

### Momentum Income Plus Fund

Class A | Minimum Disclosure Document (MDD) as at 31 March 2024

**Benchmark:** STeFI + 3%

**Recommended investment horizon:** Three years

**Investments managed by:** Momentum Asset Management (Pty) Ltd

#### Fund profile

The fund is a largely domestic, high yield, fixed income portfolio which aims to return STeFI plus 3% before fees through the interest rate cycle. The fund is suited to investors seeking the highest possible income yield with the tolerance for some capital volatility in the case of credit defaults. The funds low correlation to other fixed interest funds and asset classes makes the fund a valuable building block for portfolios.

#### Investment strategy

The fund aims to maximise yield with the flexibility to invest in a diverse range of securities, but the dominant strategy is exposure to credit including structured credit assets. In order to generate the excess return the fund has the mandate to invest in lower credit rated instruments. Modified duration (interest rate risk) is low and low volatility of returns can be expected barring credit defaults or substantial widening in credit spreads. The fund can hold up to 25% in instruments offshore and an additional 5% in Africa, but currency hedges are used to substantially offset the impact of movements of the Rand relative to offshore currencies.

#### Fund information

<b>Inception date:</b>	01 July 2005
<b>Launch date:</b>	01 July 2005
<b>Benchmark:</b>	STeFI + 3% (STeFI Composite until 31/03/2012, FNB Call Account rates until 31/05/2008)
<b>ASISA sector:</b>	SA - Multi Asset - Income

Inception date is of the fund on the Momentum Collective Investments (MCI) Scheme.  
Launch date is class specific, it is the date from which returns in this document are based.

#### Fund managers



**Karabo Seima**  
BSc, BCom (Hons), MCom  
(Since 05 Oct 2022)



**Ian Scott**  
BCom (Hons) Investment Management  
(Since 05 Oct 2022)

#### Outcomes

##### Return over the investment horizon



<b>Fund</b>	<b>Benchmark</b>
<b>7.56%</b>	<b>9.08%</b>

The annualised return over the investment horizon of the portfolio.

##### Risk of negative one-year return



<b>Fund</b>	<b>Benchmark</b>
<b>0.00%</b>	<b>0.00%</b>

The likelihood of negative returns over any one-year rolling period.

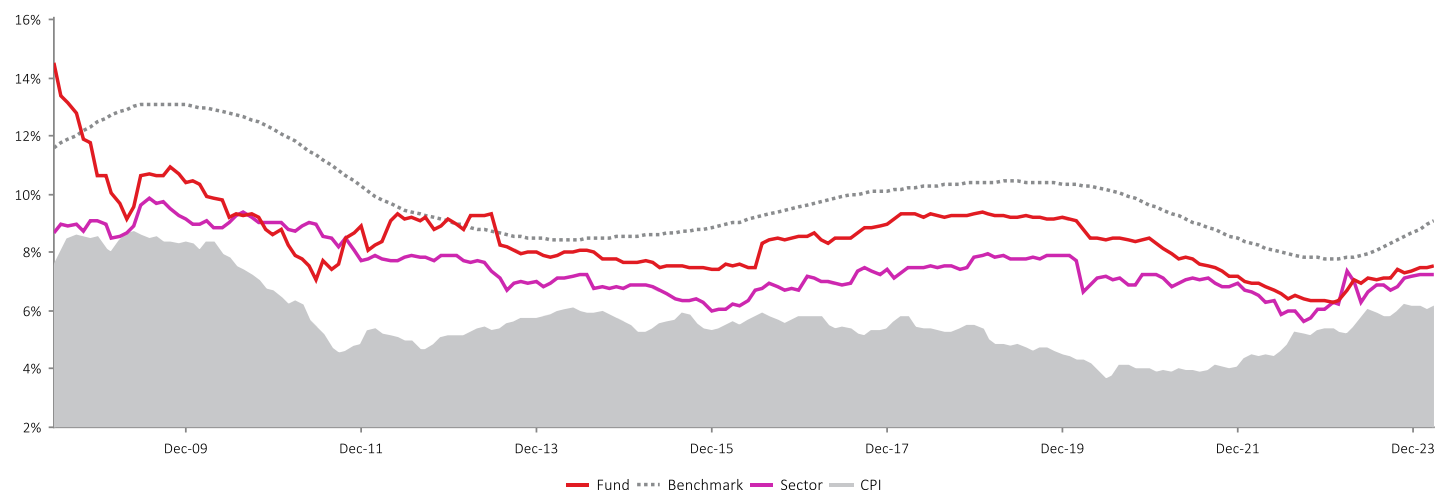
##### Minimum one-year returns



<b>Fund</b>	<b>Benchmark</b>
<b>4.63%</b>	<b>6.87%</b>

The worst one-year return with a 5% likelihood.

#### Rolling returns



Returns over rolling periods of the investment horizon since launch.

## Investment returns

	One month	Three months	Six months	One year	Two years	Three years	Four years	Five years	Six years	Seven years	Ten years
<b>Fund</b>	<b>0.61%</b>	<b>2.04%</b>	<b>4.65%</b>	<b>9.64%</b>	<b>8.39%</b>	<b>7.56%</b>	<b>7.44%</b>	<b>7.52%</b>	<b>7.76%</b>	<b>8.02%</b>	<b>8.15%</b>
Benchmark	0.93%	2.76%	5.63%	11.39%	10.17%	9.08%	8.70%	9.00%	9.21%	9.39%	9.50%
Sector	-0.19%	1.13%	5.07%	8.21%	7.52%	7.26%	7.56%	6.92%	7.03%	7.16%	7.18%
Rank/Out of	13/127	14/125	96/123	11/116	17/109	32/105	60/94	18/85	12/74	9/66	6/46
High <sup>1</sup>				9.81%	9.81%	9.81%	9.81%	9.81%	9.83%	9.83%	9.83%
Low <sup>1</sup>				7.22%	5.81%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%

Returns are shown for multiple time periods for information purposes. Returns over shorter time periods may reflect short term volatility in the investments of the fund. Returns over longer time periods should be referenced. Please see Investment term for this fund in the Specific risks section of this document for further information.

<sup>1</sup>High/Low – highest/lowest 1 year return of the fund/class of fund during the period detailed.

## Income distribution (cpu)

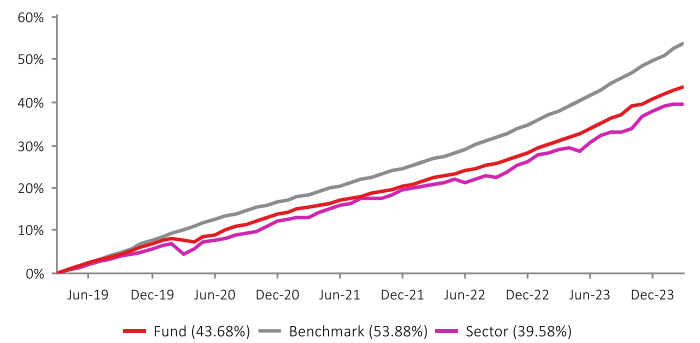
Month	Dividend	Interest	Total
June 2023	0.013	2.614	2.626
September 2023	0.036	2.798	2.834
December 2023	0.000	2.658	2.658
March 2024	0.023	2.626	2.649
April 2023 to March 2024	0.072	10.696	10.768

Distribution takes place: 1st working day of April, July, October and January.

## Fund statistics

Modified duration: 0.46

## Cumulative returns

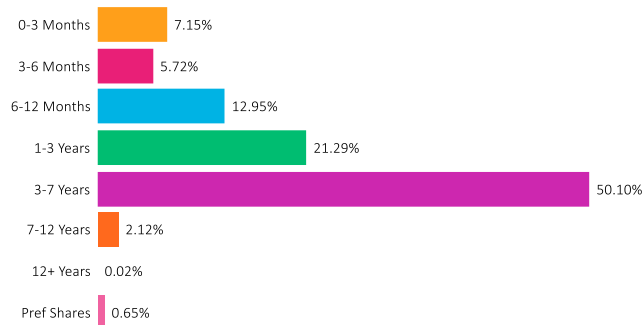


The chart reflects cumulative returns over a 5 year period.

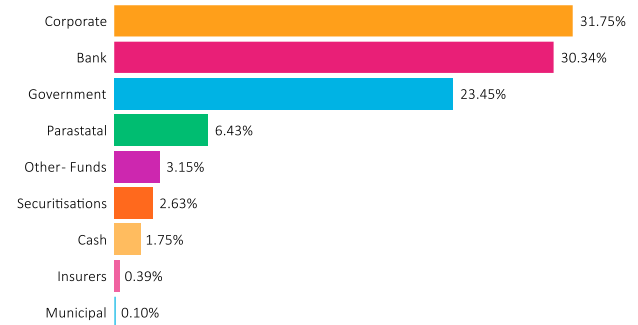
## Asset allocation



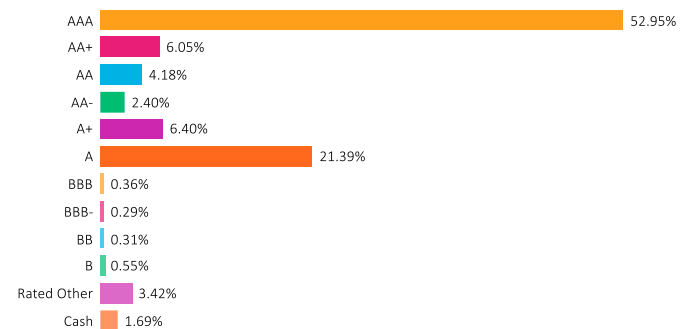
## Term to maturity



## Sector allocation



## Ratings breakdown



## Other information

Denomination:	ZAR
Fund size:	R 10.02 billion
Launch price:	100.00 (cpu)
Latest price (28/03/2024):	111.48 (cpu)
Status (new business):	Open
Minimum lump sum:	R 2,000
Minimum monthly:	R 250
JSE alpha code:	RICA
ISIN number:	ZAE000068789
Bloomberg code:	RMBINCA

## Fees

Fee	Percentage (incl. VAT)
Initial management fee	0%
Initial advisory fee	0% - 3.45%
Annual management fee	1.15% p.a.
Annual advisory fee	0% - 1.15% p.a.
Performance fee	N/A

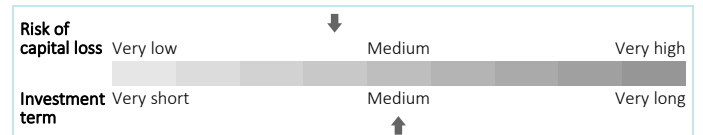
## Investment objective/policy

The portfolio will aim to deliver an enhanced level of sustainable income and stability on capital invested. 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, debentures, equity linked notes, derivative instruments including futures and options linked to underlying indices, in order to achieve the portfolio's investment objective, and equity securities, as well as assets in liquid form. The portfolio has the flexibility to hold a maximum of 10% effective equity exposure. The portfolio is positioned as an income plus portfolio to correctly reflect the portfolios flexible mandate in terms of accessing a broad spectrum of high yielding assets including fixed interest and equities (from time to time) with due consideration being given to the lower risk mandate of the portfolio. The manager may use appropriate risk hedging strategies where necessary and may also include participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes. Where the aforementioned schemes are operated in territories other than South Africa, participation in portfolios of these schemes will be included only where the regulatory environment is of sufficient standard to provide investor protection at least equal to that in South Africa. The portfolio may from time to time invest in financial instruments in order to achieve the portfolio's investment objective. The manager may also include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. The trustee shall ensure that the investment policy is adhered to provided that nothing shall preclude the manager from varying the proportion of the aforementioned securities relative to each other (except as required by the Act), or the assets themselves to maximise investment potential in an ever changing economic environment, should this be deemed necessary to achieve the stated investment objective. Provided also that nothing contained in the investment policy shall preclude the manager from retaining cash in the portfolio and/or placing cash on deposit in terms of the Deed. 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. The manager shall determine the critical size from time to time.

## Fund limits and constraints

- Maximum exposure limits as per the ASISA fund classification structure.
- Minimum domestic assets equal to 70%.
- The portfolio has the flexibility to hold a maximum of 10% effective equity exposure.
- Maximum property exposure (incl. international) 25%.

## Specific risks



Permanent capital loss for investors is possible if an issuer of one of the instruments held in the fund defaults. As this is the principal return driver of the fund it is also the principal risk of the portfolio. Significant widening in credit spreads on instruments held in the fund can result in short term capital volatility but not permanent capital loss. 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.

## Cost ratios

Period (annualised) 01/01/2021 to 31/12/2023	Percentage (incl. VAT)
Total expense ratio (TER)	1.16%
Transaction cost ratio (TC)	0.00%
Total investment charges (TIC) (TER + TC)	1.16%
Financial year-end TER to 30/06/2023	1.16%

Please see Disclosures section for further information on cost ratios.

## 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 Momentum Metropolitan 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 Income Plus 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 Income Plus Fund is a portfolio that derives its income primarily from interest-bearing instruments. The yield (where present) is historic and calculated monthly. 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 January 2021 to 31 December 2023. 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 January 2021 to 31 December 2023. 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 March 2024, 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.

Modified duration, Asset allocation, Sector allocation, Term to maturity and Ratings breakdown data as at 31 March 2024. Source: ALUWANI and 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. Latest prices can be viewed at [www.momentum.co.za/collectiveinvestments](http://www.momentum.co.za/collectiveinvestments) 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.momentum.co.za/collectiveinvestments](http://www.momentum.co.za/collectiveinvestments) 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.

## 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

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Registration no.: 1987/004287/07

### Investment manager

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Registration no.: 1987/004655/07

*Signatory of:*

 **PRI** | Principles for Responsible Investment  
Momentum Metropolitan Life Ltd is a signatory of the PRI.