

Momentum Focus 3 Fund of Funds

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.

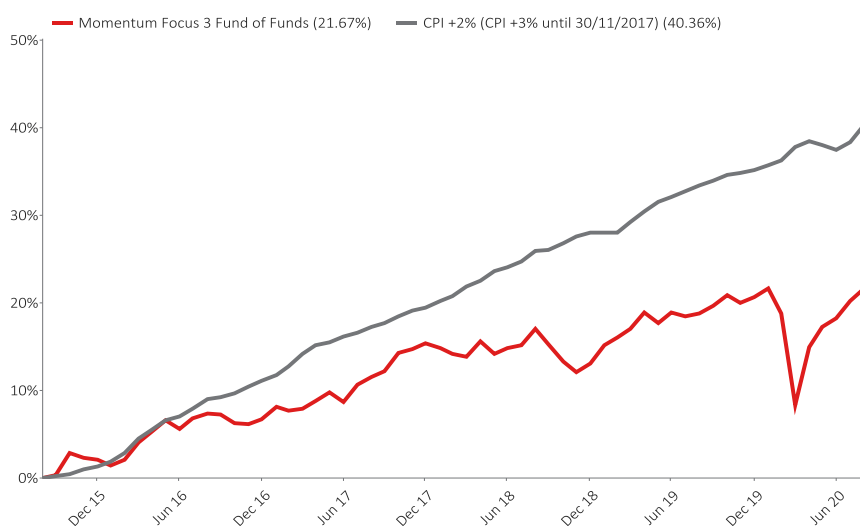
In order to maximise that probability of an investor reaching their desired objective, Momentum has built a leading range of outcome-based investment solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to investors, ensuring they achieve their investment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

Investment outcome and portfolio objectives

The Momentum Focus 3 Fund of Funds is a specialist portfolio with the objective to secure a consistent real total return after deduction of fees above inflation plus 2% a year over any three-year rolling period. The portfolio's equity exposure ranges between 0% and 40% of the net asset value. The composition of the portfolio reflects the investment structure of a retirement fund with a cautious risk profile and is managed in accordance with the prudential guidelines set out in Regulation 28 of the Pension Funds Act. Momentum Outcome-based Solutions follows a goals-based investment philosophy, aimed at constructing portfolios that have high levels of diversification, with a multi-asset, multi-strategy and multi-mandate approach to achieving the company's portfolio's various outcomes. The company's portfolio construction process is specifically aimed at including multiple strategies, which in combination deliver a more consistent result relative to the benchmark over the applicable time frame. The Momentum Focus Fund of Funds portfolios are constructed with a 'through-the-cycle' focus that allows clients to stay invested, through various market environments, with the comfort that no irrational decisions are taken given short-term market developments.

Portfolio performance

5 year cumulative performance graph



Annualised performance

	1 year	3 years	5 years	7 years	10 years
Fund	2.41%	2.93%	4.00%	5.20%	6.30%
Benchmark	5.20%	6.18%	7.02%	7.48%	7.78%
Sector	4.66%	4.86%	5.36%	6.41%	7.70%
Rank	125/151	115/135	87/100	59/69	43/48
High ^[1]	6.66%	8.14%	8.81%	11.71%	13.42%
Low ^[1]	-7.44%	-7.44%	-7.44%	-7.44%	-7.44%
Cash	6.46%	7.02%	7.14%	6.81%	6.45%
Inflation	3.19%	4.09%	4.57%	4.88%	5.05%

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

Portfolio information

Benchmark CPI + 2% p.a. over any 3 year rolling period
ASISA sector SA - Multi Asset - Low Equity

Portfolio size R 454.74 million

Portfolio inception 1 July 2004

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 1 July 2004

Launch price 1000.00 (cpu)

Latest price (31/08/2020) 2142.91 (cpu)

JSE Alpha Code SCFF

ISIN Number ZAE000055786

Minimum investment

Lump sum R 2,000 **Monthly** R 250

Portfolio managers

Jako de Jager

BCom (Hons) Investment Management

Eugene Botha

BSc Actuarial Science (Hons), MSc Quantitative Risk Management

Portfolio charges and ratios

Initial management fee 0% (incl. VAT)

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

Annual management fee 1.323% p.a. (incl. VAT)

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

Financial year end TER (incl. VAT): 1.77%

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 2019.

Cost ratios (incl. VAT) as at 30 June 2020:

TER (%)	TC (%)	TIC (%)
1.69%	0.07%	1.76%

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

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

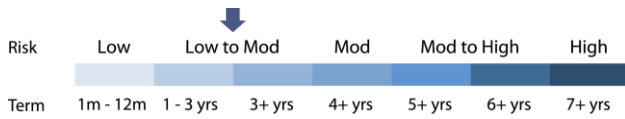
Please see Disclosures section for further information on cost ratios

Income distribution (cpu)

	Dividend	Interest	Total
Sep'19	7.641	17.160	24.800
Dec'19	2.046	11.021	13.067
Mar'20	8.063	17.111	25.174
Jun'20	3.068	10.771	13.840
Sep'19 - Aug'20	20.817	56.063	76.881

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

Risk/reward profile and 3 year statistics



Standard deviation ¹⁾	7.37
Sharpe ratio ²⁾	-0.49
Information ratio ³⁾	-0.51
Largest negative monthly return	-8.81
Number of positive months	24 / 36

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)

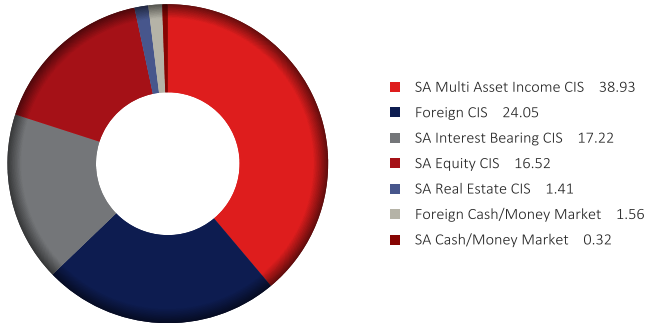
³⁾Information ratio – return per unit of risk against the benchmark

Specific risks

This portfolio is permitted to invest in foreign securities which, within portfolios, may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

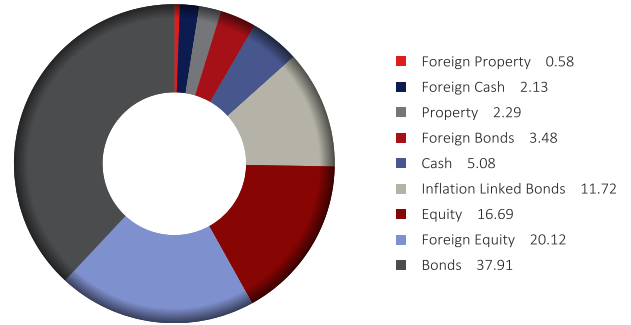
Holdings

Portfolio allocation (%)



Portfolio holdings (%)

Asset type allocation (look through) (%)



Manager allocation (look through) (%)

Manager	Holding	%
Momentum GIM	Momentum Global Growth IC B	18.53
Momentum OBS	Momentum SA Flex Fixed Interest B	18.31
Momentum AM	Momentum Bond B10	12.56
Momentum OBS	Momentum Diversified Income B11	11.33
ALUWANI	Momentum Inflation Linked Bond B3	9.29
Momentum GIM	Momentum Global Cautious IC B	4.95
Momentum AM	Momentum Enhanced Yield B2	4.66
Fairtree	Fairtree Equity Prescient B2	3.07
Momentum OBS	Momentum Macro Growth F1	3.02
Momentum OBS	Momentum Trending Equity C	2.81
Truffle AM	Momentum Opportunistic Equity C	2.60
Prudential IM	Momentum Ultra Long-Term Value F1	2.01
BlueAlpha	Momentum High Growth F1	1.64
Momentum OBS	Momentum SA Real Gth Property B	1.41
Momentum OBS	Momentum Capped SWIX Index A1	1.37
BlackRock FM	iShares Gbl Prop Sec Eqty Index (UK) D Dist GBP	0.58
	Foreign Cash/Money Market	1.56
	SA Cash/Money Market	0.32

Manager	%
Momentum OBS	38.25
Momentum GIM	23.47
Momentum AM	17.22
ALUWANI	9.29
Fairtree	3.07
Truffle AM	2.60
Prudential IM	2.01
BlueAlpha	1.64
BlackRock FM	0.58
Foreign Cash/Money Market	1.56
SA Cash/Money Market	0.32

Portfolio objective/investment policy

The Momentum Focus 3 Fund of Funds is a specialist portfolio with the objective to secure a consistent real total return net of fees above inflation plus 2% p.a. over any three-year rolling period. In selecting underlying investments for this portfolio and in determining the portfolio asset allocation, the portfolio manager aims to achieve this objective, where possible, regardless of security market trends. Investments to be included in the portfolio, apart from assets in liquid form, consist solely of participatory interests and other forms of participation of local and global collective investment schemes, or other similar schemes operated in territories with a regulatory environment which is of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective of investing in equity securities, property securities, non-equity securities, bonds, money market instruments, preference shares, financial instruments and debentures. The portfolio's equity exposure will range between 0% and 40% of the net asset value. The composition of the portfolio will reflect the investment structure of a retirement fund with a cautious risk profile and shall comply with the prudential investment guidelines. The Momentum Focus 3 Fund of Funds, Momentum Focus 5 Fund of Funds and Momentum Focus 7 Fund of Funds equity exposures will never replicate one another. The portfolio may from time to time invest in listed and unlisted financial instruments for the purpose of hedging exchange rate risk, 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 purpose of this portfolio, the Manager shall reserve the right to close the portfolio to new investors. This will be done in order to be able to manage the portfolio in accordance with its mandate.

Portfolio limits and constraints

- Exposure limits as per the ASISA fund classification structure.
- Maximum offshore exposure of 25% plus max 5% in Africa.
- The portfolio's equity exposure will range between 0% and 40% of the net asset value.
- Maximum property (incl. international property) 25%.
- The composition of the portfolio shall reflect the investment structure of a retirement fund (Regulation 28 compliant).



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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

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Call centre: 0860 111 899

Email: ci.clientservice@momentum.co.za

Web: www.momentuminv.co.za

Registration no.: 1987/004287/07

Investment manager

Momentum Outcome-based Solutions (Pty) Ltd

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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 Focus 3 Fund of Funds 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.

Momentum Focus 3 Fund of Funds is a Fund of Funds CIS portfolio. A Fund of Funds, apart from assets in liquid form, consists solely of participatory interests in portfolios of CIS, which may levy their own charges, which could result in a higher fee structure for Fund of Funds than some other forms of CIS portfolios.

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 01 July 2017 to 30 June 2020. 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 01 July 2017 to 30 June 2020. 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 31/08/2020, 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. 24h00. 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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