INVESTMENT GROUP

OLD MUTUAL GLOBAL ISLAMIC EQUITY FUND

FOR PROFESSIONAL INVESTORS AND AUTHORISED PROMOTERS ONLY
30 APRIL 2021

KEY FACTS

BLOOMBERG TICKER	OMGIEAH ID
BENCHMARK:	S&P Developed Large Mid Cap Shari'ah Index
PUBLIC INCEPTION DATE:	12 April 2016
CURRENCY:	USD
FUND SIZE:	$122m
SUBSCRIPTION SETTLEMENT:	T+1
REDEMPTION SETTLEMENT:	T+3
DOMICILE:	Ireland
STRUCTURE:	Undertaking for Collective Investments in Transferable Securities (UCITS), Open-Ended Investment Company

INVESTMENT DESCRIPTION

The Old Mutual Global Islamic Equity Fund (the Fund) offers investors exposure to a broad spectrum of Developed Market shares. The Fund is a Shari'ah Compliant managed fund and excludes companies whose core business involves dealing in alcohol, gambling, non-halaal foodstuffs or interest-bearing instruments. The Fund adheres to the standards of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as interpreted by the Shari'ah Supervisory Board. This solution is suitable for investors seeking an ethical, diversified investment, who have a moderate risk profile in an equity context and a time horizon longer than three years.

INVESTMENT STRATEGY

The Fund aims to provide investors with a valuable source of alternative alpha, along with a low correlation to other equity strategies.

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.

SALIEGH SALAAM
Portfolio Manager

MAAHIR JAKOET
Portfolio Manager

CONTACT DETAILS

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PERFORMANCE AS AT 30/04/2021

Net of Fees Fund Returns

	Fund	Benchmark*	Out/Under-Performance
3 months	14.0%	8.5%	5.5%
6 months	35.3%	24.7%	10.6%
1 Year	44.6%	45.4%	-0.8%
3 Years	12.8%	19.6%	-6.8%
5 Years	12.6%	17.6%	-5.0%
Since Inception	12.6%	17.6%	-5.0%

Source: Old Mutual Investment Group. Returns for periods greater than 1 year are annualised.

RISK STATISTICS AS AT AT 30/04/2021 – 3 YEARS (ANNUALISED)

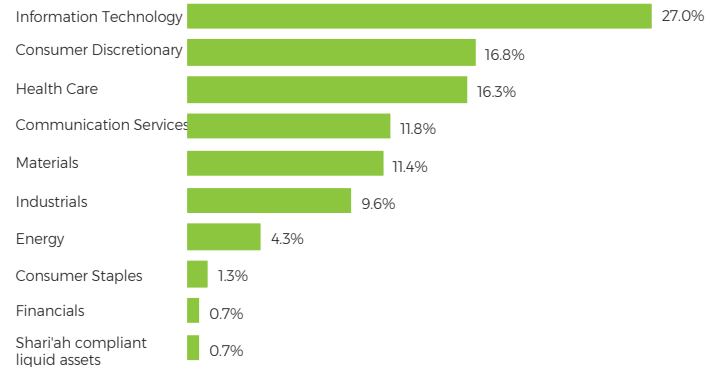
Measure	Portfolio	Benchmark
Standard Deviation	18.1%	17.5%
Tracking Error	6.0%	
Beta	1.0%	
Information Ratio	-1.1%	

PRINCIPAL EQUITY HOLDINGS AS AT AT 30/04/2021

COMPANY	LISTED	SECTOR	% OF FUND
Facebook A	United States	Communication Services	5.1%
Alphabet A	United States	Communication Services	4.6%
Applied Materials	United States	Information Technology	4.1%
Akzo Nobel	Netherlands	Materials	3.3%
Arista Networks	United States	Information Technology	3.1%
Autozone	United States	Consumer Discretionary	2.9%
Johnson Matthey	United Kingdom	Materials	2.8%
Ebay	United States	Consumer Discretionary	2.7%
Booking Holdings	United States	Consumer Discretionary	2.6%
Microsoft Corp	United States	Information Technology	2.5%

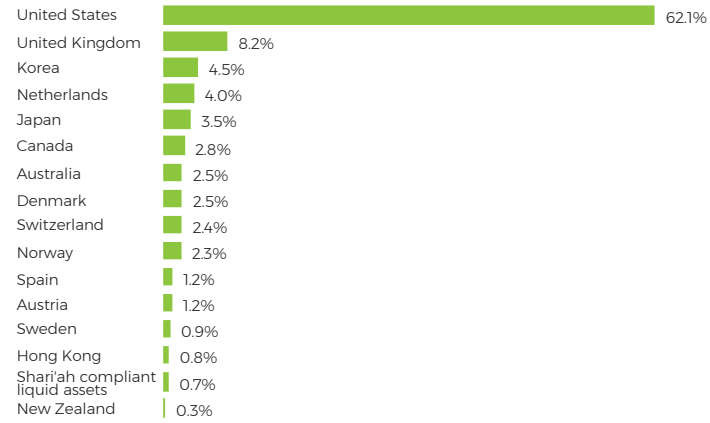
Source: Old Mutual Investment Group

SECTOR ALLOCATION AS AT AT 30/04/2021



Source: Old Mutual Investment Group

COUNTRY ALLOCATION AS AT AT 30/04/2021



Source: Old Mutual Investment Group

QUARTERLY COMMENTARY (31 MARCH 2021)

Financial markets went into overdrive in the first quarter of the year.

Investors embraced risk-taking in the first quarter of 2021. US Treasury 10 year yield jumped from 0.9% at the start of the year and ended the quarter at about 1.7%. Optimism around economic growth, successful vaccination rollout, and fiscal stimulus along with fears of inflation sparked the rise in rates and prompted the sharp rotation to cyclicals and Value factors.

During Q1, the S&P 500 rose 5.8% and the Dow Jones Industrial Average up 7.8%.

As the year began, investors didn't know that Democrats would win control of the Senate, allowing the government to push through a bigger stimulus package than many had expected. They didn't know what would happen as coronavirus cases surged to new highs, or pro-Trump rioters stormed the U.S. Capitol.

As time progressed, investors saw reasons to be hopeful. The Covid-19 vaccine rollout began to gather momentum and Economists raised their expectations for a powerful recovery. Investors had the reassurance that the Federal Reserve would continue to hold interest rates near zero and that the US Federal government would deploy trillions more dollars in aid for the economy.

Investors responded in force. In one of the most powerful market rotations in years, investors shifted money out of technology shares and into long beaten-down sectors such as financials and energy. Their bet: that improving economic activity would lift up shares of these cyclical companies. The S&P 500 Value Index gained 11.3% vs the S&P 500 Growth index 0.9%, ending the quarter with the largest quarterly outperformance of Growth by Value in 20 years.

The Dow outperformed the Nasdaq Composite Index by around 5 percentage points this quarter—the largest difference since the fourth quarter of 2018. Big technology stocks are no longer trouncing everything else in the market. Exxon Mobil Corp. is up 35% for the year, while Amazon.com Inc. is down 5% and Apple is down 7.9%.

The Old Mutual Global Islamic Equity Fund outperformed its benchmark significantly over the quarter driven by favorable positioning to high quality cyclicals such as Semi-conductors, Energy and Materials. Top holdings such as Applied Materials (+55.1%) and EOG Resources (+46.3%) were some of the top performers in the S&P 500 for the quarter.

We remain positive on equity markets, cyclicals, and high quality value stocks. Key factors to watch out for in Q2 are global growth, bond yields and inflation. We are expecting significantly above average Global growth to be realized in Q2 which should bode well for Materials stocks (commodities and oil) and support the reflationary trade. If bond yields were to rise materially given stronger than expected growth as well as inflationary expectations overshoot that could be a further negative for highly priced hyper growth stocks and support the continued rotation to Value stocks.

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