



# OLD MUTUAL NAMIBIA DYNAMIC FLOOR FUND

JUNE 2024

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The fund strives for long-term capital growth as well as some level of capital protection. Through the use of a quantitative risk model, the fund aims to profit from a rising share market and protect against capital losses in a weak market.

### WHO IS THIS FUND FOR?

This fund is suited to investors who strive for long-term capital growth as well as some level of capital protection.

### INVESTMENT MANDATE

The fund invests across Namibian and South African shares, bonds and cash – moving from shares into fixed interest investments when the fund's value drops below a predetermined "floor". When markets start to move up, the fund increases its holdings in shares, tapping into these growth opportunities. Derivatives may also be tactically used to manage and limit downside risk and to capture or lock in gains as and when they occur. The fund conforms to retirement fund legislation.

**BENCHMARK:** CPI

**PERFORMANCE TARGET:** CPI + 3% p.a. (net of fees)  
Performance is targeted over the recommended minimum investment term and is not guaranteed.

**RISK OBJECTIVE:** The fund aims to protect at least 90% of the net investment over a 12-month period.

**FUND CATEGORY:** Namibia Managed Prudential Funds

**FUND MANAGER(S):** Hanno Niehaus & Sehrish Khan (Old Mutual Investment Group)

**LAUNCH DATE:** 01/02/2005

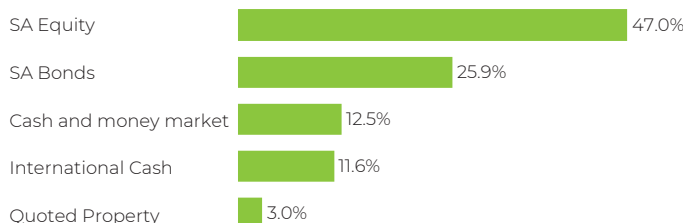
**SIZE OF FUND:** N\$48m

### DISTRIBUTIONS: (Half-yearly)

Date	Dividend	Interest	Total
30/06/2024	1.51c	5.80c	7.31c
31/12/2023	1.55c	5.94c	7.49c

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION



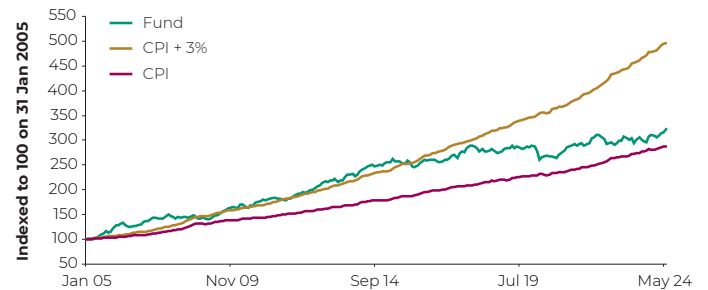
## FUND PERFORMANCE AS AT 30/06/2024

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception*
Fund	7.8%	3.9%	2.4%	3.0%	2.7%	6.2%
Benchmark#	5.2%	6.0%	5.0%	4.9%	5.0%	5.6%

# The CPI figures are lagged by one month as it is calculated before this month's inflation rate was released.  
\* 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)	32.6%	6.0%	-8.2%

### Performance Since Inception

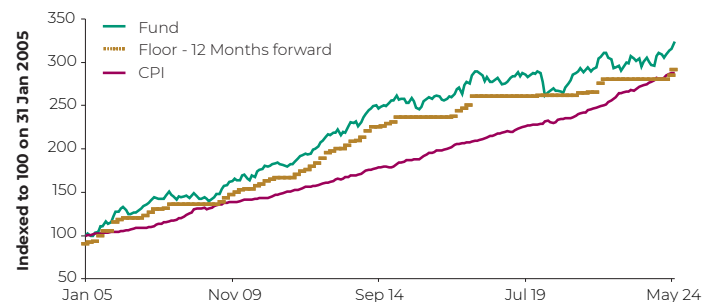


Past performance is no indication of future performance.

### Risk Statistics (Since Inception)

Maximum Drawdown	-9.8%
Months to Recover	15
% Positive Months	64.8%
Annual Standard Deviation	6.0%

### Fund Floors Since Inception to 30 June 2024



## PRINCIPAL HOLDINGS

HOLDING	% OF FUND
GI36 ILB 15/07/2036	6.1%
Namibia TBLNA407 30/08/2024	5.7%
GI33 ILB 15/04/2033	5.6%
Naspers Ltd	3.6%
R2032 8.25% 31/03/2032	3.3%
R2040 9.00% 31/01/2040	3.1%
R2035 8.875% 28/02/2035	3.0%
FRC475 FRN 31/07/2030	2.5%
Anglo American Plc (Nam)	1.6%
Namibian Standard Bank Group NSE	1.6%

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

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## FUND MANAGER INFORMATION



**HANNO NIEHAUS |**  
PORTFOLIO MANAGER

- BEcon (Hons), CFA  
Charterholder
- 26 years of investment experience



**SEHRISH KHAN |**  
PORTFOLIO MANAGER

- B. Com (Acc), CA(SA), CFA  
Charterholder
- 9 years of investment experience

## FUND COMMENTARY

This is a heavy election year, with around half the world's population either having voted or still expected to vote. In SA, elections had a significant impact on our market, with initial trepidation ultimately giving way to relief, as investors cheered the ANC decision to form a Government of National Unity. SA assets rallied strongly in June with the rand firming 3.2% against the US dollar. Local equities and bonds delivered returns of 8.2% and 7.5% respectively, for the quarter. Locally oriented equities, including banks and retailers, led the market higher while rand hedge stocks and mining stocks lagged the overall index.

The next key election will be in the US on 5 November, where current polls favour Donald Trump over Joe Biden. Global markets remain focused on the outlook for growth and inflation. Inflation continues to moderate in major developed economies but remains above target in the US and Europe. In the US, while there are some signs of slowing growth, the labour market has remained resilient. Therefore, interest rates are likely to remain higher for longer. However, in the eurozone, the European Central Bank cut interest rates at its last meeting as growth is weak and inflation shows signs of heading back to target. Global equities rose 3.1% in US dollar terms during the quarter, outpacing global bonds, which were down 1.9%. Global equity performance continues to be driven by the US, and within that, by the performance of a handful of mega tech stocks. The S&P 500 was up 4.3% in the quarter, significantly outpacing the equally weighted S&P 500 Index, which was down 2.6%. Year-to-date, just six stocks have contributed 62% of the S&P 500's 15% rise.

The fund's return for the last 12 months is pleasing, with the sizeable allocation to local interest-bearing assets and our active trading thereof contributing to returns for the period. The fund has effective equity exposure (including property) of 50%. Going into the local election, we tested various election outcomes and market reactions

to determine the impact on the fund. In doing so, we identified and implemented the necessary trades to gain comfort over portfolio positioning. We also bought explicit tail risk protection using local equity options at low cost, to protect against both a good and a bad market reaction.

The global outlook remains highly uncertain and fragmented by region, making risk management a vital component of investment considerations. The fund's strategy of moving in and out of risky assets as and when is needed remains appropriate in this environment. As always, we seek to invest in the optimal blend of assets that offer growth and capital protection, in line with our dual risk and return objectives.

Source: Old Mutual Investment Group as at 30/06/2024

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS:

- Monthly: N\$100
- Lump sum: N\$300
- Ad hoc: N\$100

### CHARGES:

The buying price of units includes the following charges:

- An initial charge of maximum 5%, which may include commission.

	Admin	Commission
< N\$100 000	2%	Max. 3%
≥ N\$100 000	0.25%	Max. 3%

- Compulsory charges of 0.48%.

**Annual service fee:** 1.50%

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.

### Total Expenses (31/03/2024)

Total Expense Ratio (TER)	1.70%
Transaction Cost (TC)	0.06%
Total Investment Charge	1.76%

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Figures as at 30 June 2024, based on a lump sum investment excluding charges (bid-bid prices). Source: Morningstar. To ensure that the portfolio is always managed in accordance with its mandate, Old Mutual Unit Trusts Namibia reserves the right to close the fund to new investors. Unit trusts are generally medium- to long-term investments. Past performance is no indication of future growth. It is important that you are prepared for some shorter-term fluctuations as your investment moves in line with the markets. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The daily price is the current value of the fund's assets plus net interest income (minus expenses) divided by the number of units in issue. Unit trusts can engage in borrowing and scrip lending. The fund's TER reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. You can easily sell your investment at the ruling price of the day (calculated at 15h00 on a forward pricing basis).