



# 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

#### FUND MANAGER(S):

Fawaz Fakier & Maahir Jakoet  
(Old Mutual Investment Group)

#### LAUNCH DATE:

12/11/2010

#### SIZE OF FUND:

R4.9bn

#### DISTRIBUTIONS: (Half-yearly)\*

Date	Dividend	Shari'ah Permissible Income	Total	Total %
31/12/2023	1.33c	4.02c	5.35c	1.38%
30/06/2023	1.73c	3.02c	4.75c	1.26%

\* 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

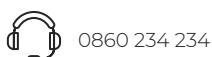
The fund is a Shari'ah compliant asset allocation fund that offers investors access to local and international asset classes including equity, liquid assets and non-equity securities, such as sukuk (Islamic bonds) and equity conduits. It may also invest in the portfolios of other unit trusts, both locally 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)



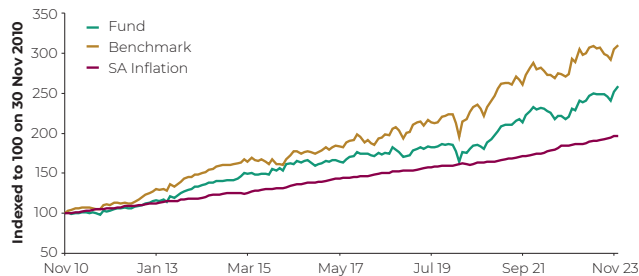
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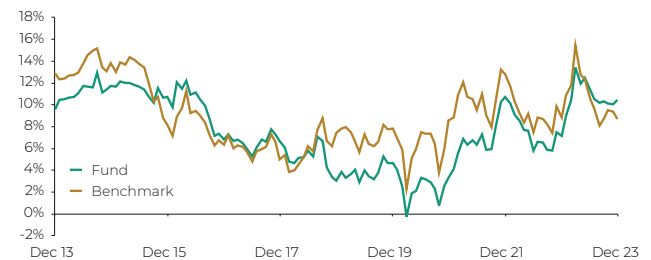
## FUND PERFORMANCE AS AT 31/12/2023

### 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)	13.1%	10.4%	8.6%	6.9%	6.9%	7.5%
Fund (Class B1) <sup>2</sup>	13.4%	10.7%	8.9%	7.2%	7.2%	-
Benchmark	7.3%	8.7%	9.1%	8.2%	7.6%	9.0%

<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.

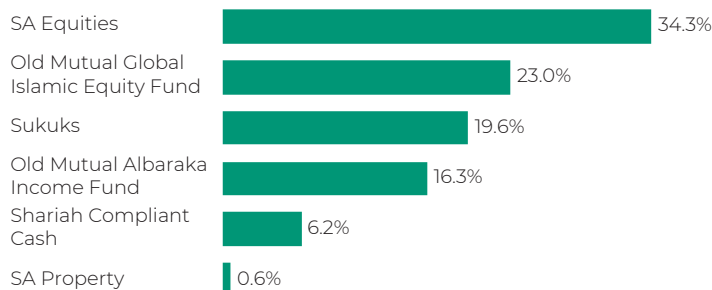
Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	26.6%	7.8%	-8.7%

Risk Statistics (Since Inception)	
Maximum Drawdown	-11.5%
Months to Recover	9
% Positive Months	60.5%
Annual Standard Deviation	6.9%
Sharpe Ratio	0.27

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

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION



### PRINCIPAL HOLDINGS

Holding	% of Fund
Gold Fields Ltd	2.5%
BHP Group Ltd	2.2%
MTN Group Ltd	1.9%
Anglo American Plc	1.7%
South32 Ltd	1.5%
Mr Price Group Ltd	1.4%
AVI Ltd	1.3%
Mondi Plc	1.2%
Vodacom Group Ltd	1.1%
AECI Ltd	1.0%



# INVEST WITH FAITH

## OLD MUTUAL ALBARAKA BALANCED FUND

### PORTFOLIO MANAGERS COMMENTARY

OLD MUTUAL INVESTMENT GROUP



#### FAWAZ FAKIER

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



#### MAAHIR JAKOET

- BCom (Hons) UCT, MBA
- 12 years of investment experience

Risk assets remained under pressure at the start of the last quarter of 2023. However, they recovered in November and December as markets started to position for a more accommodative US Federal Reserve in 2024. This view was driven by several factors: the continued decline in inflation (though still well above target); softening in the labour market through slower wage growth and a small uptick in unemployment from the trough seen earlier in the year; and tighter financial conditions, which would likely weigh on the strong quarter three growth print. This resulted in global equities delivering 11% for the quarter and nearly 23% for the year (both in US dollars). With inflation concerns evaporating, peak rates now seemingly confirmed and the expectation of rate cuts growing, global bonds performed well (nearly 5% higher for the quarter). Commodities such as copper, platinum and gold performed well too in the quarter. Oil fell almost 20% with the Israel-Hamas war having little to no impact on the price as many may have feared.

Having languished for most of the year, South African assets participated in this recovery. Equity and property erased their dismal year-to-date performances to deliver more pleasing returns for the full year. Bonds also rallied returning 8% in the quarter (very similar to equity) as yields fell nearly a full percentage point. This performance took the return for the year to 9.7%, which compares

favourably with the 8% return achieved by equity and cash. The currency weakened from R17.02 against the US dollar to R19.82 at the worst point in the first half of the year but has been able to recover somewhat and traded nearly 3% stronger in the fourth quarter to end the year at R18.29.

Among the asset classes, the overweight in global equity and underweight in local equity were the clear alpha drivers for the quarter. Our underweight positions in materials and communication services were the largest contributors on a sector level, while our overweight to consumer discretionary and industrials detracted from performance. On a security level, the fund's underweight positions in Anglo American PLC and Sasol contributed to performance, while the underweight in Kumba Iron Ore, overweight in Super Group detracted most from performance.

Our macroeconomic indicators show that we are moving out of a recessionary into a reflationary environment in the SA market and that we are already in a reflationary market in the global space. The positive sentiment is driven by factors such as interest rates potentially peaking, inflation coming down steadily, unemployment and housing numbers remaining resilient and financial markets across the globe continuing to enjoy healthy positive returns. China's economic recovery remains precarious, weighing on SA equities. Another potential downside risk is corporate

earnings, which will continue to exhibit downward pressure given tighter monetary policy across the globe, especially in more cyclical industries such as materials, consumer discretionary, communication services and IT.

Domestically, we still face challenges with fiscal risks, political uncertainty, and poor governance. This will affect SA GDP growth, however, our model continues to observe some value in SA Inc. counters.

The fund benefited from both local and global equities over the quarter. From a style perspective, various market cycle indicators appear to be favouring "defensive value" and easing into "defensive growth" as more positive sentiment enters the market as recession fears become subtly subdued. Within the allowable Shariah universe, there was no forced selling regarding stocks that have become non-Shari'ah-compliant over the quarter ending December 2023.

The fund's asset allocation currently comprises roughly 23% in global equity, 34% in local equity, and the balance in Sukuk (Shari'ah fixed-income instruments). The fund's mandate allows for a maximum of 60% in total equity excluding property that is placed in the ASISA Medium Equity Balanced Fund category. In the current market environment, we prefer high-quality defensive characteristics within our equity opportunity set.

Source: Old Mutual Investment Group as at 31/12/2023

### 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) (30/09/2023)	36 Months		12 Months	
	Class A	Class B1	Class A	Class B1
Total Expense Ratio (TER) Incl. VAT	1.47%	1.18%	1.47%	1.18%
Transaction Cost (TC)	0.06%	0.06%	0.04%	0.04%
Total Investment Charge	1.53%	1.24%	1.51%	1.22%

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.
- Investments in unit trusts should ideally be a medium- to long-term strategy that takes cognisance of the Recommended Investment Term of each individual fund as stipulated in its Minimum Disclosure Document. A fund's or an investment strategy's ability to provide benchmark performance, or to achieve its performance target over its Recommended Investment Term on a net of fee basis may be impacted by market illiquidity, differences in fund and market pricing points, concentration risk and other local (and where applicable global) events, such as market- and political developments, macro-economic factors and healthcare risks such as Covid-19, amongst others. Your fund value may therefore go up or down and the investment capital or return on your investment is not guaranteed. 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.
- Excessive daily withdrawals from the fund may place the fund under liquidity pressures. In such circumstances a process of ring-fencing of withdrawal instructions and/or managed payouts over time may be followed.
- 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 December 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 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

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

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

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