

Momentum Core Equity Fund

Assets managed by: Momentum Outcome-based Solutions

Managers corner



Meet your managers



Jako de Jager
BCom (Hons) Investment Management

Portfolio Manager

Jako de Jager has 13 years' investment industry experience and started his career at mCubed Capital, which later became Advantage Asset Management. His current responsibilities include overseeing portfolio management activities, participating in product development as well as investment manager research. Apart from managing one of the company's flagship portfolio ranges, Jako has been instrumental in developing and implementing new and exciting local and global investment strategies.

Managed portfolio since 04 Apr 2017



Ronnie Bornman
BSc (Mathematical Statistics), CFA

Portfolio Manager

Ronnie Bornman is a Portfolio Manager for various portfolio ranges in the Momentum Investments Retail Portfolios Solutions team, including the Enhanced Fund of Funds range which he manages in conjunction with the Head of Portfolio Management Jako de Jager. Ronnie started his investment career in 1998 with ABSA Investor Services, after which he spent a further 8 years in actuarial and pricing roles gaining exposure to Employee Benefits, Life Insurance, Investments and Short term insurance with various financial services companies including Discovery, Sage Life, Momentum, and Hollard. In 2008 Ronnie joined Momentum and has been with the MMH group for 10 years. Up until 2016 he was in integral part of the Advice and Wealth Management team, overseeing house view investment strategies, risk profile design as well as research and quantitative modelling predominantly for the under license retail segments. In 2017 he joined Momentum Investments as a Portfolio Manager, managing various multi-asset and smart beta equity portfolio ranges. Ronnie holds a BSc in Mathematical Statistics and Operations Research as well as the CFA designation.

Managed portfolio since 01 Nov 2020



Managers view

Portfolio overview

Momentum Core Equity Fund is a specialist, multi-strategy, local equity fund that aims to generate high long-term capital growth. The fund executes its investment philosophy through a combination of enhanced index-tracking (smart beta) and passive index-tracking strategies.



Portfolio positioning

The fund outperformed the FTSE/JSE Capped SWIX Index benchmark for the quarter ending 31 December 2020 in relative terms. Over the 12 months ending December 2020 the fund managed to outperform its stated benchmark and the (ASISA) South African EQ General Peer group average by 1.6% and 3.7% respectively. Outperformance over this period was primarily driven by strong stock selection with companies having strong balance sheets and low leverage, and an overweight position to resource stocks. The return since inception is 5.2% p.a. beating both the FTSE/JSE Capped SWIX Index (2.8%) and the (ASISA) South African EQ General Peer group average (0.9%).

In terms of positioning, the Momentum Core Equity Fund maintained an overweight position to resources at the end of December 2020. The fund also maintained its underweight exposure to industrials and financials. The largest contributors to performance for the year ended December 2020 were overweight positions to Kumba Iron Ore and African Rainbow Minerals and underweight positions to Sasol and MTN. Naspers was the largest share allocation in the fund (at an 8.8% allocation). Other shares with large holdings include Anglo American, BHP, British American Tobacco and Impala Platinum.

The Momentum Core Equity Fund has a diversified exposure to momentum, value and quality risk premias which aided performance for the year ending December 2020. Specifically, the value exposure in the fund benefitted the quarter from a rotation from momentum to value stocks.

Facts and figures



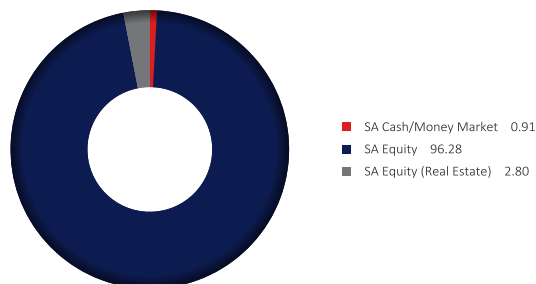
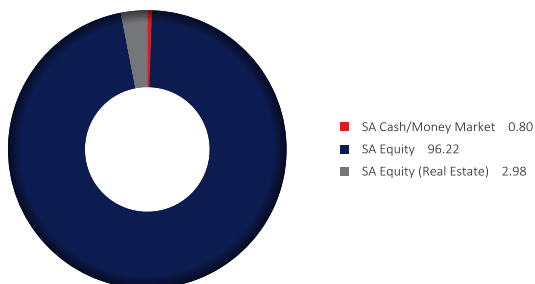
Holdings

Q4 2020

Q3 2020

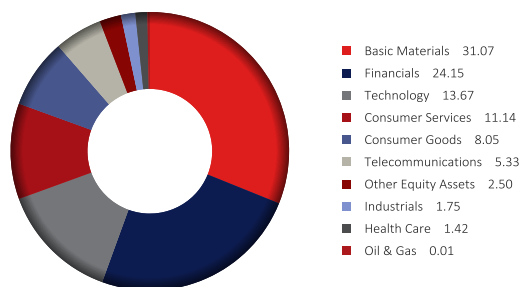
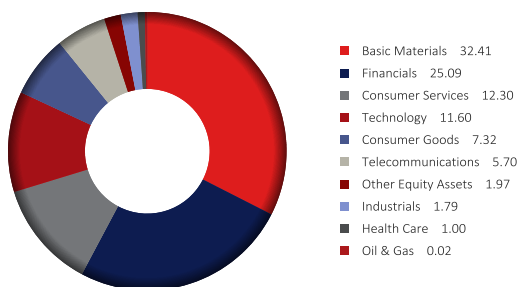
Asset type allocation (effective) (%)

Asset type allocation (effective) (%)



Equity allocation (effective) (%)

Equity allocation (effective) (%)



Top holdings (%)

Top holdings (%)

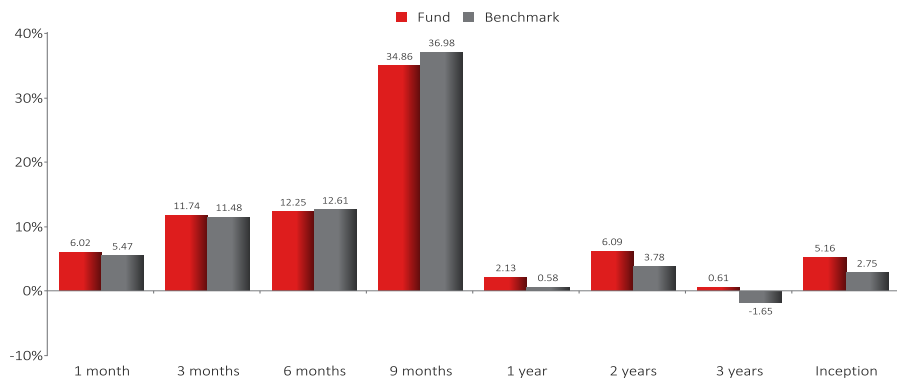
Naspers Limited	8.60
Anglo American plc	6.14
BHP Group plc	4.00
Impala Platinum Hldgs Limited	3.82
British American Tobacco plc	3.58
Vodacom Group Limited	3.44
FirstRand Limited	3.44
Anglo American Platinum Ltd	3.11
Prosus NV N	2.94
Standard Bank Group Limited	2.85

Naspers Limited	9.30
British American Tobacco plc	5.34
Anglo American plc	5.28
Prosus NV N	4.32
BHP Group plc	4.01
Sanlam Limited	3.94
Vodacom Group Limited	3.58
Impala Platinum Hldgs Limited	3.12
Anglo American Platinum Ltd	3.00
FirstRand Limited	2.62



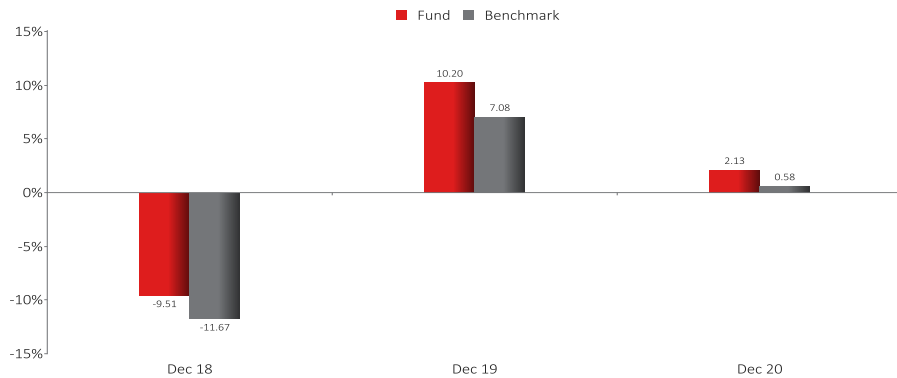
Performance

Returns (%)



Cumulative for all periods less than 1 year, annualised for all longer periods.

One year returns (%)



Cumulative returns ending 31 December each year.

Fund: Momentum Core Equity Fund Class A (Inception 4 April 2017)

Benchmark: FTSE/JSE Capped SWIX (J433T)

Performance: 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 31/12/2020, 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.



Information

Momentum Core Equity Fund

R 2.02 billion

Class	Status	Direct Retail	Cost Ratios as at 30 September 2020					FYE	Price, Participatory Interests and AUM			MDD
			TER (%)	TC (%)	TIC (%)	From	1Y TER (%)		TER (%)	NAV Price (cpu)	Units in issue	
A	Open	Yes	0.61	0.33	0.94	1 Oct 2017	0.64	0.60	105.46	658,608	694,589	
B	Open	No	0.04	0.33	0.37	1 Oct 2017	0.11	0.03	105.49	1,071,251,077	1,130,066,197	
B2	Open	No	0.13	0.33	0.46	1 Oct 2017	0.20	0.12	105.47	99,854,816	105,314,093	
C	Open	Yes	0.44	0.33	0.77	1 Oct 2017	0.55	0.43	105.41	742,443,386	782,622,858	
E	Open	No	0.44	0.34	0.78	5 Jan 2018	0.47	0.42	105.63	8,804	9,299	

Class, Status, Direct Retail: A portfolio may have multiple classes, each of which may be open or closed to new investment, not all classes of a portfolio are available for direct retail investment as the different classes may be designed for/accessible to different investor types.

Cost Ratios: 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 TERs are shown as an annual percentage based on data for the period from the date shown to 30 September 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 impact 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 the date shown to 30 September 2020. The Total Investment Charges (TIC) is the sum of the TER of the relevant class and the TC of the Financial Product 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.

FYE: The disclosed Financial year end TERs (total expense ratios) are shown as an annual percentage based on data for the 1 year period to 30 June 2020.

Price, Participatory Interests and AUM: Data as at 31 December 2020

MDD: CIS regulations require a minimum disclosure document (MDD) to be compiled for all CIS portfolios, which must be viewed by an investor at point of sale. A link to the MDD that corresponds to the date of this QIR has been provided in the table above (for the relevant class of the portfolio) and we recommend that you review the MDD for further details on this portfolio.

Important information



Disclosures

Portfolio

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 Core 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 Momentum Core Equity Fund has a domestic equity mandate. The portfolio’s equity exposure will be a minimum of 90% at all times and as a result the fund may exhibit volatility linked to the underlying equity asset class, with the risk of volatile returns in absolute terms as well as in terms of returns generated relative to the broader market.

Collective Investment Schemes (CIS)

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.

Any forecasts and/or commentary included in this document about the expected future performance of portfolios, asset classes or the market in general are not guaranteed to occur.

Although all reasonable steps have been taken to ensure the validity and accuracy of the information in this document at time of publication, the Manager does not accept any responsibility for any claim, damages, loss or expense, howsoever arising, out of or in connection with the information in this document, whether by a client, investor or intermediary.

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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