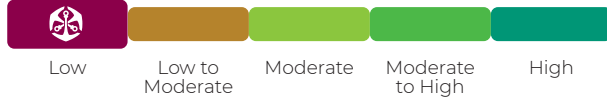




# OLD MUTUAL INCOME FUND

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED INVESTMENT TERM



### COMPOSITE BENCHMARK:

80% STeFI Composite Index & 20% All Bond Index

### RISK OBJECTIVE:

No negative quarters.

### ASISA CATEGORY:

South African – Interest Bearing – Short Term

### FUND MANAGER(S):

Yunus January  
(Futuregrowth Asset Management)

### LAUNCH DATE:

22/04/1989

### SIZE OF FUND:

R4.3bn

### DISTRIBUTIONS: (Quarterly)\*

Date	Interest	Yield	Total %
30/06/2023	2.45c	6.96%	1.94%
31/03/2023	2.32c	6.22%	1.83%
31/12/2022	2.14c	5.69%	1.70%
30/09/2022	1.89c	5.26%	1.51%

\* Class A fund distributions

### TAX REFERENCE NUMBER:

9430/004/60/7

CODES	JSE	ISIN
<b>Class A</b>	OMINFA	ZAE000279303
<b>Class B1</b>	OMIB1	ZAE000174132
<b>Class R</b>	OMTI	ZAE000020822

### 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

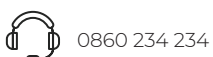
The fund invests in local interest-bearing investments including fixed and floating rate bonds and money market instruments. The weighted average modified duration of the fund will always be less than two years, which contributes to its relative capital stability. Derivatives may be used for efficient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

## 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)



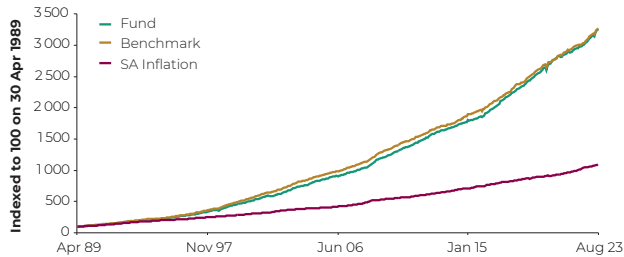
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# OLD MUTUAL INCOME FUND

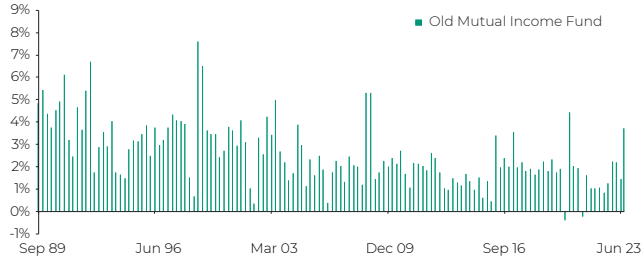
## FUND PERFORMANCE AS AT 31/08/2023

### PERFORMANCE SINCE INCEPTION



Past performance is no indication of future performance.

### ROLLING QUARTER-END RETURNS



% Performance (Annualised)						
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	8.2%	5.8%	6.8%	7.4%	7.0%	10.7%
Fund (Class B1) <sup>2</sup>	8.4%	6.0%	7.0%	7.5%	7.2%	-
Fund (Class A) <sup>3</sup>	8.2%	5.8%	-	-	-	-
Benchmark	7.4%	5.7%	6.3%	6.7%	6.7%	10.7%

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

<sup>2</sup> Inception: 31 January 2013. Class B1 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)	27.8%	10.7%	3.5%

### Risk Statistics (Since Inception)

Maximum Drawdown	-5.0%
Months to Recover	2
% Positive Months	94.9%
Annual Standard Deviation	2.5%

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

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION

Money Market Instruments*	40.9%
1-3 Year Bonds	29.4%
3-7 Year Bonds	23.8%
7-12 Year Bonds	5.7%
12+ Year Bonds	0.2%

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

### PRINCIPAL HOLDINGS AS AT 30/06/2023

Holding	% of Fund
R2032 8.25% 31/03/2032	4.9%
OML13 FRN 23/09/2026	2.2%
SBS62 FRN 31/01/2024	1.9%
Eskom Holdings Ltd ES26 02/04/2026	1.9%
FRJ23 FRN 31/07/2023	1.7%
DV24 9.69% 18/02/2024	1.7%
SBS65 FRN 15/05/2024	1.6%
SBS57 FRN 12/06/2024	1.6%
RW23 9.51% 10/12/2023	1.6%
FRJ25 FRN 14/02/2024	1.5%



# OLD MUTUAL INCOME FUND

## PORTFOLIO MANAGERS COMMENTARY AS AT 30/06/2023

FUTUREGROWTH ASSET MANAGEMENT



**YUNUS JANUARY**

• 12 years of investment experience

Market volatility remained elevated throughout the quarter, particularly mid-way through the period, as risk sentiment soured. This was triggered by concerns around higher stages of load shedding, the potential of grid collapse and the US ambassador's statement relating to the sale of arms by South Africa to Russia. The souring sentiment led to a continued reduction in the percentage ownership of South African bond holdings by foreign investors, which at the end of May, stood at a 12-year low of 25.1%. The currency was not spared either, as it weakened to a low of R19.86 against the US dollar. Despite currency weakness over the period, the disinflation trend gained momentum as headline CPI data for May slowed to 6.3% year on year following a period of stickiness, and is now well below the peak of 7.8% recorded in June 2022. A combination of base effects and softer prints for food inflation was primarily responsible for the moderating level of headline inflation. The South African Reserve Bank (SARB) remained

hawkish even with the disinflation trend becoming progressively more pronounced. All five members of the Monetary Policy Committee opted to vote for a 50 basis point (bp) increase at the May meeting. Against this backdrop nominal bonds, as measured by the All Bond Index (ALBI), weakened in April before weakening more aggressively in May. Although June saw a strong recovery, this was not enough to render the quarter's return positive. As such, the ALBI recorded a return of -1.53% over the period. This was weaker than the +1.9% and -0.84% generated by cash (STeFI Index) and inflation-linked bonds (IGOV Index) respectively.

The fund returned 7.4% over the 12-month period, outperforming the benchmark by 0.3%. The fund's nominal fixed rate bond exposure, which is primarily allocated to the 1- to 3-year and 3- to 7-year areas of the yield curve, continued to contribute to outperformance over the period, despite the significant market volatility of late. The fund maintains a sizeable

variable rate bond exposure (81.4%), which mitigates excessive interest rate risk and contributes to yield enhancement in the form of credit spread accrual.

The fund has maintained a neutral modified duration stance at 1.3, which, when considered in conjunction with the fund's 81% exposure to non-government variable rate notes, positions it to generate stable returns in what can be considered a volatile interest rate environment. The bulk of the fund's interest rate risk is also limited to the 1- to 3-year and 3- to 7-year areas of the nominal bond yield curve. These parts of the curve are expected to be less exposed to yield curve volatility resulting from growth-induced fiscal concerns and have largely priced in the SARB's tightening cycle, which we view as having reached a peak following recent rate hikes. The high variable rate note exposure has allowed the fund's weighted average yield to increase by 0.5% to 9.5% in response to recent rate hikes.

Source: Old Mutual Investment Group as at 30/06/2023

## 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) (30/06/2023)	36 Months			12 Months		
	Class A	Class B1	Class R	Class A	Class B1	Class R
Total Expense Ratio (TER) Incl. VAT	0.88%	0.71%	0.88%	0.88%	0.71%	0.88%
Transaction Cost (TC)	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%
Total Investment Charge	0.90%	0.73%	0.90%	0.89%	0.72%	0.89%

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 INCOME 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.
- 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 August 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.

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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

## CONTACT DETAILS

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



0860 234 234



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