OLD MUTUAL SHARI'AH COMPOSITE PORTFOLIO

INVESTMENT GROUP

IN RESPECT OF OLD MUTUAL MULTI MANAGERS FOR THE OMEGS FUND

INSTITUTIONAL
31 MARCH 2024

FUND INFORMATION

BENCHMARK:	45% Customised SA Shari'ah Equity Index 10% S&P Developed Markets Large & Mid-Cap Shari'ah Index 40% STeFI Composite - 0.5% 5% Three-month US Dollar LIBOR
SIZE OF FUND:	R170 million
VEHICLE:	This Portfolio invests through Class B1 Units in the Old Mutual Albaraka Balanced Fund (JSE Code: OMAB1) and the Old Mutual Albaraka Equity Fund (JSE Code: OAEB1)
SHARI'AH COMPLIANCE:	An independent Shari'ah Supervisory Board oversees adherence to the applicable Shari'ah principals.

INVESTMENT DESCRIPTION

The Portfolio is a Regulation 28 Shari'ah compliant asset allocation Portfolio that offers investors access to local and international asset classes including equity and Shari'ah compliant cash investments. The Portfolio excludes companies whose core business involves dealing in alcohol, gambling, non-halaal foodstuffs or interest-bearing instruments. The Portfolio adheres to the standards of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as interpreted by the Shari'ah Supervisory Board.

The Portfolio aims to outperform the benchmark over rolling three year periods, whilst seeking to optimaly manage portfolio volatility. Interest income is stripped out of the portfolio as impermissible income on a daily basis and is paid to the SA Muslim Charitable Trust.

INVESTMENT STRATEGY

Asset allocation is determined using a proprietary model that measures the relative attractiveness of equities versus cash compared to its long term history. We use an objective and repeatable model driven framework that allows us to determine when to change our equity allocation. Our investment decisions are a direct result of our objective investment processes and not varying subjective opinions.

We believe superior investment performance comes from a combination of stock selection and portfolio construction. Our stock selection process seeks to systematically invest in high quality, attractively valued companies with favorable long-term growth prospects. Viewed from a portfolio construction lens, we believe that outperformance can be obtained by actively managing the portfolio's volatility via portfolio construction.

The Portfolio has exposure to Shari'ah compliant cash investments or conduits as a substitute for traditional fixed income instruments. These instruments give investors much needed exposure to non-equities, thereby allowing us to offer investors a Shari'ah compliant balanced portfolio.

MAAHIR JAKOET
Portfolio Manager

FAWAZ FAKIER
Portfolio Manager

MARIO FISHER
Investment Research Head

FUND PERFORMANCE AS AT 31/03/2024

	3 months	1 Year	3 Years	5 Years	Since Inception (August 2018)
Fund*	1.7%	8.6%	8.4%	8.2%	6.8%
Benchmark	0.5%	3.6%	6.0%	7.8%	7.7%

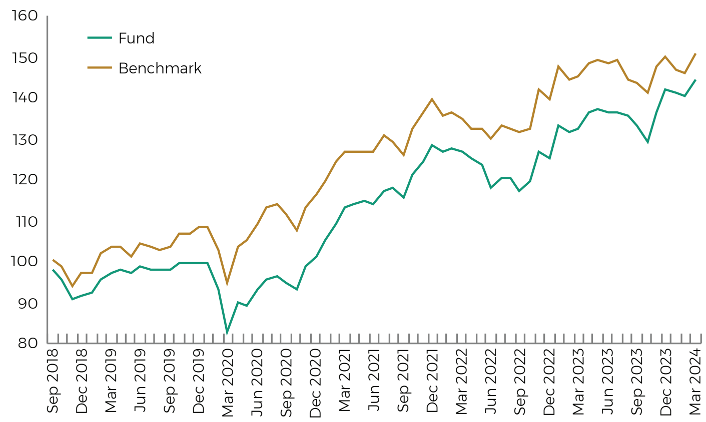
* Performance is calculated net of fees. Note: Performance shown above is based on the amended mandate (higher equity exposure) and not for periods prior to 31 August 2018.

RISK STATISTICS SINCE INCEPTION AS AT 31/03/2024

Measure	Portfolio	Benchmark
Standard Deviation	8.7%	8.6%
Tracking Error	3.8%	
Information Ratio	0.6	

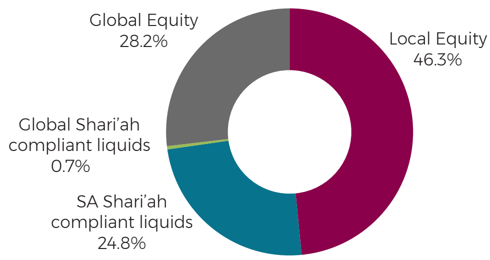
Source: Old Mutual Investment Group

CUMULATIVE RETURNS TO 31/03/2024



Performance is calculated net of fees
Sources: Old Mutual Investment Group, Bloomberg and SAFEX

ASSET ALLOCATION



Portfolio holdings are available on a quarterly basis upon request.
Source: Old Mutual Investment Group

PRINCIPAL HOLDINGS AS AT 31/03/2024

COMPANY	% OF FUND
MTN GROUP LIMITED	2.9%
GOLD FIELDS LIMITED	2.7%
ANGLO AMERICAN PLC	2.5%
BHP Group Limited	2.2%
MR PRICE GROUP LIMITED	2.2%
META PLATFORMS A	1.9%
SOUTH32 LIMITED	1.8%
AVI LIMITED	1.8%
NOVO NORDISK B	1.8%
VODACOM GROUP LIMITED	1.7%

Source: Old Mutual Investment Group

QUARTERLY COMMENTARY (31 MARCH 2024)

Global risk assets continued their march upwards in the first quarter of 2024. While the rally has broadened, the US and technology shares maintained their leadership. Nascent signs of improving activity, a good results season and improving financial conditions helped equity markets shrug off concerns around the path for interest rates. Oil prices were up 14%, presenting a challenge to the pace of disinflation over the remainder of the year. The combination was unhelpful for global bonds, with the US 10-year Treasury yield rising by 30 basis points (bps) over the quarter. This resulted in global equities delivering 8% for the quarter, while global bonds were down 3% (both in US dollars).

On the local front, moderate rand weakness and poor domestic performance meant South African (SA) assets again lagged their global counterparts. Stagnant growth in China remained unhelpful, while domestic earnings were impacted by the myriad of electricity and logistics challenges, as well as a tough environment for consumers. Domestic bond yields continued to grind higher, ending the quarter back above 12%. This was despite a reasonable National Budget in February, as foreign investors remained absent while the asset class is well owned by local fund managers. The net result was similar outcomes for South African bonds and equities, both down 2% to 3% over the quarter in rands. Domestic property was a relatively bright spot. Having bottomed in the last quarter of 2023, the sector continued to rerate from depressed levels, ending the quarter up 4%.

Performance

Against the above backdrop, the portfolio's benchmark delivered 0.48% for the quarter whilst the portfolio returned 1.7% ending March 2024. Among the asset classes, the overweight position in global equity was the clear alpha driver for the quarter.

Positioning

Investors in SA should remain cautious on SA equities in the run-up to the SA elections, as we are not without our challenges. However, our model continues to see value in SA Inc. We could potentially see a recovery in H2, as it seems that SA household consumption has turned the corner. Furthermore, Chinese data suggests a bumpy recovery may be underway, as the worst of the Chinese housing drag may be in the rearview mirror. Moreover, our macroeconomic indicators point to a reflationary mid-cycle, both globally and locally. The US Federal Reserve (the Fed) is hoping for a soft landing where growth slows, and in addition, there is room for rate cuts. While this scenario plays out it does not come without risk, as an ongoing resilient economy could lead to upward inflation pressure and the planned rate cuts might be pulled back again. Locally, expert commentators believe that the SA Reserve Bank (SARB) will wait until the third quarter before cutting rates. For now, we will be placing out longer duration Sukuk.

The portfolio's asset allocation currently comprises roughly 28% in global equity, 46% in local equity and the balance in Sukuk (Shari'ah fixed-income instruments). In the current market environment, we prefer high-quality shares with good growth prospects in our equity opportunity set.

CONTACT DETAILS
Mutualpark, Jan Smuts Drive, Pinelands 7405. PO Box 878, Cape Town 8000, South Africa.
Tel: +27 21 509 5022, Fax: +27 21 509 4663, Email: ClientService@oldmutualinvest.com, Website: www.oldmutualinvest.com