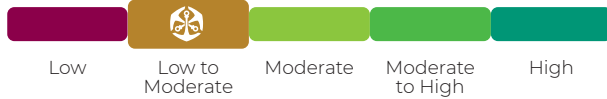




# OLD MUTUAL BOND FUND

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED INVESTMENT TERM



### BENCHMARK:

All Bond Index

### ASISA CATEGORY:

South African – Interest Bearing – Variable Term

### LAUNCH DATE:

31/12/1994

### SIZE OF FUND:

R1.5bn

### DISTRIBUTIONS: (Half-yearly)\*

Date	Interest	Yield	Total %
31/12/2022	14.88c	8.84%	4.54%
30/06/2022	14.10c	8.83%	4.35%

\* 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.com](http://www.oldmutualinvest.com)

[unittrusts@oldmutual.com](mailto:unittrusts@oldmutual.com)

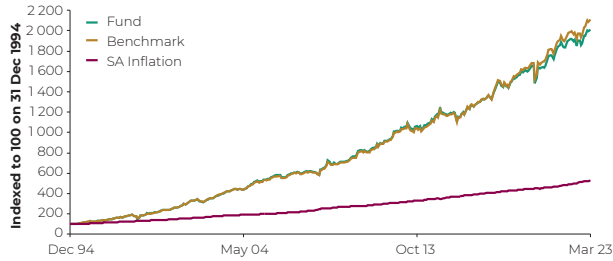
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# OLD MUTUAL BOND FUND

## FUND PERFORMANCE AS AT 31/03/2023

### PERFORMANCE SINCE INCEPTION



Past performance is no indication of future performance.

### 3-YEAR ANNUALISED ROLLING RETURNS (FUND VS BENCHMARK)



% Performance (Annualised)						
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	4.6%	10.8%	6.1%	8.0%	6.7%	11.2%
Fund (Class B1) <sup>2</sup>	4.8%	10.9%	6.3%	8.2%	6.8%	-
Fund (Class A) <sup>3</sup>	4.6%	10.7%	-	-	-	-
Benchmark	5.8%	11.6%	6.9%	8.8%	7.3%	11.4%

<sup>1</sup> Performance since inception of the fund.

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

<sup>3</sup> Inception: 29 February 2020

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

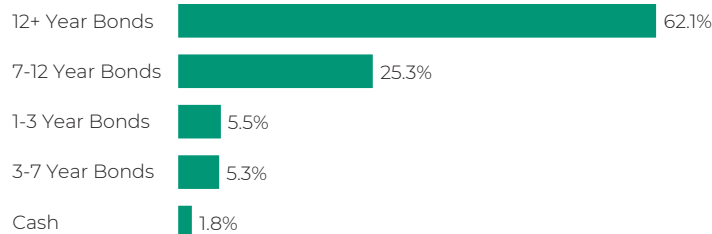
Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	42.7%	11.4%	-8.5%

Risk Statistics (Since Inception)	
Maximum Drawdown	-21.7%
Months to Recover	6
% Positive Months	70.8%
Annual Standard Deviation	8.2%
Sharpe Ratio	0.30

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

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION



### PRINCIPAL HOLDINGS

Holding	% of Fund
R2040 9.00% 31/01/2040	25.4%
R2035 8.875% 28/02/2035	23.8%
R2037 8.50% 31/01/2037	22.3%
R2044 8.75% 31/01/2044	14.2%
Transnet Ltd 8.9% 14/11/2027	1.3%
Eskom Holdings Ltd 8.5% 25/04/2042	1.3%
DVFC26 FRN 15/12/2026	1.2%
TN30 10.50% 09/10/2030	0.9%
T17A32 7.72% 21/02/2026	0.9%
RW23 9.51% 10/12/2023	0.6%



# OLD MUTUAL BOND FUND

## PORTFOLIO MANAGERS COMMENTARY

FUTUREGROWTH ASSET MANAGEMENT



**YUNUS JANUARY**

• 12 years of investment experience

The global banking crisis rattled markets as fears of systemic risk and financial system failure triggered a risk-off environment and redirected capital to safe-haven markets. This resulted in US dollar strength on the back of a rally in US Treasuries. Central banks in the US and eurozone as well as large commercial banks stepped in to calm markets and avert the risk of a bank run. Even so, these concerns failed to derail the US Federal Reserve (Fed) and the European Central Bank (ECB) from hiking rates further, as both central banks increased their respective policy rates at their March policy meetings to quash elevated and sticky inflationary pressures. Domestically, the SA Reserve Bank (SARB) surprised the market by increasing the repo rate by 50 basis points at the March Monetary Policy Committee meeting. Consensus expectations were for a 25-basis point increase, but concerns around stubbornly high food inflation compelled the SARB to act more aggressively. This brings about a cumulative rate increase of 75 basis points over the first quarter of this year, resulting in a repo rate of 7.75%.

On the fiscal front, the Minister of Finance managed to strike a commendable balance between maintaining a credible commitment to fiscal integrity and finding a comprehensive solution to the unsustainable Eskom debt overhang. Having said that, over the longer term, fiscal execution risk remains elevated considering continued expenditure pressure and the fact that South Africa is saddled with a structurally low growth environment. Despite this, the All Bond Index (ALBI) rendered a robust return of 3.4% for the quarter, outperforming both inflation-linked bonds (IGOV) and cash, which returned 0.9% and 1.7% respectively.

The fund returned 4.6% over the 12-month period ending March 2023, underperforming the benchmark by 1.2%. Underperformance was primarily due to the fund's overweight position in the +12-year area of the nominal curve, which was the weaker performing sector over the period as nominal bond yields across the curve trended higher in response to a combination of increasing domestic inflation and an aggressive interest rate hiking cycle.

From a strategic perspective, the fund favours holding bonds within the 12- to 20-year area of the nominal bond yield curve. Current yield curve steepness renders this part of the curve attractive from an expected risk-adjusted return perspective. The fund continues to maintain limited exposure to the ultra-long +20-year area of the curve given its characteristically high level of interest rate risk and its susceptibility to volatility stemming from fiscal pressures. From a tactical positioning perspective, focus over the past few months has centred around tactically trading the elevated volatility in the longer end of the curve. This is done by rolling up into longer-dated bonds into bouts of market weakness, subsequently taking profit and rolling down the yield curve into bouts of strength. From a strategic positioning perspective, the fund has gradually increased its level of interest rate risk as valuation has become increasingly attractive. The fund's modified duration has increased to +0.5 relative to benchmark, from -0.2 at the end of March 2022.

Source: Old Mutual Investment Group as at 31/03/2023

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS\*:

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 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) (31/12/2022)	36 Months			12 Months		
	Class A	Class B1	Class R	Class A	Class B1	Class R
Total Expense Ratio (TER) Incl. VAT	0.86%	0.71%	0.89%	0.88%	0.71%	0.89%
Transaction Cost (TC)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Total Investment Charge	0.89%	0.74%	0.92%	0.91%	0.74%	0.92%

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.
- 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](http://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 March 2023. 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.**

