

# Consult Select 7 Plus Portfolio

Portfolio managed by: Momentum Investment Consulting (Pty) Ltd

## Portfolio Manager Commentary

After seven consecutive months of positive returns, global equity markets bucked the trend in September as most major markets fell sharply, with a slew of bad news weighing on investor sentiment. Global risk appetite waned on the possibility of higher inflation and tighter monetary policy, a stalemate over the US Debt ceiling, potential contagion from an increasingly worrisome Chinese economy and market as well as ongoing concerns around global growth as the COVID-19 Delta variant proves ever more relentless.

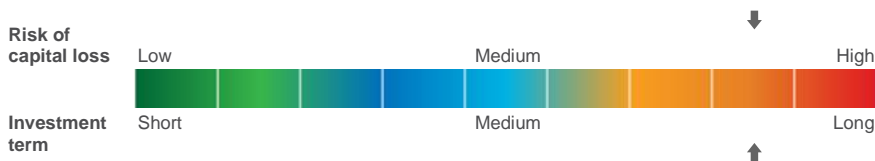
Given the discouraging macroeconomic and market environment, the MSCI World Index fell 4.1% in the month. Looking at data since 1964 for the S&P500, the month of September has historically been the worst for US markets, and this again seems to be the case as the S&P500 fell 4.8% in USD. Major tech shares proved to be the culprit as the tech-heavy Nasdaq fared poorer, falling 5.7% in USD terms. Elsewhere in developed markets, European equities (MSCI Europe ex-UK) fared worse, falling 5.5% in USD, while UK (FTSE 100) held up better given its less stretched valuations, falling only 2.2%. Emerging markets (MSCI EM USD) fared marginally better during September, falling only 4%. While the index was weighed down by growth concerns in China, stemming from fears regarding Evergrande's (the world's largest real estate developer) \$300 billion debt pile and a possible default, strong performance from Indian and Russian markets, whose significant exposure to energy counters has benefitted from the recent sharp increases in energy prices, helped curb losses. Global market returns were, however, cushioned by a sharp weakening in the rand which expectedly sold off 3.7% amid the global fears noted above.

On the local front, equities took their cue from global markets as the Capped SWIX sold off 1.4%. Resources were once again the worst performing sector, falling 12.3% in the month as industrial and precious metal miners sold off aggressively in line with falling commodity prices amid fears around Chinese demand (Industrial) and chip shortages (precious metals). Industrials were marginally negative in the month, falling 1.4% as local retailers sold off, while financial shares continued their impressive run, posting positive gains of 1.3%. Local property held up marginally better, falling only 0.8% in the month with the sector continuing to be carried by the higher yielding counters.

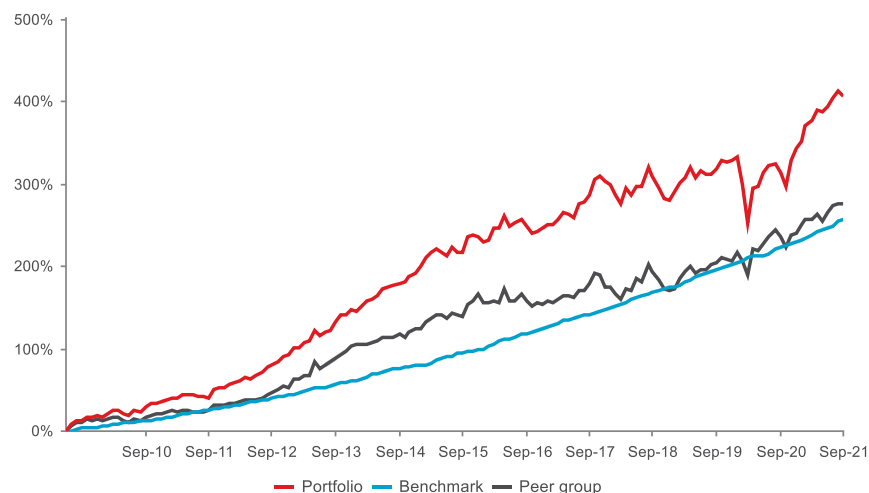
Turning to fixed income, global bond yields sold off in the month as fears around inflation and tighter monetary policy resurfaced, exacerbated by concerns of a potential US default as politicians quarrel over the raising of the US debt ceiling. As a result, global bond returns were negative 1.8% for the month in USD, although rand weakness pushed the rand returns into positive territory. As with local equity, local bonds also took their cue from global markets. Local bond yields rose in the month, with the long-end rising greater off the back of global risk-off sentiment. As a result, ALBI returns for the month were negative 2.1%. With near-term inflation locally well contained, ILBs were better off than nominals as yields on shorter-dated ILBs came down in the month, contributing to ILBs (IGOV) delivering a positive return of 0.3%. Finally, local cash again returned 0.3% as the South African Reserve Bank's Monetary Policy Committee unanimously voted to keep interest rates unchanged in the month.

## Risk Appetite: Aggressive

The portfolio typically exhibits more volatility and potential for capital losses due to higher exposure to equities and unlimited exposure to offshore markets where currency fluctuations may result in capital losses.



## Cumulative Returns



30 September 2021

## Portfolio Information

### Investment Mandate

The portfolio aims to outperform the benchmark, net of investment management fees, over any rolling 7-year periods.

### Investment Strategy

The portfolio is a high growth portfolio diversified across the major asset classes utilising a multi-manager approach whereby fund managers are combined based on their skill and expertise. The available asset classes include: bonds, equity securities, non-equity securities, money market instruments, preference shares, property securities and assets in liquid form. The portfolio does not comply with the statutory investment limits set for retirement funds in South Africa (Regulation 28 of the Pension Funds Act, 1956). The offshore exposure of the overall portfolio will be based on that of the underlying funds.

### Launch Date

June 2019

### Benchmark

CPI + 6% over rolling 7-year periods

### Peer Group

(ASISA) Wwide MA Flexible

### Reg. 28 Compliant

No

### Portfolio Manager

Barend (Bennie) Crous

### Platform Availability

AIMS, Allan Gray, Glacier, Momentum Wealth, Ninety One, Old Mutual, PPS and STANLIB

### Portfolio Fees (Per Annum)

Discretionary Manager Fee: 0.46%

Annual Management Fee (AMF)\*: 0.54%

Total Investment charges (TIC)\*: 0.79%

\*This is an estimated AMF and TIC based on the weighted average of the collective investment schemes in which the portfolio invests. These have been calculated using the latest available data from Morningstar and Finswitch.

## Contact Details

### Momentum Consult (Pty) Ltd

Lakefield Office Park, 1st Floor, Block E, 272 West Avenue, Centurion, 0157

T: +27 (0)87 742 4116

Email: [hello@momentumconsult.co.za](mailto:hello@momentumconsult.co.za)

Web: [www.momentumconsult.co.za](http://www.momentumconsult.co.za)

### Momentum Investment Consulting (Pty) Ltd

268 West Avenue, Centurion, 0157

PO Box 7400, Centurion, 0046

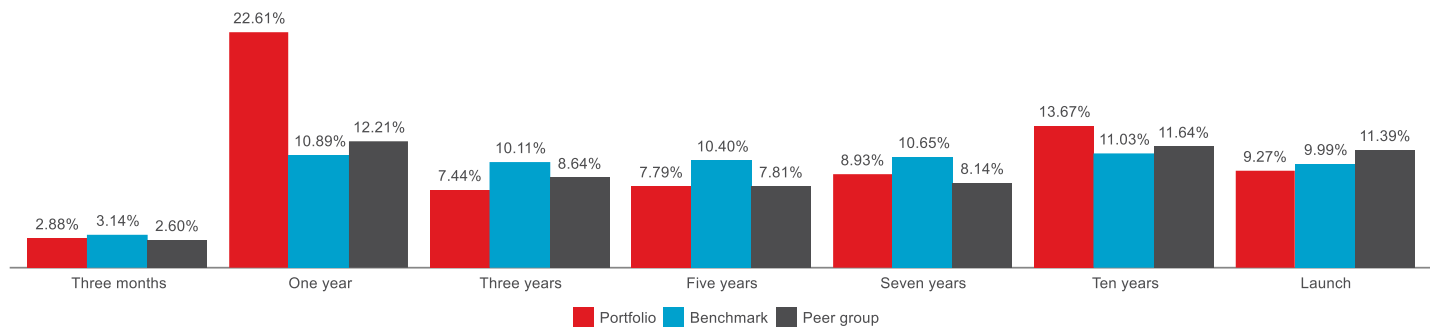
T: +27 (0)12 671 8911

F: +27 (0)12 684 5869

Email: [mic@momentum.co.za](mailto:mic@momentum.co.za)

Web: [www.momentum.co.za](http://www.momentum.co.za)

## Investment Returns



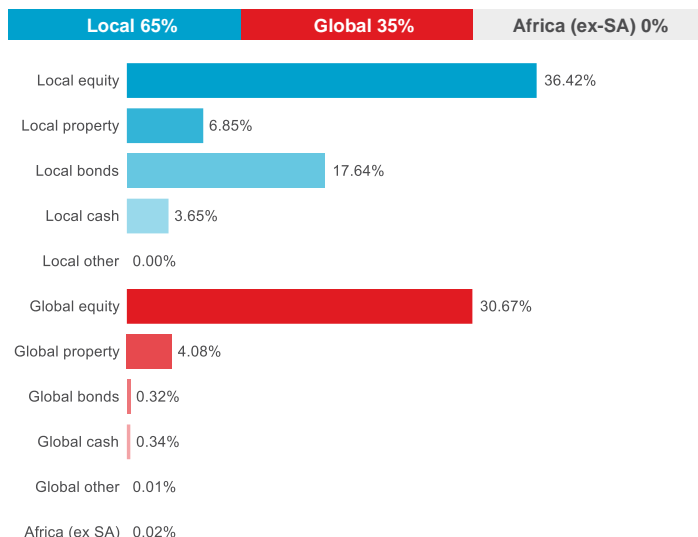
## Monthly Returns

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	Portfolio	1.30%	-0.37%	2.19%	1.98%	-0.07%	-1.34%	4.47%	0.82%	1.86%	4.99%	1.01%	-1.51%	16.20%
	Benchmark	0.87%	1.06%	1.53%	1.05%	0.58%	0.76%	0.67%	0.76%	0.58%	0.95%	0.76%	0.58%	10.62%
2018	Portfolio	-0.91%	-3.39%	-2.69%	5.19%	-2.08%	2.64%	-0.11%	6.06%	-2.62%	-3.23%	-3.26%	-0.68%	-5.51%
	Benchmark	0.94%	0.76%	1.21%	0.85%	1.20%	0.66%	0.84%	1.28%	0.40%	0.92%	0.92%	0.66%	11.19%
2019	Portfolio	2.67%	2.74%	1.72%	2.96%	-3.20%	2.21%	-1.04%	0.08%	1.55%	2.59%	-0.71%	0.62%	12.65%
	Benchmark	0.31%	0.31%	1.27%	1.26%	1.09%	0.74%	0.83%	0.82%	0.74%	0.74%	0.49%	0.57%	9.56%
2020	Portfolio	1.03%	-7.71%	-11.83%	12.10%	0.32%	4.39%	2.04%	0.73%	-2.63%	-3.84%	7.92%	3.43%	3.68%
	Benchmark	0.74%	0.74%	1.40%	0.82%	0.00%	-0.09%	0.99%	1.73%	0.65%	0.65%	0.73%	0.49%	9.18%
2021	Portfolio	1.74%	4.03%	1.66%	2.41%	-0.44%	1.21%	2.18%	1.78%	-1.07%				14.22%
	Benchmark	0.65%	0.81%	1.13%	1.13%	1.12%	0.57%	0.72%	1.51%	0.88%				8.85%

## Portfolio Allocation

Fund	Allocation
CoreShares MSCI ACWI Fund of Funds (W)	25.00%
Momentum Core Equity Fund (C)	16.00%
Momentum SA Flexible Fixed Interest Fund (D)	11.33%
Fairtree Equity Prescient Fund (A2)	7.00%
Foord Equity Fund (B2)	7.00%
BlueAlpha BCI Equity Fund (B)	6.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	5.67%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	5.00%
Aylett Equity Prescient Fund (A1)	4.00%
Catalyst SCI Global Real Estate Feeder Fund (B)	3.50%
Catalyst SCI SA Property Equity Fund (E)	3.00%
Sesfikile BCI Property Fund (B2)	3.00%
Momentum Enhanced Yield Fund (D)	1.75%
Coronation Jibar Plus Fund (P)	1.75%

## Asset Allocation



## Disclosures

This portfolio is administered and managed by Momentum Investment Consulting (Pty) Ltd (MIC), an authorised financial services provider (FSP32726) in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 (FAIS), and may be amended and/or replaced from time to time and a part of Momentum Metropolitan Holdings Limited, rated B-BBEE level 1. Momentum Consult (Pty) Ltd, a subsidiary of Momentum Metropolitan Life Limited is an authorised financial services provider (FSP5503) under FAIS. The information used to prepare this factsheet includes information from third-party sources and is for information purposes only. This factsheet does not constitute any form of advice and should not be used as a basis to make investment decisions or as an offer or a solicitation to purchase any specific product. The information contained herein is based on the underlying collective investment scheme (fund) allocation at the date of publication of this factsheet. Given that past returns may not be indicative of future returns and the value of investments will fluctuate over time, independent professional advice should always be sought before making an investment decision. Although every attempt has been made to ensure the accuracy and reliability of the information provided herein, MIC does not guarantee the accuracy, content, completeness, legality or reliability of the information contained in this factsheet and no warranties and/or representations of any kind, expressed or implied, are given to the nature, standard, accuracy or otherwise of the information provided nor to the suitability or otherwise of the information to your particular circumstances. Under no circumstances shall Momentum Metropolitan Holdings Limited, its affiliates, directors, officers, employees, representatives or agents (the "Momentum Parties") have any liability to any persons or entities receiving the information made available in this factsheet for any claim, damages, loss or expense, whether caused by the Momentum Parties' negligence or otherwise, including, without limitation, any direct, indirect, special, incidental, punitive or consequential cost, loss or damages, whether in contract or in delict, arising out of or in connection with information made available in this factsheet, whether relating to any actions, transactions, omissions resulting from this information, or relating to any legal proceedings brought against you as a result of this information, and you agree to indemnify the Momentum Parties accordingly. The launch date is the start date of portfolio. Returns before the launch date are simulated returns based on the portfolio's strategic asset allocation holdings at the launch date, which would not reflect MIC's historic asset allocation views, or any changes, which would have been made to the portfolio holdings over time. For these simulated return calculations, the underlying fund's retail share classes with the longest return histories have been used. For funds with limited return history, the applicable index returns have been used. From the launch date returns are based on an investment in a tracker or index portfolio, which is a time-weighted return and the effect of cash flows are not taken into account. These returns are after the deduction of the portfolio management fee and either before or after the deduction of any platform administration fees (depending on the linked investment service provider / platform on which the tracker or index portfolio is invested) and before financial adviser fees. The portfolio's TIC is an estimated total for the portfolio based on the weighted average of the underlying funds in which the portfolio invests using the latest available data. The underlying funds' total investment charges (TIC) are the sum of a fund's total expense ratio (TER) and the transaction costs (TC). All fees include VAT. Returns for periods exceeding one year are annualised. The return for the Consumer Price Index (CPI) is at the end of the previous month. The portfolio's asset allocation is based on the weighted average of the underlying funds in which the portfolio invests using the latest available data. The portfolio's asset allocation may differ from time to time due to market movements, changes to the portfolio and the underlying fund data and limitations. The underlying funds may contain exposure to assets that are invested globally, which may present additional risks. Individual investor returns may differ as a result of platform and adviser fees, the actual investment date, cash flows and other transactions. MIC does not provide a guarantee on the value of the portfolio nor does it guarantee the returns of the underlying funds in the portfolio. The investor acknowledges the inherent risk associated with an investment in the portfolio (currency, investment, market and credit risks) and that capital is not guaranteed. A switch transaction between underlying funds within the portfolio may incur capital gains tax (CGT) for the investor, should the product through which the investor buys the portfolio not be CGT exempt. For details on the underlying funds in the portfolio, please refer to the minimum disclosure documents, which can be obtained from the relevant investment manager. The information contained in this factsheet is confidential, privileged and only for the use and benefit of the intended recipient and may not be used, published or redistributed without the prior written consent of Momentum Metropolitan Holdings Limited or the Momentum Parties. Under no circumstances will Momentum Metropolitan Holdings Limited or the Momentum Parties be liable for any cost, loss or damages arising out of the unauthorised dissemination of this factsheet or the information contained herein. Sources: Momentum Investments, Morningstar and Finswitch.