



# 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 less 0.5% p.a. & 5% US Dollar 3-Month Cash Index

#### PERFORMANCE TARGET:

To outperform the benchmark over rolling 3-year periods.

#### ASISA CATEGORY:

South African – Multi-Asset – Medium Equity

#### FUND MANAGER(S):

Maahir Jakoet & Fawaz Fakier  
(Old Mutual Investment Group)

#### LAUNCH DATE:

12/11/2010

#### SIZE OF FUND:

R5.3bn

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

Date	Dividend	Shari'ah Permissible Income	Total	Total %
31/12/2024	1.74c	4.29c	6.03c	1.47%
30/06/2024	2.18c	3.52c	5.71c	1.43%

\* 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

#### 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

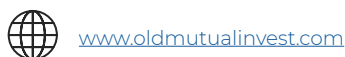
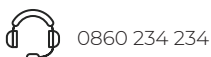
The fund is a Shari'ah compliant asset allocation fund that offers investors access to local and international asset classes including equity, liquid assets and non-equity securities, such as sukuku (Islamic bonds) and equity conduits. It may also invest in the portfolios of other unit trusts, both locally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

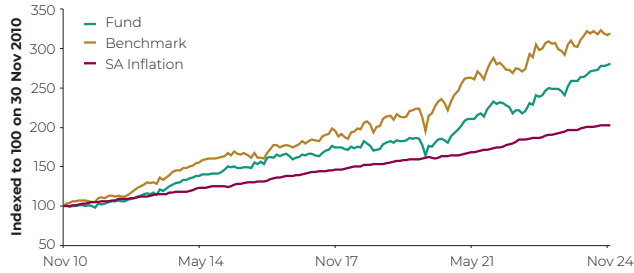




# INVEST WITH FAITH OLD MUTUAL ALBARAKA BALANCED FUND

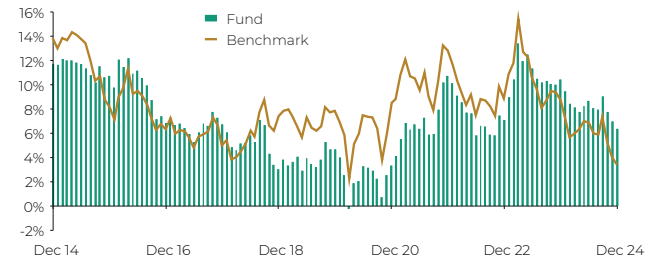
## FUND PERFORMANCE AS AT 31/12/2024

### 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)	8.5%	6.4%	8.6%	7.1%	7.0%	7.6%
Fund (Class B1) <sup>2</sup>	8.8%	6.7%	8.9%	7.4%	7.3%	-
Benchmark	2.8%	3.4%	7.3%	7.8%	6.9%	8.6%

<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%	8.0%	-8.7%

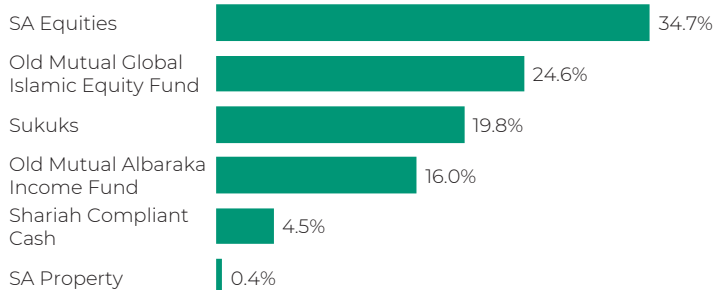
### Risk Statistics (Since Inception)

Maximum Drawdown	-11.5%
Months to Recover	9
% Positive Months	62.7%
Annual Standard Deviation	6.7%
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
Anglo American Plc	2.4%
Mr Price Group Ltd	2.2%
MTN Group Ltd	2.0%
Pan African Resources Plc	1.7%
Compagnie Financière Richemont	1.7%
BHP Group Ltd	1.7%
Glencore Plc	1.6%
Vodacom Group Ltd	1.4%
Gold Fields Ltd	1.4%
South32 Ltd	1.3%



## INVEST WITH FAITH

## OLD MUTUAL ALBARAKA BALANCED FUND

## PORTFOLIO MANAGERS COMMENTARY

OLD MUTUAL INVESTMENT GROUP

**MAAHIR JAKOET**

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

**FAWAZ FAKIER**

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

In 2024, Global equities were up 17.5% (in US dollar) despite losing ground over the quarter (down 1% in US dollar). This was led by the US, which gained 24.5% (in US dollar) over the year and follows last year's 20% plus return from the index. The last time this occurred in two consecutive years was the late 1990s. While interest rate cuts around the world meant financials did well, a large part of the performance is due to a surging Magnificent Seven. These US mega caps were up 67% (in US dollar) this year. This meant Growth outperformed Value significantly again (24% vs 11% in US dollar) and the US dollar had another year of strength against most currencies.

Over the quarter, as Trump started to take the lead in and eventually be elected the next US president, global bonds sold off significantly (Bloomberg Global Aggregate down 5% in US dollar) given his likely inflationary policies. For the year, even though global credit spreads tightened over the year, global bonds were down 1.7% in US dollar for the year.

In South Africa, the FTSE/JSE Capped SWIX Index gave up 2% (in rand) over the quarter to bring the full year return to 13.4%.

The strong US dollar during the quarter hurt local resources counters and these were down over 9%, excluding dividends. This brought their price return to -11% in ZAR over the year. In addition, the Naspers/Prosus complex was up 35% in rand over the year. During the year, bond yields dropped post the formation of the

Government of National Unity and then held at lower levels. Interest rate sensitive sectors benefitted strongly from this over the year with the SA REIT index up 36%. Excluding dividends, South African financials were up over 16% and South African retailers were up over 36% in 2024.

South African bonds outperformed South African equities in aggregate and, while flat over the quarter, were up over 17% in rand for 2024.

Among the asset classes, the underweight in domestic equity was the clear alpha driver over the period.

The fund's underweight positions in materials and overweight in communication services were the largest contributors on a sector level, contrastingly, the fund's underweight to consumer staples detracted from performance relative to the benchmark. On a security level, the fund's underweight positions in BHP and Kumba were the largest contribution to performance, while the underweight to Richemont and AngloGold detracted most from performance.

Our asset allocation remains overweight global, and underweight local equity relative to the benchmark. Given a constrained local universe, we find a lot more breadth and diversification in our allowable global opportunity set. Local equities remain the largest absolute allocation, with a natural bias to small and mid-caps, this should benefit from rate cuts and improved growth. While the outlook in China remains

challenging, its data suggests policymakers continue to show commitment to supporting the national budget deficit through various levers. The fund remains underweight materials relative to the benchmark, however, we continue to narrow the fund's underweight in materials as the model is showing value in miners, which should benefit if China delivers some upside surprises in 2025. Within the fund's global exposure, it remains underweight the US and underweight tech. However, the fund has an overweight exposure to the communication services sector. The US stock market sentiment has become stretched as the S&P 500 trades at above 21x forward earnings, this is more than 25% pre-pandemic levels. This sky-high optimism warrants caution and, furthermore, a quality portfolio. A large portion of the fund is exposed to Sukuk (Islamic fixed income), which provides stability and diversification. In the current rate-cutting environment, we continue to buy longer-duration Sukuk.

Macroeconomic indicators point us to early slowdown; therefore, we remain cautious about global growth. The fund's dominant style exposure is to quality, which is more defensive and should hold up well in an environment of higher volatility.

Within the allowable Shari'ah universe, there was no forced selling of shares that breached Shari'ah-compliant rules over the quarter ending December 2024.

Source: Old Mutual Investment Group as at 31/12/2024

## OTHER INVESTMENT CONSIDERATIONS

## 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) (30/09/2024)	36 Months		12 Months	
	Class A	Class B1	Class A	Class B1
Total Expense Ratio (TER) Incl. VAT	1.47%	1.18%	1.48%	1.19%
Transaction Cost (TC)	0.05%	0.05%	0.06%	0.06%
Total Investment Charge	1.52%	1.23%	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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**MINIMUM INVESTMENTS**

Monthly: R500  
Lump sum: R10 000  
Ad hoc: R500 (in addition to your monthly or lump sum investment)

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

**LOW BALANCE CHARGE**

Effective from 31 March 2025, a Prescribed Minimum Balance of R10 000 per fund per investment contract will apply. Failure to maintain the Prescribed Minimum Balance in any such fund will result in a Low Balance Charge\* of R30 per month excluding VAT being incurred. However, if there is an existing monthly debit order of a minimum of R500 into each underlying fund within your investment contract, the Low Balance Charge will not apply. Please refer to the [link for a full disclosure](#) on how the Low Balance Charge will apply to your investments.

\* This charge will not apply if investing via investment platforms such as Old Mutual Wealth.

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

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

**DISCLOSURES**

**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 2024. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).

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.

