

# Momentum Equity Fund

## Momentum Outcome-based Investing background (Philosophy)

Investment success is about consistently meeting an investor's investment needs – whether that be to generate an income stream in retirement, preserve capital or simply to grow wealth within the parameters of a certain risk profile.

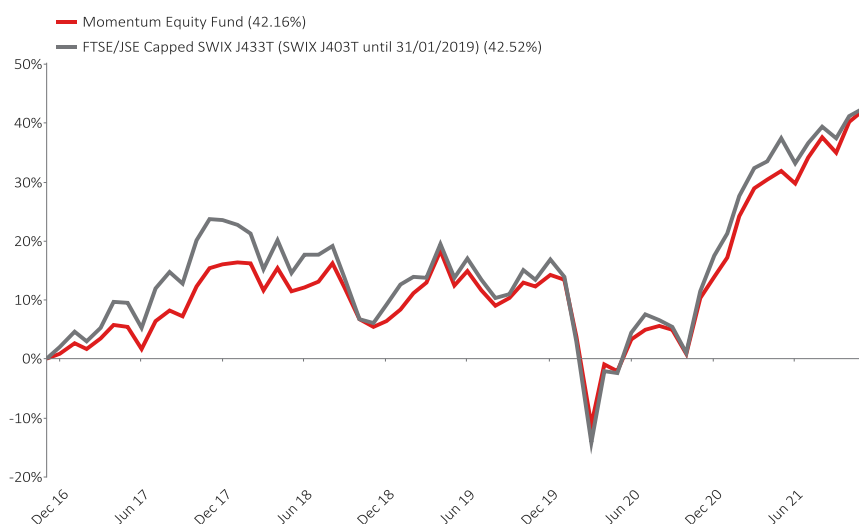
In order to maximise that probability of an investor reaching their desired objective, Momentum has built a leading range of outcome-based investment solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to investors, ensuring they achieve their investment goals.

## Investment outcome and portfolio objectives

The Fund is a largely domestic, equity portfolio that aims to maximise returns over the FTSE/JSE SWIX over time through a diversified portfolio of equity stocks, primarily domestic, under a multi-manager approach. The portfolio is suited to investors with a high risk profile with a tolerance for capital volatility over the short to medium term and a five year or longer investment horizon. The Fund invests in a diversified portfolio of local and global equity stocks, under a multi-manager approach. Multi management provides diversification benefits and the managers selected are mandated to implement independent, high conviction investment decisions. Strategy includes an above average component of small and medium cap shares in their respective portfolios to provide enhanced alpha. Offshore allocations of up to 25% and 5% in Africa provide further return opportunities and diversification benefits.

## Portfolio performance

### 5 year cumulative performance graph



### Annualised performance

	1 year	3 years	5 years	7 years	10 years
Fund	28.91%	10.48%	7.29%	5.92%	11.28%
Benchmark	27.83%	10.33%	7.34%	6.09%	10.34%
Sector	27.10%	11.38%	7.21%	5.94%	9.36%
Rank	49/163	86/144	60/118	47/92	10/64
High <sup>[1]</sup>	45.01%	45.01%	45.01%	45.01%	45.01%
Low <sup>[1]</sup>	-0.29%	-21.32%	-21.32%	-21.32%	-21.32%
Cash	3.79%	5.58%	6.31%	6.47%	6.19%
Inflation	4.95%	3.95%	4.36%	4.68%	4.99%

<sup>[1]</sup> High/Low – highest/lowest 1 year return of the portfolio/class of portfolio during the period detailed.

## Portfolio information

Benchmark	FTSE/JSE Capped SWIX (J433T)
ASISA sector	SA - Equity - General
Portfolio size	R 3.70 billion
Portfolio inception	1 November 2011
Launch date	3 September 2007
Launch price	
Latest price (30/11/2021)	293.53 (cpu)
JSE Alpha Code	MEME
ISIN Number	ZAE000103313

Minimum investment			
Lump sum	R 2,000	Monthly	R 250

Portfolio managers	
Jako de Jager	
BCom (Hons) Investment Management	
Ronnie Bornman	
(acting under supervision)	
BSc (Mathematical Statistics), CFA	
Underlying Manager	Allocation (%)
BlueAlpha	22.85
Laurium Capital	22.00
Sentio	19.38
Aylett	15.17
Steyn Capital	13.59
MAM - Trending Equity	6.63
Cash/MMkt	0.39

## Portfolio charges and ratios

Initial management fee	0% (incl. VAT)
Initial advisory fee	0% - 3.45% (incl. VAT)
Annual management fee	1.725% p.a. (incl. VAT)
Annual advisory fee	0% - 1.15% (incl. VAT)

Financial year end TER (incl. VAT): 2.06%

The disclosed Financial year end TER (total expense ratio) is shown as an annual percentage based on data for the 1 year period to 30 June 2021.

Cost ratios (incl. VAT) as at 30 September 2021:

TER (%)	TC (%)	TIC (%)
1.76%	0.26%	2.02%

TER (%): Total Expense Ratio, TC (%): Transactions Costs Ratio,

TIC (%): Total Investment Charges (TER (%) + TC (%))

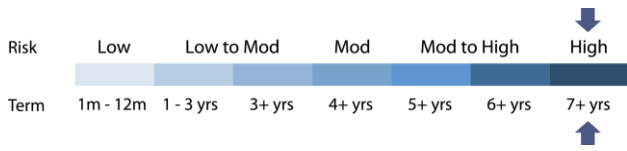
Please see Disclosures section for further information on cost ratios

## Income distribution (cpu)

	Dividend	Interest	Total
Dec'19	2.891	0.065	2.956
Jun'20	1.841	0.105	1.947
Dec'20	0.585	0.045	0.631
Jun'21	1.903	0.031	1.934
Dec'20 - Nov'21	2.489	0.076	2.565

Distribution takes place Semi-annually : June, December

## Risk/reward profile and 3 year statistics



### Specific risks

This portfolio is permitted to invest in foreign securities which, within portfolios, may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

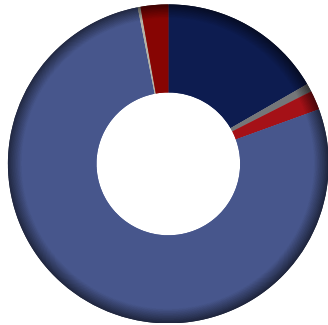
Standard deviation <sup>1)</sup>	15.74
Sharpe ratio <sup>2)</sup>	0.37
Information ratio <sup>3)</sup>	0.08
Largest negative monthly return	-14.44
Number of positive months	24 / 36

<sup>1)</sup>Standard deviation – measures the volatility of fund returns <sup>2)</sup>Sharpe ratio – fund return minus cash return (STeFI composite), divided by the Standard deviation (of fund returns)

<sup>3)</sup>Information ratio – return per unit of risk against the benchmark

## Holdings

### Asset type allocation (%)



Foreign Cash/Money Market	0.25
Foreign Equity	16.42
Foreign Equity - ETF	0.99
SA Cash/Money Market	1.97
SA Equity	77.52
SA Equity - Pref Share	0.15
SA Equity (Real Estate)	2.70

### Top holdings (%)

Prosus NV N	5.06
MTN Group Limited	4.88
FirstRand Limited	4.71
Anglo American plc	4.50
Naspers Limited	3.27
BHP Group plc	3.10
Capitec Bank Hldgs Limited	2.59
British American Tobacco plc	2.54
Royal Bafokeng Platinum Ltd	2.08
Standard Bank Group Limited	1.99

## Portfolio objective/investment policy

The Momentum Equity Fund is a specialist multi managed equity portfolio that seeks to sustain high long-term capital growth. The portfolio's investment universe consists of financially sound equity securities, property shares and property related securities listed on exchanges and assets in liquid form. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in South Africa and other similar schemes operated in territories with a regulatory environment which is of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective. The portfolio may from time to time invest in financial instruments, in order to achieve the portfolio's investment objective. The manager may also include unlisted forward currency, interest rate and exchange rate swap transactions. The portfolio's equity exposure will always exceed 80% with the balance, if any invested in assets in liquid form. The manager will appoint more than one investment manager to manage the portfolio. The majority of such investment managers will be generally regarded as smaller boutique investment managers based upon a certain amount of assets under management to be determined by the manager. Nothing shall preclude the manager from varying the ratios of securities or assets in liquid form in changing economic environment or market conditions, or to meet the requirements in terms of legislation and from retaining cash or placing cash on deposit in terms of the Deed and Supplemental Deed. The Trustee shall ensure that the investment policy is carried out. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors. This will be done in order to be able to manage the portfolio in accordance with its mandate.

## Portfolio limits and constraints

- Maximum exposure limits as per the ASISA fund classification structure.
- Maximum offshore exposure of 25% plus max 5% in Africa.
- Minimum domestic assets of 70%.
- The portfolio's equity exposure will always exceed 80% with the balance, if any, invested in assets in liquid form.



0860 111 899



ci.clientservice@momentum.co.za



www.momentuminv.co.za

## Contact and other information

### Scheme

Momentum Collective Investments Scheme

### Custodian/Trustee

Standard Bank of South Africa Limited

Telephone: +27 (0)21 441 4100

Registration no.: 1962/000738/06

### Management company

Momentum Collective Investments (RF) (Pty) Ltd

268 West Avenue, Centurion, 0157

PO Box 7400, Centurion, 0046

Facsimile: +27 (0)12 675 3889

Call centre: 0860 111 899

Email: [ci.clientservice@momentum.co.za](mailto:ci.clientservice@momentum.co.za)

Web: [www.momentuminv.co.za](http://www.momentuminv.co.za)

Registration no.: 1987/004287/07

### Investment manager

Momentum Outcome-based Solutions (Pty) Ltd

268 West Avenue, Centurion, 0157

PO Box 7400, Centurion, 0046

An authorised financial services provider, FSP No: 19840

Telephone: +27 (0)12 671 8911

Facsimile: +27 (0)12 684 5869

Email: [MOBS.emailus@momentum.co.za](mailto:MOBS.emailus@momentum.co.za)

Web: [www.momentuminv.co.za/momentumoutcome-basedsolutions](http://www.momentuminv.co.za/momentumoutcome-basedsolutions)

Registration no.: 2004/023064/07

## Disclosures

Momentum Collective Investments (RF) (Pty) Ltd (the "Manager"), registration number 1987/004287/07, is authorised in terms of the Collective Investment Schemes Control Act, No 45 of 2002 (CISCA) to administer Collective Investment Schemes (CIS) in Securities. The Manager is the manager of the Momentum Collective Investments Scheme, and MMI Holdings Ltd is a full member of the Association for Savings and Investment SA. Standard Bank of South Africa Limited, registration number 1962/000738/06, is the trustee of the scheme.

Momentum Equity Fund is a portfolio of the Momentum Collective Investments Scheme and Momentum Outcome-based Solutions (Pty) Ltd, registration number: 2004/023064/07, an authorised financial services provider ("FSP") under the Financial Advisory and Intermediary Services Act No. 37 of 2002 ("FAIS"), FSP number: 19840, is the investment manager of this portfolio.

The Total Expense Ratio (TER) is the percentage of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. A current TER may not necessarily be an accurate indication of future TER's. The disclosed TER is shown as an annual percentage based on data for the period from 01 October 2018 to 30 September 2021. The Transaction Costs Ratio (TC) is the percentage of the net asset value of the Financial Product incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. The TC should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER. The disclosed TC is shown as an annual percentage based on data for the period from 01 October 2018 to 30 September 2021. The Total Investment Charges (TIC) is the sum of the TER and the TC and is shown as a percentage depicting the annual costs relating to the investment of the Financial Product. Cost ratios are calculated using historical actual and/or estimated data and are provided solely as an indication/guide as to the annual expenses/costs that could be incurred. These ratios do not represent any current/actual charges or fees.

All portfolio performance is calculated for a portfolio/portfolio class. Individual investor returns may differ as a result of fees, actual date(s) of investment, date(s) of reinvestment of income and withholding tax. All portfolio performance shown is net of the Total Investment Charges (TIC) but excludes any initial or ongoing advisory fees that may, if applicable, be charged separately. Annualised returns, also known as Compound Annualised Growth Rates (CAGR), are calculated from cumulative returns; they provide an indication of the average annual return achieved from an investment that was held for the stated time period. Actual annual figures are available from the Manager on request. All portfolio performance figures quoted (tables and charts where present) are as at 30/11/2021, based on a lump sum investment, using NAV-NAV prices with income distributions reinvested on the ex-dividend date. CPI/Inflation figures, where present, are lagged by one month. Cash figures, where present, are STeFI Composite Index returns. All figures quoted in ZAR. Source: Morningstar and/or Momentum.

CIS are generally medium to long-term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The CIS may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Different classes of units apply to portfolios, which are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Manager. The Manager reserves the right to close and reopen certain portfolios to new investors from time to time in order to manage them more efficiently in accordance with their mandate. This portfolio is valued daily at approx. 15h00 and monthly (last business day of a month) at approx. 17h00. Latest prices can be viewed at [www.momentuminv.co.za](http://www.momentuminv.co.za) and in some national newspapers. Forward pricing is used. Instructions must reach the Manager before 14h00 to ensure same-day value. The Manager does not provide any guarantee, either with respect to the capital or the return of this portfolio. Additional information on the proposed investment including, but not limited to, brochures, application forms and the annual report and any half yearly report can be obtained, free of charge, at [www.momentuminv.co.za](http://www.momentuminv.co.za) or on request from the Manager.

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0860 111 899



[ci.clientservice@momentum.co.za](mailto:ci.clientservice@momentum.co.za)



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