

momentum

investments

Core Portfolio

Our Client Value Proposition

Summer 2021





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good governance
is central to
our client value
proposition

As an investment provider, we believe it is important that you feel confident that the funds you choose perform in line with the purpose they were designed for. As a result, we have put in place a market-leading governance process to assist you with both fund selection as well as ongoing fund monitoring.

This brochure outlines how we put good governance into action and provides you with insight into the sophisticated yet simplistic processes that we have developed to support you in getting the most out of your investment.



What do we mean by good governance?

Good governance is about finding the best processes for making and implementing decisions. By applying good governance, we put your needs at the forefront of our thinking.

We recognise how difficult it is for you to choose funds that are capable of delivering on your client's ambitious aspirations. We have therefore implemented a robust governance process that aims to make sure that the funds you select perform in line with expectations.

We research the market so that you do not have to.

By adopting good governance, we aspire to make sure that:

- There are no significant structural or organisational problems within the funds that could potentially affect future performance;

- Customers are treated fairly;
- Your clients benefit from reduced fund management fees as a result of extensive fee negotiations conducted by us on their behalf;
- Funds are being managed in line with their stated objectives.

Our good governance process involves:

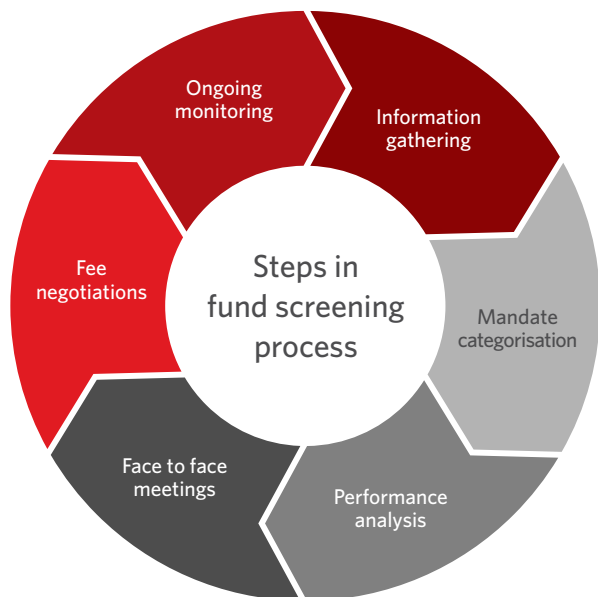
- Conducting regular, in-depth due diligences on each fund before considering it for inclusion in the International Core Portfolio range;
- We also continuously monitor each fund once it has been added to the International Core Portfolio range.

Why partner with Momentum Wealth

We understand that your needs and preferences are unique. We also recognise the invaluable benefit of investing with the peace of mind of knowing that the fund(s) you invest in are likely to perform in line with your expectations.

To assist you with making decisions in a sometimes intimidating investment environment, we have identified a complete range of leading investment solutions that subscribe to good governance on your behalf.

Our investment process aims to identify funds that stand out due to superior quantitative and qualitative characteristics over various investment periods.



Unrivalled value - benefit from lower fund management fees

As one of the largest investment providers in South Africa, we are in a unique position to negotiate lower fund management fees on your behalf. As such, the Core Portfolio range consists of a select range of leading clean-priced funds where all negotiated fund management fees directly benefit you, our valued client.

What good governance does not aim to achieve

The Core Portfolio range does not claim to deliver on the following:

- Provide advice on the suitability of any fund or investment product, or provide any other form of financial advice.
- Provide any guarantees about the funds that form part of the Core Portfolio range.
- Guarantee that fraud will not occur.

we look far deeper than recent performance when researching funds on your behalf

Why the Core Portfolio range?

As a leading provider of local and international investments, we have made the most of our extensive investment expertise in providing the necessary oversight to make sure that you have confidence in your fund selection.

The Core Portfolio range provides a select range of leading funds that serve to maximise opportunities whilst minimising any unnecessary risk. Each fund that forms part of the Core Portfolio range has been subjected to extensive analysis and has been identified as a leader in its respective category.

Further, the Core Portfolio range represents unrivalled value. As a leading investment provider with access to invaluable economies of scale, we have used our bulk buying power to negotiate the most competitive fees on your behalf.


Further, we have an extensive framework in place to make sure that the Core Portfolio range is designed, developed, monitored and changed appropriately. We have made use of our in-house investment experts to make sure that market-leading policies, processes and controls have been employed to make sure that the fund you have selected subscribes to good governance.

Core Portfolio investment components


Collective investment schemes


A comprehensive range of leading local and international collective investment schemes.


The relevant fund minimum disclosure document (MDD) can be viewed using the hyperlinks provided below.

 Equity strategies		
Momentum Equity Fund	Foord Equity Fund	Coronation Global Emerging Markets Flexible [ZAR] Fund*
Momentum Core Equity Fund	Kagiso Equity Alpha Fund	Ninety One Global Franchise Feeder Fund*
ALUWANI Top 25 Fund	Prudential Dividend Maximiser Fund	Nedgroup Investments Global Equity Feeder Fund*
Coronation Top 20 Fund	PSG Equity Fund	
Fairtree Equity Prescient Fund	Momentum International Equity Feeder Fund*	

 Property strategies	
Momentum Real Growth Property Fund	Prudential Enhanced SA Property Tracker Fund
Catalyst SCI SA Property Equity Fund	Catalyst SCI Global Real Estate Feeder Fund

 Multi-asset aggressive growth strategies		
Momentum Focus 7 Fund of Funds	Ninety One Managed Fund	Momentum International Balanced Feeder Fund
Allan Gray Balanced Fund	Nedgroup Investments Balanced Fund	Coronation Global Managed [ZAR] Feeder Fund*
Coronation Balanced Plus Fund	Prudential Balanced Fund	Foord International Feeder Fund*
Foord Balanced Fund	Rezco Managed Plus Fund	Ninety One Global Strategic Managed Feeder Fund*

 Multi-asset moderate growth strategies		
Momentum Focus 5 Fund of Funds	Nedgroup Investments Opportunity Fund	Coronation Capital Plus Fund
Momentum Focus 6 Fund of Funds	Old Mutual Albaraka Balanced Fund	
Ninety One Opportunity Fund	Prudential Inflation Plus Fund	

 Multi-asset fixed income strategies		
Momentum Diversified Income Fund	Coronation Strategic Income Fund	Coronation Global Strategic USD Income [ZAR] Feeder Fund
Momentum Income Plus Fund	Prudential Enhanced Income Fund	
Prescient Income Provider Fund	Momentum International Income Fund*	

 Absolute return strategies		
Momentum Focus 3 Fund of Funds	Coronation Balanced Defensive Fund	Nedgroup Investments Stable Fund
Momentum Focus 4 Fund of Funds	Ninety One Cautious Managed Fund	

 Cash and cash plus strategies	
Momentum Money Market Fund	Momentum Enhanced Yield Fund

Momentum Securities

A suite of personalised share portfolios that gives you direct access to various asset classes

 Growth
Core Equity Portfolio/Focused Core Equity Portfolio

 Specialist
High Dividend Portfolio

 Balanced
Balanced Portfolio

Protected Investments

Protected investment solutions that will suit any investment need

 Specialist	
Momentum Enhanced Growth Option*	Momentum Capital Plus

 Cautious		
Momentum annuities	Linked Endowment Growth Option	Linked Endowment Growth Option and Income

* International rand-denominated fund

Glossary

Quantitative and qualitative analysis:

When performing a qualitative analysis on funds, we look at:

The organisation

- Years in business, structure and stability, reporting procedures, operations, compliance and risk controls.

Personnel

- Number of professionals, experience, credentials and tenure of key personnel, research capabilities, structure and client service capabilities.

Investment process

- Qualitative vs. quantitative processes, top-down vs. bottom-up approach, sell discipline, absolute vs. relative and concentrated vs. broadly diversified.

On the quantitative side, we evaluate and assess past performance compared to the appropriate benchmark and peer group. We also assess the performance in relation to the risk undertaken.

Clean priced funds

The global trend of increased cost transparency has resulted in several fund managers launching clean fund classes. A clean fund class is managed in exactly the same manner as existing fund classes, with the exception of boasting the benefit of lower annual management charges. In the case of clean fund classes, all rebates are used to offset annual management charges at a fund level, resulting in a more cost effective and transparent fund experience for investors.

Additional notes:

We may decide to remove a fund from the Core Portfolio range for commercial reasons, due to a fund closing or due to concerns around the fund or management group.

Most fund managers will underperform at some point due to normal market dynamics, therefore we will not remove funds based solely on short-term underperformance. Instead, we look at the circumstances around the underperformance to determine whether it is as a result of a fundamental problem within the fund/fund manager's business. Some of the possible problems could include poor internal risk controls, significant changes within the investment team or misalignment with the stated processes. Where problems are deemed significant, Momentum may remove the fund from the Core Portfolio range.

The Core Portfolio range is a selection of external and in-house collective investment schemes across the various collective investment scheme categories. The funds in the selection generally offer an improved fee experience to investors compared to similar funds that are not included in the core selection.

Please make sure that you download the latest available version of this document from our website.

The importance of financial advice

Financial advisers combine their expertise in tax regimes with research and up to date knowledge of the investment world when deciding on a financial strategy that is uniquely appropriate to your circumstances and financial planning needs. We recognise the importance of financial advice and believe that financial advisers are best placed to help you make important investment decisions. For this reason, we make the use of a financial adviser a requirement for investing through Momentum Wealth. Please contact your licensed financial adviser if you have any questions.

Contact us

Contact your licensed financial adviser if you have any questions.

All instructions and general enquiries must be directed to:

E-mail: wealthservice@momentum.co.za

Client Services: 0860 44 44 33

Tel: +27 (0)12 675 3000

Fax: +27 (0)12 675 3941

Disclaimer:

The opinions in this document apply from the date we made this brochure available and is for this document only. The information and opinions are of a general nature and are not advice as contemplated in the Financial Advisory and Intermediary Services Act (FAIS). No one must act on the basis of any information in this brochure without considering and taking the necessary advice for their own specific circumstances.

The information we have used to prepare this brochure includes information from third party sources and while we have made every effort to make sure it is accurate, we cannot guarantee it to be accurate or complete, nor can we guarantee that the information is always up to date.

Momentum is not responsible for any use of this brochure or responsible to any other person or entity for any inaccurate information in it or for any error or omission, regardless of the cause of the inaccuracy, error or omission.

It is important to know that past performance is not necessarily an indication of future performance. An investor with a different reference currency from that in which the fund is denominated may be subject to exchange rate movements, which will cause fluctuations in the value of their investments. Investments involving exposure to other currencies other than that in which the investment component is denominated may also cause investment values to fluctuate.

The information is not contractually binding. The terms and conditions of the policy contract shall prevail in all instances. In dealing with financial products, professional advice should be sought from an authorised, accredited financial adviser.

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To assist in making an informed decision, please refer to the relevant latest minimum disclosure documents (MDDs, also known as fact sheets), for information on the portfolio. MDDs provide detailed explanations of the risks and the potential downside of a portfolio, which may change from time to time. MDDs can be obtained from the relevant CIS manager, investment manager or your financial adviser. Collective Investment Schemes in Securities (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 securities lending. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio.

Money market portfolios: A money market portfolio is not a bank deposit account. The price of each unit is aimed at a constant value. The total return to the investor is primarily made up of interest received but, may also include any gain or loss made on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the fund. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures; and that in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

Fund of Funds portfolios: A fund of funds portfolio, that a fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds.

Feeder Fund portfolios: A feeder fund, that a feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund. We aim to prevent fraud from taking place. A schedule of fees and charges and maximum commissions is available on request from the company or scheme. Commission and incentives may be paid and if so, would be included in the overall costs.

Momentum Wealth (Pty) Ltd

268 West Avenue Centurion 0157 PO Box 7400 Centurion 0046

Client service 0860 546 533 T +27 (0)12 675 3000 F +27 (0)12 675 3941 wealthservice@momentum.co.za momentum.co.za

Momentum Wealth (Pty) Ltd is an authorised financial services provider (registration number 1995/008800/07, FSP number 657)

Momentum Metropolitan Life Limited is an authorised financial services and credit provider (registration number 1904/002186/06, FSP number 6406)

Refer to momentum.co.za and momentummetropolitan.co.za for directors and company secretary details

Momentum Wealth is part of Momentum Metropolitan Holdings Limited