INVESTMENT GROUP

OLD MUTUAL SHARI'AH COMPOSITE PORTFOLIO

IN RESPECT OF OLD MUTUAL MULTI MANAGERS FOR THE OMEGS FUND

INSTITUTIONAL
31 MARCH 2025

PORTFOLIO 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:	R190 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:	Independent Shari'ah Supervisory Board

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. It adheres to the standards of the Accounting and Auditing Organisation for Islamic Financial Institutions as interpreted by the Shari'ah Supervisory Board.

The portfolio aims to outperform the benchmark over rolling three year periods, while 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.

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.

INVESTMENT TEAM

MAAHIR JAKOET
Portfolio Manager
BCom (Hons), MBA

FAWAZ FAKIER
Portfolio Manager
BCom Fin (Hons), CFA, FRM, CSAA

MARIO FISHER
Head: Investment Research
B Com, MSc

PORTFOLIO PERFORMANCE (Net of fees)

	3 months	1 Year	3 Years	5 Years	Since Inception (August 2018)
Portfolio*	-0.2%	7.1%	6.7%	13.2%	6.8%
Benchmark	5.0%	7.5%	6.3%	11.4%	7.6%

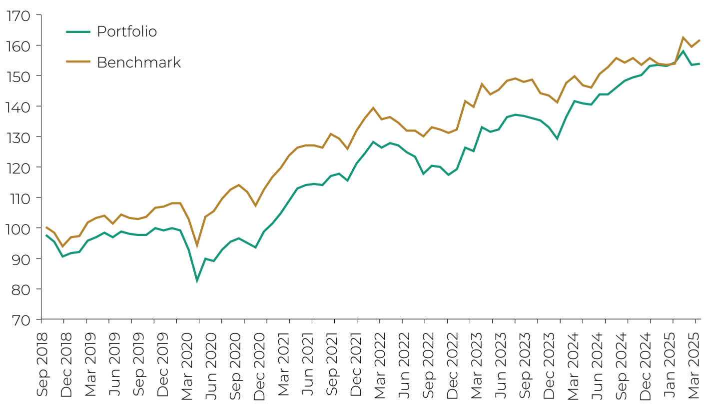
* Performance is calculated net of fees. Note: Performance shown above is based on the amended mandate (higher equity exposure) and not for periods prior to 31 August 2018.

RISK STATISTICS (Annualised, three years)

Measure	Portfolio	Benchmark
Standard Deviation	8.2%	8.1%
Tracking Error	4.6%	
Information Ratio	0.1	

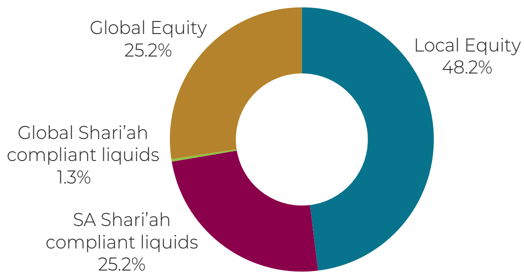
Source: Old Mutual Investment Group

CUMULATIVE RETURNS



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

Company	% of Portfolio
Gold Fields Limited	3.2
Anglo American PLC	3.1
Harmony Gold Mining Co Limited	3.1
Mtn Group Limited	2.6
BHP Group Limited	2.2
Compagnie Fin Richemont	2.1
Vodacom Group Limited	1.9
Glencore Plc	1.7
Anglo American Platinum Limited	1.7
South32 Limited	1.7

Source: Old Mutual Investment Group

IN RESPECT OF OLD MUTUAL MULTI MANAGERS FOR THE OMEGS FUND

INSTITUTIONAL
31 MARCH 2025

QUARTERLY COMMENTARY (31 MARCH 2025)

Market overview

Relative to the end of 2024, the first quarter of 2025 marked a significant reversal of market expectations, as trade tensions dominated market sentiment after the Trump administration implemented wide-ranging tariffs targeting China, which extended to the US' traditional allies. US markets struggled, with the S&P 500 falling 4.6% and NASDAQ declining 10.4% in dollars, its worst start since 2018. US economic data showed cooling trends, with the Atlanta Fed GDPNow projecting a US real GDP quarter one contraction of 2.8% at the end of March.

In contrast, European and Chinese markets showed strength, with Europe and China up 10.7% and 15.0% (in dollars) year-to-date, respectively. Fiscal stimulus emerged as a surprise catalyst for European markets, as Germany announced a €500 billion infrastructure fund and increased defence spending, breaking previous fiscal rules. China also implemented stimulus, including wage increases for government workers and expanded consumer programmes. Noteworthy was that emerging markets outperformed developed markets for the first time since 2017, with the quarterly return of MSCI EM of +2.4% outpacing that of MSCI World, which delivered -2.1% (in dollars).

Volatility in the global tech sector intensified when Chinese AI startup DeepSeek released its cost-effective language model, triggering concerns about AI pricing. NVIDIA shares plunged approximately 20%, spreading weakness across the semiconductor sector.

Commodities emerged as top performers over the quarter, with gold breaking through US$3 000 to reach historic highs (+19% year-to-date). Copper gained 25% in quarter one, while Brent crude rose to US$77.2/bbl. The US dollar weakened significantly with DXY down 3.2% in March, as the euro strengthened 4.3% on fiscal stimulus announcements.

Domestically, the key policy news was that the budget failed to receive a GNU consensus, with the ANC and DA continuing to negotiate to reach a deal. In March, the MPC kept the key policy rate at 7.5%, as expected. However, the tone of the meeting was more balanced compared to its hawkish view in January.

In terms of domestic market performance, South African equities outperformed all asset classes with a total return of +5.9% year-to-date (in rands). Resources (+27.9%) significantly outperformed industrials, which returned +3.1%, while South African financials recorded a loss of 2%. Within resources, precious metals showed exceptional gains (+58.5% year-to-date), with companies like Harmony (+77%), Gold Fields (+67%), AngloGold (+67%) and Implats (+43%) delivering outstanding returns. South African equity laggards included energy (-13.9%), followed by consumer discretionary (-9.9%) and industrials (-8.3%). South African bonds only managed to eke out a total return of +0.7%, while property lost 3.5% over the quarter.

Performance review

Among the asset classes, the underweight in domestic equity and overweight in global equity, detracted from the fund's performance relative to its benchmark. Focussing on the domestic building block, the underweight positions in materials was by far the largest detractor on a sector level. Contrastingly, the fund's overweight to communication services contributed to performance relative to the benchmark. On a security level, the fund's underweight positions in BHP and Anglo were the largest contributors to performance, while its underweight to AngloGold and overweight to Mr Price detracted most from performance.

Strategy and positioning

The fund's asset allocation currently comprises roughly 25% 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. Due to a constrained local universe, we find a lot more breadth and diversification in our allowable global opportunity set. Therefore, our asset allocation remains overweight global, and underweight local equity relative to the benchmark. However, local equities remain the largest absolute allocation, with a natural bias to small- and mid-caps. Domestic equity is currently attractive given the current investment climate, and the additional volatility regarding President Trump's policies does not help the case for global equities. Within fund's domestic exposure, it is underweight consumer discretionary and healthcare relative to the benchmark, and overweight communication services and information technology. Furthermore, within the fund's global equity exposure, it remains underweight the US and underweight tech – specifically the Mag7. The fund is underweight industrials and consumer staples relative to the benchmark and overweight the energy and financial sector. A large portion of the fund is exposed to Sukuk, which provides stability and diversification. The rate-cutting seems to have paused, therefore, we continue to buy longer-duration Sukuk.

Our inhouse Macro-Economic indicators hover within 'Slowdown' territory due to the recent PMI print; therefore, we remain cautious about global growth. We have mentioned previously that the sky-high optimism regarding US exceptionalism warrants caution and, moreover, a quality portfolio. We build portfolios that have positive exposures to quality, value, and growth factors. The fund's dominant style exposure is to quality, which is more defensive and should hold up well in an environment of higher volatility. Buckle up, we have been here before. Investing is a long-term game.

CONTACT DETAILS
Riverlands, Building 1, First Floor, 51 Gogosoa Street, Observatory 7925, Cape Town, South Africa.
Tel: +27 21 509 5022, Fax: +27 21 509 4663, Email: ClientService@oldmutualinvest.com, Website: www.oldmutualinvest.com