

2021 Sci-Fi Report: The 'switch itch' intensifies

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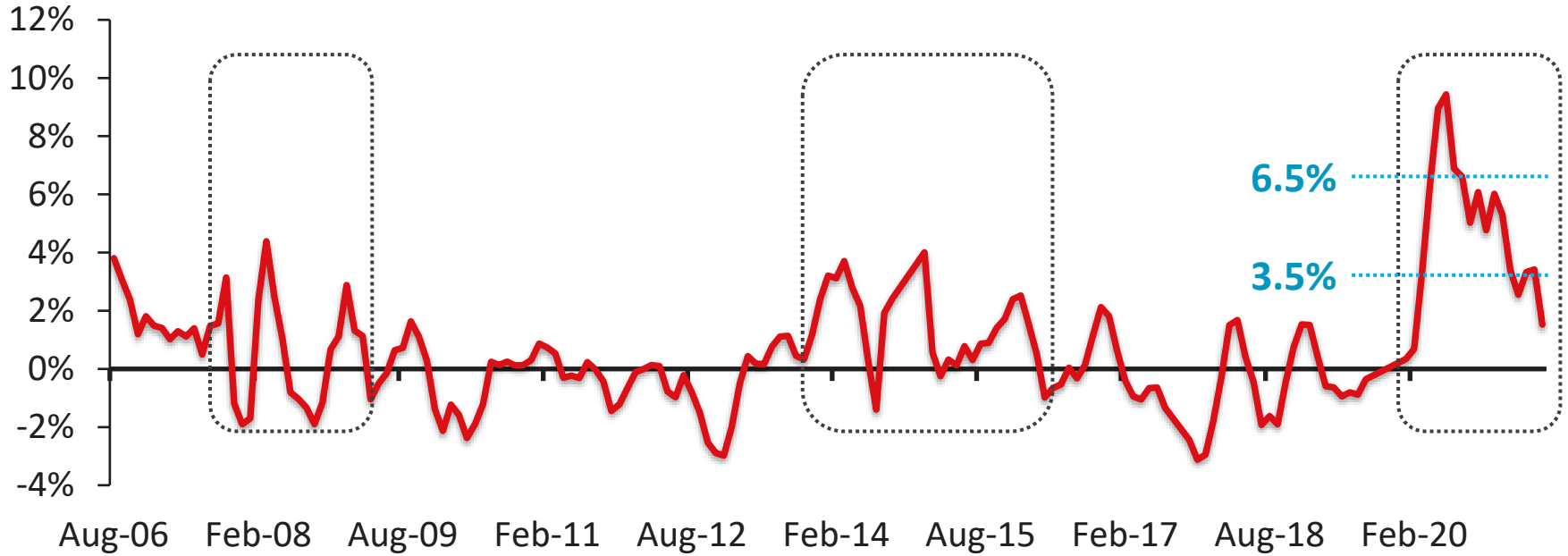


Setting the scene for a behaviour tax



Do South Africans create or destroy value by switching?

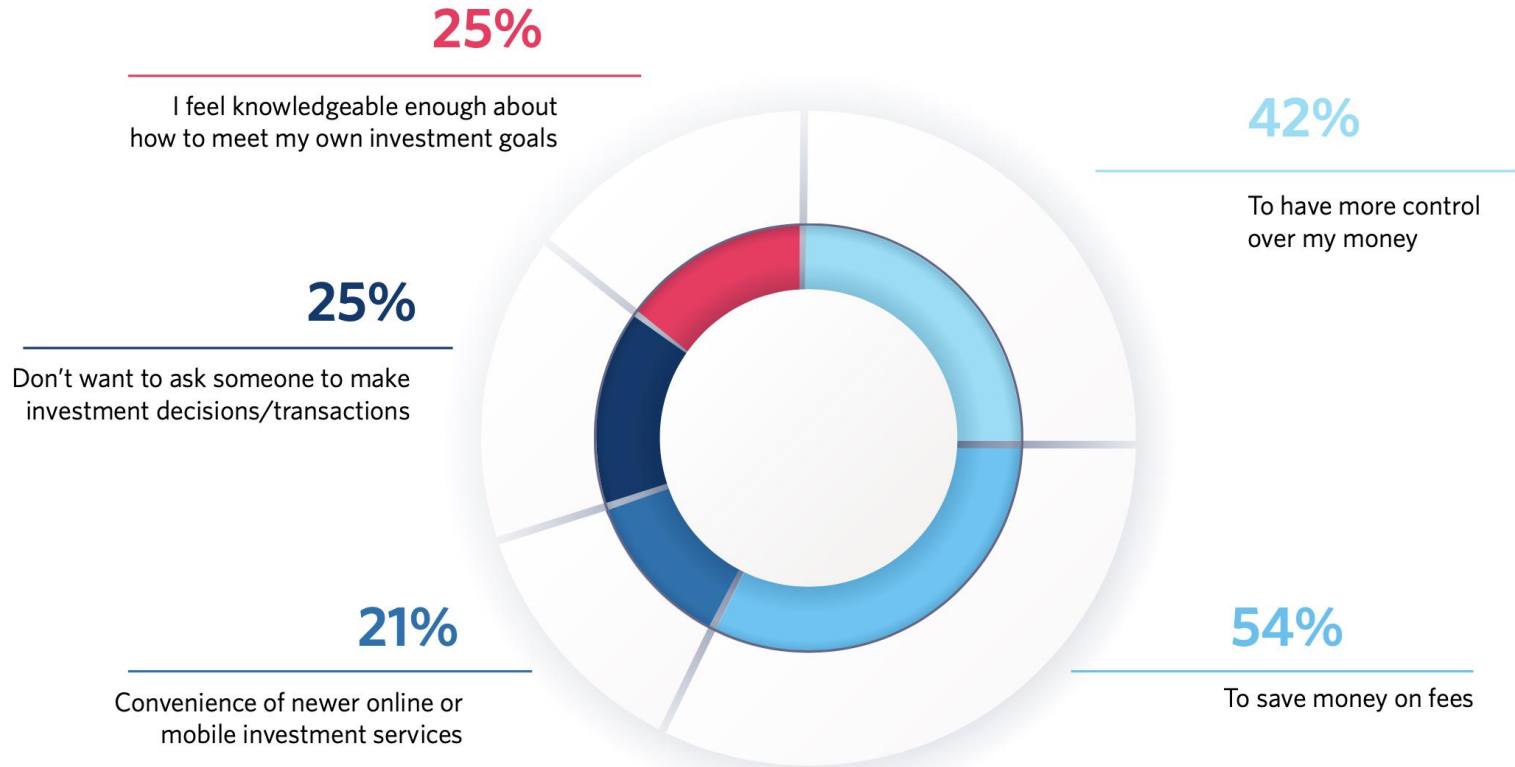
Overall average 12-month behaviour tax over time



A trend of greater engagement



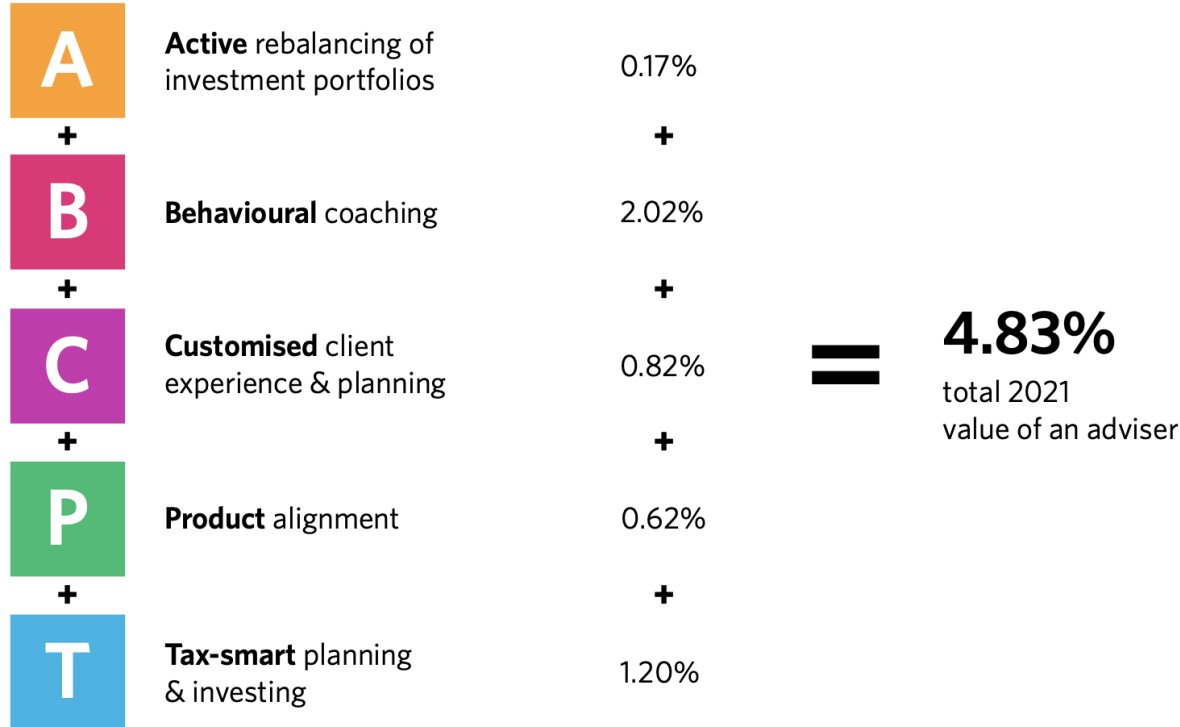
Is the pandemic shifting people away from advice?



Behavioural coaching for better advice



Biases affect the perceived need for advice

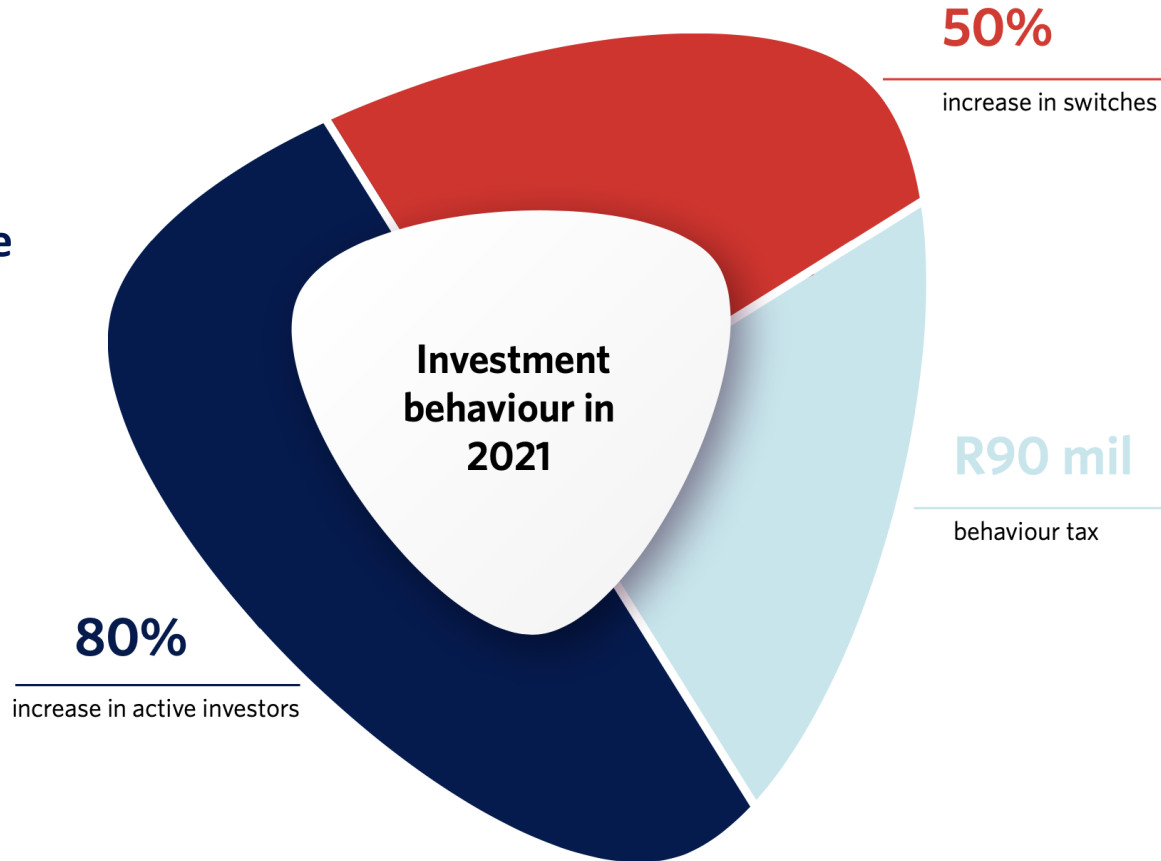


Sci-Fi highlights for 2021



Record engagement and switching

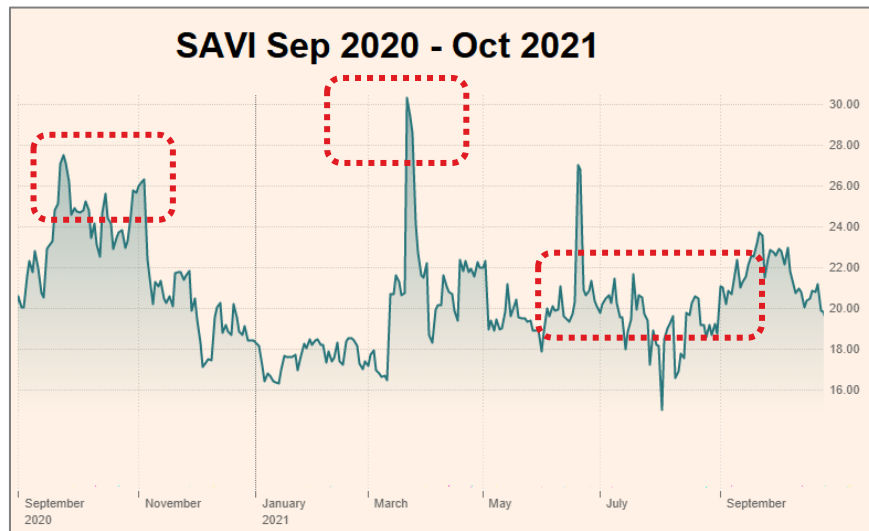
- **27,994 switches**
- **R169,316 (average switch amount)**



Risk on, risk off



A little late to the party



Following the money



Are investors rewarded for the relentless pursuit of past performance?

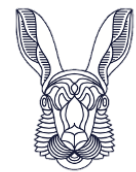
Fund name	Net flow	2020 return	2021 return
Coronation Global Emerging Markets Flexible	R31,512,943	27.73%	-9.32%
Coronation Optimum Growth Fund	R8,229,310	22.15%	-3.31%
Momentum International Income Fund	R28,481,145	8.85%	-0.21%
Momentum Flexible Income Fund of Funds	R74,730,690	12.17%	6.45%
Momentum Real Growth Property Fund	(R6,909,799)	-34.89%	36.95%
Momentum Focus 5 Fund of Funds	(R12,441,824)	0.80%	15.84%
Momentum Focus 7 Fund of Funds	(R14,087,018)	0.83%	18.36%

CIS disclosures

Collective investments are generally medium- to long-term investments. The value of participatory interests may go down as well as up and past returns are not necessarily a guide to the future. Momentum Collective Investments (RF) (Pty) Ltd (the management company) does not provide any guarantee, either with respect to the capital or the return of this investment fund. Additional information on the proposed investment including, but not limited to, brochures, application forms, the annual report and any half-yearly report can be obtained, free of charge, at momentuminv.co.za or on request from the management company. A schedule of fees and charges and maximum commissions is available on request from the management company. CISs are traded at ruling prices and can engage in borrowing and securities lending. The CIS may borrow up to 10% of the market value of the investment fund to bridge insufficient liquidity. Different classes of units apply to investment funds, which are subject to different fees and charges. Forward pricing is used.

Source: Morningstar, Momentum Investments

Archetype behaviour for 2021



Market Timer

Herding when markets surge or crash

Average number of
switches in 2021

3.14

Total rand value of
portfolio destroyed

R22,521,081

Total behaviour tax
incurred for 2021

5.01%



Assertive

Loves the next BIG investment trend

1.37

R40,319,826

4.09%



Anxious

Down-risks in choppy markets, misses recovery

1.22

R9,743,680

3.02%



Avoider

Gets stuck in conservative investments

1.21

R8,820,495

1.11%

CIS disclosure

This investment fund is administered by Momentum Collective Investments (RF) (Pty) Ltd (the management company), registration number 1987/004287/07, which is authorised in terms of the Collective Investment Schemes Control Act, No 45 of 2002 (CISCA) to administer collective investment schemes (CISs) in securities. The management company is the manager of the Momentum Collective Investments Scheme (the scheme) and a part of Momentum Metropolitan Life Limited, an authorised financial services provider (FSP) (FSP6406) under the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS), a registered credit provider (NCRCP173), a full member of the Association for Savings and Investment SA (Asisa) and rated B-BBEE level 1. Standard Bank of South Africa Limited, registration number 1962/000738/06, is the trustee of the scheme.

A fund of funds, apart from investments in liquid form, consists solely of participatory interests in investment funds of CIS, which may levy their own charges and could result in a higher fee structure for fund of funds than some other forms of CISs.

All investment fund returns are calculated for a 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 investment fund returns shown are after the deduction of the total investment charges (TIC) but exclude any initial or ongoing advisory fees that may, if applicable, be charged separately. Annualised returns, also known as compound annualised growth rates, are calculated from cumulative returns and provide an indication of the average annual return achieved from an investment that was held for the stated period. Actual annual figures are available from the management company on request. All investment fund return figures quoted (tables and charts where present) are based on a lump sum investment, using net asset value (NAV) to NAV prices with income distributions reinvested on the ex-dividend date. Inflation figures, where present, are lagged by one month. Cash figures, where present, are Short-term Fixed Interest Composite Index returns. All figures quoted in are in rand terms.

CISs are generally medium- to long-term investments. The value of participatory interests may go down as well as up and past returns are not necessarily a guide to the future. CISs are traded at ruling prices and can engage in borrowing and securities lending. The CIS may borrow up to 10% of the market value of the investment fund to bridge insufficient liquidity. Different classes of units apply to investment funds, which are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the management company.

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Thank you

