



## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The fund aims to offer superior returns over the medium to longer term by investing in companies with a market capitalisation smaller than the company with the lowest market capitalisation listed on the FTSE/JSE Large Cap Index (J205).

### WHO IS THIS FUND FOR?

This fund is suited to investors seeking long-term capital growth by investing in a focused portfolio of mid- and small cap companies. These investors can tolerate stock market volatility.

### INVESTMENT MANDATE

The fund invests in established companies with a market capitalisation smaller than the company with the lowest market capitalisation listed on the FTSE/JSE Large Cap Index (J205). The fund aims to achieve its performance objectives through superior share selection. Derivatives may be used for efficient portfolio management purposes.

### REGULATION 28 COMPLIANCE

The fund aims to achieve long-term inflation-beating growth, and may hold a higher allocation to equities and a greater exposure to a single equity than what is allowed in terms of Regulation 28 of the Pension Funds Act. This fund is therefore not Regulation 28 compliant.

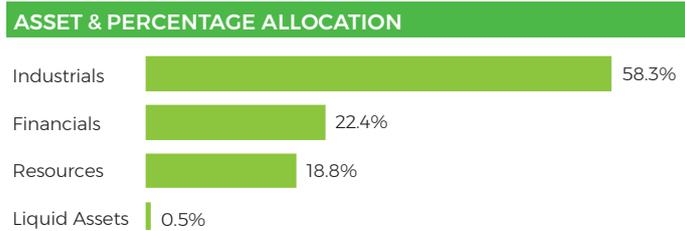
<b>BENCHMARK:</b>	ASISA Category Average
<b>ASISA CATEGORY:</b>	South African - Equity - Mid- & Small Cap
<b>FUND MANAGER(S):</b>	Kayaletu Nodada (Old Mutual Investment Group - MacroSolutions)
<b>LAUNCH DATE:</b>	30/04/1997
<b>SIZE OF FUND:</b>	R608m

### DISTRIBUTIONS: (Half-yearly)\*

Date	Dividend	Interest	Total	Total %
31/12/2020	1.40c	0.09c	1.49c	0.11%
30/06/2020	34.82c	0.40c	35.22c	2.81%

\* Class A fund distributions

### FUND COMPOSITION



## FUND PERFORMANCE AS AT 31/12/2020

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	-9.4%	-6.6%	-2.3%	-0.4%	5.1%	11.4%
Fund (Class A) <sup>2</sup>	-9.9%	-7.2%	-2.9%	-0.9%	4.5%	-
Fund (Class B1) <sup>3</sup>	-9.5%	-6.7%	-2.5%	-0.5%	-	-
Benchmark	-5.9%	-4.9%	-1.3%	0.4%	4.9%	9.5%

<sup>1</sup> Performance since inception of the fund.

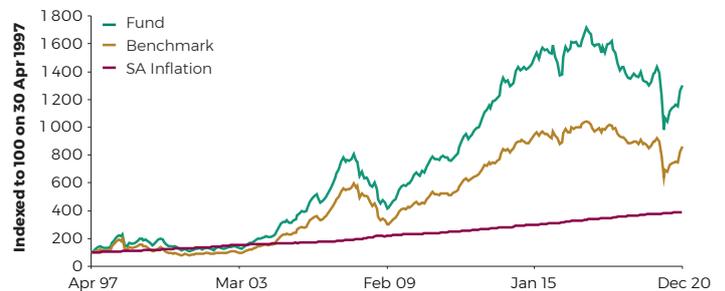
<sup>2</sup> Inception: 31 July 2007

<sup>3</sup> Inception: 31 July 2013. Class B1 fund is available through investment platforms such as Old Mutual Wealth.

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)	108.3%	12.9%	-40.3%

### Performance Since Inception



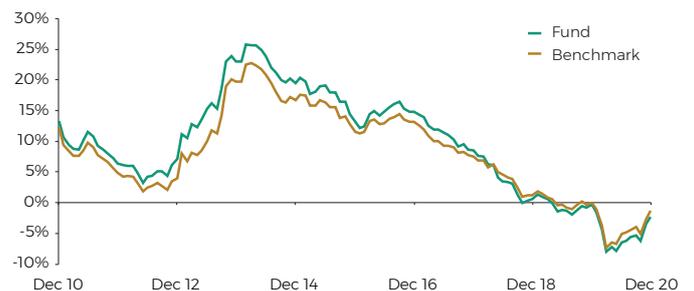
Past performance is no indication of future performance.

### Risk Statistics (Since Inception)

Maximum Drawdown	-52.2%
Months to Recover	43
% Positive Months	62.7%
Annual Standard Deviation	19.0%

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

### 5-Year Annualised Rolling Returns (Fund vs Benchmark)



### PRINCIPAL HOLDINGS

HOLDING	% OF FUND
Italtile Ltd	6.1%
Afrimat Ltd	5.0%
The Foschini Group Ltd	4.3%
Impala Platinum Holdings Ltd	4.1%
Raubex Group Ltd	4.0%
Reinet Investments	3.8%
Omnia Holdings Ltd	3.6%
Transaction Capital Ltd	3.5%
Massmart Holdings Ltd	3.3%
Reunert Ltd	3.1%



## FUND MANAGER INFORMATION



### KAYALETHU NODADA | PORTFOLIO MANAGER

- BCom (Hons), CA(SA)
- 7 years of investment experience

## FUND COMMENTARY

Amidst the booming start to 2020, news began filtering in about a flu-like virus that was spreading rapidly in the Chinese city of Wuhan. In the following weeks, the virus was spreading at an exponential rate, negatively affecting the global economy. In the first quarter of 2020, we saw the fastest market crash in memory.

In the second quarter of 2020, countries around the world went into various versions of lockdown, effectively shutting down the world economy to slow down the spread of the coronavirus pandemic. Central banks responded with the largest dose of stimulus in history, which resulted in the most extraordinary reversal of the first quarter. Alongside global markets, South Africa rebounded from one

of the fastest crashes of all time, delivering one of the fastest recoveries of all time.

2020 will certainly be studied by economists and epidemiologists alike for decades to come.

The fourth quarter saw the small cap and mid-cap indices end the quarter up 18.7% and 11.9% respectively, but the year to 31 December 2020 down 3.3% and 17.1% respectively. The rand/US dollar exchange also ended the quarter stronger, with the rand gaining 11.7% against the dollar. However, for the 2020 year, the rand was 5% weaker over the whole year.

The importance of robust business models, strong balance sheets with low leverage and prudent capital allocation was highlighted as we continue to see the impact of the Covid-19-induced national lockdowns on companies.

Despite a weak macro backdrop, we have invested in SA Inc. companies we believe will continue to grow through market share gains and innovation while maintaining good capital allocation discipline. As South Africa's recovery unfolds, the fund's holdings in Raubex and Wilson Bailey Holmes stand to benefit from a pick-up in infrastructure

spend and renewable power construction in the years to come.

We expect Italtile to benefit from upper end consumers redirecting leisure and travel spending to home improvements due to the knock-on effects of social distancing and a sustained shift towards more work from home. We believe the value of The Foschini Group's recent acquisition of JET from the Edcon Group is underappreciated by the market.

We have balanced our SA Inc. holdings with positions in Reinet and AngloGold, which have served clients well during volatile times.

As we face the risks surrounding the potential impact of the second wave of the pandemic, both locally and globally, we continue to position our portfolios towards more defensive stocks.

We still believe that the current uncertainty and collapse in the valuations of what were already attractively valued South African assets, affords us the very rare and unique opportunity to invest in great businesses at these low levels, in line with our objective to grow our clients' wealth over the long term.

Source: Old Mutual Investment Group as at 31/12/2020

## 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 3.45%. Investment transactions below the R500 fund minimum incur a 2.30% administration charge.

\* Please note: Initial charges do not apply to the Class B funds.

## ONGOING

	Class A	Class B1*	Class R
Annual service fees (excl. VAT)	1.50%	1.10%	1.00%

\* Please note: The Class B1 fund is available through investment platforms such as Old Mutual Wealth.

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: 9318/002/60/8

ISIN CODES:	Class A	ZAE000097499
	Class B1	ZAE000179297
	Class R	ZAE000020772

Total Expenses (Incl. Annual Service Fee) (30/09/2020)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	1.76%	1.30%	1.18%	1.76%	1.30%	1.19%
Transaction Cost (TC)	0.23%	0.23%	0.23%	0.18%	0.18%	0.18%
Total Investment Charge	1.99%	1.53%	1.41%	1.94%	1.48%	1.37%

\* Please note: The Class B1 fund is available through investment platforms such as Old Mutual Wealth.

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.oldmutualinvest.com](http://www.oldmutualinvest.com) 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.
- Specialist equity funds may hold a greater risk as exposure limits to a single security may be higher.
- 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 December 2020. 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.

Trustee: Standard Bank, PO Box 54, Cape Town 8000. Tel: +27 21 401 2002, Fax: +27 21 401 3887.

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