



# **IFN Australia Roadshow**

## **Islamic Superannuation Fund – Investment Policy**

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# Islamic Superannuation Balanced Pool

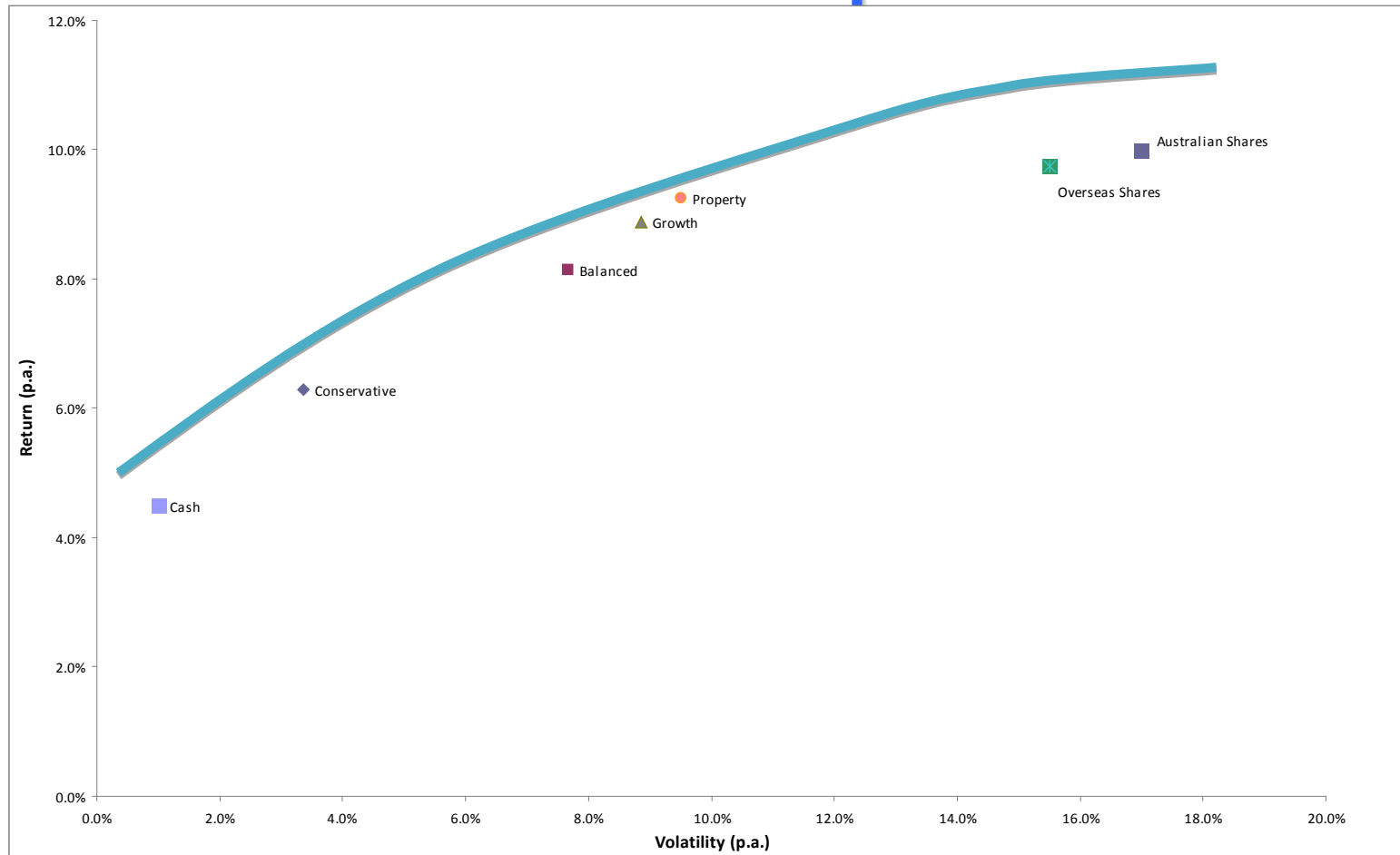
## Objectives

- Achieve a net return that is 3% above inflation over rolling 5-year periods;
- Limit the frequency of a negative annual return to 1 in 10 years;
- To provide a balance of income and capital growth, with the emphasis on long term capital growth.

# Balanced Pool – Benchmark Asset Allocation and Ranges

Asset Class	Benchmark Allocation %	Minimum Range %	Maximum Range %
Australian Shares	25	15	35
Overseas Shares	25	15	35
Property	20	0	30
Cash	30	10	40
<b>Total</b>	<b>100</b>		

# Volatility/return characteristics of diversified options



# Australian Shares

A broadly Shariah compliant S&P/ASX 300 Accumulation Index has been generated for the 20 year period to 30 September 2011. The Financial and AREIT sector (which are largely non-compliant with Shariah principles) have been removed from the standard index.

	Periods to 30 September 2011			
	5 years p.a.	10 years p.a.	15 years p.a.	20 years p.a.
<b>Australian Shares</b>				
Shariah compliant estimate	3.4%	8.8%	10.9%	11.4%
Broad market	-0.7%	7.2%	8.3%	9.1%

*Source: Atchison Consultants, S&P/ASX*

# International Equities

A composite international equity index has been developed. The MSCI World Index (in \$A), Amana Income Fund (in \$A) and Dow Jones Islamic World Islamic Index (in \$A) have been combined and provide 20 years of market performance data.

	Periods to 30 September 2011			
	5 years p.a.	10 years p.a.	15 years p.a.	20 years p.a.
<b>Overseas Shares</b>				
Shariah compliant estimate	-3.4%	-1.7%	4.7%	5.9%
Broad market	-7.3%	-3.2%	2.5%	4.5%

*Source: Atchison Consultants, MSCI, Dow Jones, Amana*

# Property

PCA/IPD Industrial Total Return Index has been used as the property index proxy. The index has approximately 27 years of performance data. Industrial property has been determined as the property class which is largely compliant with Shariah principles relative to the office and retail sector.

Property	Periods to 30 September 2011			
	5 years p.a.	10 years p.a.	15 years p.a.	20 years p.a.
Australian Industrial Property	5.5%	10.0%	11.2%	10.6%

Source: PCA/IPD

# Cash Management

A composite index combining the returns of the Australian Bank Bills and the HSBC Amanah US Dollar Trading Fund has been developed for the 20 year period to 30 September 2011.

	Periods to 30 September 2011			
	5 years p.a.	10 years p.a.	15 years p.a.	20 years p.a.
Cash				
Shariah compliant estimate	6.1%	5.5%	5.4%	5.7%
Broad market	5.6%	5.4%	5.5%	5.8%

*Source: Atchison Consultants, UBS, HSBC*



# Performance Monitoring

- Assess the extent to which the investment objectives are being achieved;
- Assess the extent to which the investment strategy, including asset allocation, are being followed;
- Compare the performance of the managers against the performance of other relevant professional managers and market indices;
- Ascertain the existence of any particular weakness in the managers; and
- Allow the Trustee to continually assess the ability of the managers to successfully meet the Fund's objectives.