



## INVEST WITH FAITH

## OLD MUTUAL ALBARAKA BALANCED FUND

## FUND INFORMATION

## RISK PROFILE



## RECOMMENDED INVESTMENT TERM



## COMPOSITE BENCHMARK:

45% Customised SA Shari'ah Equity Index, 10% S&P Developed Markets Large and Mid-Cap Shari'ah Index, 40% STeFi Composite Index - 0.5% p.a. & 5% JP Morgan 3-Month US Dollar LIBOR

## PERFORMANCE TARGET:

To outperform the benchmark over rolling 3-year periods.

## ASISA CATEGORY:

South African - Multi-Asset - Medium Equity

## LAUNCH DATE:

12/11/2010

## SIZE OF FUND:

R4.3bn

## DISTRIBUTIONS: (Half-yearly)\*

Date	Dividend	Shari'ah Permissible Income	Total	Total %
31/12/2022	2.15c	2.93c	5.08c	1.44%
30/06/2022	2.77c	2.71c	5.49c	1.61%

\* Class A fund distributions

## TAX REFERENCE NUMBER:

9242/164/18/5

CODES	JSE	ISIN
<b>Class A</b>	OMFA	ZAE000135810
<b>Class B1</b>	OMAB1	ZAE000179271

## ESG FUND RATING

The environmental, social and governance (ESG) fund ratings are based on the exposure of the underlying assets held to industry-specific ESG risks and the ability to manage those risks relative to peers.

## FUND OBJECTIVE

The fund aims to offer investors an ethical investment that provides steady, long-term capital growth, as well as a moderate level of income via a portfolio that diversifies across asset classes and regional exposure. The Shari'ah Supervisory Board oversees adherence to the applicable Shari'ah principles. This fund specifically adheres to the standards of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as interpreted by the Shari'ah Supervisory Board.

## WHO IS THIS FUND FOR?

This fund is suited to investors wanting moderate to high long-term growth from their Shari'ah compliant investment, with less volatility in the short term than pure equity. It is suitable as a stand-alone retirement investment.

## NON-PERMISSIBLE INCOME

Incidental income deemed to be non-permissible is paid to the charitable trust elected by the Shari'ah Supervisory Board in line with the principles of Shari'ah and the supplemental deed of the fund. Non-permissible income does not form part of the investor's income.

## INVESTMENT MANDATE

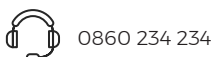
The fund is a Shari'ah compliant asset allocation fund that offers investors access to local and international asset classes including equity, liquid assets and non-equity securities, such as sukuku (Islamic bonds) and equity conduits. It may also invest in the portfolios of other unit trusts, both locally and those registered in countries with acceptable regulatory environments. This fund may invest up to 45% (including Africa) of its portfolio offshore.

## REGULATION 28 COMPLIANCE

The fund complies with retirement fund legislation. It is therefore suitable as a stand-alone fund in retirement products where Regulation 28 compliance is specifically required.

## CONTACT DETAILS

Funds are also available via Old Mutual Wealth and MAX Investments.



0860 234 234



[www.oldmutualinvest.com](http://www.oldmutualinvest.com)



[unittrusts@oldmutual.com](mailto:unittrusts@oldmutual.com)



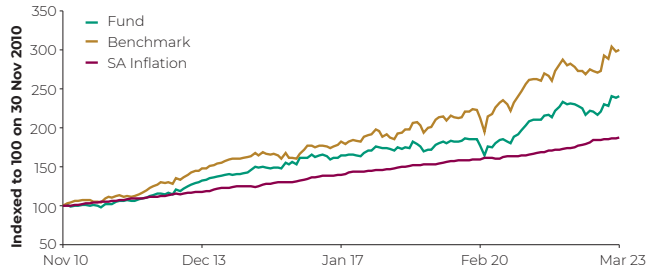
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# INVEST WITH FAITH OLD MUTUAL ALBARAKA BALANCED FUND

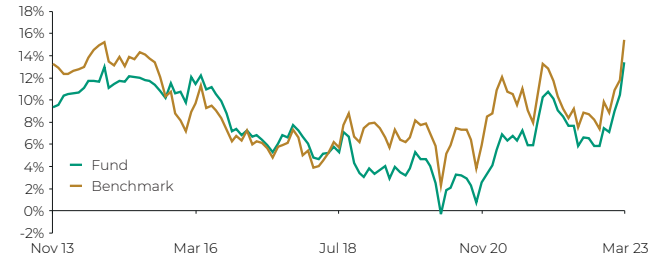
## FUND PERFORMANCE AS AT 31/03/2023

### PERFORMANCE SINCE INCEPTION



Past performance is no indication of future performance.

### 3-YEAR ANNUALISED ROLLING RETURNS (FUND VS BENCHMARK)



% Performance (Annualised)						
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class A)	4.2%	13.4%	7.1%	5.8%	7.5%	7.4%
Fund (Class B1) <sup>2</sup>	4.5%	13.7%	7.4%	6.1%	-	-
Benchmark	8.0%	15.5%	10.1%	8.3%	8.7%	9.3%

<sup>1</sup> Performance since inception of the fund.

<sup>2</sup> Inception: 31 July 2013. Class B1 is available through investment platforms such as Old Mutual Wealth.

Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund returns are net of fees and measured against the benchmark.

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	26.6%	7.6%	-8.7%

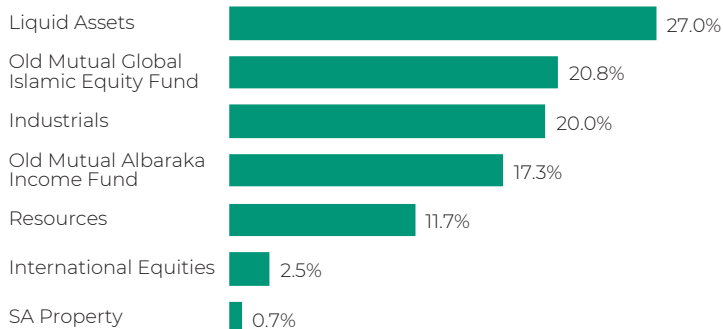
### Risk Statistics (Since Inception)

Maximum Drawdown	-11.5%
Months to Recover	9
% Positive Months	61.5%
Annual Standard Deviation	6.9%
Sharpe Ratio	0.26

Risk statistics are calculated based on monthly performance data from inception of the fund.

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION



### PRINCIPAL HOLDINGS

Holding	% of Fund
Compagnie Financiere Richemont	2.9%
Prosus NV	2.9%
MTN Group Ltd	2.6%
Gold Fields Ltd	2.5%
Anglo American Plc	1.7%
South32 Ltd	1.5%
BHP Group Ltd	1.5%
EOG Resources Inc	1.3%
Reunert Ltd	1.1%
Impala Platinum Holdings Ltd	1.1%



# INVEST WITH FAITH

## OLD MUTUAL ALBARAKA BALANCED FUND

### PORTFOLIO MANAGERS COMMENTARY

OLD MUTUAL CUSTOMISED SOLUTIONS (PTY) LTD



#### FAWAZ FAKIER

- CFA, FRM, BCom honours (Finance)
- 16 years of investment experience



#### MAAHIR JAKOET

- BCom (Hons) UCT
- 11 years of investment experience

Calendar 2022 was a wild ride for markets caused by war, inflation and interest rates. Just looking at the top-level index returns for the first quarter, 2023 seems to have gotten off to a slightly more optimistic start. Global equities were up 7.3% in US dollars. Even global bonds rose 3% in US dollars. This was a reversal of the largely negative year experienced by both asset classes last year.

However, given the events of the past quarter, one is forced to question some of the perceived optimism. The significant rate hikes in the US claimed more victims. Two bank failures in the US sent markets and global financials into a tailspin. This would eventually result in another major move – the regulator-“enforced” takeover of Credit Suisse by UBS. This meant, in the month of March, US banks were down almost 19% and European banks lost almost 14%. Global value (which, traditionally, has a large weight in banks and financials) was therefore barely up 1.2% in the quarter. What drove the market was global growth gaining almost 14% in the quarter. Contributors were US communication services and IT going up 20% over the period.

US and global growth stocks have rerated on the back of US and global bond yields coming

down. The US 10-year yield hit a high of around 4.24% last year but ended this March at below 3.5%. The bank crisis had a big part to play in this, as it likely means these institutions will have to further tighten lending into the economy. The market has interpreted this as a positive, as it may mean rate hikes coming to an end (with maybe even the start of rate cuts). Regionally, Europe provided strong returns, up more than 10% in USD, bouncing back from the energy crisis-induced slowing. Emerging market and Chinese equities delivered positive but tepid 4% to 5% returns in USD.

Despite global markets being up, the rand weakened by 4.5% against the US dollar during the quarter. In rands, South African equities managed a 2.4% return. This was helped significantly by gold mining and other rand-sensitive companies (companies with earnings and significant operations in foreign countries that benefit from a weak rand). More SA-facing companies struggled as company results showed the increasing costs of load shedding on their profits. The listed property sector has also been affected by these dynamics, as measured by the SA REIT index, which was down almost 10% in rands. However, SA bonds managed a 3.4% return for the quarter, ahead of SA cash at 1.8%.

Being overweight to global equity and underweight to local equity, both contributed significantly to the fund's outperformance over the quarter. This will remain our position into the foreseeable future, with more opportunities for high quality, resilient companies being found more easily offshore in current market conditions.

Our equity thesis remains to be overweight to quality at a discount which gives us comfort through the economic cycle, especially when recession risks are at play. A wide dispersion of recession risks is priced in by the market and while defensives will potentially remain attractive in Q2 2023, we are tactically upweighting quality companies with a focus on cheaper valuations. These companies do well near the bottom of the economic cycle, and usually enjoy strong returns well into a rising market.

The fund's asset allocation currently comprises roughly 25% in global equity and 34% in local equity and the balance in sukuk. We are confident that the portfolio is well positioned to navigate market uncertainty and create long-term wealth for our clients.

Source: Old Mutual Investment Group as at 31/03/2023

### OTHER INVESTMENT CONSIDERATIONS

#### MINIMUM INVESTMENTS\*:

Monthly: R500  
Lump sum: R10 000  
Ad hoc: R500

\* These investment minimums are not limited to this fund. They can be apportioned across the funds you have selected in your investment contract.

#### INITIAL CHARGES (Incl. VAT):

Initial adviser fee will be between 0% and 3.45%.

#### ONGOING

	Class A	Class B1
Annual service fees (excl. VAT)	1.25%	1.00%

Please note: Class B1 is available through investment platforms such as Old Mutual Wealth. The fee is accrued daily and paid to the management company on a monthly basis. Other charges incurred by the fund, and deducted from its portfolio, are included in the TER. A portion of Old Mutual Unit Trusts' annual service fees may be paid to administration platforms.

Total Expenses (Incl. Annual Service Fee) (31/12/2022)	36 Months		12 Months	
	Class A	Class B1	Class A	Class B1
Total Expense Ratio (TER) Incl. VAT	1.48%	1.19%	1.48%	1.19%
Transaction Cost (TC)	0.08%	0.08%	0.06%	0.06%
Total Investment Charge	1.56%	1.27%	1.54%	1.25%

Please note: Class B1 is available through investment platforms such as Old Mutual Wealth.

TER is a historic measure of the impact the deduction of management and operating costs has on a fund's value. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER, which includes the annual service fee, may not necessarily be an accurate indication of future TERs. Transaction Cost (TC) is a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.



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**DISCLAIMER**

**We aim to treat our clients fairly by giving you the information you need in as simple a way as possible, to enable you to make informed decisions about your investments.**

- We believe in the value of sound advice and so recommend that you consult a financial planner before buying or selling unit trusts. You may, however, buy and sell without the help of a financial planner. If you do use a planner, we remind you that they are entitled to certain negotiable planner fees or commissions.
- You should ideally see unit trusts as a medium- to long-term investment. The fluctuations of particular investment strategies affect how a fund performs. Your fund value may go up or down. Therefore, we cannot guarantee the investment capital or return of your investment. How a fund has performed in the past does not necessarily indicate how it will perform in the future.
- The fund fees and costs that we charge for managing your investment are disclosed in this Minimum Disclosure Document (MDD) and in the table of fees and charges, both of which are available on our public website or from our contact centre.
- Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained, free of charge, from Old Mutual Unit Trust Managers (RF) (Pty) Ltd, from our public website at [www.oldmutualinvest.com](http://www.oldmutualinvest.com) or our contact centre on 0860 234 234.
- Our cut-off time for client instructions (e.g. buying and selling) is at 15:00 each working day for all our funds, except for our money market funds, where the cut-off is at 12:30.
- The valuation time is set at 15:00 each working day for all our funds, excluding our money market funds which is at 13:00, to determine the daily ruling price (other than at month-end when we value the Old Mutual Index Funds and Old Mutual Multi-Managers Fund of Funds range at 17:00 close). Daily prices are available on the public website and in the media.
- Unit trusts are traded at ruling prices, may borrow to fund client disinvestments and may engage in scrip lending. The daily ruling price is based on the current market value of the fund's assets plus income minus expenses (NAV of the portfolio) divided by the number of units on issue.
- This fund holds assets in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.
- The Net Asset Value to Net Asset Value figures are used for the performance calculations. The performance quoted is for a lump sum investment. The performance calculation includes income distributions prior to the deduction of taxes and distributions are reinvested on the ex-dividend date. Performances may differ as a result of actual initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Annualised returns are the weighted average compound growth rates over the performance period measured. Performances are in ZAR and as at 31 March 2023. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).
- MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings ("the information") provide environmental, social and governance data with respect to underlying securities within more than 31 000 multi-asset class mutual funds and ETFs globally. MSCI ESG is a registered investment adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from the US SEC or any other regulatory body. None of the information constitutes an offer to buy or sell, or a promotion or recommendation of any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the information can be used to determine which securities to buy or sell or when to buy or sell them. The information is provided "as is" and the user of the information assumes the entire risk of any use it may make or permit to be made of the information.


Old Mutual Customised Solutions (Pty) Ltd is a Licensed Financial Services Provider.


Old Mutual Unit Trust Managers (RF) (Pty) Ltd, registration number 1965 008 47107, is a registered manager in terms of the Collective Investment Schemes Control Act 45 of 2002. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA). Old Mutual Unit Trust Managers has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

Trustee: Standard Chartered Bank, PO Box 782080, Sandton 2146. Tel: +27 11 217 6600, Fax: +27 11 217 6642.

**CONTACT DETAILS**

**Funds are also available via Old Mutual Wealth and MAX Investments.**

 0860 234 234

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