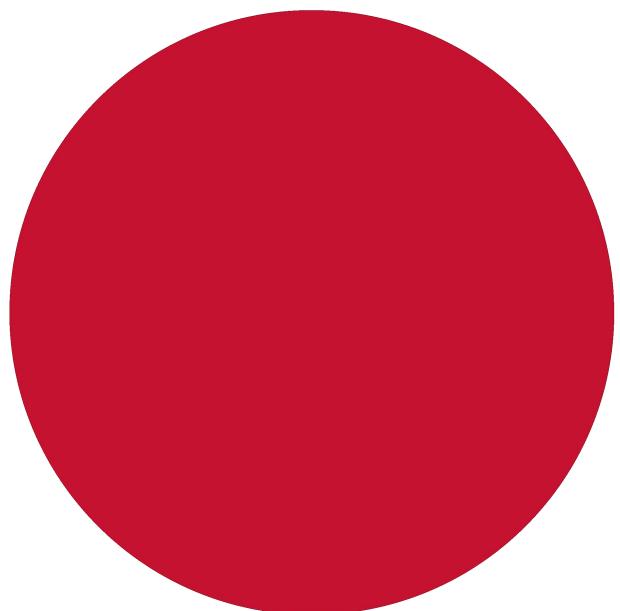
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2014	0.7%	1.4%	0.7%	1.3%	0.5%	1.3%	0.4%	-0.4%	1.0%	-0.1%	0.6%	1.1%	8.7%
2015	2.3%	2.6%	-0.4%	1.0%	-1.1%	-0.4%	1.1%	-0.3%	-0.5%	5.2%	-1.2%	2.1%	10.7%
2016	-1.8%	5.2%	0.4%	0.0%	2.5%	-1.5%	1.3%	0.9%	-1.5%	-2.3%	1.4%	0.4%	4.9%
2017	1.9%	-0.2%	1.1%	0.3%	-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%	-1.0%	1.3%	-0.3%	4.9%					6.0%

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).

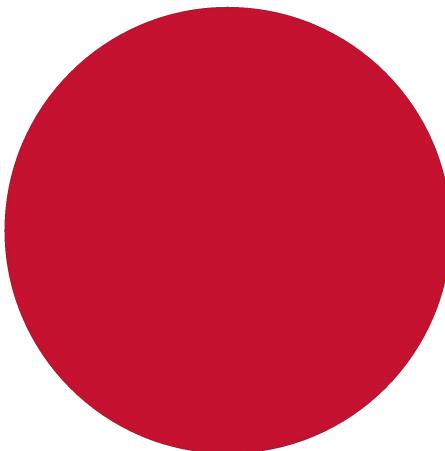
To the extent that the fund invested in hedge funds this may result in unique and/or additional risks.

MANAGER ALLOCATION



■ Old Mutual Asset Management - 100.0%

STRATEGIC ASSET ALLOCATION



■ Islamic Balanced - 100.0%

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