

Momentum Small/Mid-Cap Fund

Portfolio profile

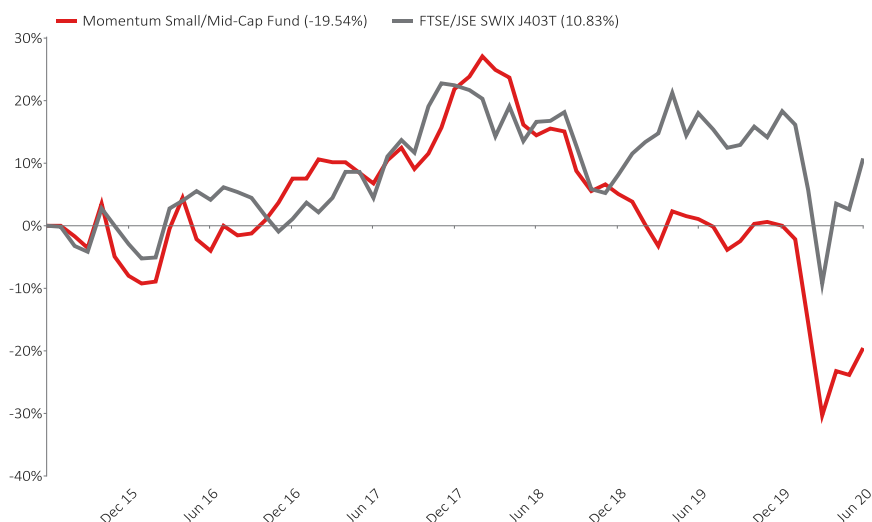
The Fund is an actively managed, largely domestic, equity portfolio that aims to maximise returns over the FTSE/JSE SWIX over time through investment in small and mid-cap stocks. The portfolio is suited to investors with a high risk profile with a tolerance for capital volatility over the short to medium term and a five year or more investment horizon. A value style underpins equity allocations.

Investment strategy

The Fund invests in small and mid-cap stocks listed predominately on the JSE. Equity will comprise a minimum of 80% of the portfolio. Offshore allocations of up to 25% and 5% in Africa provide further return opportunities and diversification benefits. The fund is not benchmark cognisant and its composition can differ substantially from other equity funds and market indices given its contrarian approach and emphasis on absolute value.

Portfolio performance

5 year cumulative performance graph



Annualised performance

	1 year	3 years	5 years	7 years	10 years
Fund	-20.41%	-9.00%	-4.25%	-3.02%	2.50%
Benchmark	-6.09%	2.00%	2.08%	7.05%	10.61%
Sector	-17.70%	-9.48%	-5.46%	-0.34%	5.33%
Rank	8/9	4/7	3/7	6/6	6/6
High ^[1]	-4.89%	15.10%	21.54%	21.54%	37.52%
Low ^[1]	-27.92%	-27.92%	-27.92%	-27.92%	-27.92%
Cash	6.86%	7.17%	7.20%	6.81%	6.48%
Inflation	2.95%	3.94%	4.69%	4.94%	5.03%

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

Portfolio information

Benchmark	FTSE/JSE SWIX J403T		
ASISA sector	SA - Equity - Mid & Small Cap		
Portfolio size	R 120.61 million		
Portfolio inception	2 May 2000		
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	2 May 2000		
Launch price	100.00 (cpu)		
Latest price (30/06/2020)	746.96 (cpu)		
JSE Alpha Code	RMEC		
ISIN Number	ZAE000023974		
Minimum investment			
Lump sum	R 2,000	Monthly	R 250
Portfolio managers			
Norman MacKechnie			
BSc (Eng), MSc (Eng), DIC, MBA, CFA			
Werner Burger			
BCom (Finance), BCom (Inv Mgt) (Hons), Post Grad Dip Fin Planning, CFP®, CFA			

Portfolio charges and ratios

Initial management fee	0% (incl. VAT)	
Initial advisory fee	0% - 3.45% (incl. VAT)	
Annual management fee	1.725% p.a. (incl. VAT)	
Annual advisory fee	0% - 1.15% (incl. VAT)	
Performance fee	0% - 1.15% (incl. VAT)	
Sharing ratio	15%	
The performance fee applies to any excess performance of the fund relative to the benchmark measured over rolling two year periods.		
Financial year end TER (incl. VAT):	1.76%	
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 31 March 2020:		
TER (%)	TC (%)	TIC (%)
1.93%	0.29%	2.22%
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)

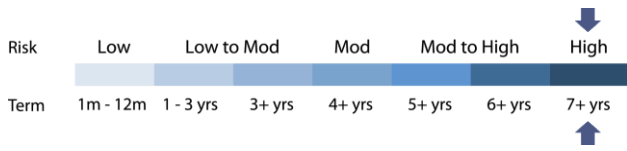
	Dividend	Interest	Total
Dec'18	7.752	1.400	9.151
Jun'19	11.684	2.762	14.447
Dec'19	13.587	3.169	16.757
Jun'20	11.932	0.981	12.912
Jul'19 - Jun'20	25.519	4.150	29.669

Distribution takes place Semi-annually : June, December

Portfolio statistics

Portfolio PE	10.66	Dividend yield	5.05%
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Risk/reward profile and 3 year statistics



Standard deviation ¹⁾	17.20
Sharpe ratio ²⁾	-0.86
Information ratio ³⁾	-1.02
Largest negative monthly return	-17.42
Number of positive months	15 / 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

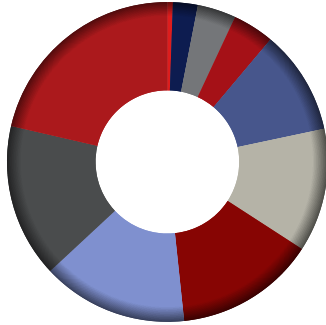
Specific risks

Small and mid-cap stock may experience more volatile returns than the broader market, especially when markets correct severely. Liquidity risk is also higher meaning redemption requests could be delayed in times of market stress. Periods where momentum style returns significantly outperform value style returns will likely result in relative underperformance.

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 (%)



Equity top holdings (%)

Cartrack Hldgs Limited	9.72
Adcock Ingram Hldgs Limited	8.53
AVI Limited	5.80
Exxaro Resources Limited	5.46
Spar Group Limited	4.40
Pan African Resources plc	4.23
Royal Bafokeng Platinum Ltd	4.19
Impala Platinum Hldgs Limited	3.98
Transaction Capital Limited	3.95
MultiChoice Group Limited	3.68

Portfolio objective/investment policy

The Momentum Small/Mid Cap Fund is a specialist portfolio, having the primary objective of growth of capital for investors. The Manager will focus on achieving this objective where the securities to be acquired for the Momentum Small/Mid Cap Fund will be comprised, in the main, of those companies, both local and international, offering special opportunities, such as smaller market capitalisation and emerging companies that offer above average growth potential, as well as established companies with sound recovery prospects from a low earnings base, and any other securities which are considered consistent with the portfolio's investment objectives, cash, and any other securities that the Act may from time to time allow, all to be acquired at fair market prices. Interest bearing instruments in a currency other than the Republic of South Africa, may only be included in this portfolio if they comply with a credit rating of investment grade by the credit rating agencies approved by the Registrar, provided further that if the grading of an instrument differs between the rating agencies, the lower of the two gradings will apply. The manager may from time to time invest in 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, and which are consistent with the portfolio's investment policy. 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.

Portfolio limits and constraints

- Maximum exposure limits as per the ASISA fund classification structure.
- Maximum 25% offshore exposure plus max 5% exposure in Africa.
- Minimum 80% of the market value of the portfolio in shares which have a market cap smaller than the company with the lowest market cap in the FTSE/JSE Top 40 Index.
- 100% of share purchases must be in this investable universe at time of purchase.



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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 Small/Mid-Cap 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.

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 April 2017 to 31 March 2020. Included in the disclosed TER, the TER PF (%) shows the performance fee, as a percentage of the net asset value of the class of the Financial Product, that was recovered. 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 April 2017 to 31 March 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 30/06/2020, 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. 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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