



OLD MUTUAL GLOBAL BOND FEEDER FUND

MARCH 2019

A ballot process is underway to amalgamate the fund with the Old Mutual Global Currency Feeder Fund on 30 April 2019. Any new client flows, including new client switches into the fund, will no longer be processed. However, investment flows from existing investors, including contracted debit orders, will continue irrespective of the capping of the fund. There will be no restrictions on repurchases.

FUND INFORMATION

RISK PROFILE



The risk profile does not take the impact of exchange rate fluctuations into account.

RECOMMENDED MINIMUM INVESTMENT TERM



FUND OBJECTIVE

This fund aims to offer a combination of capital growth and high income yields, without putting the investor's money at undue risk.

WHO IS THIS FUND FOR?

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

INVESTMENT MANDATE

The fund holds a portfolio of interest-bearing investments selected from bond markets across the world. This fund invests at least 80% of its assets (subject to regulatory and other forex constraints) in the Old Mutual Global Aggregate Bond Fund. A maximum of 20% is invested locally in the Old Mutual Money Market Fund.

REGULATION 28 COMPLIANCE

The fund aims to offer exposure to a specific asset class. It therefore holds a higher allocation to international assets than what is allowed in terms of Regulation 28 of the Pension Funds Act. This fund is therefore not Regulation 28 compliant.

BENCHMARK:	Barclays Capital Global Aggregate Bond Index
ASISA CATEGORY:	Global – Interest Bearing – Variable Term
FUND MANAGER(S):	Old Mutual Investment Group The sub-fund is managed by Rogge Global Partners.
LAUNCH DATE:	01/04/2000* * The underlying fund was changed on 20/03/2013.
SIZE OF FUND:	R64m

DISTRIBUTIONS: (Half-yearly)*

Date	Dividend	Interest	Total	Total %
31/12/2018	0.00c	0.00c	0.00c	0.00%
30/06/2018	0.00c	0.00c	0.00c	0.00%

* Class A fund distributions

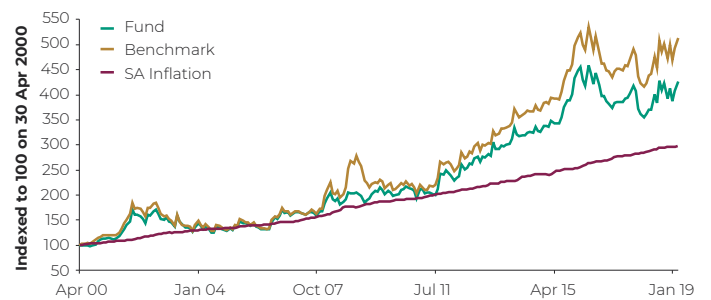
FUND PERFORMANCE as at 31/03/2019

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception*
Fund (Class A)	18.1%	-0.3%	6.1%	9.0%	8.0%	8.0%
Benchmark	21.2%	0.8%	7.6%	10.6%	7.1%	9.0%

* Performance since inception of the fund. 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)	54.1%	8.6%	-21.0%

Performance Since Inception



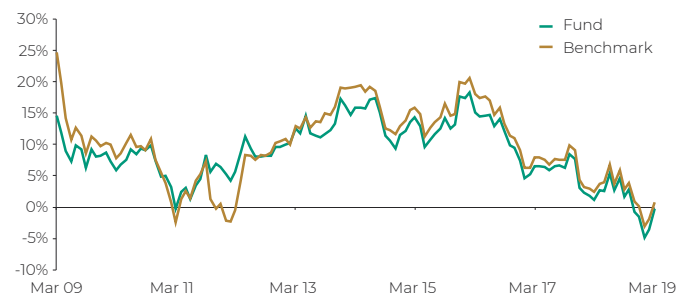
Past performance is no indication of future performance.

Risk Statistics (Since Inception)

Maximum Drawdown	-26.8%
Months to Recover	28
% Positive Months	49.8%
Annual Standard Deviation	15.1%

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

3-Year Annualised Rolling Returns (Fund vs Benchmark)



FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION	
OM Global Aggregate Bond Fund	99.4%
Liquid Assets	0.6%



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FUND COMMENTARY as at 31/03/2019

It was a strong quarter for government bond markets as fears about the global growth outlook resulted in increasingly dovish rhetoric from central banks globally. Despite these growth uncertainties, risk assets were supported on expectations that an easing in financial conditions would reduce some of the downside growth risks over the course of this year. Following the spike in market volatility in late 2018, US Federal Reserve Chairman Jerome Powell began the year by signalling that the Fed was becoming more data dependent on its policy stance. In March, the Fed lowered its medium-term rate path, signalling no further rate hikes in 2019 and only one hike in 2020, while also announcing an end to its balance sheet normalisation programme before year-end. Elsewhere, the slowdown in Euro area growth saw the European Central Bank also signalling a more dovish policy stance, while the Chinese central bank introduced further monetary easing measures to stem the downside risks to the Chinese economy. Against this backdrop,

the trade weighted US dollar ended the quarter modestly higher against the euro and yen.

The three-month to 10-year (3m10y) US Treasury curve briefly inverted for the first time since 2007, increasing market concern that the US economy could be heading for recession over the coming year. Ten-year US Treasury yields fell to 2.41%, their lowest levels since the end of 2017. German yields went into negative territory up to the 10-year part of the curve, with 10-year Bund yields ending the quarter at -7 basis points (bps). Against this backdrop, the trade weighted US dollar ended the quarter on a firmer footing, having initially weakened around the US Fed policy meeting.

Emerging market assets made a strong start to the year, as the recent dovish turns by global central banks and more aggressive monetary policy stimulus action from the People's Bank of China fuelled appetite for riskier assets. However, a series of weaker global data triggered a realisation of what fuelled the dovish pivot in the first place, forcing emerging market assets to give up some gains in the back end of the first quarter of 2019.

Following a sharp decline in global sovereign bond yields, the Old Mutual Global Bond Feeder Fund booked profits on the overweight exposure to US Treasuries. The portfolio remains underweight to Canadian duration versus both the US and, more recently, Australia. The underweight position to long-dated Japanese government bonds was reduced, while the underweight to euro sovereign spreads was increased, via a new underweight to France.

With respect to currencies, the underweight to the US dollar was increased to 7% market value versus an overweight to the Brazilian real, Indonesian rupiah and the euro. Profits were taken on the short euro versus Norwegian krone position, while a loss was realised on the short US dollar versus Canadian dollar exposure.

The overall credit risk of the portfolio was kept broadly constant in March, with the portfolio neutral overall credit risk versus the benchmark. We maintain a modest preference for US dollar and euro credit versus pound sterling issuance.

Source: Allianz Global Investors as at 31/03/2019

OTHER INVESTMENT CONSIDERATIONS

MINIMUM INVESTMENTS:

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

INITIAL CHARGES (Incl. VAT):

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 0.69%. Investment transactions below the R500 fund minimum incur a 2.30% administration charge.

ONGOING

	Class A
Annual service fees (excl. VAT)	1.00%

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: 9299/536/14/5

ISIN CODES: Class A ZAE000025052

Total Expenses (Incl. Annual Service Fee) (31/12/2018)	36 Months	12 Months
	Class A	Class A
Total Expense Ratio (TER) Incl. VAT	1.66%	1.70%
Transaction Cost (TC)	0.02%	0.01%
Total Investment Charge	1.68%	1.71%

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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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.omut.co.za 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 the Money Market Funds, the price of which is set at 13:00. These are also the times we value our funds 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.
- This fund holds assets in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.
- A feeder fund is a portfolio that invests in a single fund which levies its own charges. This could result in a higher fee structure for the feeder fund.
- 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 2019. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).

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: April 2019