

Momentum Value 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.

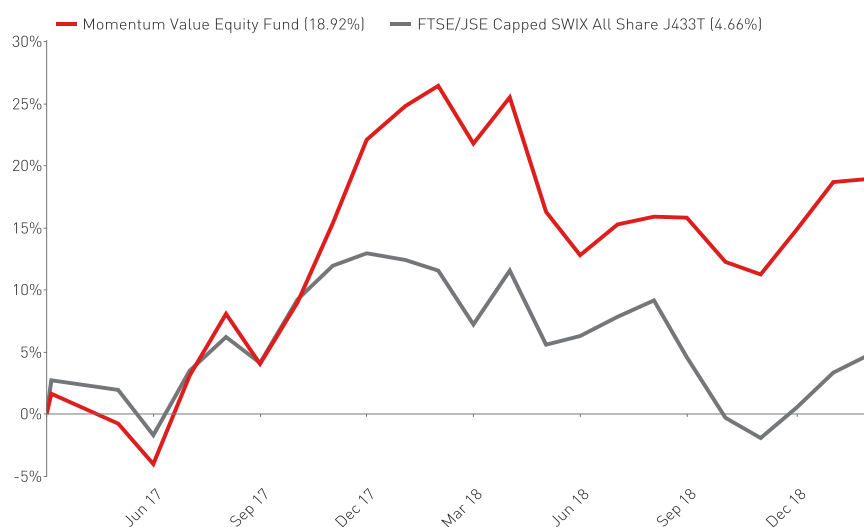
In order to maximise that probability of an investor reaching their desired objective, Momentum has built a leading range of outcome-based investment solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to investors, ensuring they achieve their investment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

Investment outcome and portfolio objectives

The Fund is an SA equity portfolio that deliberately targets focused exposure to shares that trade for less than their intrinsic value with the aim to maximise returns over the FTSE/JSE Capped SWIX over time. A smart beta strategy is employed. 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 long term investment horizon. The portfolio will have no foreign exposure and is suited for investors who seek exposure to value shares at a low cost.

Portfolio performance

Since launch cumulative performance graph



Cumulative performance

	1 month	3 months	6 months	1 year	Launch
Fund	0.17%	6.86%	2.61%	-5.94%	18.92%
Benchmark	1.23%	6.73%	-4.14%	-6.19%	4.66%
Sector	2.57%	6.79%	-4.05%	-3.39%	4.77%
Rank	166/171	76/169	6/168	115/166	7/149
High ⁽¹⁾				23.50%	23.50%
Low ⁽¹⁾				-5.94%	-5.94%
Cash	0.55%	1.76%	3.55%	7.26%	14.49%
Inflation	-0.18%	-0.18%	0.65%	4.00%	7.37%

⁽¹⁾ 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 2.54 billion

Portfolio inception 4 April 2017

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 4 April 2017

Launch price 100.00 (cpu)

Latest price (28/02/2019) 110.12 (cpu)

JSE MVEFA

ISIN ZAE000241477

Minimum investment

Lump sum R 2,000 Monthly R 250

Portfolio managers

Loftie Botha
MCom (Bus Man), BCom (Hons)(Inv), B Eng
Imtiaz Mohammed Ali
BCompt (Unisa)

Portfolio charges and ratios

Initial management fee 0% (incl. VAT)

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

Annual management fee 0.518% p.a. (incl. VAT)

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

Financial year end TER (incl. VAT): 0.53%

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 2018.

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

TER (%)	TC (%)	TIC (%)
0.54%	0.18%	0.72%

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

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

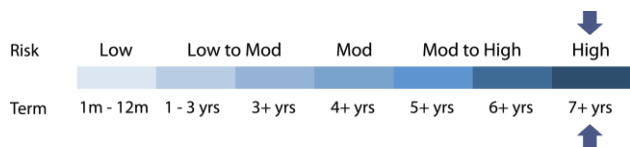
Please see Disclosures section for further information on cost ratios

Income distribution (cpu)

	Dividend	Interest	Total
Mar'18	1.040	0.050	1.091
Jun'18	1.352	0.057	1.408
Sep'18	1.999	0.031	2.030
Dec'18	0.755	0.030	0.786
Mar'18 - Feb'19	5.147	0.168	5.315

Distribution takes place Quarterly : March, June, September, December

Risk/reward profile and 1 year statistics



Specific risks

The fund is firstly exposed to the inherent risk of the SA equity market as a whole and secondly to the risk that the "value" style underperforms the equity market.

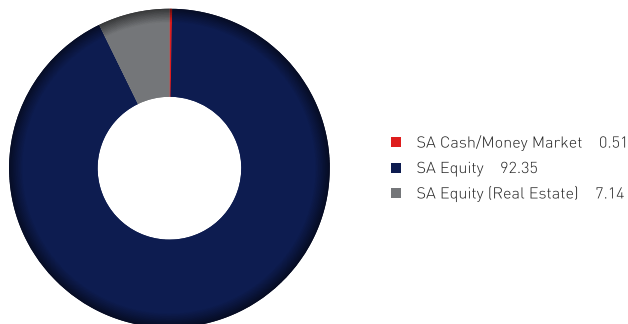
Standard deviation ¹⁾	11.45
Sharpe ratio ²⁾	-1.09
Largest negative monthly return	-7.35
Number of positive months	6 / 12

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

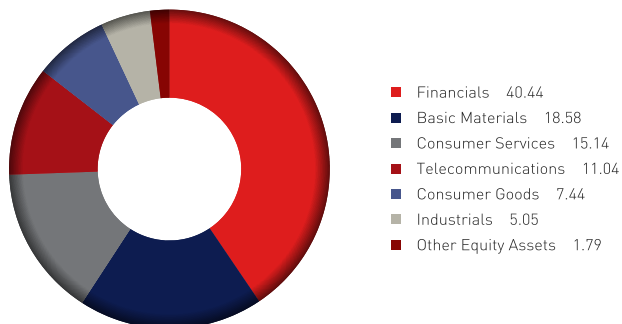
Asset type allocation (effective) (%)



Top holdings (%)

Naspers Limited	5.27
Anglo American plc	4.07
Absa Group Limited	4.06
Old Mutual Limited	3.92
British American Tobacco plc	3.91
Sanlam Limited	3.89
BHP Group plc	3.89
Nedbank Group Limited	3.89
RMB Holdings Limited	3.88
Vodacom Group Limited	3.84

Equity allocation (effective) (%)



Portfolio objective/investment policy

The Momentum Value Equity Fund's objective is to achieve high long term capital growth by applying a value based investment strategy to shares listed on the JSE through a smart beta investment methodology. Smart beta refers to an investment style where the manager captures market factors designed to take advantage of perceived systematic biases or inefficiencies in the market. The Momentum Value Equity Fund is an equity only fund that uses a systematic investment process. The portfolio deliberately targets focused exposure to shares that trade for less than their intrinsic value. Factors considered amongst others are price to book ratio, dividend yield and earnings yield. The universe of listed shares is screened on these value parameters. A portfolio with strong value factors is constructed on this basis. The portfolio aims to capture the equity market returns enhanced by the value risk premium. The exposure to qualifying shares that have strong value qualities will be optimized to have the maximum probability of achieving the desired outcome over a full market cycle. The portfolio's investment universe consists of South African equity and property securities, assets in liquid form and participatory interests and other forms of participation in local collective investment scheme portfolios. To provide high long term real returns the portfolio's equity exposure will be a minimum of 90% the portfolio's net asset value. The portfolio will have no foreign exposure. The portfolio may from time to time invest in listed and unlisted financial instruments, in accordance with the provisions of the Act and applicable legislation as amended from time to time, in order to achieve the portfolio's investment objective. 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 purposes of this portfolio, the manager shall reserve the right to close the portfolio to new investors. This will be done in order to manage the portfolio in accordance with its mandate.

Portfolio limits and constraints

- Exposure limits as per the ASISA fund classification structure.
- CISC Board Notice 90 of 2014 investment limitations.



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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

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 Facsimile: +27 (0)12 684 5869
 Email: MOBS.emailus@momentum.co.za
 Web: 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 Value 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 04 April 2017 to 31 December 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 04 April 2017 to 31 December 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 28/02/2019, 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.



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