



**momentum**  
investments

**MFP**  
**OUTCOME MATTERS**

**Jako De Jager and Ronnie Bornman**

**Fund of funds update**

23 November 2021

B. Rich  
HEDGEYE

...MONEY FOR  
NOTHING,  
AND CHICKS  
FOR FREE...





# Cheap money and accommodative policy

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# Stuttering local economic conditions

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# Asset class returns to 30 September 2021

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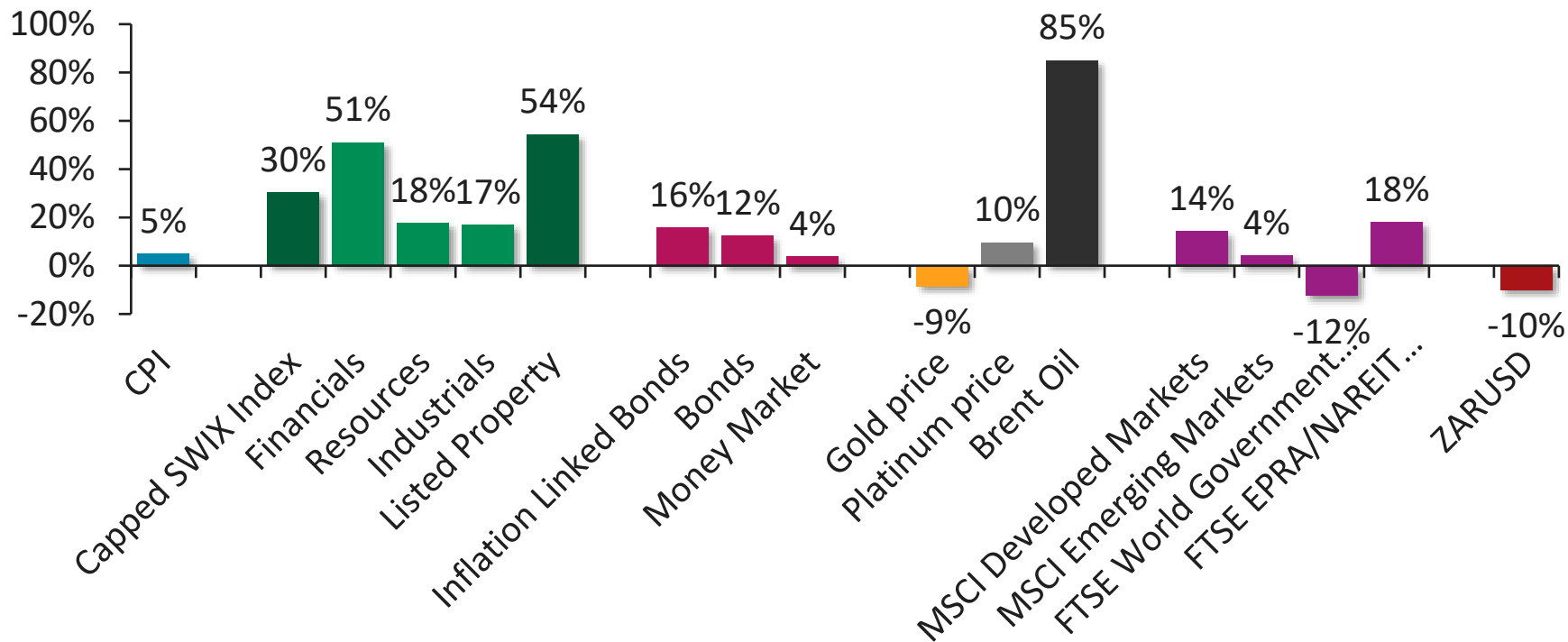
|   | Quarterly |         |         |         | Annualised |             |            |             |
|---|-----------|---------|---------|---------|------------|-------------|------------|-------------|
|   | Q3 2021   | Q2 2021 | Q1 2021 | Q4 2020 | One year   | Three years | Five years | Seven years |
| <b>Local equity indices</b>                       |           |         |         |         |            |             |            |             |
| FTSE/JSE Capped SWIX All Share Index              | 3.2%      | 0.6%    | 12.6%   | 11.5%   | 30.3%      | 6.5%        | 5.0%       | 5.6%        |
| FTSE/JSE SA Listed Property Index (SAPY)          | 5.9%      | 12.1%   | 6.4%    | 22.2%   | 54.4%      | -6.8%       | -5.6%      | -0.3%       |
| <b>Local interest-bearing indices</b>             |           |         |         |         |            |             |            |             |
| JSE ASSA All Bond Index (ALBI)                    | 0.4%      | 6.9%    | -1.7%   | 6.7%    | 12.5%      | 9.1%        | 8.5%       | 8.2%        |
| JSE ASSA SA Government ILB Index (IGOV)           | 2.0%      | 3.0%    | 4.7%    | 5.5%    | 15.9%      | 5.5%        | 3.5%       | 4.4%        |
| Short-term Fixed Interest Composite Index (SteFI) | 1.0%      | 0.9%    | 0.9%    | 1.0%    | 3.8%       | 5.8%        | 6.4%       | 6.5%        |
| <b>Global indices</b>                             |           |         |         |         |            |             |            |             |
| MSCI All Countries World Index (ACWI)             | 5.0%      | 3.8%    | 5.6%    | 0.7%    | 15.6%      | 14.7%       | 15.1%      | 14.2%       |
| FTSE World Government Bond Index (WGBI)           | 4.4%      | -2.1%   | -3.9%   | -9.6%   | -11.3%     | 5.8%        | 3.6%       | 6.0%        |
| FTSE EPRA/NAREIT Developed Index                  | 4.7%      | 4.3%    | 8.6%    | -0.4%   | 18.1%      | 9.3%        | 7.0%       | 10.9%       |
| <b>Local inflation index</b>                      |           |         |         |         |            |             |            |             |
| CPI 1 month lagged                                | 1.8%      | 1.4%    | 1.2%    | 0.4%    | 4.9%       | 4.1%        | 4.4%       | 4.6%        |

Source: IRESS

# Asset class returns



Returns in rands measured over a year

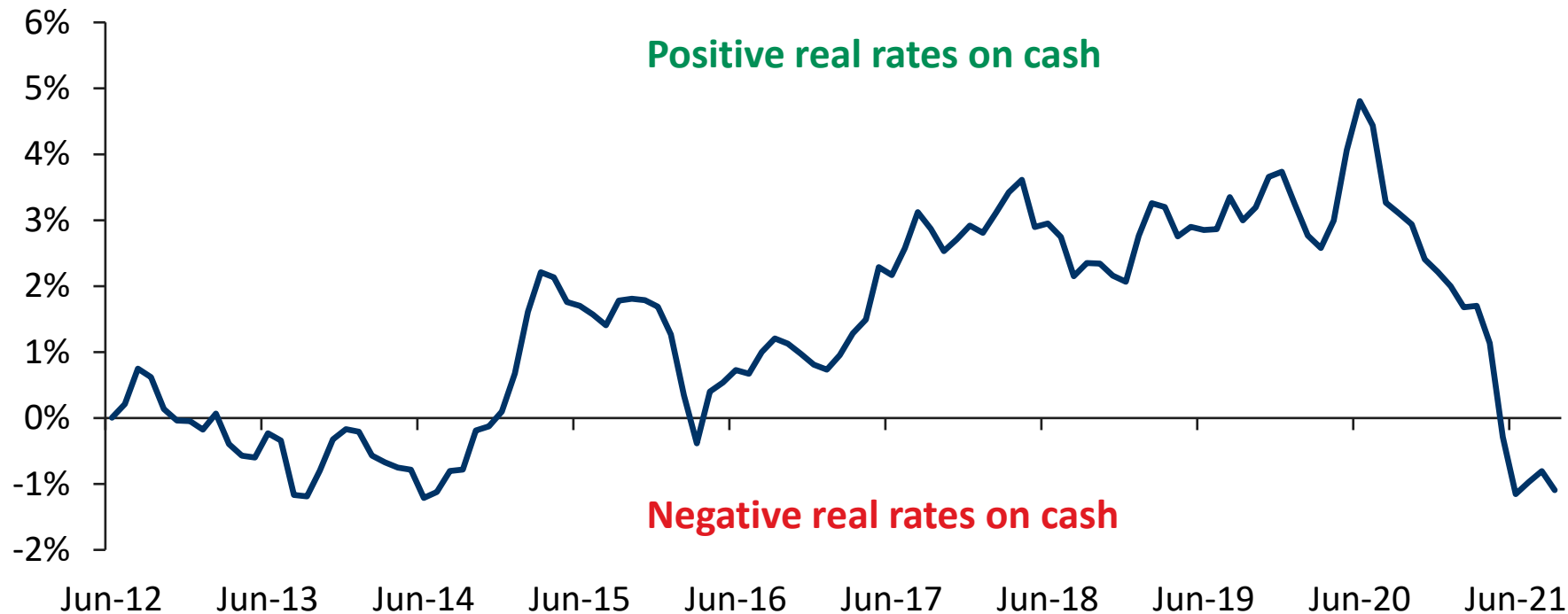


Source: IRESS

# Cash may not be king at the moment

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Returns over one-year rolling periods

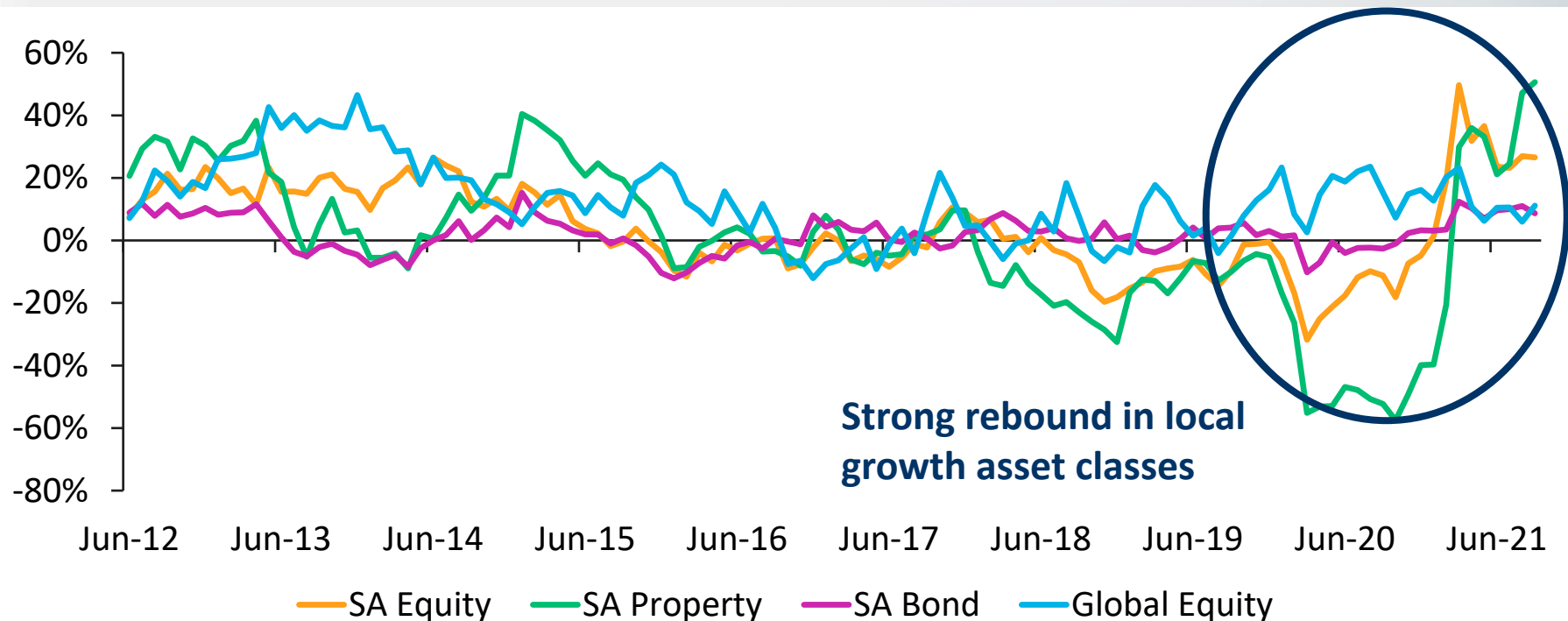


Sources: IRESS, Momentum Investments

# Asset class returns compared to cash

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Returns over one-year rolling periods



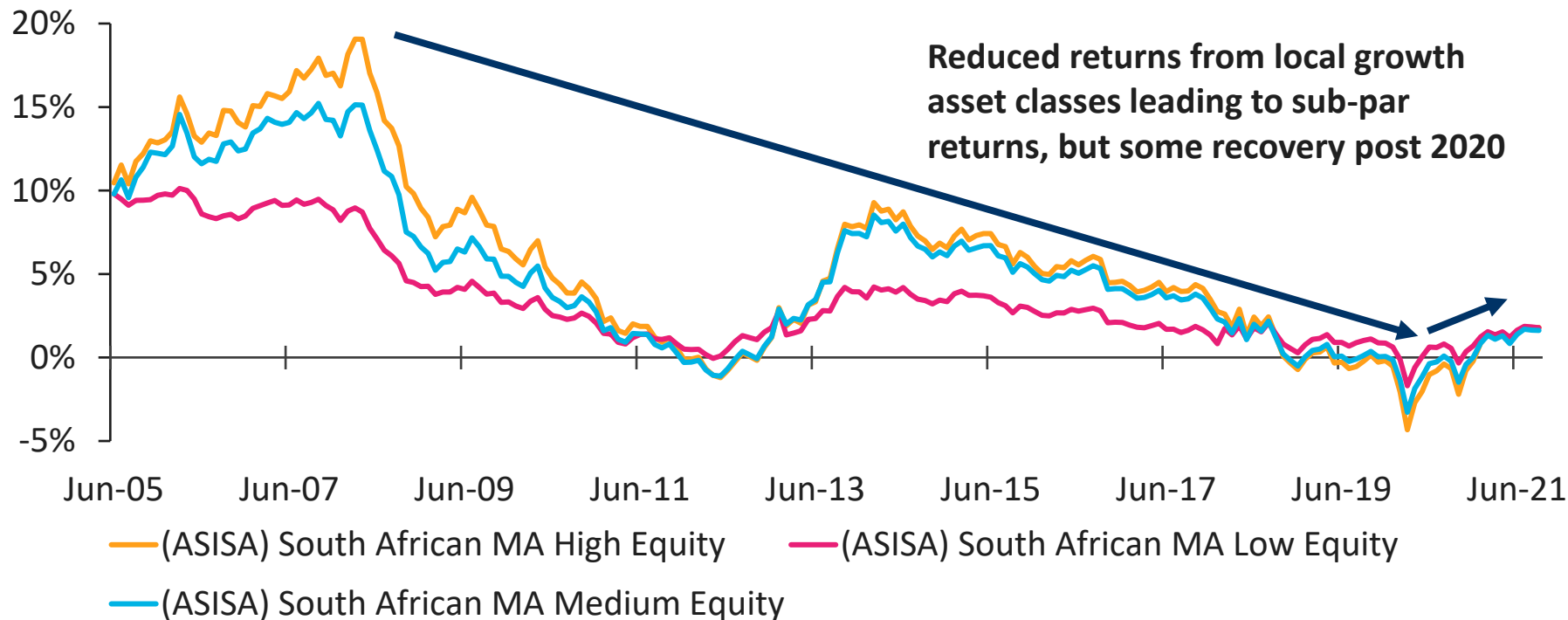
Sources: IRESS, Momentum Investments



# Multi-asset-class returns



ASISA category returns: Five-year rolling compared to inflation

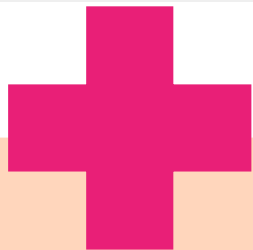


Source: Momentum Investments, Morningstar

# Asset class preference



Asset class preference for the next 12 months



- + SA equities
- + Emerging market equities
- + SA property
- + Developed market equities
- + SA bonds and inflation-linked bonds



- Global cash
- SA cash
- Global bonds
- Gold and platinum exchange-traded funds

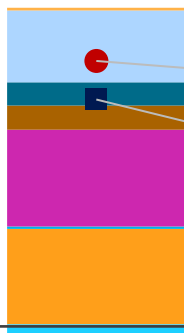
# Momentum Focus Fund of Funds returns



Contribution to Return: One year to 30 September 2021

**Momentum Focus 3  
Fund of Funds**

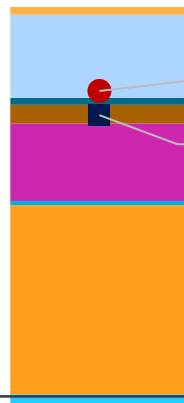
16.4%



**Strategic Benchmark**  
ASISA Peer Average  
12.0 %

**Momentum Focus 5  
Fund of Funds**

20.1%



**Strategic Benchmark**  
ASISA Peer Average  
14.9 %

**Momentum Focus 7  
Fund of Funds 22.6%**



**Strategic Benchmark**  
ASISA Peer Average  
18.7 %

Local Equity  
Global Equity

Local Property  
Global Property

Local Bonds  
Global Bonds

Local ILB  
Strategic Benchmark

Local Cash  
ASISA Peer Average

Sources: Morningstar, Momentum Investments

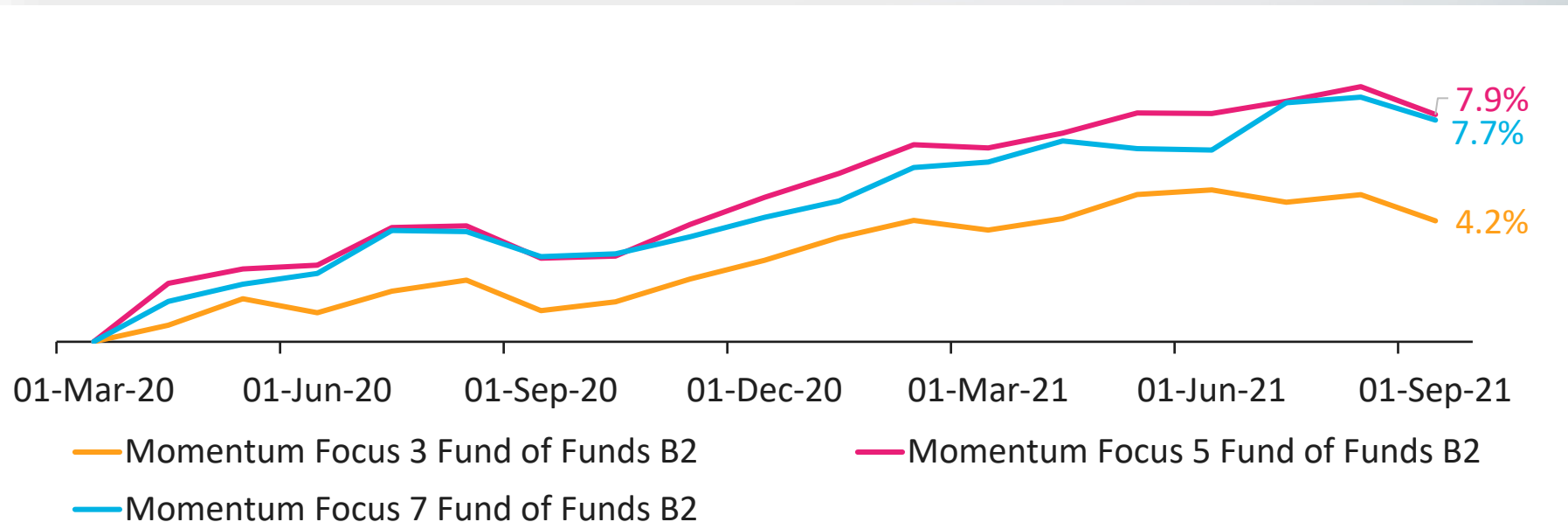
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Collective investments are generally medium- to long-term investments. The value of participatory interests may go down as well as up and past returns are not necessarily a guide to the future. Momentum Collective Investments (RF) (Pty) Ltd (the management 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](http://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.

# Momentum Focus Fund of Funds



Post-COVID-19 cumulative outperformance compared to ASISA peer categories



Sources: Morningstar, Momentum Investments

## CIS disclosures

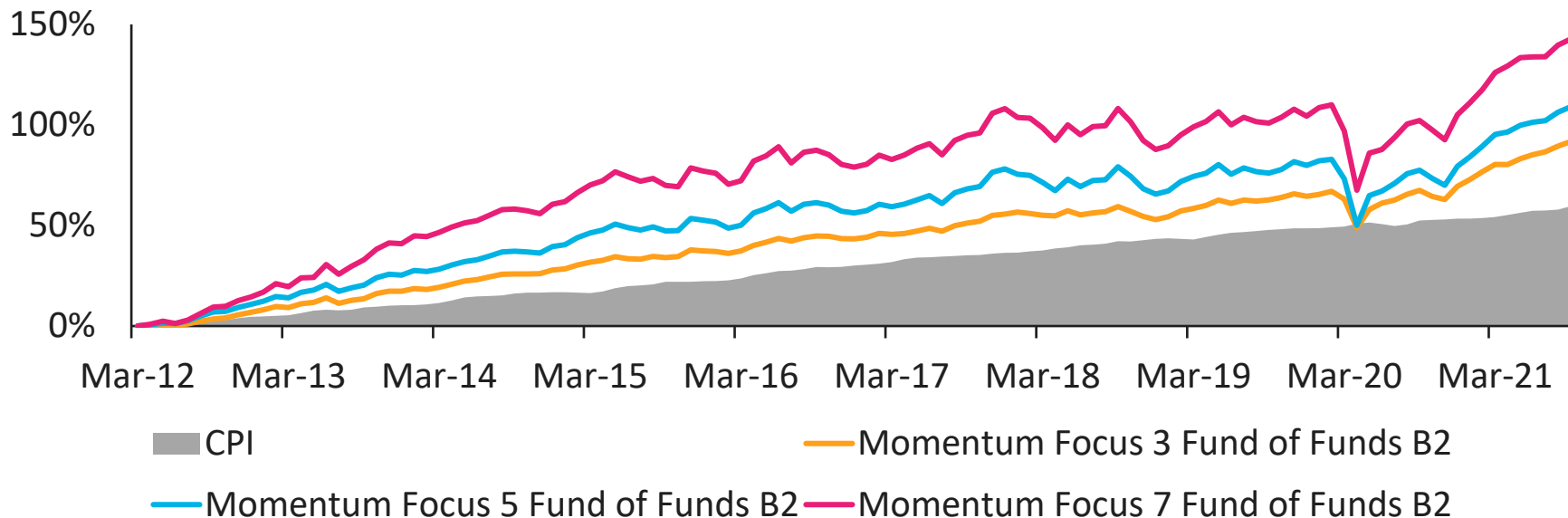
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# Momentum Focus Fund of Funds



Cumulative returns since inception to 30 September 2021



Sources: Morningstar, Momentum Investments

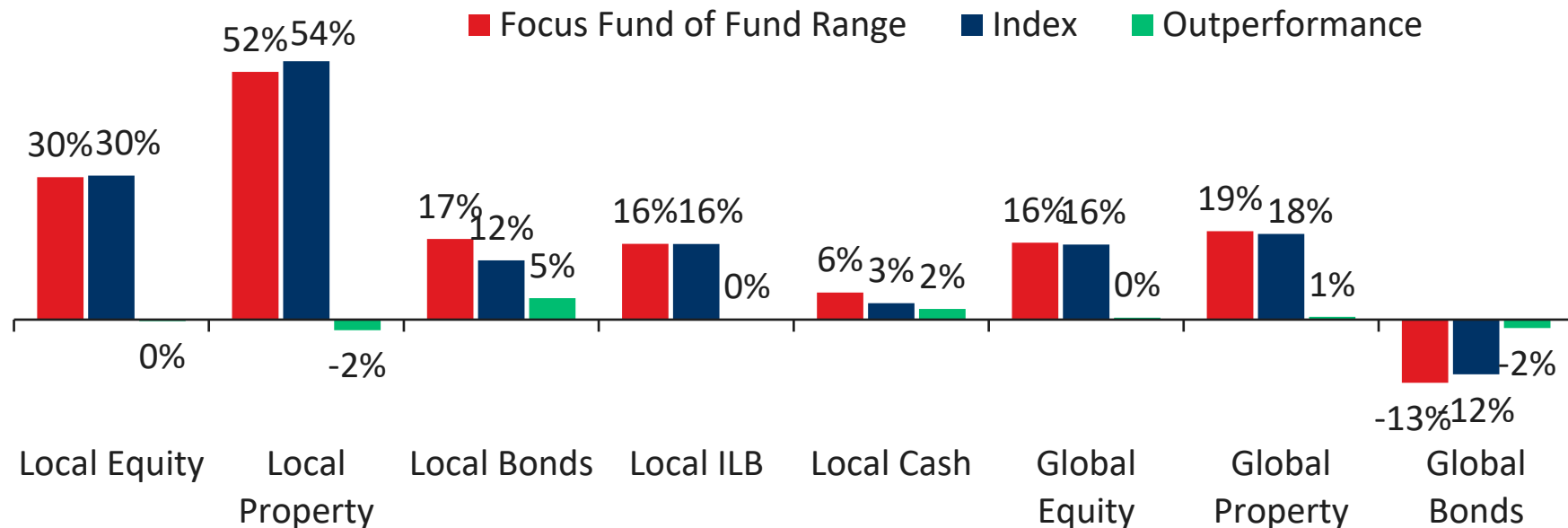
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# Momentum Focus FoF building blocks



Building block returns for one year to 30 September 2021



Sources: Morningstar, Momentum Investments

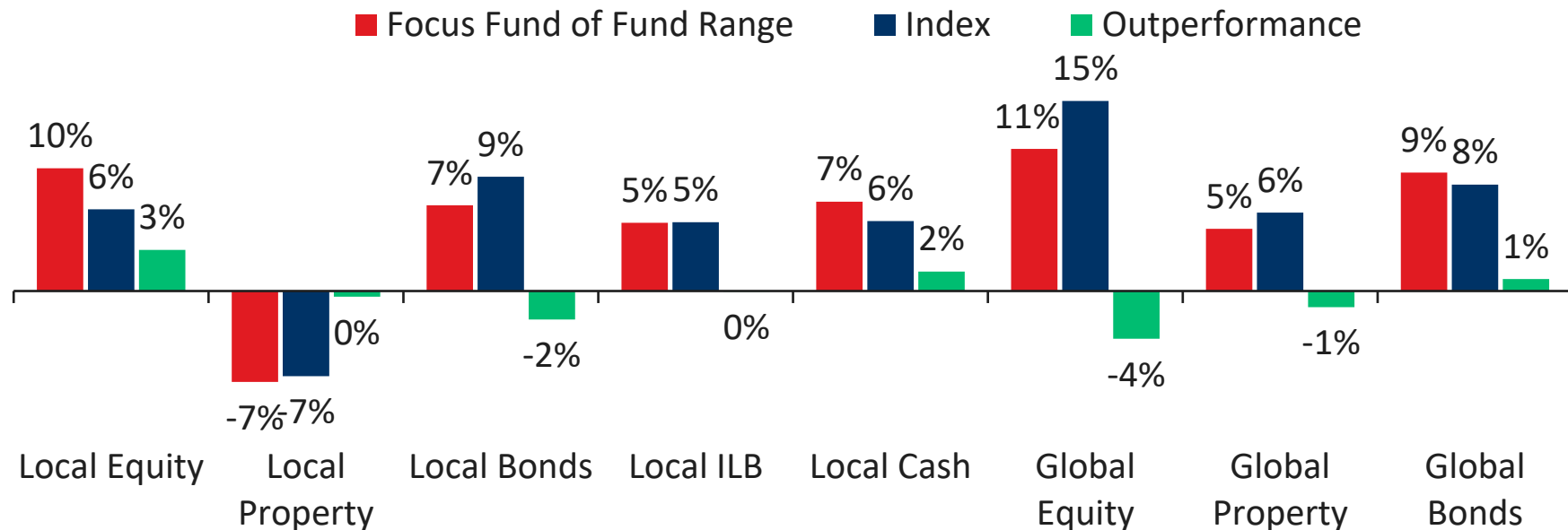
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# Momentum Focus FoF building blocks



Building block returns for three years to 30 September 2021



Sources: Morningstar, Momentum Investments

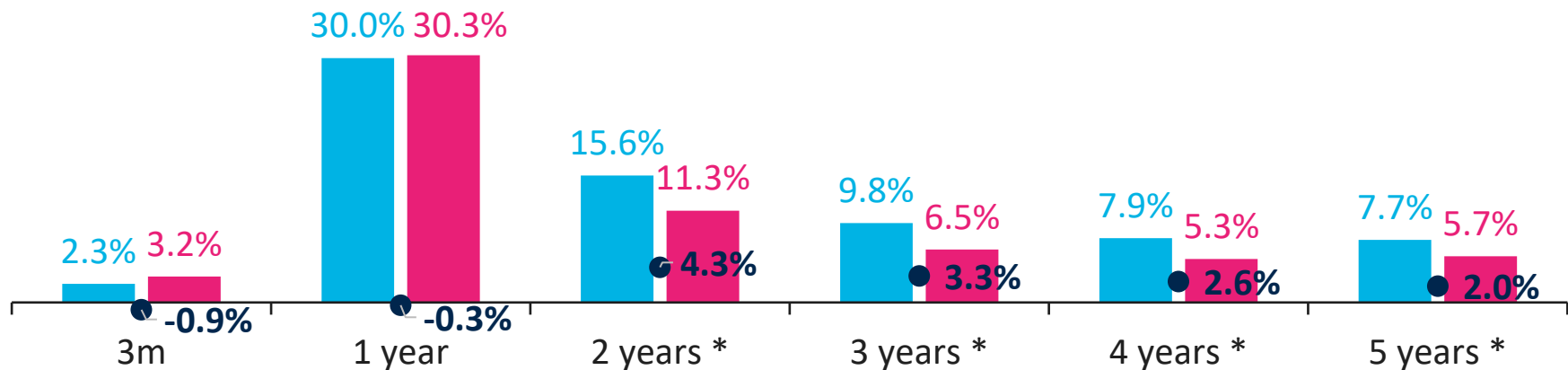
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# Local equity building block



Returns to 30 September 2021



■ Focus Fund of Funds - Equity Composite ■ Benchmark (SWIX/Capped SWIX) ● Outperformance

Sources: Morningstar, Momentum Investments. \*Annualised

## CIS disclosures

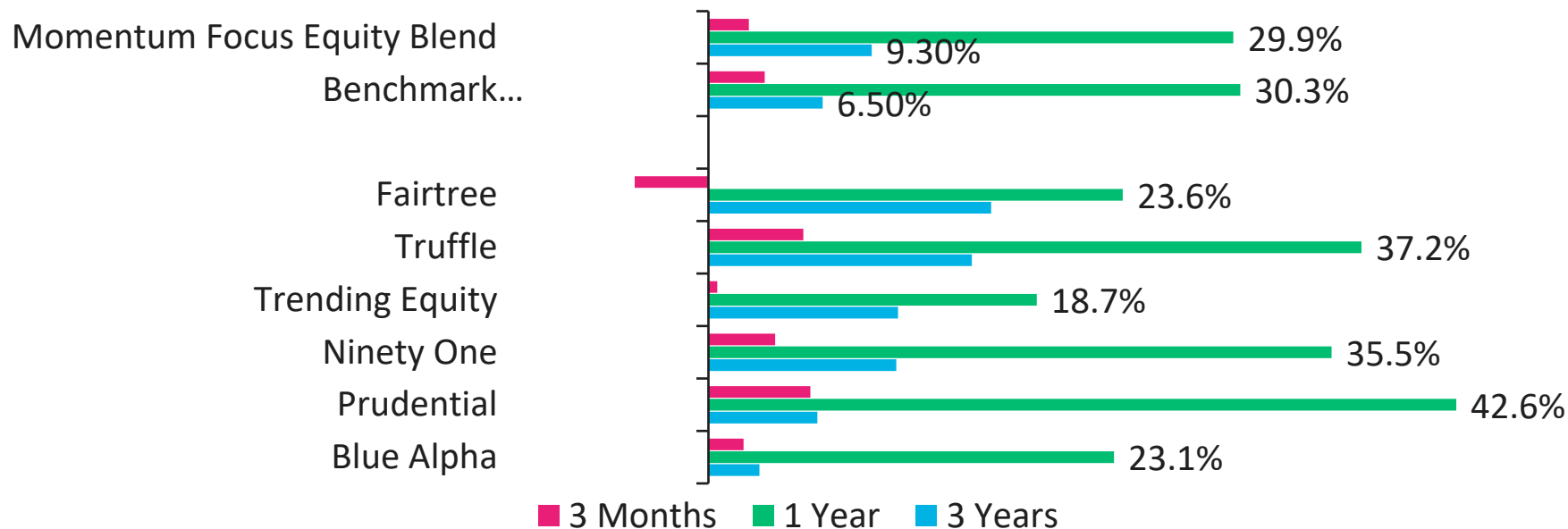
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# Local equity investment manager blend



Returns to 30 September 2021



Sources: Morningstar, Momentum Investments

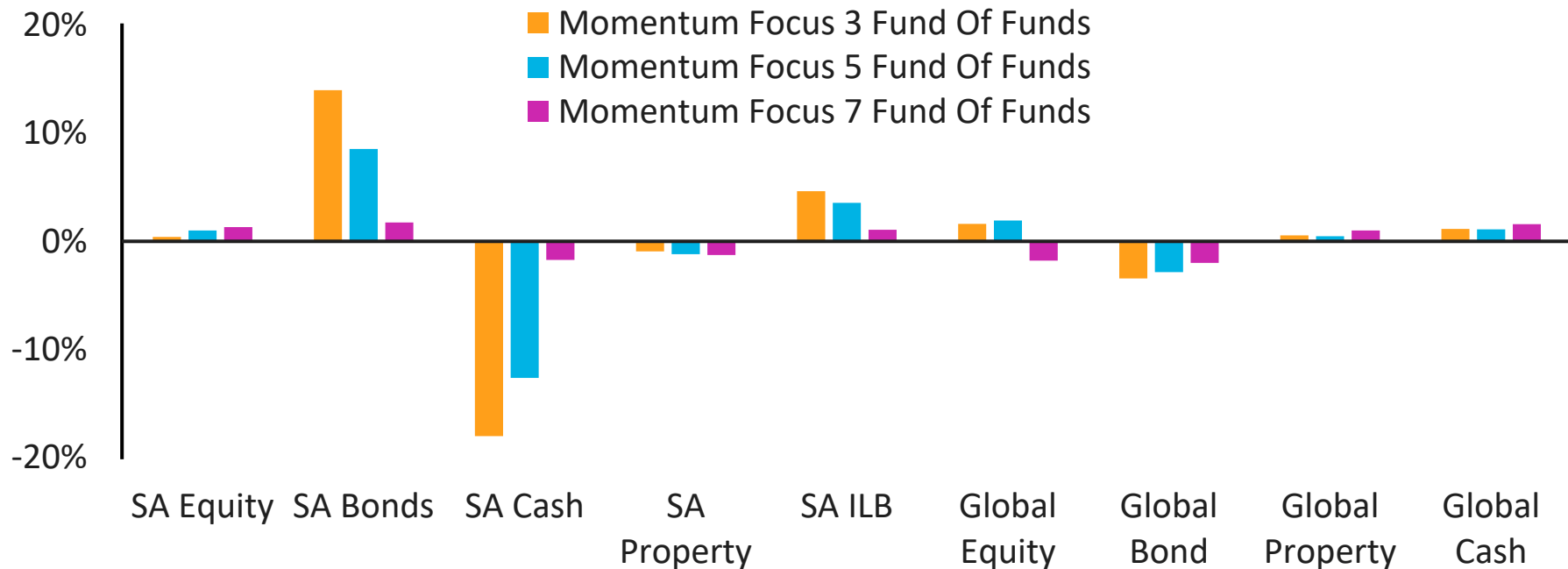
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# Portfolio positioning



Relative to the strategic asset allocation



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# Our FutureTrends strategy



Exposure to six main themes will provide medium- to long-term growth



Climate change



Technological  
innovation



Demographic  
change



Space  
exploration



Shifting  
economic  
power



Lifestyle

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.

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