Momentum Top 40 Index Fund

Portfolio profile
The Fund is a domestic only equity portfolio that aims to replicate the returns of the FTSE/JSE Top 40 Index prior to fees. This represents the 40 largest stocks by market capitalisation listed on the exchange. 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 longer investment horizon. The fund is ideal for investors who seek general market performance at a low cost.

Investment strategy
The fund endeavours to accurately replicate the index by holding all constituents in the exact index weighting. The portfolio is rebalanced daily with either physical equity trades or future positions.

Portfolio performance
5 year cumulative performance graph

Annualised performance

<table>
<thead>
<tr>
<th></th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
<th>7 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>8.67%</td>
<td>1.51%</td>
<td>4.70%</td>
<td>6.19%</td>
<td>9.17%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>9.61%</td>
<td>2.46%</td>
<td>5.48%</td>
<td>6.96%</td>
<td>10.10%</td>
</tr>
<tr>
<td>Sector</td>
<td>5.62%</td>
<td>-0.06%</td>
<td>3.19%</td>
<td>4.85%</td>
<td>8.80%</td>
</tr>
<tr>
<td>Rank</td>
<td>7/12</td>
<td>6/11</td>
<td>5/11</td>
<td>4/10</td>
<td>4/6</td>
</tr>
<tr>
<td>High(1)</td>
<td>11.54%</td>
<td>22.47%</td>
<td>24.89%</td>
<td>34.32%</td>
<td>34.32%</td>
</tr>
<tr>
<td>Low(1)</td>
<td>-16.67%</td>
<td>-16.67%</td>
<td>-16.67%</td>
<td>-16.67%</td>
<td>-16.67%</td>
</tr>
<tr>
<td>Cash</td>
<td>5.67%</td>
<td>6.74%</td>
<td>7.02%</td>
<td>6.76%</td>
<td>6.39%</td>
</tr>
<tr>
<td>Inflation</td>
<td>3.26%</td>
<td>4.00%</td>
<td>4.65%</td>
<td>4.82%</td>
<td>5.09%</td>
</tr>
</tbody>
</table>

(1) High/Low – highest/lowest 1 year return of the portfolio/class of portfolio during the period detailed.

Portfolio information
Benchmark: FTSE/JSE Top 40 Index (J200T)
ASISA sector: SA - Equity - Large Cap
Portfolio size: R 242.74 million
Portfolio inception: 18 June 1996
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: 18 June 1996
Launch price: 100.00 (cpu)
Latest price: 701.03 (cpu)
JSE Alpha Code: RMBT
ISIN Number: ZAE000021010

Minimum investment
Lump sum: R 2,000
Monthly: R 250

Portfolio managers
Imtiaz Mohammed Alli
BCompt (Unisa)
Loftie Botha
MCom (Bus Man), BCom (Hons)(Inv), B Eng

Portfolio charges and ratios
Initial management fee: 0% (incl. VAT)
Initial advisory fee: 0% - 3.45% (incl. VAT)
Annual management fee: 0.575% p.a. (incl. VAT)
Annual advisory fee: 0% - 1.15% (incl. VAT)
Financial year end TER (incl. VAT): 0.63%
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 September 2020:
TER (%) | TC (%) | TIC (%)
---|---|---
0.62% | 0.06% | 0.68%

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)

<table>
<thead>
<tr>
<th></th>
<th>Dividend</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec’19</td>
<td>1.860</td>
<td>0.110</td>
<td>1.970</td>
</tr>
<tr>
<td>Mar’20</td>
<td>4.000</td>
<td>0.117</td>
<td>4.117</td>
</tr>
<tr>
<td>Jun’20</td>
<td>3.634</td>
<td>0.087</td>
<td>3.721</td>
</tr>
<tr>
<td>Sep’20</td>
<td>4.947</td>
<td>0.077</td>
<td>5.024</td>
</tr>
<tr>
<td>Dec’19 - Nov’20</td>
<td>14.441</td>
<td>0.391</td>
<td>14.832</td>
</tr>
</tbody>
</table>

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

Portfolio statistics

<table>
<thead>
<tr>
<th></th>
<th>Dividend yield</th>
<th>Tracking Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>One year</td>
<td>0.97%</td>
<td>0.68%</td>
</tr>
<tr>
<td>Two years</td>
<td>0.68%</td>
<td>1.10%</td>
</tr>
<tr>
<td>Three years</td>
<td>1.10%</td>
<td></td>
</tr>
</tbody>
</table>

(1) High/Low – highest/lowest 1 year return of the portfolio/class of portfolio during the period detailed.

Risk/reward profile and 3 year statistics

<table>
<thead>
<tr>
<th>Risk</th>
<th>Low</th>
<th>Low to Mod</th>
<th>Mod</th>
<th>Mod to High</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>1m - 12m</td>
<td>1 - 3 yrs</td>
<td>3+ yrs</td>
<td>5+ yrs</td>
<td>7+ yrs</td>
</tr>
</tbody>
</table>

- **Standard deviation**: 17.53
- **Sharpe ratio**: -0.20
- **Information ratio**: -0.85
- **Largest negative monthly return**: -10.31
- **Number of positive months**: 18 / 36

Specific risks

Any decline in the local equity market will directly impact the portfolio’s performance.

Holdings

**Asset type allocation (effective) (%)**

- SA Cash/Money Market: 0.07
- SA Equity: 98.87
- SA Equity [Real Estate]: 1.06

**Portfolio allocation (effective) (%)**

- Cash/MMeX: 0.07
- Health Care: 0.74
- Industrials: 1.80
- Derivatives & Indices: 1.81
- Telecommunications: 3.04
- Consumer Services: 5.99
- Consumer Goods: 12.73
- Financials: 14.62
- Technology: 23.69
- Basic Materials: 35.70

**Top holdings (%)**

- Naspers Limited: 20.90
- BHP Group plc: 11.86
- Compagnie Financière Richemont SA: 10.44
- Anglo American plc: 9.09
- FirstRand Limited: 3.34
- Prosus NV N: 2.79
- Mondi plc: 2.64
- Standard Bank Group Limited: 2.47
- British American Tobacco plc: 2.23
- Sibanye-Stillwater Limited: 2.18

Portfolio objective/investment policy

The Momentum Top 40 Index Fund is a specialist capital growth portfolio and the investment policy followed by the Manager will be to focus on achieving a total compound annual return which will substantially equate to the total compound annual return of the FTSE/JSE Top 40 Index as adjusted to take into account transaction and other costs, and to comply with the statutory requirements to invest in assets in liquid form. In order to achieve this investment objective, the securities to be acquired for the Momentum Top 40 Index Fund portfolio will substantially consist of a selection of financially sound ordinary shares, to be acquired at fair market prices, as included in the FTSE/JSE Top 40 Index at proportions so determined as to best replicate the performance of the FTSE/JSE Top 40 Index and will include a minimum of assets in liquid form investments as required by the Act from time to time. 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.
- Min 80% in equites which have a market cap greater than or equal to 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.
This document should not be seen as an offer to purchase any specific product and is not to be construed as advice. Investors 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 on request. All portfolio performance figures quoted (tables and charts where present) are as at 30/11/2020, based on available 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 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.

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. 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.

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