



OLD MUTUAL INCOME FUND



JULY 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 high level of income, together with relative capital stability. It aims to pay out a high regular income without putting the investor's money at undue risk. It aims to achieve higher than money market returns by taking on marginally more risk.

WHO IS THIS FUND FOR?

This fund is suited to investors seeking capital stability. It can be used as a secure parking bay in times of stock market instability as well as a means of phasing money into an equity (share) fund over a period of time.

INVESTMENT MANDATE

The fund invests in local interest-bearing investments including fixed and floating rate bonds and money market instruments. The weighted average modified duration of the fund will always be less than two years, which contributes to its relative capital stability. Derivatives may be used for efficient portfolio management purposes.

REGULATION 28 COMPLIANCE

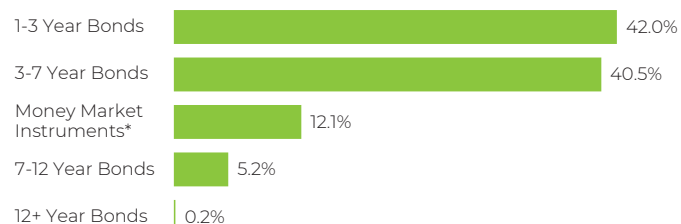
The fund does not comply with the asset allocation sublimits set out in Regulation 28 of the Pension Funds Act, and therefore the fund is not Regulation 28 compliant.

COMPOSITE BENCHMARK:	80% STeFI Composite Index & 20% All Bond Index		
ASISA CATEGORY:	South African – Interest Bearing – Short Term		
RISK OBJECTIVE:	No negative quarters.		
FUND MANAGER(S):	Wikus Furstenberg (Futuregrowth Asset Management)		
LAUNCH DATE:	22/04/1989		
SIZE OF FUND:	R5.3bn		
DISTRIBUTIONS: (Quarterly)*			
Date	Interest	Yield	Total %
30/06/2021	1.58c	5.09%	1.24%
31/03/2021	1.53c	5.42%	1.21%
31/12/2020	1.59c	5.92%	1.24%
30/09/2020	1.75c	6.52%	1.38%

* Class R fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION



* Money market instruments include cash, NCDs and treasury bills.

FUND PERFORMANCE AS AT 31/07/2021

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class R)	5.4%	7.2%	7.9%	7.4%	7.3%	11.0%
Fund (Class B1) ²	5.5%	7.4%	8.1%	7.6%	-	-
Fund (Class A) ³	5.3%	-	-	-	-	-
Benchmark	5.9%	6.6%	7.1%	7.0%	6.7%	11.0%

¹ Performance since inception of the fund.

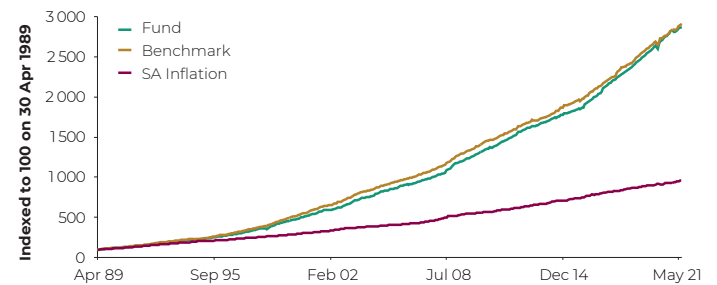
² Inception: 31 January 2013. Class B1 fund is available through investment platforms such as Old Mutual Wealth.

³ Inception: 29 February 2020

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

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	27.8%	11.1%	3.5%

Performance Since Inception



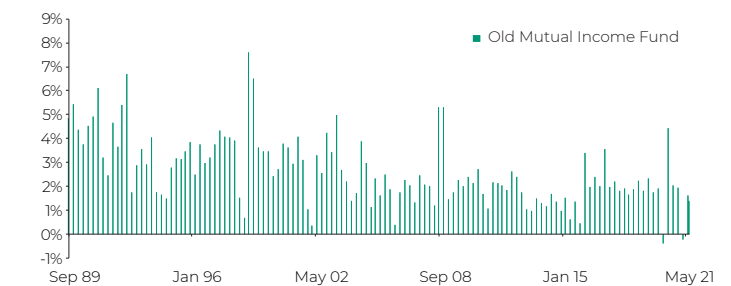
Past performance is no indication of future performance.

Risk Statistics (Since Inception)

Maximum Drawdown	-5.0%
Months to Recover	2
% Positive Months	95.3%
Annual Standard Deviation	2.6%

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

Rolling Quarter-end Returns



PRINCIPAL HOLDINGS AS AT 30/06/2021

HOLDING	% OF FUND
R186 10.5% 21/12/2026	23.9%
R2030 8.00% 31/01/2030	4.7%
I2025 ILB 2.00% 31/01/2025	3.5%
Development Bank of SA DV23	1.9%
Nattreas TBL 20/10/2021	1.8%
Th14A4 10.098% 21/11/2021	1.6%
SBS55 FRN 12/06/2022	1.5%
SBS62 FRN 31/01/2024	1.5%
FRJ23 FRN 31/07/2023	1.4%
COJ05 12.205% 05/06/2023	1.4%

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



OLD MUTUAL INCOME FUND

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FUND MANAGER INFORMATION



WIKUS FURSTENBERG |
PORTFOLIO MANAGER

- MCom (Economics)
- 24 years of investment experience

more caution about the path of future monetary policy measures, some emerging market central banks actually started hiking policy rates.

Locally, the South African Reserve Bank (SARB) expressed the view that the recent surge in inflation had been widely expected and can be mainly attributed to technical reasons. More specifically, the Bank maintains the view that it does not perceive the current surge as a threat to longer-term inflation stability, especially considering the persistently wide negative output gap.

The developments described above created room for nominal bond yields to drift lower, especially so at the back end of the yield curve. In the process, the market regained some of the lost ground caused by the global mini-taper tantrum earlier this year. The FTSE JSE All Bond Index (ALBI) rendered a strong return of 6.86% during the quarter. Inflation-linked bond yields also grinded lower, although inflation-hedging demand faded towards the end of the quarter. The FTSE JSE Government Inflation-linked Index (IGOV) returned 2.95%, well above the cash return of 0.86%.

The fund returned 5.48% for the 12-month period ending June 2021, underperforming the benchmark

by 0.42%. The underperformance can mainly be attributed to the fact that the fund could not participate in the very strong performance rendered by ultra-long-dated bonds in May and June. This is due to the well-considered modified duration cap at 2, in turn the result of the fund's conservative risk mandate. Significant market weakness in February this year, in response to the sharp rise in global yields, also detracted.

We are still of the view that market interest rate expectations are too bearish, rendering cash an unattractive investment destination. We therefore retained our strong preference for variable rate and medium-dated fixed rate bonds. Albeit reduced, the R186 holding is still premised on its high annual coupon rate of 10.5% and relatively low interest rate risk compared to longer-dated bonds. In addition, its position on a steeply sloped section of the nominal bond yield curve allows for participation in so-called "roll-down" contribution to total return. Likewise, the small holding of the longer-dated R2030 was retained in light of roll-down potential. The fund also accumulated some additional exposure to inflation-linked bonds in light of diversification benefits and a higher inflation carry in the short term.

Source: Old Mutual Investment Group as at 30/06/2021

FUND COMMENTARY AS AT 30/06/2021

Developed and emerging economies had to process the significance of inflation spikes during the past few months. In South Africa, the May year-on-year rate of increase for the Headline Consumer Price Index (CPI) surged by 5.2%, in our view the likely peak in this cycle. Global economic activity continued to gain traction, even though progress remains uneven across regions. In the case of South Africa, the economy grew at a quarter-on-quarter seasonally adjusted and annualised rate (SAAR) of 4.6% in the first quarter of this year.

The improvement in economic activity, combined with higher – albeit transitory – inflation, brought about a stronger monetary policy response divergence among global central banks. While a number of central banks have started expressing

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: 9430/004/60/7

ISIN CODES:	Class R	ZAE000020822
	Class BI	ZAE000174132

Total Expenses (Incl. Annual Service Fee) (30/06/2021)	36 Months			12 Months		
	Class A	Class BI*	Class R	Class A	Class BI*	Class R
Total Expense Ratio (TER) Incl. VAT	0.83%	0.71%	0.88%	0.88%	0.71%	0.88%
Transaction Cost (TC)	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Total Investment Charge	0.85%	0.73%	0.90%	0.90%	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.

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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.
- Income funds derive their income primarily from interest-bearing instruments as defined. The yield is a current yield and is calculated daily.
- 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 July 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.

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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.

Issued: August 2021