

Momentum Direct Property Fund

Launch date on Wealth platform: 1 December 2014	Investment manager: Eris Property Group (Pty) Ltd	Risk profile: Medium to moderately aggressive	Investment horizon: Medium to long term	Administration platform: Momentum Wealth
Unit prices: The fund is monthly priced. The relevant fund management fee and tax (when applicable) is applied to the monthly unit price	Investment objective: CPI + 5% over a five-year period (before tax, charges and fees)	Ongoing investment management fee (including VAT): 0.85% per year	Portfolio size: R8.1 billion	Product availability: All Momentum Wealth products, except for the Flexible Investment Option (FIO)

Fund objective

The fund objective is to provide the investor with a secure income yield with stable capital growth, resulting in returns that have a high probability of outperforming inflation over the medium to long term. Cash is held in the portfolio for liquidity purposes at the discretion of the fund manager, but shall be limited to a maximum of 10% of the fund value. Gearing may also be used from time to time with a maximum level being 30% of the fund value.

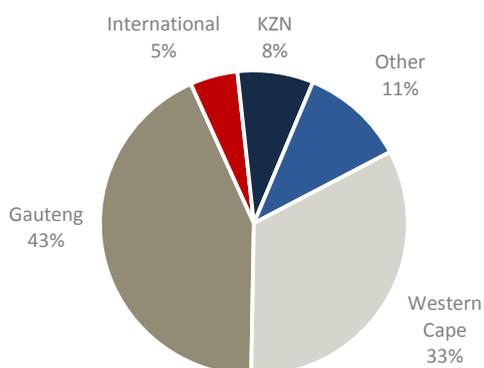
Risk classification



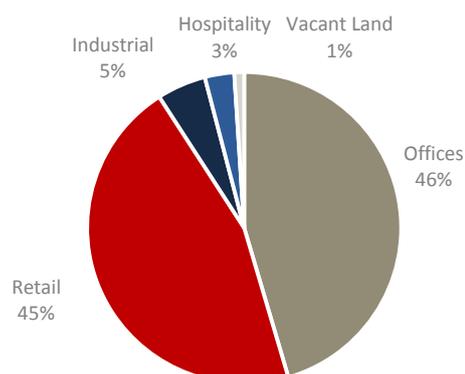
Investment strategy

This portfolio consists of high-quality direct property assets owned by the MMI Group on behalf of the Momentum and Metropolitan policyholders. The portfolio is well diversified between sectors and geographically thereby reducing concentration risk. The investor participates proportionally in the income and capital returns generated from the underlying diversified direct property portfolio.

Geographical split by value



Sector split by value





Historical performance

	Momentum Direct Property Fund – Corporate	Momentum Direct Property Fund – Individuals	Momentum Direct Property Fund – Retirement	Momentum Direct Property Fund – Untaxed
1 Month	0.40%	0.39%	0.57%	0.57%
3 Months	2.36%	2.38%	3.01%	3.01%
6 Months	4.31%	4.41%	5.69%	5.69%
12 Months	9.09%	9.51%	12.27%	12.28%
Annualised Inception	7.03%	7.21%	9.77%	9.77%

Top property holding (% of fund by value)

Property Name	Location	% of fund by value
Bellville : Tygervalley Shopping Centre	Western Cape	23.19%
The Marc	Gauteng	15.35%
102 Rivonia Road	Gauteng	6.02%
King Williams Town Shopping Centre	Eastern Cape	3.45%
Sandton : Balalaika Hotel	Gauteng	3.28%

Fund prospects

The fund is made up of a well-diversified property portfolio which has provided a stable income yield in excess of 7%. The steady income return coupled with an average capital growth of 3% has positioned the fund to provide returns of around 10% from inception (net of fees). The fund's return is reasonably certain due to the contractual lease agreements in place which escalate at between 6% to 9%.

The 12 month vacancy projection on the portfolio indicates a superior performance than that of SAPOA's (South African Property Owners Association) current benchmark. When compared to equities, bonds and listed fund's annualised returns, unlisted real estate asset class indicates stable and strong 3- and 5-year returns without the volatility associated with listed property and equity markets. (Source: MSCI).

Growth (capital and income) within the fund is further enhanced through development opportunities such as The MARC in Sandton (40 000 sqm of office and retail space which was recently redeveloped). Further development opportunities exist within the fund on existing properties.