

Momentum Consolidator Fund

Wealth

31 December 2018

momentum

investments

Launch date on wealth platform:
17 March 2008

Fund size:
R1.07bn

Benchmark
JSE All Share Index 35%
MSCI World Index 5%
All Bond Index 35%
CitiGroup World BIG\$ 5%
STEFI 20%

Unit prices:
The fund is daily priced. The relevant fund management fee and tax (where applicable) is applied to the daily unit price

Ongoing investment management fee:
1.40% pa
(including VAT, where applicable)

Product availability:
All Momentum Wealth products, except for the Wealth Flexible Investment Option (FIO)

Administration platform:
Momentum Wealth

Investment manager:
Momentum Asset Management

Risk profile:
Low to moderate risk

Investment horizon:
Short to medium term

Investment objective

An actively managed, low to moderate risk fund that employs a strategic asset allocation with the primary objective of preserving capital in real terms i.e. ahead of inflation, with capital growth at moderate levels of volatility as a secondary objective. The fund may invest in local equities, bonds, cash and international assets. The fund forms part of the Momentum LifeCycle Philosophy (pre-retirement growth and wealth creation phase), but may also be selected as a stand-alone investment fund. An investment term of three years applies to the fund as part of the LifeCycle Philosophy.

Risk classification



Strategic asset allocation

The asset allocation parameters of the fund allow for investment in local equities, bonds and cash, as well as international assets.

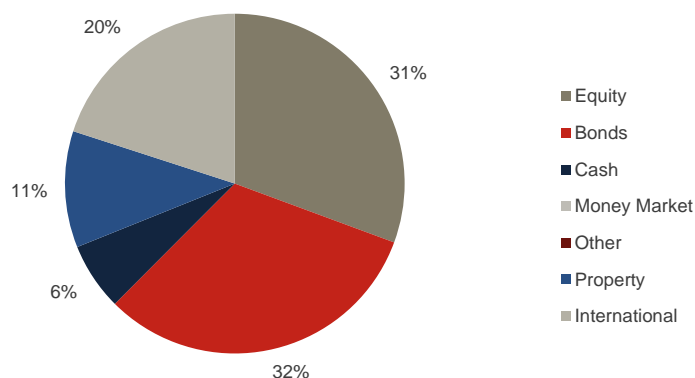
Strategic asset allocation

Equity	40%
Bonds	40%
Cash	20%

Tolerance levels

Equity	35% - 45%
Bonds	35% - 45%
Cash	15% -25%

Asset allocation

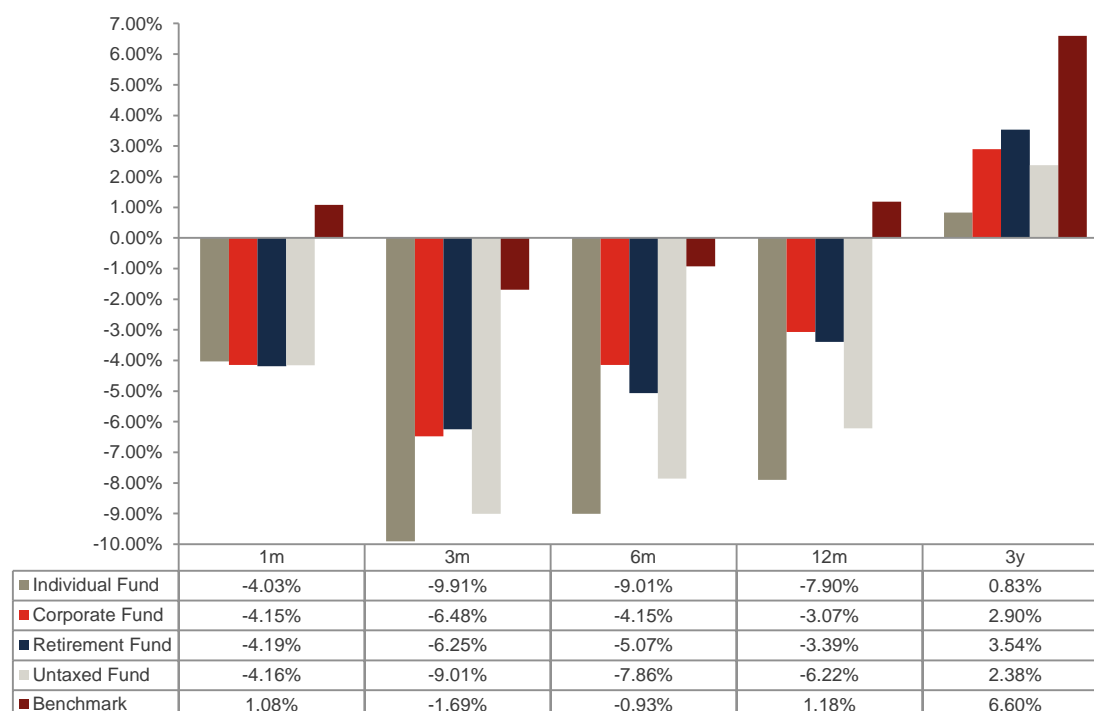


Top 10 holdings (% of equity exposure)

Naspers Limited	7.79	British American Tobacco Plc	3.28
Sasol Ltd	4.69	Absa Group Ltd	3.21
Standard Bank Group Ltd	4.58	Nedbank Group Ltd	2.69
FirstRand Limited	3.83	BHP Group Plc	2.52
Anglo American Plc	3.72	Sanlam Ltd	2.33

Fund performance

Returns are shown net of investment management fees and tax:



Returns annualised for terms longer than one year

4th Quarter 2018 Market Comment

SA equities have de-rated over the past five and a half years as share prices have lagged earnings by 11% since mid-2017. Sentiment is close to panic territory, which has been good for future returns historically. The trailing price-to-earnings ratio, excluding Naspers, has shifted to the cheaper side of fair value.

Break-evens are expected to expand in line with a rising inflation trajectory, but nominal bonds are favoured on a oneyear view relative to the expected return projected for ILBs.

Current real cash yields look attractive on a risk-adjusted basis. Yields are currently tracking at 43 basis points above their post-inflation-targeting average.

Returns illustrated above apply to lump sum investments. Past performance of any investment is not necessarily a guide to the future. Fluctuations in the value of the underlying assets, and the income derived from these assets and changes in interest rates, mean that the value of an investment may fall as well as rise. All performances are illustrated net of investment management fees, except where otherwise stated. An investment in the fund may not be suitable for all investors. Investors should obtain advice from their financial adviser before proceeding with an investment.