

KZN ISLAMIC FUND

APRIL 2023

The KZN Islamic Fund is a moderately aggressive fund that aims to provide steady long term returns and capital growth.

The fund is invested in a wide variety of domestic and international asset classes such as equity, sukuk and listed property. The selected asset managers have the freedom to select the allocation to each of these asset classes and the most attractive securities to invest in within each asset class.

The underlying investments will comply with Sharia requirements as prescribed by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as well as the prudential investment guidelines set out in Regulation 28 of the Pensions Funds Act.

Due to its relatively high allocation to growth assets, the fund has a high chance of capital loss in the short term, but is expected to achieve real growth of capital over the long term. As a result, the fund is best suited to members who have a longer term (5 years or more) investment horizon.

This fund is suitable for Muslim investors requiring a Sharia-compliant portfolio appropriate for retirement schemes.

MONTHLY COMMENTARY

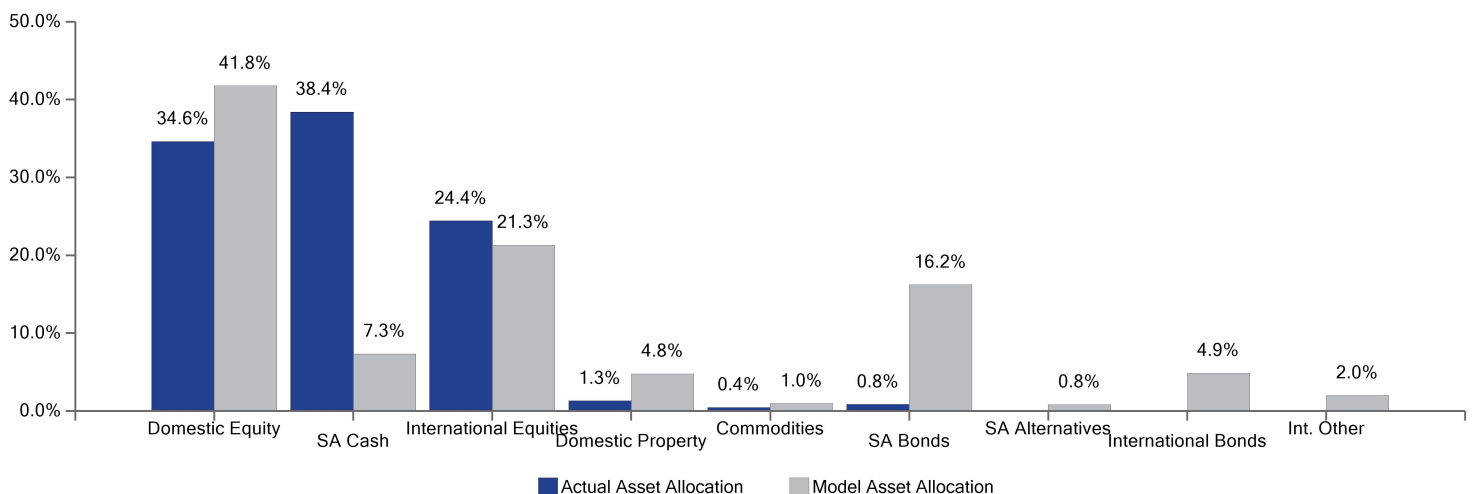
April offered a quiet reprieve from the black swan events of March. Falling US inflation, China's reopening and the abating European energy crisis have led to a pick-up in economic activity, as confirmed by the JP Morgan Global Composite PMI, which has been on the uptrend year to date. However, the World Economic Outlook of the International Monetary Fund lowered its global growth fall to 2.8% in 2023, with advanced economies growing at a paltry 1.3%.

China has urged the US to assess the spill over effects of its economic policies, with the Chinese Ministry of Foreign Affairs describing them as the "biggest challenge to global financial stability". Weaker-than-expected tax collections in the US have brought forward the debt ceiling's so-called X-date to somewhere in July. Japan, the ultra-accommodative policy game's forgotten player, is still sitting on a \$3 trillion pile of cheap money; Governor Ueda has little choice but to unwind Kuroda's experiment and potentially set off a flow-reversal shockwave. South Africans are reeling, with the last nine rate hikes seeing consumers paying 35% more on their home loans since the rate hike cycle started in late 2021. Finally, in global energy markets OPEC cut its output target again, by 1 million barrels per day. While this led to a temporary bounce in the oil price, production is far above quota. This demonstrates that targeting a cut and enforcing a cut are two different things.

The long-term effects of Covid, aggressive monetary intervention and geo-fragmentation are expected to push global GDP potential to a three-decade low by 2030. The IMF has warned that the global five-year growth outlook is at its weakest since 1990 - not surprisingly, given that world debt is close to record highs. The IMF estimates that trade fragmentation in the wake of events like Brexit, the US-China trade war and the Russian invasion of Ukraine could make the global economy 7% smaller than it would otherwise have been. Geopolitical risk remains high and we continue to expect heightened volatility. In the short term, market focus will be on when the Fed is expected to stop hiking rates. On average, markets have rallied from this point in the past.

The FTSE/JSE CAPPED SWIX Index increased by 3.4%, Industrials were up 3.2% and Financials improved by 3.3%. The JSE All Bond Index declined by 1.1%, while the rand depreciated by 3.1% relative to the US dollar.

ACTUAL ASSET ALLOCATION



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FUND SUMMARY AS AT 30 APRIL 2023

STATISTIC	FUND	BENCHMARK
% Positive Months	63.3%	61.7%
% Negative Months	36.7%	38.3%
Worst Month	-8.1%	-10.3%
Best Month	7.6%	9.6%
Average Return	0.8%	0.5%
Median Return	0.7%	0.8%
Maximum Drawdown	-13.0%	-14.3%

PERFORMANCE ANALYSIS TO 30 APRIL 2023

PERIOD	FUND	BENCHMARK
1 Month	2.7%	1.4%
3 Months	1.5%	-0.2%
6 Months	9.0%	7.1%
Year to Date	6.4%	5.7%
1 Year	6.5%	7.2%
3 Years	15.1%	10.2%
5 Years	9.4%	5.8%
Since Inception	7.8%	7.3%

Inception Date: 01 July 2007. Returns prior to inception are backtested.
Returns are net of the TIC.

FEES

	PERCENTAGE
Total Expense Ratio (TER)	1.14% (Dec 2022)
Transaction Costs (TC)	0.13% (Dec 2022)
Total Investment Charge (TIC)	1.26% (Dec 2022)

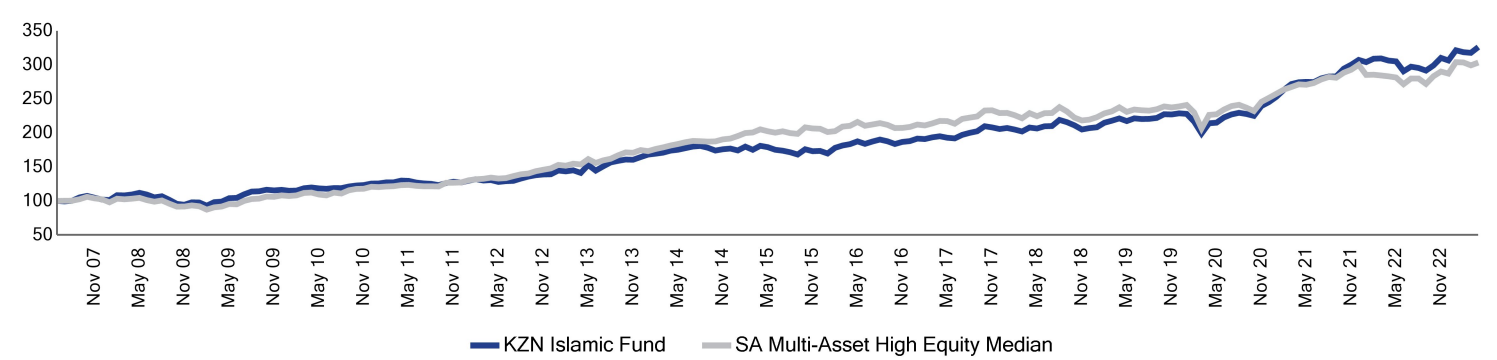
BENCHMARK COMPOSITION

SA Multi-Asset High Equity Median

HISTORICAL PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2018	0.7%	-1.1%	-1.4%	2.9%	-0.7%	1.6%	0.2%	4.3%	-1.5%	-2.2%	-2.9%	1.0%	0.7%
2019	0.6%	3.2%	1.4%	1.6%	-1.8%	1.8%	-0.4%	0.1%	0.6%	2.5%	-0.1%	0.7%	10.5%
2020	-0.4%	-5.0%	-8.1%	7.6%	0.4%	3.6%	2.0%	1.1%	-0.8%	-1.2%	6.4%	2.4%	7.2%
2021	3.2%	4.1%	3.2%	1.0%	0.2%	-0.1%	2.0%	1.0%	0.1%	4.0%	2.0%	2.4%	25.3%
2022	-1.1%	1.6%	0.1%	-1.0%	-0.4%	-4.8%	2.3%	-0.6%	-1.3%	2.6%	3.7%	-1.2%	-0.3%
2023	4.9%	-0.9%	-0.3%	2.7%									6.4%

CUMULATIVE INVESTMENT PERFORMANCE



CALENDAR YEAR RETURNS

PERFORMANCE	FUND	BENCHMARK
2018	0.7%	-4.2%
2019	10.5%	8.8%
2020	7.2%	5.3%
2021	25.3%	19.3%
2022	-0.3%	-4.3%

MANAGER ALLOCATION 30 APRIL 2023

MANAGER	PERCENTAGE
Old Mutual Albaraka Balanced Fund	50.1%
Camissa - Islamic Balanced	49.6%
Cash	0.3%

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