

# MIZAN All Equity Moderate Allocation

Through December 31, 2015

## *Performance Update Q4 2015*

Performance for the final quarter of 2015 was disappointing given the outstanding prior quarters. Mizan returned +1.45% for the three months ended 12/31/15 versus its stated conventional Russell 3000 broad market benchmark return of +6.27% over that same time period. Other comparable benchmarks, Dow Jones Islamic US (+6.88%) and the MSCI USA Islamic (+6.12%), also outperformed Mizan in Q4.

The majority of the underperformance came in October in which Mizan returned +4.40% while the Russell 3000 was up +7.90%. This was due mostly to a retracement of the strong performance seen throughout the year in our some of our Consumer Discretionary and Healthcare holdings. More specifically, Sketchers stock got hit hard after missing earnings on weaker than

expected sales. This, along with some other retail weakness dragged the whole sector down, including our holdings of Target and Foot Locker.

This one month wiped out nearly all of the outperformance gained over the course of the year. Mizan's full year 2015 return of -0.13% lagged the Russell 3000's full year return of +0.48%, and the DJ Islamic US's return of +0.36%. However Mizan's slightly negative return for the year strongly outperformed when compared to the MSCI USA Islamic Index return of -4.20%.

Looking over a longer period, Mizan's goal of outperforming the broader markets over a 3-5 year period remains intact. The annualized 5 year return of +12.30% per year beats all three benchmarks, with the Russell 3000, DJ Islamic US

and MSCI USA Islamic posting 5 year returns of +12.18%, +11.25% and +9.45% respectively.

Versus its peers, Mizan's +12.30% annualized 5 year return ranks us in Morningstar's the top 11<sup>th</sup> percentile of all funds in Morningstar's Mid Cap Growth Category. We fall into the Mid Cap category due to the design of Mizan's portfolio to include both large and small stocks which averages out to Mid Cap.

When comparing Mizan to similarly screened Islamic funds, we continue our steady and consistent outperformance of each comparable strategy.

Breaking down the performance of Mizan into its 7 sub-strategies, designed to incorporate both Large and Small companies as well as both Growth and Value styles, the 4<sup>th</sup> quarter saw all 7 sub-

strategies underperform. The most striking underperformance came from the Value side, reversing the first three quarters' strong outperformance of Mizan's Value selections. However, for the full year 2015, 5 out of the 7 sub-strategies outperformed their respective conventional growth or value

benchmarks, with the most notable outperformance coming from the Small Cap Growth and Small Cap Value sub-strategies.

Over the full 6 year life since inception, Mizan has outperformed all the benchmarks discussed previously. It has done so in a very broad based way with

each of the 7 sub-strategies outperforming their respective benchmarks. This just proves that short term blips in performance are dwarfed by the long term depth, breadth and robustness of our quant driven stock selection models.

#### Total Net Returns through December 31, 2015

	Mizan All Equity Moderate Allocation	Russell 3000 Index	DJ Islamic US Index	MSCI USA Islamic Index
Q4 2015	<b>1.45%</b>	6.27%	6.88%	6.12%
Year-to-Date	<b>(-0.13%)</b>	0.48%	0.36%	<b>(-4.20%)</b>
1-Year	<b>(-0.13%)</b>	0.48%	0.36%	<b>(-4.20%)</b>
3-Year Ann	<b>13.89%</b>	14.74%	13.73%	11.23%
5-Year Ann	<b>12.30%</b>	12.18%	11.25%	9.45%
Since Inception Ann	<b>14.21%</b>	13.31%	11.96%	10.47%

Fund inception December 9<sup>th</sup>, 2009

The MIZAN Fund is a collective investment fund and is only available to qualified investment plans. Please visit our website for more information, [www.mizanfunds.com](http://www.mizanfunds.com), or contact Hand Benefits & Trust Company, a BPAS, Inc. Company at 1-800-444-1311.

The returns for the MIZAN Fund are net of all expenses and fees, with dividends received reinvested monthly. The performance discussed above does not guarantee future results. Stocks in the portfolio have been chosen using a quantitative selection process. There is no assurance that any model, including the model used to select stocks for the MIZAN Fund, will always be successful in outperforming the market. As market conditions fluctuate, the investment return and principal value of any investments will change. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance, and fees.