

Momentum Flexible Income Fund

Portfolio profile

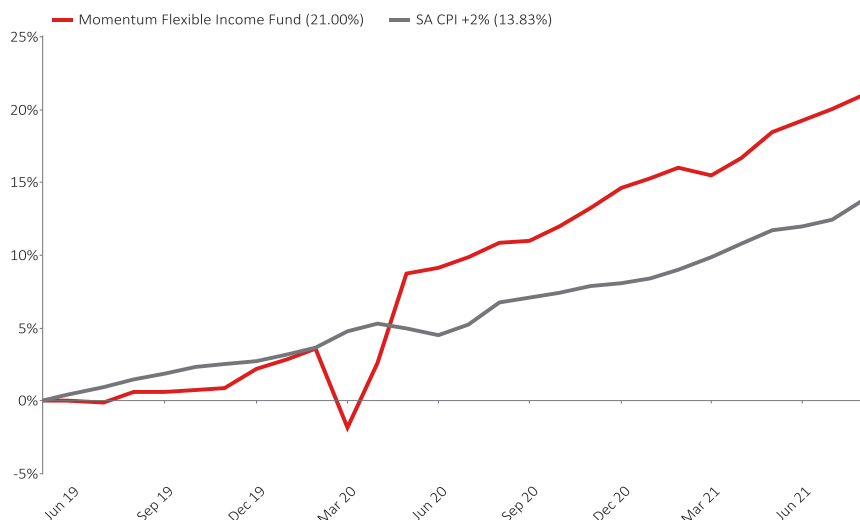
The fund is a flexible income portfolio that derives return opportunities from multiple sources of fixed-income assets.

Investment strategy

The investable universe of the fund will include non-equity instruments including, but not limited to, bonds, cash deposits and money market instruments; preference shares; and debentures. The portfolio has flexibility to hold a maximum of 10% effective property exposure in the fund and foreign investments can comprise up to 30% of the fund, and a further 10% of assets in Africa excluding South Africa. We will hedge global currency exposure, as we don't believe it is appropriate to expose investors to the volatility inherent in currencies. There will be no duration or maturity limits.

Portfolio performance

Since launch cumulative performance graph



Cumulative and Annualised performance

	1 month	3 months	6 months	1 year	Launch
Fund	0.81%	2.12%	4.32%	9.16%	9.09%
Benchmark	1.23%	1.89%	4.45%	6.64%	5.92%
High ^[1]				17.66%	17.66%
Low ^[1]				8.93%	8.93%
Cash	0.32%	0.95%	1.88%	3.83%	5.31%
Inflation	1.08%	1.42%	3.48%	4.64%	4.03%

Monthly performance (%)

	Aug'21	Jul'21	Jun'21	May'21	Apr'21	Mar'21	Feb'21	Jan'21	Dec'20	Nov'20	Oct'20	Sep'20
Fund	0.81	0.63	0.67	1.53	1.04	-0.43	0.62	0.56	1.24	1.13	0.87	0.13
BM	1.23	0.41	0.25	0.82	0.83	0.83	0.50	0.33	0.17	0.42	0.33	0.33

^[1] High/Low – highest/lowest 1 year return of the portfolio/class of portfolio during the period detailed.

Portfolio information

Benchmark	CPI + 2%
ASISA sector	SA - Multi Asset - Income
Portfolio size	R 376.89 million
Portfolio inception	24 June 2019
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	24 June 2019
Launch price	100.00 (cpu)
Latest price (31/08/2021)	109.33 (cpu)
JSE Alpha Code	MFIFC
ISIN Number	ZAE000274205
Minimum investment	
Momentum Wealth platform minimums apply.	
Portfolio managers	
Ian Scott	
BCom (Hons) Investment Management	
Thamage Lesito	
BSc Mathematical Statistics	

Portfolio charges and ratios

Initial management fee	0% (incl. VAT)
Initial advisory fee	0% - 3.45% (incl. VAT)
Annual management fee	0.69% p.a. (incl. VAT)
Annual advisory fee	0% - 1.15% (incl. VAT)

Financial year end TER (incl. VAT): 0.84%

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 2020.

Cost ratios (incl. VAT) as at 30 June 2021:

TER (%)	TC (%)	TIC (%)
0.80%	0.00%	0.80%

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
Sep'20	0.000	1.404	1.404
Dec'20	0.000	1.410	1.410
Mar'21	0.023	1.256	1.278
Jun'21	0.014	1.342	1.356
Sep'20 - Aug'21	0.037	5.412	5.449

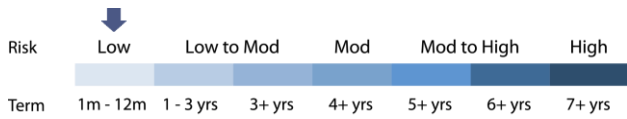
Distribution takes place Quarterly : March, June, September, December

Portfolio statistics

Modified Duration	3.25
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Risk/reward profile and 2 year statistics



Specific risks

The fund seeks to minimise capital losses for investors. There is possibility of capital losses in the fund in the event of credit default by one of the issuers held in the fund.

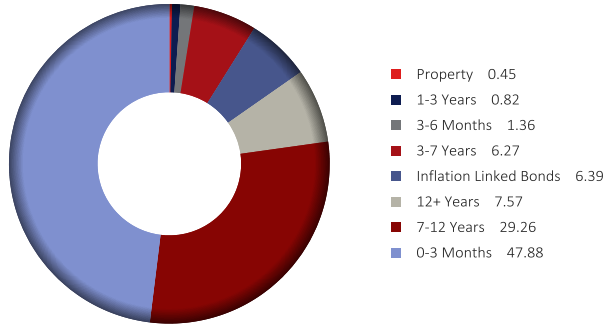
Standard deviation ¹⁾	6.56
Sharpe ratio ²⁾	0.67
Largest negative monthly return	-5.22
Number of positive months	21 / 24

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)

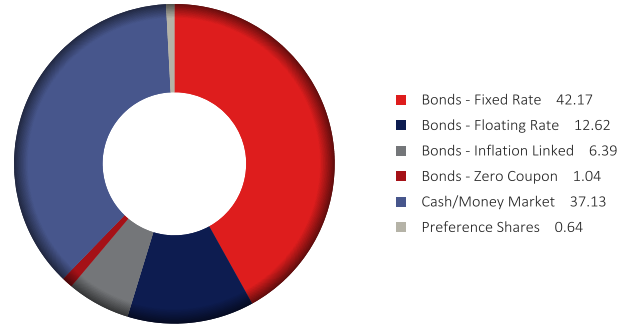
³⁾Information ratio – return per unit of risk against the benchmark

Holdings

Maturity spread (%)



Sector (%)



Portfolio objective/investment policy

The objective of the Momentum Flexible Income Fund is to generate a high level of income throughout the interest rate cycle from various sources of income generating assets. Capital gains will be moderate and incidental in nature. Apart from assets in liquid form, the investable universe of the portfolio will include fixed-interest instruments including, but not limited to, bonds, cash deposits and money market instruments), preference shares, and debentures. The portfolio has the flexibility to hold a maximum of 10% effective property exposure. There will be no duration or maturity limits. The portfolio will be managed in line with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act. 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. The manager will be permitted to invest in offshore investments as permitted by legislation. The manager may also include participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes as the Act may allow from time to time. Where the aforementioned schemes are operated in territories other than South Africa participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is of sufficient standard to provide investor protection at least equal to that in South Africa. 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.
- Manager restriction:
 - 10% Limit of effective property exposure.



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www.momentuminv.co.za

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

Momentum Asset Management (Pty) Ltd

268 West Avenue, Centurion, 0157

PO Box 7400, Centurion, 0046

An authorised financial services provider, FSP No: 623

Telephone: +27 (0)12 671 8911

Facsimile: +27 (0)12 675 3889

Email: emailus@momentum.co.za

Web: www.momentum.co.za/assetmanagement

Registration no.: 1987/004655/07

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 Flexible Income Fund is a portfolio of the Momentum Collective Investments Scheme and Momentum Asset Management (Pty) Ltd, registration number: 1987/004655/07, an authorised financial services provider ("FSP") under the Financial Advisory and Intermediary Services Act No. 37 of 2002 ("FAIS"), FSP number: 623, is the investment manager of this portfolio.

Momentum Flexible Income Fund is a portfolio that derives its income primarily from interest-bearing instruments. The yield (where present) is current and calculated daily.

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 24 June 2019 to 30 June 2021. 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 24 June 2019 to 30 June 2021. 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. 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 31/08/2021, 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. 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.

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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