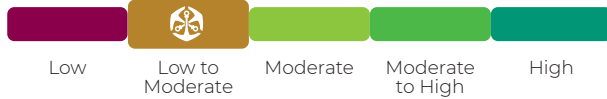




OLD MUTUAL BOND FUND

FUND INFORMATION

RISK PROFILE



RECOMMENDED INVESTMENT TERM



BENCHMARK:

All Bond Index

ASISA CATEGORY:

South African – Interest Bearing – Variable Term

FUND MANAGER(S):

Rhandzo Mukansi
(Futuregrowth Asset Management)

LAUNCH DATE:

31/12/1994

SIZE OF FUND:

R1.4bn

DISTRIBUTIONS: (Half-yearly)*

Date	Interest	Yield	Total %
31/12/2023	14.99c	9.60%	4.67%
30/06/2023	15.80c	9.69%	4.99%

* Class A fund distributions

TAX REFERENCE NUMBER:

9002/001/60/1

CODES	JSE	ISIN
Class A	OBNDFA	ZAE000279295
Class B1	OCTB	ZAE000048138
Class R	OMGI	ZAE000020699

ESG FUND RATING

The environmental, social and governance (ESG) fund ratings are based on the exposure of the underlying assets held to industry-specific ESG risks and the ability to manage those risks relative to peers.

FUND OBJECTIVE

The fund aims to offer a combination of capital growth and high income yields. Capital growth is primarily achieved by actively taking advantage of interest rate cycles.

WHO IS THIS FUND FOR?

This fund is suited to astute investors who have a particular view on relative asset class performance. The investor understands the impact of the interest rate cycle and accepts this risk in exchange for moderate long-term growth potential.

INVESTMENT MANDATE

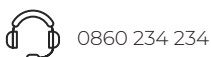
The fund invests across the full spectrum of the yield curve. It invests in public and private sector bonds and deposits, with at least 50% invested in bonds with an effective government guarantee. Derivatives may be used for efficient portfolio management purposes.

REGULATION 28 COMPLIANCE

The fund is not required to be Regulation 28 compliant in terms of its Deed, but the fund manager is mandated to comply with Regulation 28 on a day-to-day basis.

CONTACT DETAILS

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



0860 234 234

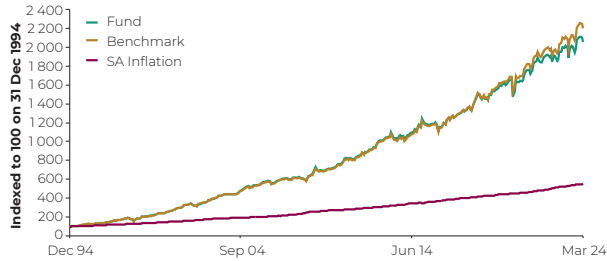
www.oldmutualinvest.comunittrusts@oldmutual.com[Invest now](#)



OLD MUTUAL BOND FUND

FUND PERFORMANCE AS AT 31/03/2024

PERFORMANCE SINCE INCEPTION



Past performance is no indication of future performance.

% Performance (Annualised)						
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class R)	2.3%	6.2%	5.9%	6.8%	6.8%	10.9%
Fund (Class B1) ²	2.5%	6.4%	6.1%	6.9%	7.0%	-
Fund (Class A) ³	2.3%	6.2%	-	-	-	-
Benchmark	4.2%	7.4%	7.0%	7.8%	7.7%	11.1%

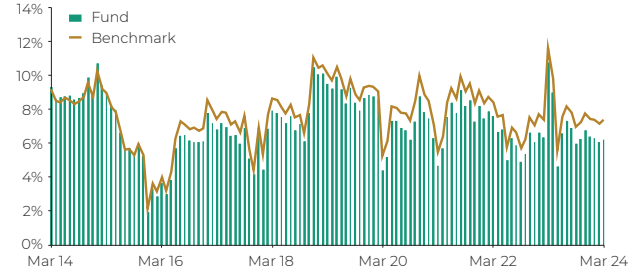
¹ Performance since inception of the fund.

² Inception: 31 January 2013. Class B1 fund is available through investment platforms such as Old Mutual Wealth.

³ Inception: 29 February 2020

Past performance is no indication of future performance. Fund returns are net of fees and measured against the benchmark.

3-YEAR ANNUALISED ROLLING RETURNS (FUND VS BENCHMARK)



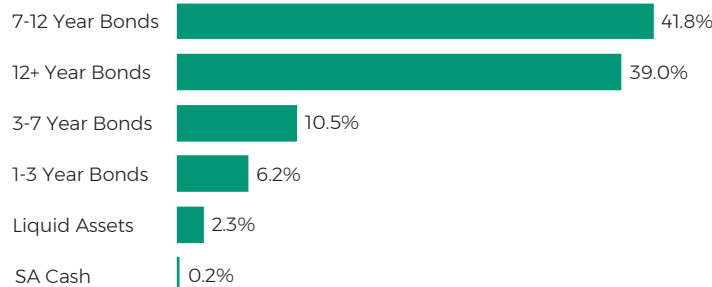
Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	42.7%	11.2%	-8.5%

Risk Statistics (Since Inception)	
Maximum Drawdown	-21.7%
Months to Recover	6
% Positive Months	70.1%
Annual Standard Deviation	8.3%
Sharpe Ratio	0.26

Risk statistics are calculated based on monthly performance data from inception of the fund.

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION



PRINCIPAL HOLDINGS

Holding	% of Fund
R2035 8.875% 28/02/2035	24.7%
R2037 8.50% 31/01/2037	17.7%
R2040 9.00% 31/01/2040	16.0%
R2032 8.25% 31/03/2032	12.4%
R2030 8.00% 31/01/2030	6.8%
R2044 8.75% 31/01/2044	4.4%
TNFG35 FRN 07/06/2034	3.8%
R186 10.5% 21/12/2026	3.5%
Eskom Holdings Ltd 8.5% 25/04/2042	1.8%
Transnet Ltd 8.9% 14/11/2027	1.4%



OLD MUTUAL BOND FUND

PORTFOLIO MANAGERS COMMENTARY

FUTUREGROWTH ASSET MANAGEMENT



RHANDZO MUKANSI

- BA (Hons)
- 12 years of investment experience

Bond markets hung on the words of US Federal Reserve speakers for forward guidance on US monetary policy in the quarter. Resilience in US macroeconomic data and stickiness in inflation statistics, even if partially technical in nature, have arrested market expectations of an imminent interest rate cutting cycle. The US forward rate market now closely aligns with the latest Fed dot plot, published in March 2024, which prices a median fed funds rate of 4.6% for 2024 and continually gradual interest rate cuts into 2025. We're aligned with this view and expect a gradual and shallow cutting cycle to commence towards mid-year, led by a softening labour market, moderating consumer spending and a depleting savings pool – but these policy moves will be highly data dependent.

While also pushing back against imminent interest rate cut expectations, Christine Lagarde and her ECB Governing Council colleagues have an altogether finer balance to strike

between still elevated inflation outcomes and weak aggregate economic growth conditions. Here too, the timing of the interest rate cutting cycle remains highly data dependent, but the hurdle to policy action is lower, in our estimation. The Bank of Japan, on the other hand, closed the chapter on negative interest rates and hiked its policy rate in March for the first time since 2007.

Against this backdrop, the 10-year US Treasury yield increased to 4.20% from 3.88% at the start of the quarter. This bond market weakness filtered through to local rates, with the generic 10-year local currency yield increasing to 12.28% from 11.37% at the start of the quarter.

The fund rendered a return of 2.3% for the 12-month period ending March 2024, relative to the benchmark return of 4.2%. The underperformance was due to the combined effect of the significantly underweight allocation to short-dated nominal bonds, and the overweight allocation to the JSE All Bond

Index (ALBI) 12+ maturity segment of the yield curve. The yield curve bear steepened in the quarter, reflecting diminishing conviction on the timing of monetary policy easing by market participants as well as increasing sovereign premia heading towards the local general elections.

The bearish steepening of the yield curve in the past quarter has improved the valuation of short- and long-dated sovereign bonds. We were buyers of these instruments in the past quarter, funded by the sale of medium-dated bonds. This investment action reflects our view that the domestic central bank rate will be gradually cut in 2024, with the fund positioned to benefit from both the expected stepdown in the level of yields and the potential roll-down return that is offered in this phase of the interest rate cycle. Furthermore, the implied real yield and carry offered by domestic bonds are at historically elevated levels, suitably reflective of domestic fundamentals in our assessment.

Source: Old Mutual Investment Group as at 31/03/2024

OTHER INVESTMENT CONSIDERATIONS

MINIMUM INVESTMENTS*:

Monthly: R500
Lump sum: R10 000
Ad hoc: R500 (in addition to your monthly or lump sum investment)

* These investment minimums are not limited to this fund. They can be apportioned across the funds you have selected in your investment contract.

INITIAL CHARGES (Incl. VAT):

Initial adviser fee will be between 0% and 3.45%.

ONGOING

	Class A	Class B1	Class R
Annual service fees (excl. VAT)	0.75%	0.60%	0.75%

Please note: Class B1 is available through investment platforms such as Old Mutual Wealth. Class R is closed to new business.

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.

Total Expenses (Incl. Annual Service Fee) (31/12/2023)	36 Months			12 Months		
	Class A	Class B1	Class R	Class A	Class B1	Class R
Total Expense Ratio (TER) Incl. VAT	0.89%	0.71%	0.89%	0.89%	0.71%	0.89%
Transaction Cost (TC)	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Total Investment Charge	0.91%	0.73%	0.91%	0.91%	0.73%	0.91%

Please note: Class B1 is available through investment platforms such as Old Mutual Wealth. Class R is closed to new business.

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.



OLD MUTUAL BOND FUND

DISCLAIMER

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.
- Investments in unit trusts should ideally be a medium- to long-term strategy that takes cognisance of the Recommended Investment Term of each individual fund as stipulated in its Minimum Disclosure Document. A fund's or an investment strategy's ability to provide benchmark performance, or to achieve its performance target over its Recommended Investment Term on a net of fee basis may be impacted by market illiquidity, differences in fund and market pricing points, concentration risk and other local (and where applicable global) events, such as market- and political developments, macro-economic factors and healthcare risks such as Covid-19, amongst others. Your fund value may therefore go up or down and the investment capital or return on your investment is not guaranteed. 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.oldmutualinvest.com 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 for our money market funds, where the cut-off is at 12:30.
- The valuation time is set at 15:00 each working day for all our funds, excluding our money market funds which is at 13:00, 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.
- Excessive daily withdrawals from the fund may place the fund under liquidity pressures. In such circumstances a process of ring-fencing of withdrawal instructions and/or managed payouts over time may be followed.
- 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 March 2024. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).
- MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings ("the information") provide environmental, social and governance data with respect to underlying securities within more than 31 000 multi-asset class mutual funds and ETFs globally. MSCI ESG is a registered investment adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from the US SEC or any other regulatory body. None of the information constitutes an offer to buy or sell, or a promotion or recommendation of any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the information can be used to determine which securities to buy or sell or when to buy or sell them. The information is provided "as is" and the user of the information assumes the entire risk of any use it may make or permit to be made of the information.

Futuregrowth Asset Management (Pty) Ltd is a Licensed Financial Services Provider.

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

CONTACT DETAILS

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

