



# OLD MUTUAL MID & SMALL-CAP FUND

MSCI  
ESG RATINGS



CCC B BB BBB A AA AAA

JUNE 2021

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### ESG FUND RATING

The environmental, social and governance (ESG) fund ratings are based on the exposure of the underlying assets held to industry-specific ESG risks and the ability to manage those risks relative to peers.

### 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.

**BENCHMARK:** ASISA Category Average\*

\* The FTSE/JSE Mid Cap Index (J201T) is referenced for exposure management purposes.

**ASISA CATEGORY:** South African - Equity - Mid- & Small Cap

**FUND MANAGER(S):** Kayaletu Nodada  
(Old Mutual Investment Group - MacroSolutions)

**LAUNCH DATE:** 30/04/1997

**SIZE OF FUND:** R737m

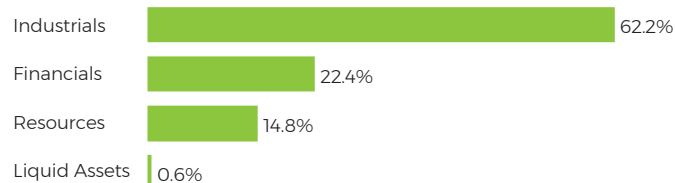
### DISTRIBUTIONS: (Half-yearly)\*

Date	Dividend	Interest	Total	Total %
30/06/2021	12.29c	0.12c	12.41c	0.69%
31/12/2020	1.40c	0.09c	1.49c	0.11%

\* Class A fund distributions

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION



## FUND PERFORMANCE AS AT 30/06/2021

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	48.7%	5.5%	1.2%	2.3%	7.7%	12.3%
Fund (Class A) <sup>2</sup>	47.9%	4.9%	0.6%	1.7%	7.1%	-
Fund (Class B1) <sup>3</sup>	48.5%	5.3%	1.1%	2.2%	-	-
Benchmark	44.1%	4.0%	1.7%	2.2%	7.2%	10.2%

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

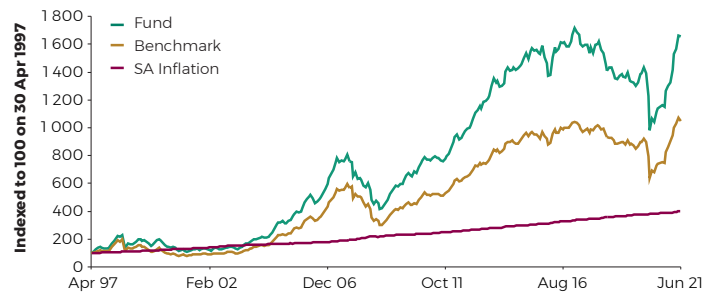
<sup>2</sup> Inception: 31 July 2007

<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%	13.5%	-40.3%

### Performance Since Inception



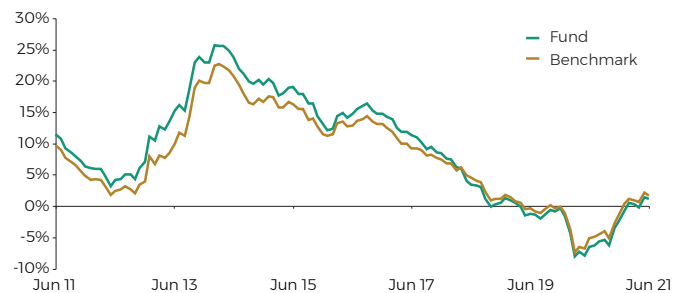
Past performance is no indication of future performance.

### Risk Statistics (Since Inception)

Maximum Drawdown	-52.2%
Months to Recover	43
% Positive Months	63.1%
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
Afrimat Ltd	5.5%
The Foschini Group Ltd	5.5%
Italtile Ltd	5.4%
Raubex Group Ltd	5.0%
Massmart Holdings Ltd	4.1%
Wilson Bayly Holmes - Ovcon Ltd	4.0%
Transaction Capital Ltd	3.9%
Impala Platinum Holdings Ltd	3.9%
Reunert Ltd	3.8%
Omnia Holdings Ltd	3.5%

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

Funds are also available via Old Mutual Wealth and MAX Investments.

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# OLD MUTUAL MID & SMALL-CAP FUND

JUNE 2021

## FUND MANAGER INFORMATION



**KAYALETHU NODADA |**  
PORTFOLIO MANAGER

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

## FUND COMMENTARY

Global equity markets posted another positive second quarter of 2021. Significant progress has been made globally with vaccine rollouts. Though these strides have been offset by the emergence of new Covid-19 variants, on balance, global uncertainty has retreated. The US and Chinese economies are leading the global recovery.

Alongside global markets, the South African market had a positive second quarter. We saw the small cap and mid-cap indices end the quarter up, returning 5.8% and 4.4% respectively. The rand dollar exchange also ended the quarter stronger, gaining 2.48% against the US dollar. The fund delivered good returns in this reporting period.

Our SA facing companies delivered strong results this quarter, as cyclical counters such as Afrimat Limited, The Foschini Group and Hudaco Industries performed strongly while some defensive holdings such as the Rhodes Food Group showed improved performance.

Furthermore, news came that Heineken has approached Distell Group regarding a potential acquisition. The market reacted positively to this news and, as a result, our holding in Distell also made a positive contribution to the performance in the quarter.

Companies continued to report their financial and operating performance highlighting how they are navigating through the Covid-19 uncertainty. Through share price movements, the market has rewarded those companies that have proven the flexibility and resilience of their business models delivering exceptional results in the circumstances.

Overall, the importance of robust business models, strong balance sheets with relatively low leverage, and prudent capital allocation by management teams, is still a key theme in the fund. We are confident our fund is well positioned for the economic recovery that is underway in South Africa.

Source: Old Mutual Investment Group as at 30/06/2021

## 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) (31/03/2021)	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%	1.19%	1.76%	1.30%	1.19%
Transaction Cost (TC)	0.22%	0.22%	0.22%	0.14%	0.14%	0.14%
Total Investment Charge	1.98%	1.52%	1.41%	1.90%	1.44%	1.33%

\* 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 30 June 2021. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).
- MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings ("the information") provide environmental, social and governance data with respect to underlying securities within more than 31 000 multi-asset class mutual funds and ETFs globally. MSCI ESG is a registered investment adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from the US SEC or any other regulatory body. None of the information constitutes an offer to buy or sell, or a promotion or recommendation of any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the information can be used to determine which securities to buy or sell or when to buy or sell them. The information is provided "as is" and the user of the information assumes the entire risk of any use it may make or permit to be made of the information.

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

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