

Momentum Financials Fund

Momentum Collective Investment Scheme (CIS) portfolio

Class A | Minimum Disclosure Document (MDD) as at 30 June 2018

Assets managed by: Momentum Asset Management

Portfolio profile

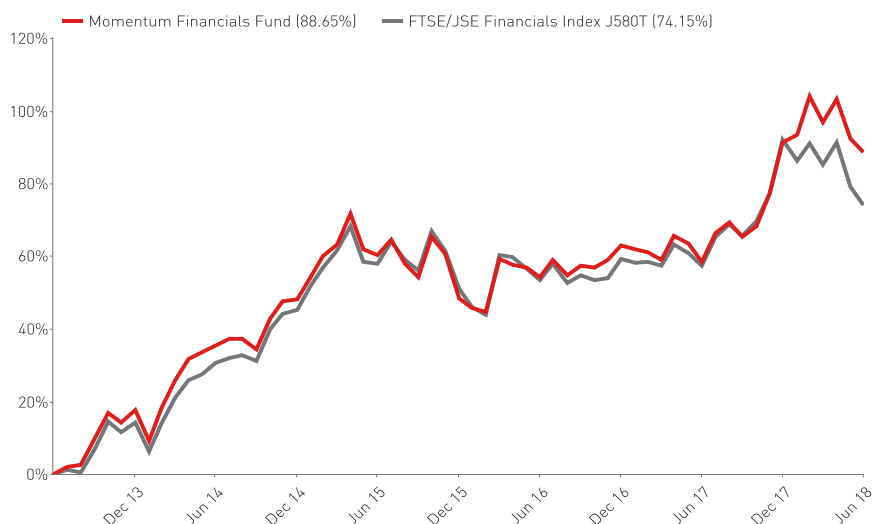
The Fund is a largely domestic, equity portfolio that aims to maximise returns over the FTSE/JSE financials Index over time. The portfolio is suited to investors with a high risk profile with a tolerance for capital volatility over the short to medium term and a five year or longer investment horizon.

Investment strategy

The Fund invests in banking and insurance stocks and other stocks with financial exposure listed on the JSE and offshore exchanges. Equity will comprise a minimum of 80% of the portfolio. Offshore allocations of up to 25% and an additional 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	19.08%	5.57%	13.53%	15.01%	16.04%
Benchmark	10.51%	3.31%	11.73%	14.87%	14.81%
Sector	13.67%	3.22%	12.18%	14.38%	15.19%
Rank	1/5	2/5	2/5	2/5	2/5
High ⁽¹⁾	26.59%	26.59%	41.32%	41.32%	67.04%
Low ⁽¹⁾	4.68%	-9.56%	-9.56%	-9.56%	-36.41%
Cash	7.33%	7.27%	6.70%	6.35%	6.94%
Inflation	4.38%	5.34%	5.43%	5.48%	5.54%

⁽¹⁾ High/Low – highest/lowest 1 year return of the portfolio/class of portfolio during the period detailed.

Portfolio information

Benchmark FTSE/JSE Financials Index J580T

ASISA sector SA - Equity - Financial

Portfolio size R 440.35 million

Portfolio inception 1 July 1998

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 1 July 1998

Launch price 100.00 (cpu)

Latest price (29/06/2018) 610.86 (cpu)

Codes

JSE RMFS

ISIN ZAE000021044

Minimum investment

Lump sum R 2,000 Monthly R 250

Portfolio managers

Norman MacKechnie

BSc (Engl), MSc (Engl), DIC, MBA, CFA

Werner Burger

BCom (Finance), BCom (Inv Mgt) (Hons), Post Grad Dip Fin Planning, CFP®, CFA

Portfolio charges and ratios

Initial management fee 0% (incl. VAT)

Initial advisory fee 0% - 3.45% (incl. VAT)

Annual management fee 1.438% p.a. (incl. VAT)

Annual advisory fee 0% - 1.15% (incl. VAT)

Financial year end TER (incl. VAT): 1.42%

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 2017.

Cost ratios (incl. VAT) as at 31 March 2018:

TER (%)	TC (%)	TIC (%)
1.45%	0.19%	1.64%

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)

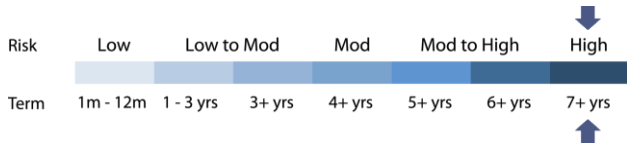
	Dividend	Interest	Total
Dec'16	8.235	0.691	8.927
Jun'17	8.167	0.634	8.801
Dec'17	9.331	0.637	9.968
Jun'18	7.554	1.525	9.080
Jul'17 - Jun'18	16.885	2.162	19.048

Distribution takes place Semi-annually : June, December

Portfolio statistics

Portfolio PE 27.35 Dividend yield 4.50%

Risk/reward profile and 3 year statistics



Specific risks

The portfolio is concentrated and invested in only part of the broader market which comes with the risk of more volatile returns. 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.

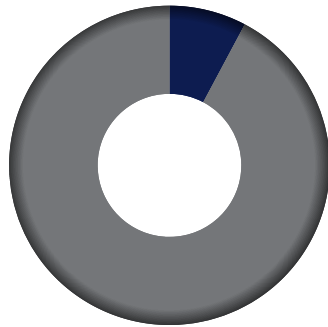
Standard deviation ¹⁾	13.36
Sharpe ratio ²⁾	-0.06
Information ratio ³⁾	0.56
Largest negative monthly return	-7.55
Number of positive months	16 / 36

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

Portfolio (%)



Top holdings (%)

FirstRand Limited	8.61
Barclays Africa Group Limited	8.51
Standard Bank Group Limited	7.59
Reinet Investments S.C.A	7.45
Old Mutual Limited	7.24
Investec plc	6.42
Investec Limited	5.64
RMB Holdings Limited	5.30
Sanlam Limited	5.19
Emira Property Fund Ltd	2.80

Portfolio objective/investment policy

The Momentum Financials Fund is a specialist portfolio focusing on the financial services sector and will seek to achieve an investment medium for investors, which will aim to achieve high capital growth as its primary objective. In order to achieve this objective, the Manager will invest in local and international securities of companies whose business operations involve the provision of insurance, banking or other financial services. Other shares that attribute a significant portion of their income to financial services may also be included. The Momentum Financials Fund will also invest in related sectors to the financial services sector on recognised stock exchanges, with the focus being on stock selection and growth opportunities worldwide in the financial services sector. Securities for this purpose will include stock, financially sound preference shares, debenture stock, debenture bonds, convertible bonds traded on recognised stock exchanges, unsecured notes and other securities listed on any recognised stock exchange which is considered consistent with the portfolio's primary objective and that the Act or the Registrar may allow from time to time, all to be acquired at fair market value. The manager may from time to time invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes as the Act may allow from time to time, and which are consistent with the portfolio's investment policy. Where the aforementioned schemes are operated in territories other than South Africa, participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is of sufficient standard to provide investor protection at least equal to that in South Africa.

Portfolio limits and constraints

- Maximum exposure limits as per the ASISA fund classification structure.
- Maximum 25% offshore exposure plus max 5% exposure in Africa.
- Minimum of 80% of the portfolio must be in shares in the Financials sector of the JSE or similar sector of an international stock exchange.
- Maximum of 10% of the portfolio may be invested in shares outside the Financials sector to allow for the inclusion of shares in companies that conduct similar business activities but are not classified in the Financials sector.



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 Financials 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.

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 March 2016 to 31 March 2018. 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 March 2016 to 31 March 2018. 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. 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 30/06/2018, 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. Please note that VAT, applicable to fees and charges, with effect from 1 April 2018, increased from 14% to 15%. 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. Portfolios are valued daily at approx. 15h00, 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.



0860 111 899



ci.clientservice@momentum.co.za



www.momentuminv.co.za