

Momentum Enhanced Yield 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.

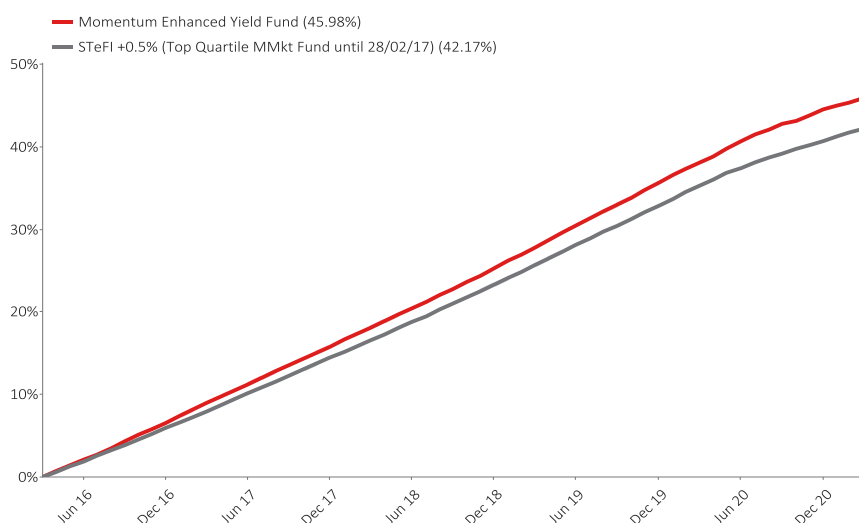
In order to maximise that probability of an investor reaching their desired objective, Momentum has built a leading range of outcome-based investment solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to investors, ensuring they achieve their investment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

Investment outcome and portfolio objectives

The Fund is a low risk, domestic only, fixed income portfolio which aims to outperform the STeFI Composite Index +0.5% over rolling one year periods. The portfolio is suited to investors with a low risk profile seeking the highest possible income yield with capital stability a further aim. The portfolio retains many of the characteristics of a typical money market fund, but a more flexible mandate increases the universe of investable securities. Additional credit risk and the ability to capture term premiums in longer dated instruments allows for the potential for enhanced returns with a commensurate increase in risk.

Portfolio performance

5 year cumulative performance graph



Annualised performance

	1 year	3 years	5 years	7 years	10 years
Fund	5.73%	7.33%	7.86%	7.57%	7.20%
Benchmark	5.07%	6.84%	7.29%	7.06%	6.61%
Sector	5.85%	7.13%	7.67%	7.31%	6.90%
Rank	14/35	9/29	9/25	5/24	5/15
High ^[1]	7.90%	8.39%	9.06%	9.06%	9.06%
Low ^[1]	5.73%	5.73%	5.73%	5.73%	5.73%
Cash	4.57%	6.34%	6.81%	6.68%	6.31%
Inflation	2.86%	3.85%	4.37%	4.69%	5.06%

Monthly performance (%)

	Mar'21	Feb'21	Jan'21	Dec'20	Nov'20	Oct'20	Sep'20	Aug'20	Jul'20	Jun'20	May'20	Apr'20
Fund	0.46	0.25	0.30	0.51	0.43	0.28	0.49	0.43	0.55	0.64	0.74	0.50
BM	0.35	0.32	0.35	0.35	0.35	0.38	0.39	0.43	0.46	0.48	0.54	0.56

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

Best South African – Interest Bearing – Short Term Fund (2019)

Raging Bull Awards 2019

The Momentum Enhanced Yield Fund was named Best South African - Interest Bearing - Short Term Fund, for risk-adjusted performance over a 5 year period to the end of December 2019.

This is the second consecutive year that this portfolio won in this category.

Full details are available on request from the Manager.



Portfolio information

Benchmark	STeFI + 0.5% p.a.		
ASISA sector	SA - Interest Bearing - Short Term		
Portfolio size	R 7.19 billion		
Portfolio inception	14 October 2004		
The Portfolio inception (above) is the launch date of this portfolio on the Momentum Collective Investments (MCI) Scheme. The Launch date (below) depicts the launch/performance start date of the relevant class of this portfolio.			
Launch date	17 March 2008		
Launch price	90.26 (cpu)		
Latest price (31/03/2021)	89.09 (cpu)		
JSE Alpha Code	RMIS		
ISIN Number	ZAE000058095		

Minimum investment

Lump sum	R 2,000	Monthly	R 250
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Portfolio managers

Zisanda Gila
Bcom(Acc), Certificate in Financial Mathematics (UNISA)

Portfolio charges and ratios

Initial management fee	0% (incl. VAT)
Initial advisory fee	0% - 3.45% (incl. VAT)
Annual management fee	0.575% p.a. (incl. VAT)
Annual advisory fee	0% - 1.15% (incl. VAT)

Financial year end TER (incl. VAT): 0.59%

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 2020.

Cost ratios (incl. VAT) as at 31 December 2020:

TER (%)	TC (%)	TIC (%)
0.59%	0.00%	0.59%

TER (%): Total Expense Ratio, TC (%): Transactions Costs Ratio, TIC (%): Total Investment Charges (TER (%) + TC (%))

Please see Disclosures section for further information on cost ratios

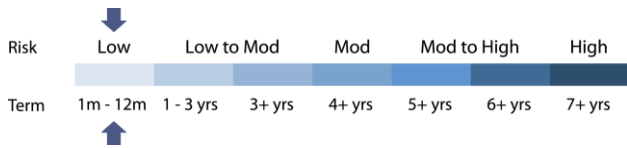
Income distribution (cpu)

	Dividend	Interest	Total
Dec'20	0.000	0.363	0.363
Jan'21	0.000	0.331	0.331
Feb'21	0.000	0.338	0.338
Mar'21	0.000	0.400	0.400
Apr'20 - Mar'21	0.000	4.845	4.845

Distribution takes place Monthly



Risk/reward profile and 3 year statistics



Specific risks

Permanent capital loss for investors is unlikely but possible if an issuer of one of the instruments held in the fund defaults. Significant widening in credit spreads on instruments held in the fund can result in temporary short term capital volatility but not permanent capital loss.

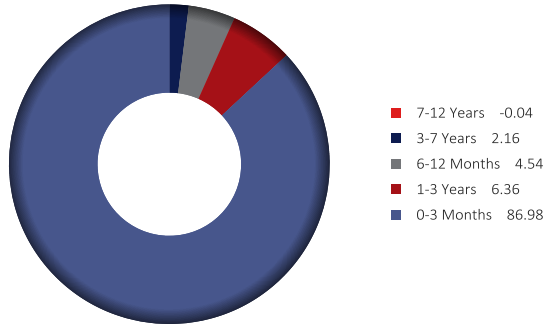
Standard deviation ¹⁾	0.44
Sharpe ratio ²⁾	4.18
Information ratio ³⁾	-0.32
Largest negative monthly return	0.25
Number of positive months	36 / 36

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

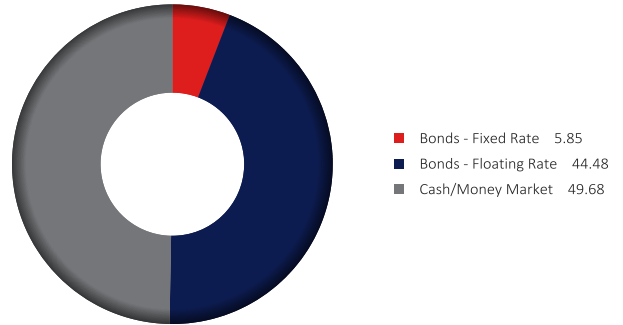
³⁾Information ratio – return per unit of risk against the benchmark

Holdings

Maturity spread (%)



Sector (%)



Portfolio objective/investment policy

The Momentum Enhanced Yield Fund is a specialist income portfolio with an objective to provide a high income yield while carefully monitoring capital stability. The portfolio aims to actively manage exposures to the entire South African yield curve without being constrained by any particular fixed-interest benchmark weighting. To achieve this objective, the securities to be included in the portfolio will comprise a combination of assets in liquid form and securities of an interest bearing nature, including loan stock, debentures, debenture stock, debenture bonds, unsecured notes, preference shares, financial instruments and any other non-equity securities which are considered consistent with the portfolio's primary objective and that the Act or the Registrar may from time to time allow, all to be acquired at fair market value. The manager may also invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes registered in South Africa as the Act may allow from time to time, and which are consistent with the portfolio's investment policy. The portfolio will not be permitted to invest in any foreign instruments. It will maintain a 100% domestic exposure. The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed by the Act. Subject to the prudential guidelines limitations there will be no other prescribed minimum or maximum exposure to any one particular type of investment instrument included in the portfolio's investment universe. The portfolio may from time to time invest in listed and unlisted 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 for efficient portfolio management purposes. 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 fund in accordance with its mandate. The manager may open that portfolio again to new investors. The Trustee shall ensure that the investment policy is carried out.

Portfolio limits and constraints

- Maximum exposure limits as per the ASISA fund classification structure.
- Manager restriction:
 - No foreign securities will be included in the portfolio.



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

Web: www.momentuminv.co.za

Registration no.: 1987/004287/07

Investment manager

Momentum Asset Management (Pty) Ltd

268 West Avenue, Centurion, 0157

PO Box 7400, Centurion, 0046

An authorised financial services provider, FSP No: 623

Telephone: +27 (0)12 671 8911

Facsimile: +27 (0)12 675 3889

Email: emailus@momentum.co.za

Web: www.momentum.co.za/assetmanagement

Registration no.: 1987/004655/07

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 Enhanced Yield Fund is a portfolio of the Momentum Collective Investments Scheme and Momentum Asset Management (Pty) Ltd, registration number: 1987/004655/07, an authorised financial services provider ("FSP") under the Financial Advisory and Intermediary Services Act No. 37 of 2002 ("FAIS"), FSP number: 623, is the investment manager of this portfolio.

Momentum Enhanced Yield Fund is a portfolio that derives its income primarily from interest-bearing instruments. The yield (where present) is current and calculated daily.

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 January 2018 to 31 December 2020. 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 January 2018 to 31 December 2020. 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 31/03/2021, 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 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 or on request from the Manager.

This document should not be seen as an offer to purchase any specific product and is not to be construed as advice. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of the Manager's products.



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