



OLD MUTUAL ALBARAKA BALANCED FUND

The spiritual home of pure investments

FUND INFORMATION

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



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 sukuks (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 25% of its portfolio offshore.

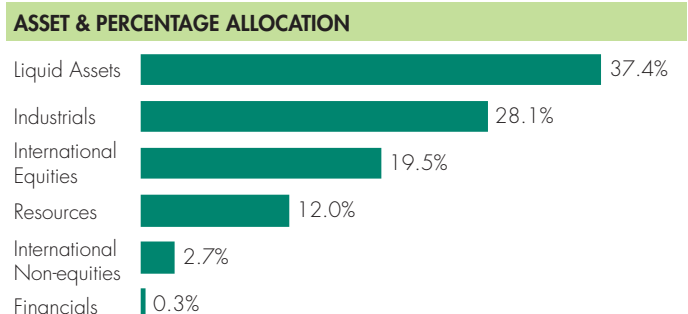
REGULATION 28 COMPLIANCE

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.

| | | | |
|--------------------------------------|--|--------------|----------------|
| COMPOSITE BENCHMARK: | 45% Customised SA Shari'ah Equity Index, 10% S&P Developed Markets Large and Mid-Cap Shari'ah Index, 40% STeFI Composite - 0.5% & 5% Three-month US Dollar LIBOR | | |
| PERFORMANCE TARGET: | To outperform the benchmark over rolling 3-year periods. | | |
| ASISA CATEGORY: | South African - Multi-Asset - Medium Equity | | |
| FUND MANAGER(S): | Saliegh Salaam, Grant Watson & Warren McLeod (Old Mutual Customised Solutions (Pty) Ltd) | | |
| LAUNCH DATE: | 12/11/2010 | | |
| SIZE OF FUND: | R1.9bn | | |
| DISTRIBUTIONS: (Half-yearly)* | | | |
| | Shari'ah Permissible Income | | |
| Date | Dividend | Total | Total % |
| 31/12/2017 | 0.98c | 3.91c | 1.26% |
| 30/06/2017 | 1.19c | 3.85c | 1.30% |

* Class A fund distributions

FUND COMPOSITION



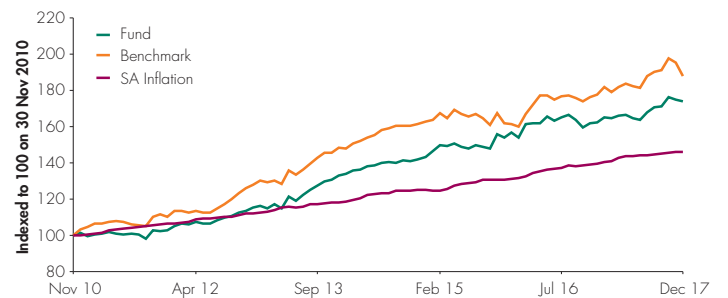
FUND PERFORMANCE as at 31/12/2017

| | % PERFORMANCE (ANNUALISED) | | | | | |
|------------------------------|----------------------------|------|------|------|-------|------------------------------|
| | 1-Yr | 3-Yr | 5-Yr | 7-Yr | 10-Yr | Since Inception ¹ |
| Fund (Class A) | 7.3% | 6.7% | 8.6% | 8.1% | - | 8.1% |
| Fund (Class B1) ² | 7.6% | 7.0% | - | - | - | - |
| Benchmark | 5.7% | 4.9% | 8.0% | 9.0% | 7.9% | 9.3% |

¹ Performance since inception of the fund.
² Inception: 31 July 2013. Class B1 Fund is only 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) | 20.4% | 8.8% | -0.7% |

Performance Since Inception

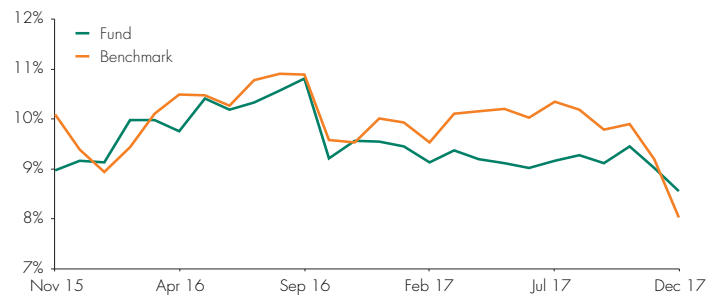


Past performance is no indication of future performance.

Risk Statistics (Since Inception)

| | |
|---------------------------|-------|
| Maximum Drawdown | -4.0% |
| Months to Recover | 13 |
| % Positive Months | 64.7% |
| Annual Standard Deviation | 5.7% |

5-Year Annualised Rolling Returns (Fund vs Benchmark)



PRINCIPAL HOLDINGS

| HOLDING | % OF FUND |
|--------------------------------|-----------|
| AVI Ltd | 3.9% |
| Compagnie Financière Richemont | 3.5% |
| Vodacom Group Ltd | 3.2% |
| Clicks Group Ltd | 2.9% |
| Astral Foods Ltd | 2.1% |
| Mondi Plc | 2.0% |
| Mondi Ltd | 2.0% |
| Datatec Ltd | 1.9% |
| Kumba Iron Ore Ltd | 1.9% |
| Cashbuild Ltd | 1.9% |

Funds are also available via Old Mutual Wealth and MAX Investments.

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FUND MANAGER INFORMATION



SALIEGH SALAAM
PORTFOLIO MANAGER

- BCom, CFA Charterholder
- 21 years of investment experience



GRANT WATSON
PORTFOLIO MANAGER

- BCom, MCom, MBA, CMMD, SAIS
- 22 years of investment experience



WARREN MCLEOD
PORTFOLIO MANAGER

- BBusSc (Hons), BCom (Hons), MBusSc
- 19 years of investment experience

FUND COMMENTARY as at 31/12/2017

The year ended positively for most in South Africa regarding the ANC national conference, with the quarter ending with a strong rally in both currency and bond markets.

The FTSE/JSE All Share Index (ALSI) was up 7.44% over the quarter ending December 2017. Large, mid- and small caps returned 6.71%, 11.58% and 3.60% respectively for the quarter.

The local currency strengthened by 8.64% against the greenback, 7.12% against the sterling and 7.17% against the euro for the quarter ending December 2017.

The sector contributors for the quarter were consumer services, up 16.93%, and financials, up 15.98%. The sector detractors were consumer goods, down 14.60%, and technology, down 13.45%.

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. The fund is also suitable as a stand-alone retirement investment.

The fund's offshore allocation is at approximately 25%, providing investors with significant diversification benefits. The fund is a Regulation 28-compliant, medium-equity allocation fund. This means that in terms of its mandate it can hold a maximum of 60% in equities.

The fund's current allocation to equities is roughly 60% – around 40% of the fund is invested in domestic equities and around 20% in offshore equities. Shari'ah compliant short-term cash investments now comprise 40% of the fund.

Our strategy is to achieve greater return and less volatility compared to the market. Consequently, the fund has high exposure to internationals, allowing the fund to achieve greater diversification and consequently a reduction in volatility. Through time, equity has achieved greater returns than the other asset classes. Our high exposure to equities benefits from this and, similarly, within equities we are positioned to achieve lower volatility when compared to the fund's benchmark.

Source: Old Mutual Investment Group as at 31/12/2017

OTHER INVESTMENT CONSIDERATIONS

MINIMUM INVESTMENTS:

- Monthly: R500
- Lump sum: R5 000
- Ad hoc: R500

INITIAL CHARGES (All fees are VAT inclusive)*:

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 3.42%.

Investment transactions below the R500 fund minimum incur a 2.28% administration charge.

* Please note: Initial charges do not apply to the Class B funds.

ONGOING

| | Class A | Class B1* |
|---------------------------------|---------|-----------|
| Annual service fees (incl. VAT) | 1.43% | 1.14% |

* Please note: The Class B1 Fund is only 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.

TAX REFERENCE NUMBER: 9242/164/18/5

| | | |
|--------------------|-----------------|--------------|
| ISIN CODES: | Class A | ZAE000135810 |
| | Class B1 | ZAE000179271 |

| Total Expenses (30/09/2017) | 36 Months | | 12 Months | |
|-----------------------------|-----------|-----------|-----------|-----------|
| | Class A | Class B1* | Class A | Class B1* |
| Total Expense Ratio (TER) | 1.47% | 1.18% | 1.47% | 1.18% |
| Transaction Cost (TC) | 0.13% | 0.13% | 0.10% | 0.10% |
| Total Investment Charge | 1.60% | 1.31% | 1.57% | 1.28% |

* Please note: The Class B1 Fund is only 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.

Funds are also available via Old Mutual Wealth and MAX Investments.

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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.
- You should ideally see unit trusts as a medium- to long-term investment. The fluctuations of particular investment strategies affect how a fund performs. Your fund value may go up or down. Therefore, we cannot guarantee the investment capital or return of your investment. 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.omut.co.za 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 the Money Market Funds, the price of which is set at 13:00. These are also the times we value our funds 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.
- 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 2017. 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 Bank, PO Box 54, Cape Town 8000. Tel: +27 21 401 2002, Fax: +27 21 401 3887.

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