

Momentum Mid & Small Cap Index Fund

Assets managed by: Momentum Outcome-based Solutions

Managers corner



Meet your managers



Loftie Botha
MCom (Bus Man), BCom (Hons)(Inv), B Eng

Fund Manager

Loftie started his career as an engineer and moved into asset management in 1994 as an industrial analyst with the Mines Pension Fund. He joined ABSA Asset Management in 1998 as an analyst and later managed the ABSA General Equity Fund. He later became a senior portfolio manager at Huysamer Capital Investments. In 2006, he joined Umbono Fund Managers, an OMIGSA boutique, as a quantitative fund manager before being promoted to CIO of the boutique. Loftie joined Metropolitan Asset Managers in Feb 2010 as the head of absolute strategies and was appointed portfolio manager for Absolute Return Funds at Momentum Asset Management in 2011.

Managed portfolio since 01 Aug 2017



Imtiaz Mohammed Alli
BCompt (Unisa)

Fund Manager

Imtiaz started at ABSA Consultants & Actuaries in Oct 1996 where he was responsible for the management/booking of national pension funds. He joined the Momentum Group in Jul 2000 as a dealing supervisor and was also involved in the planning and management of fund mergers. Imtiaz joined Momentum Asset management in Jun 2004 as a pricing analyst. In Mar 2006 he became the assistant to the portfolio manager and joined the investment team in Nov 2008 as a portfolio manager and research analyst.

Managed portfolio since 01 Aug 2017



Managers view

The portfolio was launched in September 2017 and tracks the MMI Proprietary Mid and Small Cap Index. The index was specifically designed so that it completes the FTSE/JSE SWIX 40 Index, meaning that a correct combination of these two indices will have the same return as the FTSE/JSE Swix All Share Index.

Net flows to and from the portfolio are matched with trades on a daily basis. It gets rebalanced on a quarterly basis in line with changes in its benchmark and portfolio holdings will mirror the index as close as practical to minimise the tracking error. The portfolio maintains a low cash weighting. The portfolio minimises trading costs and therefore uses futures as and when appropriate.

The constituent changes were the inclusion of Libstar, Mix Telematics and Vivo Energy as they entered the FTSE/JSE Swix All Share Index while Trustco, Balwin, Caxton and Clientele exited the FTSE/JSE Swix All Share Index.

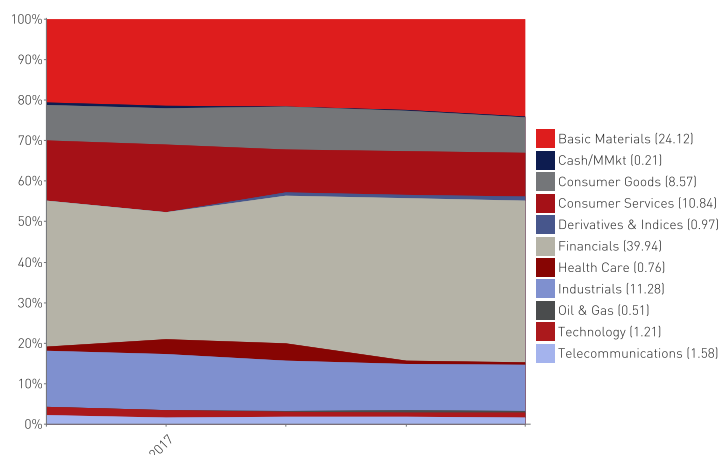
The portfolio performed in line with its benchmark over the quarter.

Facts and figures



Holdings

Portfolio (%)



Q3 2018 - Top holdings (%)

| | |
|-----------------------------|------|
| PSG Group Limited | 3.31 |
| Exxaro Resources Limited | 3.23 |
| AVI Limited | 3.12 |
| Quilter plc | 2.65 |
| AngloGold Ashanti Limited | 2.58 |
| Glencore plc | 2.53 |
| Anglo American Platinum Ltd | 2.47 |
| RMI Hldgs Limited | 2.39 |
| Barloworld Limited | 2.31 |
| Hyprop Investments Ltd | 2.14 |

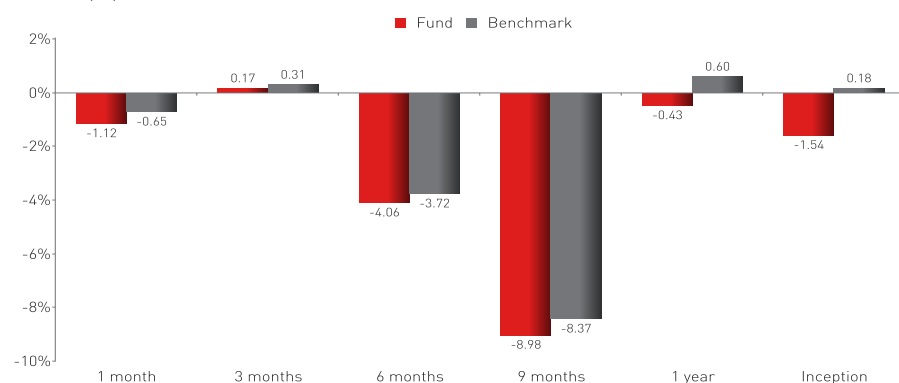
Q2 2018 - Top holdings (%)

| | |
|---------------------------|------|
| AVI Limited | 3.22 |
| PSG Group Limited | 2.80 |
| Exxaro Resources Limited | 2.76 |
| Glencore plc | 2.70 |
| Quilter plc | 2.60 |
| Barloworld Limited | 2.44 |
| AngloGold Ashanti Limited | 2.34 |
| RMI Hldgs Limited | 2.32 |
| Gold Fields Limited | 2.29 |
| Hyprop Investments Ltd | 2.29 |



Performance

Returns (%)



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

Fund: Momentum Mid & Small Cap Index Fund Class A (Inception 1 August 2017)

Benchmark: MMI Proprietary Mid & Small Cap Index

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. 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 30/09/2018, 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.

i Information

| Display Name | | | R 30.54 million | | | | | | | | | |
|--------------|--------|---------------|--------------------------------|--------|---------|------------|------------|---------|--|----------------|--------------|-----|
| Class | Status | Direct Retail | Cost Ratios as at 30 June 2018 | | | | | FYE | Price, Participatory Interests and AUM | | | MDD |
| | | | TER (%) | TC (%) | TIC (%) | From | 1Y TER (%) | TER (%) | NAV Price (cpu) | Units in issue | Size (Rands) | |
| A | Open | Yes | 0.57 | 0.59 | 1.16 | 1 Aug 2017 | 0.57 | 0.57 | 95.28 | 15,054 | 14,344 | |
| B | Open | No | 0.39 | 0.59 | 0.98 | 1 Aug 2017 | 0.39 | 0.39 | 95.37 | 10,000 | 9,537 | |
| B1 | Open | No | 0.10 | 0.59 | 0.69 | 1 Aug 2017 | 0.10 | 0.10 | 95.44 | 25,301,031 | 24,147,631 | |
| C | Open | No | 0.22 | 0.59 | 0.81 | 1 Aug 2017 | 0.22 | 0.22 | 95.42 | 10,000 | 9,542 | |
| E | Open | No | 0.37 | 0.16 | 0.54 | 5 Jan 2018 | 0.37 | 0.37 | 95.49 | 6,653,875 | 6,353,962 | |

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 June 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 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 June 2018. 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 2018.

Price, Participatory Interests and AUM: Data as at 30 September 2018

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 Mid & Small Cap Index 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. Any decline in the local equity market will directly impact the portfolio’s performance.

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. 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.

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.

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