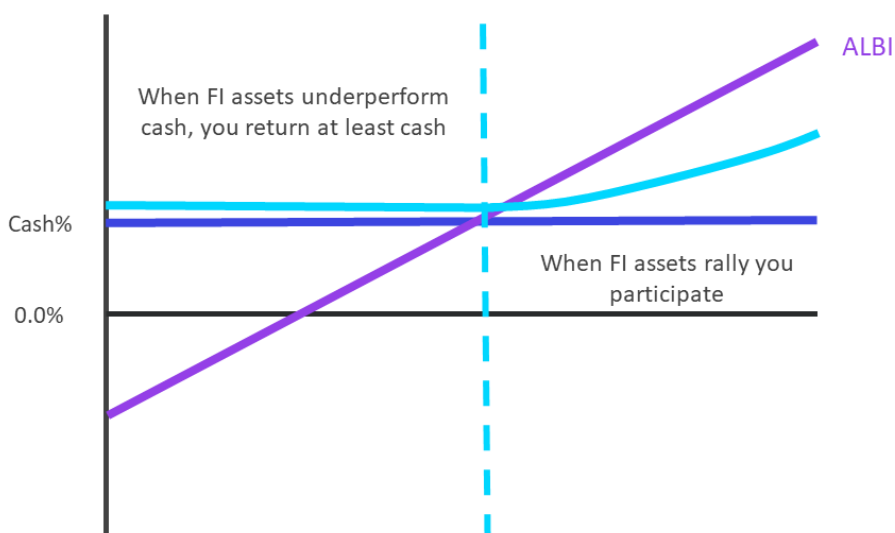


Discovery Diversified Income Fund

Fund Snapshot

- The Fund is a suitable alternative to cash, which aims to maximise income and grow capital.
- The portfolio invests in a broad spectrum of fixed income instruments both locally and abroad (maximum 30% offshore). The fund targets outperformance of the ALBI 1-3 year spliced with SteFi benchmark, measured over rolling two year periods.
- The investment strategy of this fund is to “participate and protect” i.e. returns of the fund have some correlation to the bond market when it outperforms (participate in the rallies) and have little correlation to the bond market when it underperforms (protect in the selloffs).
- The Fund has capital preservation bias that has avoids quarterly drawdowns and tries to eliminate 6-monthly drawdowns completely.

Investment Framework: What are we trying to achieve?



Return

In excess of cash, which seeks to:

- participate in bond upside
- protect bond downside

Risk

Capital preservation bias, which seeks to:

- avoid quarterly drawdowns
- eliminate 6 monthly drawdowns

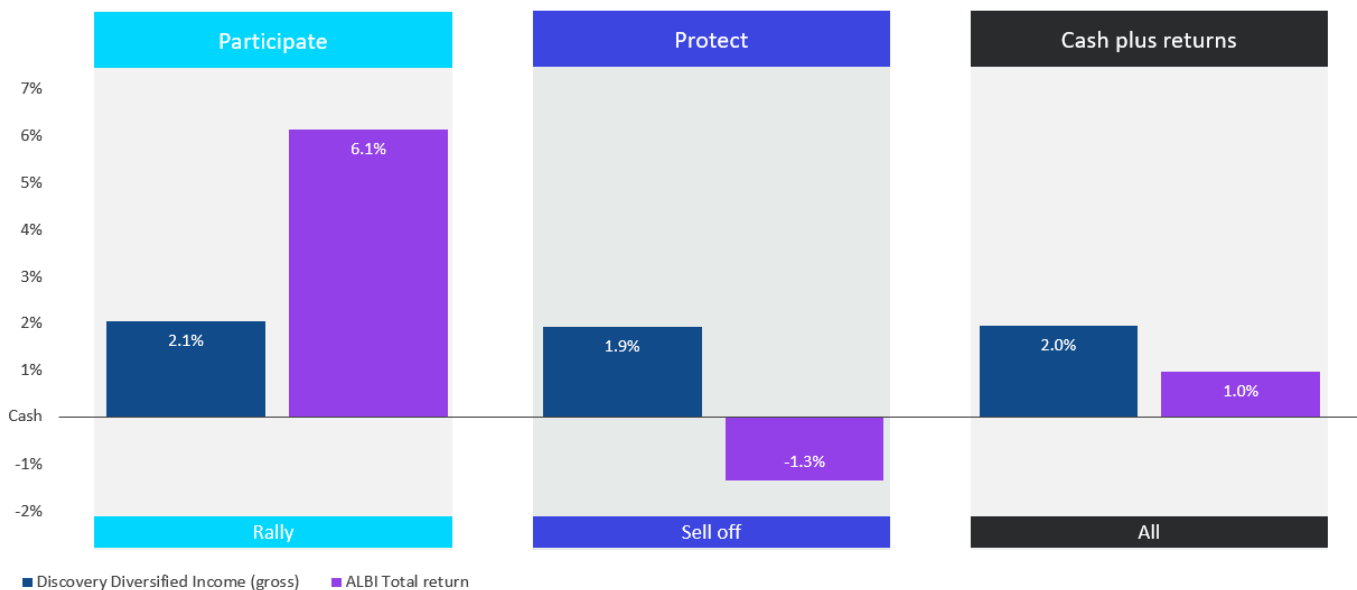
Participate and protect: Participate in the rallies, protect in the sell offs.



Performance

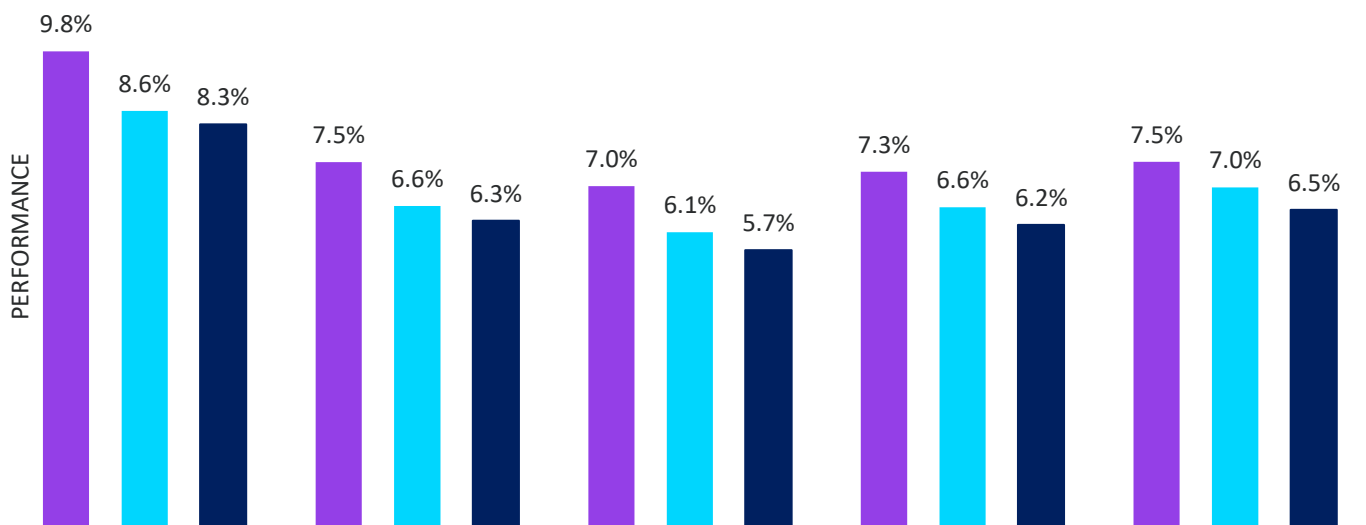
Against the backdrop of the global bond rally, particularly in the US, EM fixed income has performed strongly. In the SA Bond market, the JSE All Bond Index has continued to perform strongly, and we have been well-positioned on the curve as all tenors have rallied over the period. From a positioning perspective, we remain overweight in South African government bonds (SAGBs), which remain very attractive on valuation grounds.

Average rolling 12m excess returns over cash



Source: Ninety One. Returns are based on lump sum investment, NAV based, inclusive of all annual management fees but excluding any initial charges, gross income reinvested, fees are not applicable to market indices, where funds have an international allocation, this is subject to dividend withholding tax, in South African Rand. Data to 30 June 2024

Annualised performance in ZAR



Source: Morningstar

Past performance should not be taken as a guide to the future, losses may be made. Data is not audited.



Collective Investment Schemes (Unit Trusts) are generally medium to long-term investments. The value of participatory interests (units) or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending (i.e. borrowing and lending of assets). The manager does not provide any guarantee, either with respect to the capital or the return of a portfolio. Any forecasts and/or commentary in this document are not guaranteed to occur. Different classes of participatory interests apply to these portfolios and are subject to different fees and charges. A schedule of all fees and charges, inclusive of VAT and maximum commissions, is available on request from us or from your financial adviser. Forward pricing is used.

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For the full CIS disclosure and risk statement, go to:

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