



CLASS B | USD | ACCUMULATION

FOR PROFESSIONAL INVESTORS AND AUTHORISED PROMOTERS ONLY
31 JANUARY 2025

FUND INFORMATION

BLOOMBERG TICKER	OMGIEBH ID
ISIN CODE:	IE00BYMM1X15
BENCHMARK:	S&P Developed Large Mid Cap Shari'ah Index
PUBLIC INCEPTION DATE:	16 February 2017
CURRENCY:	US dollar
FUND SIZE:	\$204m
SUBSCRIPTION SETTLEMENT:	T+1
REDEMPTION SETTLEMENT:	T+3
DOMICILE:	Ireland
STRUCTURE:	Undertaking for Collective Investments in Transferable Securities (UCITS), Open-Ended Investment Company
INVESTMENT MANAGEMENT FEE:	85.5 basis points (bps)

INVESTMENT DESCRIPTION

The Old Mutual Global Islamic Equity 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 as interpreted by the Shari'ah Supervisory Board. The fund 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.

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 fund construction. Our stock selection process seeks to systematically invest in high quality, attractively valued companies with favourable long-term growth prospects. Viewed from a fund construction lens, we believe that outperformance can be obtained by actively managing the fund's volatility.

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

FUND PERFORMANCE (Net of fees)

	Fund	Benchmark	Out/Under-Performance
3 months	3.5%	5.2%	-1.6%
6 months	4.0%	6.6%	-2.6%
1 Year	16.5%	21.4%	-4.9%
3 Years	9.5%	10.1%	-0.7%
5 Years	11.4%	14.2%	-2.8%
Since Inception	10.5%	14.4%	-3.9%

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

RISK STATISTICS (Annualised, three years)

Measure	Fund	Benchmark
Standard Deviation	16.8%	17.6%
Tracking Error	4.7%	
Beta	0.9%	
Information Ratio	-0.1%	

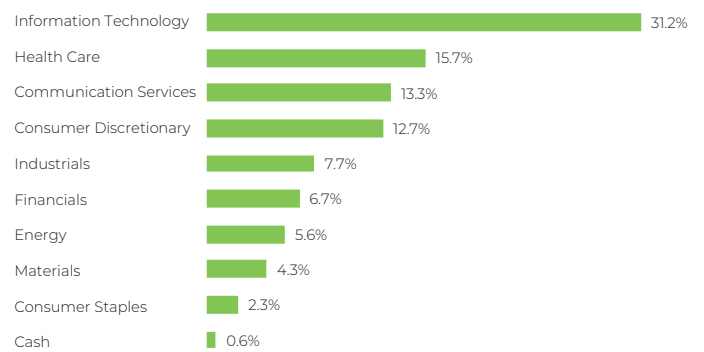
Source: Old Mutual Investment Group

PRINCIPAL EQUITY HOLDINGS

COMPANY	% OF FUND
ALPHABET A	5.8
META PLATFORMS A	5.8
NVIDIA	4.5
APPLE	4.1
APPLIED MATERIALS	3.4
MICROSOFT CORP	3.1
VISA A	2.8
LILLY (ELI) & COMPANY	2.6
NOVO NORDISK B	2.5
VERTEX PHARMACEUTICALS	2.4

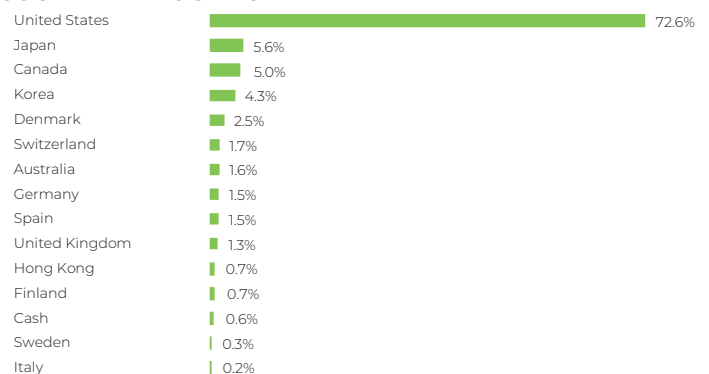
Source: Old Mutual Investment Group

SECTOR ALLOCATION



Source: Old Mutual Investment Group

COUNTRY ALLOCATION



Source: Old Mutual Investment Group

**QUARTERLY COMMENTARY (31 DECEMBER 2024)****Market overview**

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 globally, 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.

Performance review

The fund underperformed its benchmark over the quarter. The top sector contributors were the underweight in materials and the overweight in communication services. The contributors to alpha within these sectors were the overweight in Packaging Corp and the overweight in Alphabet. In contrast, the underweight in information technology and overweight in consumer discretionary detracted from performance, specifically within these sectors, the overweight exposure to Arista Networks and underweight Tesla respectively.

Strategy and positioning

The fund's objective is to only invest Shari'ah-compliant equities, which are approved by the Shari'ah board. The fund employs a systematic approach to investing and has positive exposure to businesses with Quality, Value and Growth characteristics, and delivers returns by maintaining and capitalising on these risk premia over time.

As a result, the fund remains underweight the US and underweight tech and 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.

We need to observe the markets with caution as our proprietary in-house quant Macroeconomic indicators point us to an 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. Historically when interest rates are being cut and bond yield decline then Quality tends to outperform Value.

We are comfortable with a large absolute weight to the US, as US equities tend to do better in a slowdown. Furthermore, we could potentially witness, a reduction in US tax rates, deregulation, and trade policies to help US manufacturing when Trump steps into office.

CONTACT DETAILS

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