

Momentum MoM Enhanced Factor 3 Portfolio

June 2013

Investment strategy

This investment portfolio is aimed at members of a retirement fund who are close to retirement. These members would have a short-term investment horizon and should be invested in predominantly defensive assets. This is achieved by having a 70% benchmark allocation to investments that should preserve the purchasing power of the capital accumulated. The portfolio incorporates all opportunities identified and performance fees may be paid to investment managers should they sufficiently enhance investment returns after fees.

Benchmark allocation

Asset Class	Allocation	Benchmark
Local equities	20.00%	FTSE/JSE Shareholder Weighted All-Share Index
Local property	7.50%	FTSE/JSE SA Listed Property Index
Local bonds	12.50%	Bond Exchange Association of SA All Bond Index
Local cash	27.50%	Short-term Fixed Interest Composite Index
Local ILB	15.00%	Barclays BEASSA SA Government ILB Index
Local commodities	7.50%	Short-term Fixed Interest Composite Index
Global equities	2.50%	MSCI All Countries World Index
Global bonds	7.50%	Citigroup World Government Bond Index

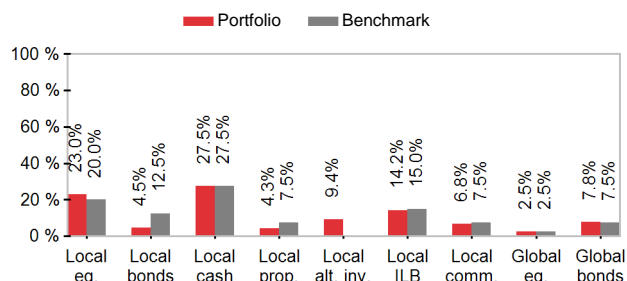
Investment returns

	One Month	Three Months	One Year	Three Years	Five Years	Since Inception
Portfolio	-3.08%	-1.41%	9.76%	10.02%	9.85%	11.98%
Benchmark	-1.65%	0.34%	12.73%	11.26%	10.79%	10.72%
CPI + 3.0% p.a			8.52%	8.25%	8.49%	8.83%

Risk analysis

(Calculation based on five-year period)	Portfolio	Benchmark
Volatility	3.8%	2.5%
Maximum drawdown	-3.1%	-1.7%
Worst month	-3.1%	-1.6%
Best month	3.2%	2.9%

Asset allocation



Comments

The inception date of the portfolio is 1 July 2011 and portfolio and benchmark returns for the Momentum MoM Enhanced Factor 3 Portfolio have been used since then. Portfolio and benchmark returns for Momentum MoM Absolute Strategies Portfolio have been used from January 2004.

Investment portfolio mandate

The long-term return objective of this portfolio is inflation plus 3% a year over three-year rolling periods. All combinations of asset classes are considered and an optimum allocation is selected to achieve this objective with a high degree of certainty. New asset-class opportunities are continually investigated. The risk of exposure to losses in the short term is managed by maximising diversification to specialist investment managers, predominantly active strategies and asset classes. This portfolio is managed in accordance with the investment limitations set out in Regulation 28 of the Pension Funds Act.

Investment portfolio information

Inception Date	July 2011
Investment Horizon	Short term
Risk Profile	
Asset Management Fee	1.5% (Negotiable for policyholders)

Investment manager allocation and returns

	One Month	One Year	Weighting
Local equity managers			
Allan Gray	-4.08%	22.87%	1.7%
Coronation	-5.05%	29.53%	1.4%
Prudential	-4.57%	24.31%	0.7%
Foord	-2.97%	28.14%	1.4%
Re:CM	-3.47%	1.47%	0.9%
Sanlam Investment Management	-3.44%	28.83%	0.9%
Fairtree	-4.48%	25.49%	1.0%
Truffe	-5.07%	15.74%	0.6%
Dibanisa	-4.58%	19.15%	0.9%
Local property managers			
Catalyst	4.47%	24.38%	3.8%
Meago	4.80%	24.12%	2.5%
Local bond managers			
Momentum Asset Management	-5.31%	11.24%	6.0%
Local cash managers			
Cadiz	0.40%	5.45%	5.0%
Liquidity			1.6%
Momentum Asset Management	0.45%	6.36%	4.7%
Taquanta	0.53%		5.0%
Local TAA managers			
Prescient	-6.27%	10.12%	4.6%
Global equity managers			
Momentum Global Investment Management	-5.94%	47.44%	2.6%
Global bond managers			
Momentum Global Investment Management	-2.72%	16.09%	7.9%
Local absolute-return managers			
Momentum Alternative Investments Moderate FoF	-0.94%	6.27%	4.7%
Momentum Alternative Investments Stable FoF	-1.15%	4.42%	4.7%
Prescient	-2.01%	9.25%	6.9%
Absa	-2.89%		10.3%
Cadiz	-4.27%	-0.15%	9.9%
Investec	0.48%	7.31%	3.7%
Local commodities managers			
Absa Capital	-14.25%	-11.74%	6.6%
Total			100%

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