



OLD MUTUAL BOND FUND

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

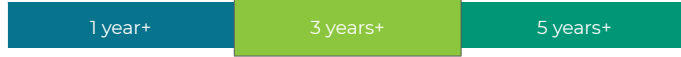
DECEMBER 2021

FUND INFORMATION

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



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.

BENCHMARK:	All Bond Index
ASISA CATEGORY:	South African – Interest Bearing – Variable Term
FUND MANAGER(S):	Daphne Botha (Futuregrowth Asset Management)
LAUNCH DATE:	31/12/1994
SIZE OF FUND:	R1.5bn

DISTRIBUTIONS: (Half-yearly)*

Date	Interest	Yield	Total %
31/12/2021	14.51c	8.34%	4.19%
30/06/2021	14.40c	8.34%	4.10%

* Class A fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION	
12+ Year Bonds	45.8%
7-12 Year Bonds	34.4%
1-3 Year Bonds	7.5%
Cash	6.8%
3-7 Year Bonds	5.5%

FUND PERFORMANCE AS AT 31/12/2021

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class R)	8.3%	8.2%	8.4%	7.3%	7.7%	11.5%
Fund (Class B1) ²	8.5%	8.4%	8.5%	7.4%	7.9%	-
Fund (Class A) ³	8.3%	-	-	-	-	-
Benchmark	8.4%	9.1%	9.1%	8.0%	8.2%	11.7%

¹ Performance since inception of the fund.

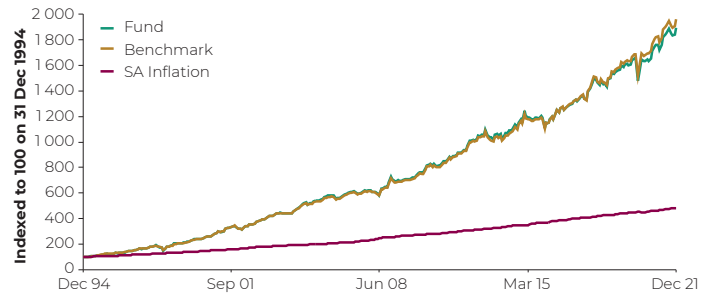
² Inception: June 2003. Class B1 fund is available through investment platforms such as Old Mutual Wealth.

³ Inception: February 2020

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)	42.7%	11.7%	-8.5%

Performance Since Inception



Past performance is no indication of future performance.

Risk Statistics (Since Inception)	
Maximum Drawdown	-21.7%
Months to Recover	6
% Positive Months	71.0%
Annual Standard Deviation	8.3%

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

3-Year Annualised Rolling Returns (Fund vs Benchmark)



PRINCIPAL HOLDINGS

HOLDING	% OF FUND
R2032 8.25% 31/03/2032	23.9%
R2035 8.875% 28/02/2035	21.2%
R2037 8.50% 31/01/2037	13.2%
R2040 9.00% 31/01/2040	11.3%
R2030 8.00% 31/01/2030	9.8%
Development Bank of SA DV24 9.69%	1.4%
Transnet Ltd 8.9% 14/11/2027	1.3%
Eskom Holdings Ltd 8.5% 25/04/2042	1.3%
TN30 10.50% 09/10/2030	1.0%
T17A32 7.72% 21/02/2026	0.8%

THIS IS THE MINIMUM DISCLOSURE DOCUMENT AS REQUIRED BY BOARD NOTICE 92

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

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FUTUREGROWTH
/ ASSET MANAGEMENT



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FUND MANAGER INFORMATION



DAPHNE BOTHA |
PORTFOLIO MANAGER

• BCom (Hons)

FUND COMMENTARY

With inflation persisting at multi-decade highs during the fourth quarter of 2021 in both developed and emerging market economies, central banks had very little choice but to start singing from their respective monetary tightening hymnbooks. Although the tightening crescendo is yet to be reached, the US Federal Reserve has taken to doubling the pace of tapering to \$30bn per month, which puts it on course to end its \$120bn monthly asset purchases by the end of the first quarter in 2022. Domestically, the South African Reserve Bank (SARB)'s Monetary Policy Committee (MPC) has hiked the repo rate by 25 basis points for the first time since 2018 after having cut the rate by a cumulative 300 basis points since the beginning of the Covid-19 pandemic. The decision

to increase the repo rate was split 3-2 on the five-person MPC, with the SARB citing concerns around short-term externally driven inflationary pressure contributing to the decision to gradually increase short-term rates.

Fitch Ratings became the first of the major rating agencies to upgrade their outlook on South Africa during the past quarter. Although SA's foreign and local currency rating remain three notches below investment grade at BB-, the outlook has been revised to stable from negative. The rating agency cited a more robust economic recovery as well as strong fiscal performance as key drivers behind the outlook change. The news triggered a local bond market rally and helped bonds end the year off on a strong note, after having endured a somewhat volatile quarter characterised by contagion from Turkey's central bank decision to cut interest rates despite sky-high inflation, and the emergence of the Omicron Covid-19 variant, which triggered a flurry of travel restrictions aimed at Southern Africa. Various forms of lockdown, predominantly in the developed world, continue to threaten the global GDP recovery.

The fund returned 8.3% for the 12-month period ending 31 December 2021, underperforming the benchmark by 0.1%. Underperformance was primarily due to the fund's large underweight position in the very long end area (+20 years) of the nominal yield curve given the yield curve bull flattening over the period under review.

The fund continued to maintain minimal exposure to cash given the elevated opportunity costs of cash relative to higher-yielding nominal bonds. The fund rolled up the yield curve into bouts of bear steepening over the quarter. The initial roll-up occurred on the back of Turkey-induced contagion risk. The fund sold nominal bonds in the 7- to 12-year area of the yield curve and used the proceeds to purchase bonds in the +12-year area of the yield curve. A second bout of risk aversion occurred as a result of the discovery of the Omicron Covid-19 variant. The fund once again used yield curve steepness to switch from bonds in the 7- to 12-year area of the yield curve to bonds in the +12-year area of the nominal bond curve, thus taking advantage of better buying levels.

We will continue with this strategy of active positioning on the yield curve as opportunities present themselves.

Source: Old Mutual Investment Group as at 31/12/2021

OTHER INVESTMENT CONSIDERATIONS

INVESTMENT CONTRACT MINIMUMS*:

- Monthly: R500
- Lump sum: R10 000
- Ad hoc: R500

* 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 BI*	Class R
Annual service fees (excl. VAT)	0.75%	0.60%	0.75%

* Please note: The Class BI fund is 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: 9002/001/60/1

ISIN CODES:	Class R	ZAE000020699
	Class BI	ZAE000048138

Total Expenses (Incl. Annual Service Fee) (30/09/2021)	36 Months			12 Months		
	Class A	Class BI*	Class R	Class A	Class BI*	Class R
Total Expense Ratio (TER) Incl. VAT	0.84%	0.71%	0.89%	0.89%	0.71%	0.88%
Transaction Cost (TC)	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%
Total Investment Charge	0.87%	0.73%	0.91%	0.91%	0.73%	0.90%

* Please note: The Class BI fund is 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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FUTUREGROWTH

/ ASSET MANAGEMENT

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.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.
- 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 2021. 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.

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Issued: January 2022