OLD MUTUAL GLOBAL ISLAMIC EQUITY FUND

FOR PROFESSIONAL INVESTORS AND AUTHORISED PROMOTERS ONLY
31 AUGUST 2020

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:	$100m
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.

To achieve this, the portfolio managers build well-diversified portfolios containing high quality, attractively valued companies with favourable long-term growth prospects.

Portfolio volatility is actively managed within a controlled range. There are market cycles when due to behavioural biases of investors (such as greed or fear), that higher absolute risk is attractively compensated and periods where lower absolute risk is attractively compensated. Dynamically managing the portfolio's absolute risk relative to the benchmark can provide a valuable additional source of outperformance over the long term.

SALIEGH SALAAM
Portfolio Manager

MAAHIR JAKOET
Portfolio Manager

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: futurematters@oldmutualinvest.com,
website: www.oldmutualinvest.com

PERFORMANCE AS AT 31/08/2020

Net of Fees Fund Returns

	Fund	Benchmark*	Out/Under-Performance
3 months	9.9%	17.6%	-7.7%
6 months	9.7%	26.4%	-16.7%
1 Year	10.4%	30.5%	-20.1%
3 Years	8.1%	16.7%	-8.6%
5 Years	-	-	-
Since Inception	8.8%	16.4%	-7.6%

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

RISK STATISTICS AS AT 31/08/2020 – 3 YEARS (ANNUALISED)

Measure	Portfolio	Benchmark
Standard Deviation	16.3%	16.3%
Tracking Error	4.9%	
Beta	1.0%	
Information Ratio	-1.7%	

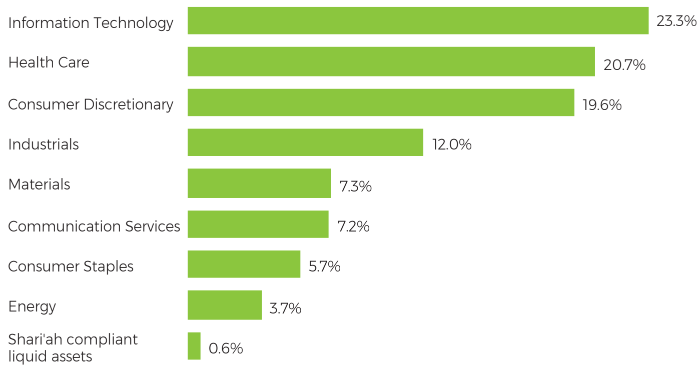
Source: Old Mutual Investment Group

PRINCIPAL EQUITY HOLDINGS AS AT 31/07/2020

COMPANY	LISTED	SECTOR	% OF FUND
Facebook A	United States	Communication Services	3.6%
Alphabet A	United States	Communication Services	3.6%
Ebay	United States	Consumer Discretionary	3.4%
Novo Nordisk B	Denmark	Health Care	3.2%
Autozone	United States	Consumer Discretionary	3.1%
Oracle Corp	United States	Information Technology	2.7%
Roche Holding Genuss	Switzerland	Health Care	2.6%
Johnson & Johnson	United States	Health Care	2.6%
Cognizant Tech Solutions	United States	Information Technology	2.6%
Booking Holdings	United States	Consumer Discretionary	2.5%

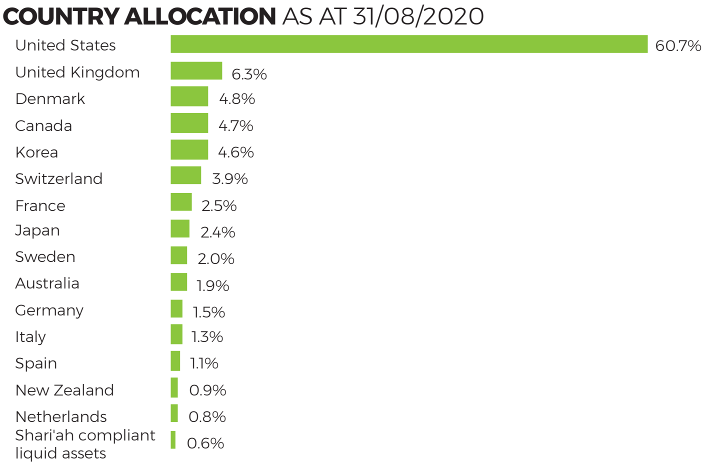
Source: Old Mutual Investment Group

SECTOR ALLOCATION AS AT 31/08/2020



Source: Old Mutual Investment Group

COUNTRY ALLOCATION AS AT 31/08/2020



Source: Old Mutual Investment Group

QUARTERLY COMMENTARY 30 JUNE 2020

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness... it was the spring of hope, it was the winter of despair..."

And so begins A Tale of Two Cities, written by Charles Dickens. This quote we believe aptly describes market behaviour over the quarter. If in early January, a sage was to have described to us what was to happen to the global economy in the first quarter, and then asked us to forecast where global markets would be, we would not have estimated it would be at today's level. At the low point in March, the S&P 500 Index was down 34%. This was then followed by an even more dramatic rally of 40%. Over the space of a few weeks, US markets experienced one of the sharpest falls and swiftest recoveries ever since 1926, with the second quarter being the best performing in more than 20 years.

Looking at global stock markets today, it looks as if the pandemic did not happen. The S&P 500 is only slightly away from where it started 2020 prior to the global economic damage wrought by Covid-19. And yet, the world is fighting the largest pandemic in a century and the worst economic recession in the last 80 years. Markets are discounting a "V-shaped" recovery and investors have full faith in the power of the US Federal Reserve (the Fed). The World Bank recently published a paper in which, amongst others, it highlighted that the dispersion of global growth forecasts had reached historically wide ranges indicating that the range of global growth outcomes is wide. As investors, how we account for this uncertainty is to demand a wider margin of safety. Given the high valuations of markets, we do not believe there is sufficient margin of safety considering the significant uncertainties.

Given the prevailing uncertainty and market valuations, we are focused on relative value, quality and balancing cyclical vs defensive shares whilst dynamically managing portfolio volatility. From a relative value perspective, our global portfolios are overweight to Europe and underweight to the US and we have a slight pro-cyclical stance driven by compelling valuations in Europe vs the US, as well as a more favourable backdrop for Europe given the European Recovery Plan coupled with flatter Covid-19 curves. After a decade of underperformance vs the US, Europe we believe is well positioned to outperform the US given the catalyst of the aforesaid European Recovery Plan. During the quarter, we bought holdings in Adidas, Burberry and Airbus as well Schneider Electric, a leader in energy efficiency. Post the market sell-off in the first quarter, our portfolio performed well as global markets recovered. Amidst the uncertain backdrop, our portfolio is well positioned to deliver attractive long-term returns for investors.

Old Mutual Customised Solutions (Pty) Limited, physical address - West Campus Entrance 1, Mutual Park, Jan Smuts Drive, Pinelands, 7405, or postal address - P.O. Box 878, Cape Town, 8000, Tel: +27 21 509 502.

Russell Investment Company Plc ("RIC") can be contacted at the offices of Russell Investments Limited ("RIL"): Rex House, 10 Regent Street, London SW1Y 4PE; Tel: 020 7204 6000; website: www.russellinvestments.com. The RIC has its registered office at 78 Sir John Rogerson's Quay, Dublin 2 Ireland.