



Disclosure of FSP:
 Futuregrowth Asset Management (Pty) Ltd ("Futuregrowth") is a licensed discretionary financial services provider, FSP 520.

SA ECONOMY
MARKET OVERVIEW

Global bond yields continued their upward march over the period, driven largely by the rapid increase in US Treasury yields over the past quarter. For example, the US 10-year treasury bond yield increased by 70 basis points from a rate of 3.84% to 4.57% over the period. Similarly, the South African 10-year bond yield has moved in near lockstep, increasing by 65 basis points from 11.35% to 12.0%. Tight labour markets in the US, where unemployment sits below 4% despite the US Fed having hiked rates by a cumulative 525 basis point since the start of the hiking cycle in March 2022, has resulted in markets expecting yields to remain higher for longer.

In contrast to the still buoyant economic growth outcomes in the US, macroeconomic growth indicators in China and central Europe underwhelmed in the quarter. This is despite gradual monetary policy stimulus in China, which has carried the promise of lending marginal support to the flagging economy but has to date proved ineffective at reviving credit growth and aggregate demand.

Having been caught in the crosscurrents of a divergent global backdrop, the local bond market has additionally had to contend with domestic structural constraints. The primary domestic impediment to growth remains the electricity supply shortfall, with loadshedding a permanent feature throughout the quarter. Despite the second quarter economic growth statistics confirming an increased resilience to the loadshedding constraint, the combination of persistent expenditure pressure and faltering corporate income tax receipts have raised the prospects of significant fiscal underperformance in the upcoming medium-term budget.

PERFORMANCE REVIEW

The Fund returned 5.87% over the 12-month period ending June 2023, underperforming the benchmark by 1.4%. The yield curve continued to bear steepen over the period as longer-dated local currency South African Government Bonds responded to a weakening in global bonds yields.

The Fund's overweight position in the +12-year area of the curve detracted from return given that this was the weaker performing sector over the period.

FUND POSITIONING

From a strategic perspective, the Fund favours nominal bond holdings within the 10- to 15-year area of the yield curve. Current yield curve steepness renders this part of the curve attractive from a risk adjusted return perspective. While the Fund maintains an underweight 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, it has gradually increased its level of interest rate risk to this segment of the yield curve as valuation has improved. This trade has been counterbalanced by simultaneously increasing exposure to the R186 (maturity 2026) given improved valuation, and the return stabilization it lends in this phase of the interest rate cycle.

Source: Old Mutual Investment Group as at 30 SEPTEMBER 2023

FUND INFORMATION
FUND INFORMATION
RISK PROFILE

LOW

LOW TO MODERATE

MODERATE

MODERATE TO HIGH

HIGH

FUND OBJECTIVE

To maximise this fund's total returns through a balance of capital growth and a high level of income. To invest funds into longer term, fixed interest instruments with an emphasis on institutions and projects than contribute to the development of South Africa through meaningful social impact, commitment to development, community participation and support.

INVESTMENT MANDATE

The fund invests in interest-bearing securities and money market instruments. All investments in interest-bearing securities must be approved by Unity Corporation.

CHARACTERISTICS OF THE FUND AND RISKS

This fund is suited to astute investors who have a particular view on a single asset class whilst investing in socially responsible investments. The investor understands the impact of the interest rate cycle and accepts this risk in exchange for moderate capital growth. The Fund is exposed to both interest rate risk and credit risk. In terms of interest rate risk, the risk to the Fund is moderate as the mandate allows for limited positioning relative to bench mark and in terms of credit risk; the Fund's investments are limited to listed credit assets with a credit rating of investment grade or better.

FUND INFORMATION

FUND MANAGER	Yunus January
FUND CATEGORY	South African – Interest Bearing – Variable Term
FUND BENCHMARK	BEASSA All Bond Index
LAUNCH DATE	14 July 1998
FUND SIZE (NET VALUE ASSET)	R6.7 million
DEALING PRICE	NAV
FUND CODE	CGMI
DISTRIBUTIONS	Declared: August 2023 • Distributed 2 business day after declaration • February 2023: 136.22c per unit • August 2023: 131.11c per unit
MINIMUM INVESTMENT	R5 000
INITIAL CHARGE	R500
SERVICE FEE	No initial administration charge. Initial adviser fee will be between 0% to 0.68% (incl. VAT).
TOTAL EXPENSE RATIO (TER)*	0.5% p.a.
NAV PRICE (CENTS/UNIT)	128.71c
TOTAL EXPENSE RATIO (TER)*	1.65% (Annualised)

FUND PERFORMANCE as at 30 SEPTEMBER 2023

TEN LARGEST HOLDINGS AS AT 30 SEPTEMBER 2023

	% NAV
R2037 8.50% 310137	23,06
R2040 9.0000% 310140	22,67
R2044 8,7500% 31012045	8,93
R2035 8.8750% 280235	5,63
ES42 8.5% 250442	4,87
TN30 10.5% 091030	4,06
TN27 8.90% 141127	4,02
R2030 8,000% 310130	3,62
ES33 7.50% 150933	3,08
R214 6.50% 280241	2,52

FUND PERFORMANCE [% PERFORMANCE (ANNUALISED)]

YEARS	FUND	FUND BENCHMARK %	CATEGORY RANKINGS
1	8,9	5,4	29/51
3	6.1	6.7	33/37
5	5.9	6.4	26/30
5	6,3	6.4	22/26
10	6,5	6.4	13/15
*Past performance is no indication of future performance.			
FUND (SINCE INCEPTION)	HIGHEST %	AVERAGE %	LOWEST %
12-month return	14,65%	0,72%	-14,13%

TEL: 011 333 7545 • FACSIMILE: 011 336 8333 • WEBSITE: WWW.COMANCO.CO.ZA • EMAIL: INVEST@COMANCO.CO.ZA

STATUTORY INFORMATION

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. Past performance is no indication of future growth. Unit trusts may engage in scrip lending and may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Unit trust prices are calculated on a net asset value (NAV) basis, which is the total market value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio divided by the number of units in issue. Each fund's total expense ratio (TER) reflects the percentage of the average Net Asset Value of each portfolio that was incurred as charges, levies and fees related to the management of the portfolio. Instructions to withdraw must reach Community Growth Management Company (RF) (Pty) Ltd (COMANCO) before 15h00 to ensure same day value.

The portfolio performance is calculated on a NAV-NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date NAV price. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Additional information is available free of charge and you could email: invest@comanco.co.za

Trustees: The Standard Bank of South Africa Limited, PO Box 54, Cape Town, 8000. Tel: +2721 401 2002, Fax: +27 24 401 3887 Community Growth Management Company (RF) (Pty) Ltd (COMANCO) is a licensed Management Company approved by the Registrar of Collective Investment Schemes, (Registration no. 1992/002327/07), 3RD FLOOR, BLOCK D, Sunnyside Office Park, 32 Princess of Wales Terrace, PARKTOWN 2193, Johannesburg