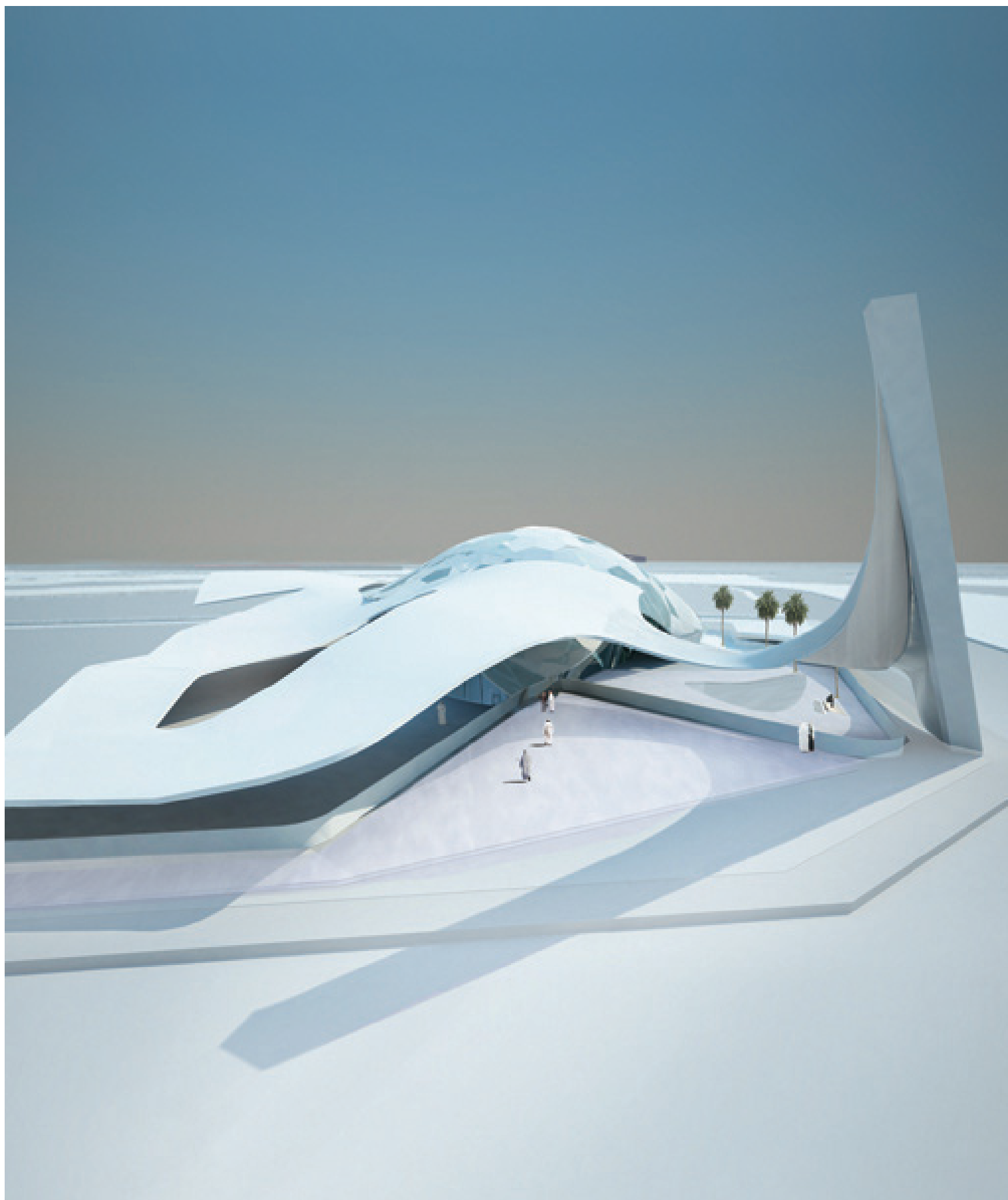




KAGISO'S ISLAMIC FUNDS

Unconventional thinking. Superior performance

South Africa comprises a vibrant mix of numerous races and cultures, a large component of which is the Muslim community. At Kagiso Asset Management we have identified the need for funds that both honour Sharia investment principles and maximise capital growth.



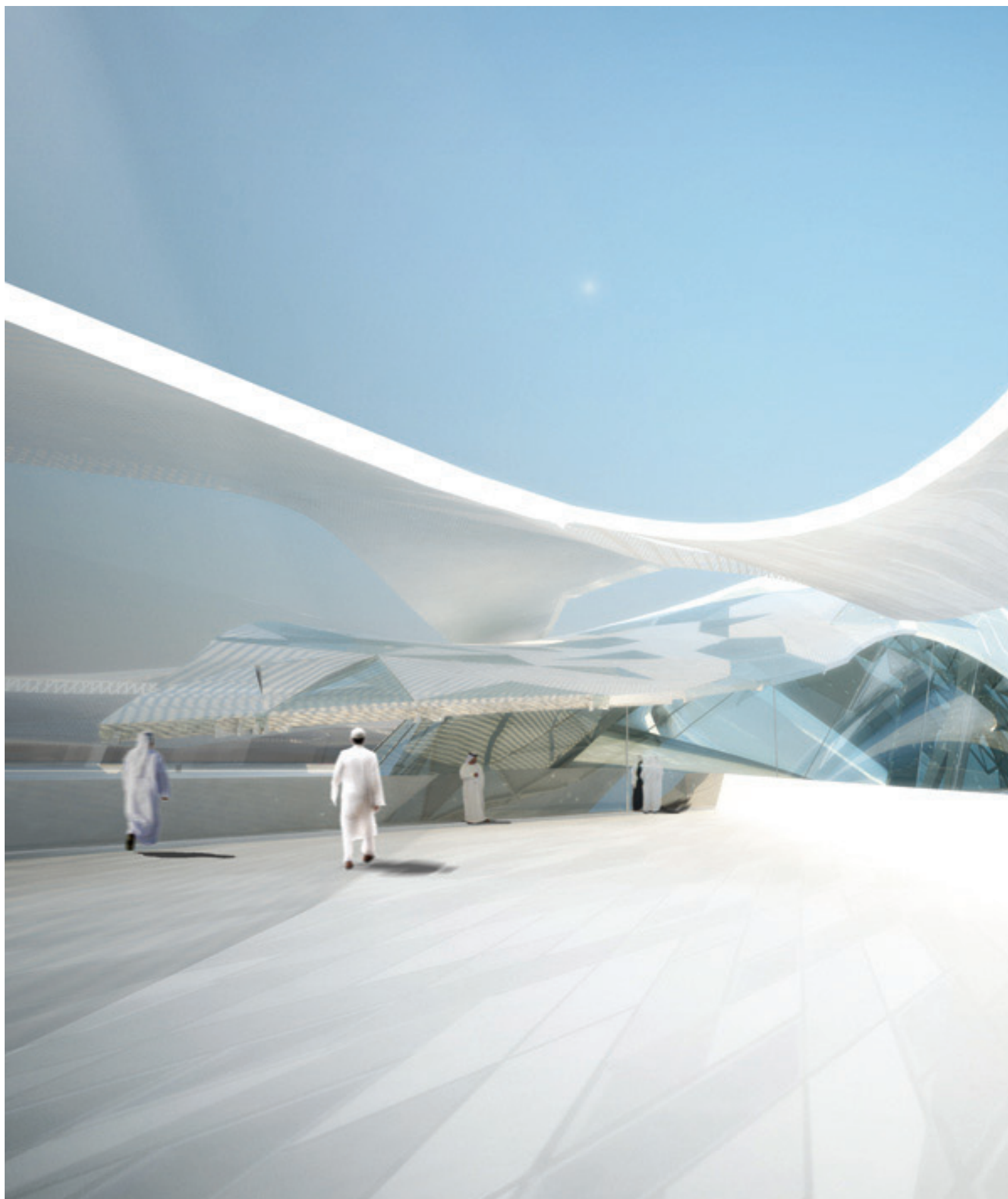
Fund guidelines

Islamic investment principles

Sharia means the “sacred law” and for Muslims it refers to teachings that guide both daily life and economic investments.

The Kagiso Islamic Funds are managed in accordance with Sharia investment guidelines that have been established by the leading global Islamic institutions. This compliance means that companies that do not comply with Sharia law are removed as investment options and the remaining stocks are evaluated according to a series of financial ratio filters.

The funds are mindful of the avoidance of interest or Riba. Riba is defined as a loan with the condition that the borrower will return to the lender more than and/or better than the quantity borrowed. The portfolios are managed by a portfolio manager who has extensive investment experience. The funds also enjoy the support of a highly respected Sharia Advisory and Supervisory Board.



About us

Kagiso Asset Management

At Kagiso Asset Management, our aim is to consistently deliver superior investment performance for our clients. We achieve this through applying unconventional thinking to the assessment of financial markets and to the uncovering of great investment opportunities.

Kagiso Asset Management is a specialist investment management firm, based in Cape Town, South Africa. Founded in 2001, the company manages funds across the risk spectrum for sophisticated institutional clients and private investors.

Our ability to add value to clients stems from:

- ◆ our diverse team of experienced investment professionals
- ◆ operating a focused, alternative investment process
- ◆ our organisational environment, which encourages and enables clear, differentiated thinking
- ◆ applying our skill to portfolios that, within a South African context, are not constrained by size

Evidence of our skill – the results of our unconventional approach – can be found in our performance track record (at www.kagisoam.com).



Sharia advisory *and supervisory board*

The Kagiso Islamic Funds have their own Sharia Advisory and Supervisory Board that is headed up by Sheigh Mohammad Tauha Karaan, principal of Dār al-'Ulūm al-'Arabīyyah al-Islāmiyyah.

The role of the Sharia Advisor is to meet with the portfolio manager and review each of the holdings in the Sharia funds on a regular basis. In addition to the industry screens, the Sharia Advisor is made fully aware, through the manager's Sharia Stock Report, of the business areas in which the highlighted company operates. The Advisor then has to approve whether this business activity is permissible for inclusion or exclusion in the funds.

Members:

Sheigh Mohammad Tauha Karaan is the Founder and Principal of Dār al-'Ulūm al-'Arabīyyah al-Islāmiyyah which is based in the Strand, Western Cape. He is also a longstanding member of the Fatwa Committee of the Muslim Judicial Council in Cape Town.

Mufti Zubair Bayat is the Director of DIRECT (Darul-Ihsan Research and Education Centre) and it is in this capacity that he serves as an Advisor to numerous Islamic bodies.

Mufti Ahmed Suliman serves as a Sharia Advisor and Board Member to a number of financial and investment companies, including Takafol (SA) and Standard Bank Africa.

Portfolio manager

Abdulazeez Davids

BCom (Accounting); CFA



Abdulazeez joined Kagiso Asset Management in February 2008 as the Head of Research and Portfolio Manager.

He currently manages all Kagiso's Islamic Funds as well as segregated equity portfolios for institutional clients. Prior to his joining the company, Abdulazeez spent 10 years at Allan Gray where he was a senior investment analyst.

With over 11 years of investment experience, Abdulazeez brings a wealth of knowledge to the Kagiso Asset Management investment team.

Our thinking

our investment philosophy

In addition to the overriding aim of providing superior investment performance based on Kagiso Asset Management's proven investment philosophy, the Kagiso Islamic Funds also seek to deliver a high level of integrity:

- ◆ **Transparency.** We believe that the socially conscious investor's need for full transparency outweighs the company's risk of commercial encroachment (competitors replicating our process or shadowing our portfolios).
- ◆ **Experience.** Our team of experienced equity analysts and the use of Kagiso Asset Management's extensive systems and database, lend considerable support to the process of verifying the Sharia eligibility of selected stocks.
- ◆ **Active engagement.** The Sharia Advisors are directly involved in the setting up of the investment process and are an integral part of the final stock screening and monitoring process.
- ◆ **Pro-activeness and buy in.** The individuals managing the product firmly believe in the underlying ethical principles of Islamic Finance. We believe that the aim is to provide moral investment exposure rather than a blind following of rules. To this end, a stock that may pass through the qualitative and financial screens can still be excluded on closer judgement by our Sharia Advisors.

What we do

our investment process

The Kagiso Islamic Funds will generally be fully invested in a diversified portfolio of equity securities, subject to the statutory investment limitations and their respective asset allocation strategies. The funds will ensure that the underlying investments comply with Sharia requirements as prescribed by the Dow Jones Islamic Index as well as the FTSE/JSE Sharia All Share Index.

In order to achieve the funds' objectives, they will follow a unique investment process that combines a valuation-based, "bottom-up" stock picking strategy with a data-driven, statistical investment approach. Over and above this approach, several filtering layers are implemented, namely: an industry screen, financial screens and an additional screening for companies highlighted for inclusion.

Industry screen – This is where all stocks with a primary business involvement in the following areas are excluded from the investment universe, namely: all types of conventional finance, alcohol, pork related products, tobacco and certain entertainment areas such as gambling, pornography, cinema, music and satellite TV.

Financial screens – In addition to passing the industry screen, stocks must also meet a series of financial criteria to ascertain eligibility for inclusion into the investor universe.

Additional screening for companies highlighted for inclusion – In the event that a screened share is selected, based on investment merit, additional checks are applied that incorporate both financial and qualitative analysis.



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The Kagiso Islamic Funds are Collective Investment Scheme portfolios (unit trusts) registered in terms of the Collective Investment Schemes Control Act under the Kagiso Collective Investment Scheme. Kagiso Collective Investments Limited
Reg No. 2010/009289/06 Postal Address: PO Box 1016, Cape Town, 8000

Shiba mosque

Abu Dhabi/UAE

Mangera Yvars Architects

The Shiba mosque in Abu Dhabi is a low energy prototype mosque scheme that houses prayer, ablution and residential accommodation under a series of interlocking white shell structures – all of which are cooled in the desert heat via a stack effect that is created by openings in the dome. The result: a harmonious combination of beauty and unconventional thinking.

Unconventional thinking. Superior performance



KAGISO

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