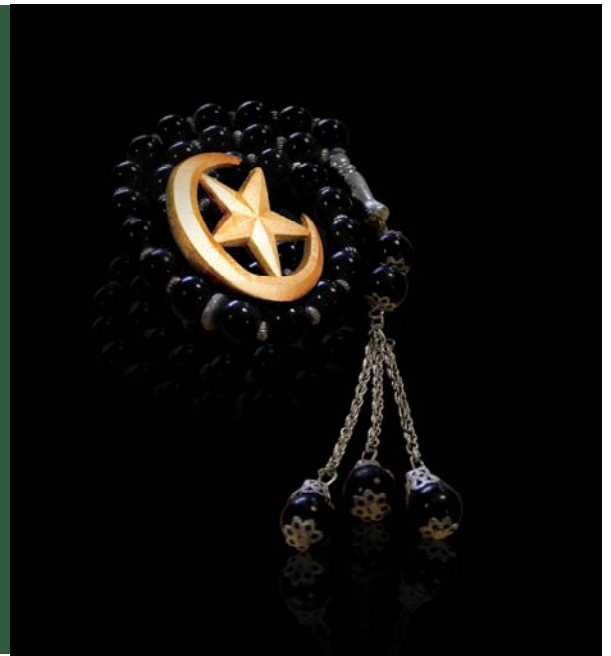


Advantage Shari'ah Fund

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Advantage range Shari'ah Fund

Advantage Asset Managers has created a multi-managed Shari'ah portfolio. Through the integration of multi-manager principles that are the hallmark of Advantage's investment process, together with the rigorous discipline provided by our administration platform, we can provide investors with a unique offering in this field.

About the Advantage Shari'ah Fund

Advantage has addressed the challenge of creating a Shari'ah portfolio by adhering to the following fundamental principles in our portfolio construction approach:

- A structure where the **integrity of the Islamic investment principles**, specifically those assets as permitted by The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) can be maintained at all times and across multiple asset classes.
- A structure where **mandate compliance** would be suitable for members or funds requiring compliance to the Pensions Fund Act, Regulation 28.
- A structure that can provide investors with **access to the best talent** in Islamic investing available both in South Africa and globally.
- A structure that can **mitigate some of the risk issues** for long term retirement fund investing that may be inherent in the selective nature of Islamic investment requirements.
- A structure where **cost control and affordability** are paramount, at a time when many Shari'ah products are priced at a premium.

Time horizon

- Long term (6 to 12 years)

Needs

- Adoption of Shari'ah principles.
- Long term capital growth in excess of inflation.

Risks

- The portfolio may experience a high degree of volatility in the short term due to the equity content and relative high exposure to the resources and industrial sectors.
- There is a possibility of capital loss over the short term due to the equity exposure.

Liquidity

- Due to the nature of some of the underlying Shari'ah investments, there may from time to time be liquidity constraints that the portfolio experiences, specifically where a disinvestment exceeds 15% of the value of the portfolio. Such disinvestments will be made within a period not exceeding 30 working days.

Risk meter



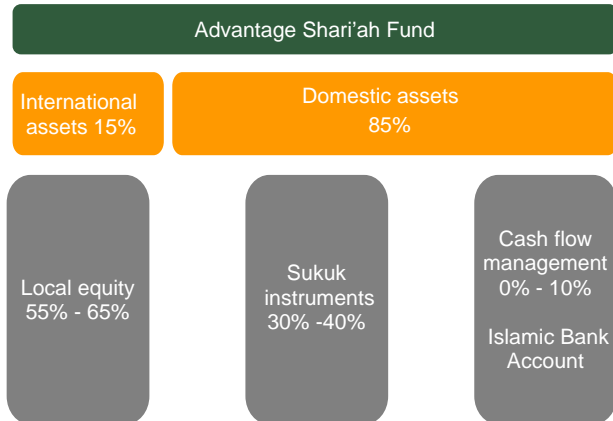
Asset class structure

The Advantage Shari'ah portfolio is a multi-asset class portfolio that uses the multi-manager framework to invest in multiple underlying Shari'ah compliant portfolios.

A significant proportion of the portfolio is invested in equities. The portfolio also invests in Sukuk instruments and an Islamic Profit

Share Investment Account.

The overall portfolio structure and asset allocation bands are set out below:



Investment guidelines

The Advantage Shari'ah Fund invests into portfolios/investments that comply with Islamic Law. The various companies that offer the underlying portfolios/investments are each required to appoint their own Shari'ah board.

The standards and procedures that are required to ensure the portfolio complies with Islamic Law apply to both international and local assets. The portfolio may also diversify across other asset classes, e.g. property and other new investments/instruments introduced to the South African and international markets provided they meet the minimum Islamic law and are vetted by the relevant Shari'ah board.

Shari'ah principles and boards

The responsibility of a Shari'ah board includes the following:

- Monitor all investments.
- Advise portfolio manager/investor of new Shari'ah developments.
- Ensure that the portfolio/investment is compliant at all times.
- Approve all investments/shares prior to inclusion into the portfolio/investment.
- Issue a Shari'ah certificate.

The Advantage Shari'ah Fund uses multiple underlying portfolios and consequently multiple boards are represented within the portfolio. This has various advantages:

- The portfolio construction and positioning takes into account new developments from various Shari'ah boards.
- Islamic Law is open to interpretation and this allows members to utilise investment opportunities covering the full range of debates due to the presence of multiple Shari'ah boards.

Note: The portfolio complies with the prudent investment guidelines set out in Regulation 28 of the Pension Funds Act. This fact sheet does not purport to offer advice or make any recommendation. Always consult with your professional advisor before making any investment related decision. Allocations to these specialist managers will change over time as markets dictate. Additionally, the selection of underlying managers may also change over time should better optimal blends emerge.

- Authorised as a financial services provider (FSP) under the Financial Advisory and Intermediary Services Act, 2002 number 19840
 - Registered as an administrator in terms of Sec 13B of the Pension Funds Act, number 24/401
- E&OE

Contact details: