

## Old Mutual Corporate Bond Investment Guidelines

Category	Max	Min	Notes
Aim			<i>The fund aims to maximise total return through investment in a diversified portfolio of fixed interest and other debt securities. A secondary consideration is the creation of an attractive income contribution to total return.</i>
Peer Group – IMA Sterling Corporate Bond			<i>Funds which invest at least 80% of their assets in Sterling denominated (or hedged back to Sterling), Triple BBB minus or above corporate bond securities (as measured by Standard &amp; Poors or an equivalent external rating agency).</i>
Modified Duration	9	0	
Currency Exposure	1%	0%	Currency exposure should be kept a minimum to aid settlement and allow for currency hedge fluctuations only
Investible Universe/Reference Index			iBoxx Sterling Non-Gilt Index
Allowance outside IBOXX	15%	0%	Foreign currency denominated bonds with parent companies within the iBoxx Sterling Non-Gilt Index are not treated as ex-iBoxx issues
UK Gilts	20%	0	Gilts are not treated as an ex-iBoxx Sterling Non-Gilt Index investment. See COLL restrictions 1.5.4 on government bonds
Maximum in Cash	20%	0	Cash is not included as an ex- iBoxx Sterling Non-Gilt Index investment. See COLL restrictions 1.8 and 1.9 on cash management
Number of issues		100	This includes government bond positions
Maximum in one company	4%		
Maximum in one issue	2%		
Non-Rated and High Yield	20%	0%	High Yield is defined as BB and below. Maximum in a single issue 0.5% in NR or HY issues. The combination of NR + HY+ ex- iBoxx Sterling Non-Gilt Index positions + Perpetual Bonds cannot exceed 20%.
Perpetual bonds <sup>1</sup>	10%	0%	Maximum 1% in any one issue.
Minimum Liquidity	5%		Can consist of cash, Government (UK Gilts, German Bundes or US Treasuries) or AAA corporate bonds
Liquidity measure	2	0	Under normal circumstances the OMAM proprietary liquidity measure should not exceed 2% on a consistent basis (see below)
Derivatives and forward transactions			See restriction 1.10 of Appendix 2 ( <i>Investment management and borrowing powers</i> ) of the prospectus
Sector Allocations			There are no formal limits on sector allocation. It is a matter for the fund manager to create the under/overweight positions relative to the iBoxx Sterling Non-Gilt Index in a responsible manner in-line with the macroeconomic policy of the Fixed Income team

<sup>1</sup> At the time of writing the iBoxx Sterling Corporate Bond Index contains some 5% in perpetual bonds