

# Granate Money Market Fund

## Portfolio profile

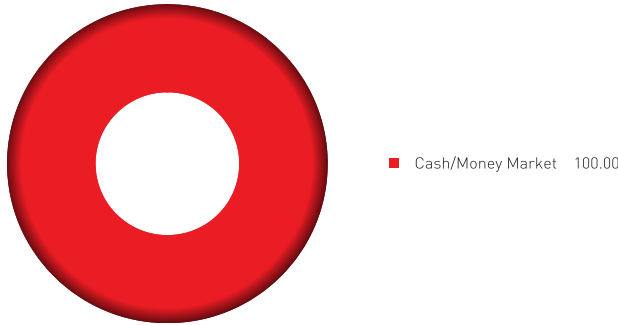
The primary investment return objective of the portfolio is to obtain as high level of current income as is consistent with capital preservation and liquidity. Capital gains will be of an incidental nature.

## Investment strategy

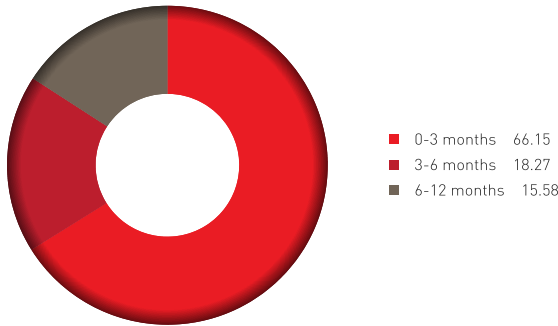
The portfolio is invested in a wide range of South African money market instruments with a maximum term of 13 months. These instruments can be issued by the RSA government, parastatals, corporates and banks. The portfolio's weighted average duration may not exceed 90 days and its weighted average legal maturity may not exceed 120 days.

## Holdings

### Portfolio allocation (%)



### Maturity spread (%)



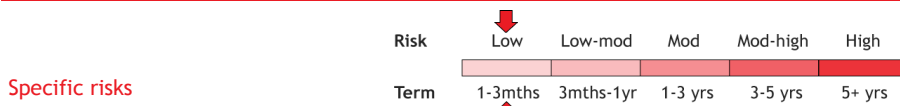
## Portfolio performance

### Cumulative performance

|                     | 1 month | 3 months | 6 months | 1 year | Launch |
|---------------------|---------|----------|----------|--------|--------|
| Fund                | 0.64%   | 1.95%    | 3.92%    | 7.88%  | 11.36% |
| Benchmark           | 0.62%   | 1.86%    | 3.77%    | 7.63%  | 10.92% |
| Sector              | 0.63%   | 1.91%    | 3.87%    | 7.83%  | 11.18% |
| Rank                | 9/32    | 8/32     | 10/31    | 11/29  | 8/28   |
| High <sup>[1]</sup> |         |          |          | 7.95%  | 7.95%  |
| Low <sup>[1]</sup>  |         |          |          | 7.85%  | 7.85%  |
| Cash                | 0.62%   | 1.86%    | 3.77%    | 7.63%  | 10.92% |
| Inflation           | 0.29%   | 0.78%    | 2.58%    | 4.56%  | 7.84%  |

<sup>[1]</sup> High/Low - highest/lowest 1 year return of the portfolio/class of portfolio during the period detailed.

## Risk/reward profile



### Specific risks

The Granate Money Market Fund is a domestic money market fund which seeks to provide investors with a high level of income, whilst preserving capital, maintaining liquidity and mitigating the risks that are specific to money market funds; namely interest rate risk, liquidity risk and credit risk. Typically the interest rate risk is influenced by the interest rate expectations and is controlled by deciding on the aggregate term of the fund. A minimum credit quality requirement for any asset held in the fund is imposed and there are typically higher exposures to the issuers that are subject to additional oversight. Proprietary credit research is a very important of the investment process. Liquidity profiles of the underlying investment are considered so as to ensure that the fund can meet its daily obligations. While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument held by the portfolio defaults. In this event, losses will be borne by the portfolio and its investors.

## Portfolio information

|                           |                 |
|---------------------------|-----------------|
| Portfolio inception       | 1 April 2016    |
| Portfolio size            | R 52.49 million |
| Launch date               | 1 April 2016    |
| Launch price              | 100.00 (cpu)    |
| Latest price (31/08/2017) | 100.00 (cpu)    |
| Regulation 28             | Compliant       |

### Benchmark

The portfolio is benchmarked against the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index.

### ASISA sector

SA - Interest Bearing - Money Market

### Codes

ISIN ZAE000215877 JSE RSMMA

### Minimum investment

Lump sum R 5,000 Monthly R 500

### Portfolio managers

#### Vaneshen Naidoo

BSc (Engineering) (Hons), MSc (Engineering), CFA

Vaneshen joined RMI Specialist Managers (now Granate Asset Management) in December 2015 and currently manages the Money Market and Cash portfolios in the Fixed Interest Team. Vaneshen started his career at Cadiz Asset Management in 2006 as a graduate. During his time as an analyst Vaneshen covered the credit and property sectors for the Fixed Interest and Multi-asset class teams. In 2014 Vaneshen started managing the Money Market and Cash portfolios, during which time the fund was ranked as number 1 in the South African Morningstar Unit Trust Survey. Vaneshen holds a Bsc. Engineering (Honours) and M.Sc (Engineering) from the University of Cape Town. Vaneshen is also a Chartered Financial Analyst.

## Portfolio charges and ratios

|                        |                         |
|------------------------|-------------------------|
| Initial management fee | 0% (incl. VAT)          |
| Initial advisory fee   | 0% - 3.42% (incl. VAT)  |
| Annual management fee  | 0.399% p.a. (incl. VAT) |
| Annual advisory fee    | 0% - 1.14% (incl. VAT)  |

Financial year end TER (incl. VAT): 0.44%

The disclosed Financial year end TER (total expense ratio) is shown as an annual percentage based on data for the 1 year period to 30 June 2017.

### Cost ratios as at 30 June 2017:

|                           |                   |
|---------------------------|-------------------|
| Total expense ratio (TER) | 0.44% (incl. VAT) |
| Transaction costs (TC)    | 0.00% (incl. VAT) |
| Total investment charges  | 0.44% (TER+TC)    |

Please see Disclosures section for further information on cost ratios

## Income distribution (cpu)

| Date         | Distribution (cpu)             | Nominal Yield | Effective Yield |
|--------------|--------------------------------|---------------|-----------------|
| Sep 2016     | 0.64                           | 7.80%         | 8.08%           |
| Oct 2016     | 0.63                           | 7.34%         | 7.59%           |
| Nov 2016     | 0.61                           | 7.46%         | 7.72%           |
| Dec 2016     | 0.62                           | 7.58%         | 7.85%           |
| Jan 2017     | 0.67                           | 7.64%         | 7.91%           |
| Feb 2017     | 0.59                           | 7.85%         | 8.14%           |
| Mar 2017     | 0.65                           | 7.71%         | 7.99%           |
| Apr 2017     | 0.58                           | 7.58%         | 7.85%           |
| May 2017     | 0.69                           | 7.68%         | 7.96%           |
| Jun 2017     | 0.65                           | 8.76%         | 9.12%           |
| Jul 2017     | 0.65                           | 7.73%         | 8.01%           |
| Aug 2017     | 0.64                           | 7.65%         | 7.93%           |
| <b>Total</b> | <b>7.61</b>                    |               |                 |
| Declaration  | Monthly                        |               |                 |
| Payment      | 1st working day of every month |               |                 |

## Portfolio objective/investment policy

The investment objective of the Granate Money Market Fund is to provide a medium whereby investors can obtain undivided participation in a diversified portfolio of such money market instruments as defined by the Act from time to time. The primary performance objective of the portfolio is to obtain as high level of current income as is consistent with capital preservation and liquidity. Capital gains will be of an incidental nature. The portfolio will be managed in compliance with prudential investment guidelines applicable to retirement funds in South Africa to the extent allowed by the Act. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors. This will be done in order to be able to manage the portfolio in accordance with its mandate. Nothing shall preclude the manager from varying the ratios of securities, to maximise capital growth and investment potential in changing economic environments or to meet the requirements in terms of legislation and from retaining cash or placing cash on deposit in terms of the Deed and Supplemental Deed. The Granate Money Market Fund may from time to time invest in listed and unlisted financial instruments in accordance with the provisions of the Act and the Regulations thereto, as amended from time to time, in order to achieve the portfolio's investment objective. The Trustee shall ensure that the investment policy is carried out.

## Portfolio limits and constraints

- Exposure limits as per the ASISA fund classification structure applicable to South African - Interest Bearing - Money Market portfolios.
- Money market instruments with a maturity of less than thirteen months, the average duration of the underlying assets may not exceed 90 days and a weighted average legal maturity of 120 days.
- The portfolio will be managed in compliance with prudential investment guidelines applicable to retirement funds in South Africa.

## Contact and other information

### Scheme

Momentum Collective Investments Scheme

### Custodian/Trustee

Standard Bank of South Africa Limited

Telephone: +27 (0)21 441 4100

Registration no.: 1962/000738/06

### Management company

Momentum Collective Investments (RF) (Pty) Ltd

268 West Avenue, Centurion, 0157

PO Box 7400, Centurion, 0046

Facsimile: +27 (0)12 675 3889

Call centre: 0860 111 899

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

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

Registration no.: 1987/004287/07

### Third party manager

Granate Asset Management (Pty) Ltd

2 Merchant Place, Cnr Rivonia and Fredman Drive, Sandton, 2196

An authorised financial services provider, FSP No: 46189

Telephone: +27 (0)21 446 9410

Facsimile: +27 (0)11 282 4210

Email: [info@granate.co.za](mailto:info@granate.co.za)

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

Registration no.: 2015/090537/07

## Disclosures

Momentum Collective Investments (RF) (Pty) Ltd (the "Manager"), registration number 1987/004287/07, is authorised in terms of the Collective Investment Schemes Control Act, No 45 of 2002 (CISCA) to administer Collective Investment Schemes (CIS) in Securities. The Manager is the manager of the Momentum Collective Investments Scheme, and MMI Holdings Ltd is a full member of the Association for Savings and Investment SA. Standard Bank of South Africa Limited, registration number 1962/000738/06, is the trustee of the scheme.

Granate Money Market Fund is a portfolio of the Momentum Collective Investments Scheme and Granate Asset Management (Pty) Ltd, registration number: 2015/090537/07, an authorised financial services provider ("FSP") under the Financial Advisory and Intermediary Services Act No. 37 of 2002 ("FAIS"), FSP number: 46189, is the investment manager of this portfolio.

Granate Money Market Fund is an incubator portfolio, operating under an agreement entered into between the Manager and Granate Asset Management (Pty) Ltd, registration number: 2015/090537/07, an authorised FSP under FAIS, FSP number: 46189. An incubator portfolio is a third party named portfolio bearing the name of the FSP who intends to apply to the Registrar to be approved as a manager within three years from approval of the portfolio, where the FSP undertakes financial services of a discretionary nature, as contemplated in FAIS, in relation to the assets of the portfolio. The Manager retains full legal responsibility for all third party named portfolios under the Momentum Collective Investments Scheme. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No. 37 of 2002). Please note that there may be representatives of the FSP acting under supervision. Your financial adviser may be a related party to the FSP and/or the Manager of this portfolio. It is your financial adviser's responsibility to disclose details of any conflicts of interests that may apply, as well as all fees that they receive, in relation to an investment in this portfolio.

Granate Money Market Fund is not a bank deposit account. The NAV price of each unit in the portfolio is aimed at a constant value of R1. The total return to investors in this portfolio is primarily made up of interest received but, may also include any gain or loss made on any particular instrument held. In most cases this will merely have the effect of increasing or decreasing the daily yield but, in the case of an extreme loss, it can have the effect of reducing the capital value of the portfolio. The effective yield is calculated using an annualised seven day rolling average of the daily income of the portfolio. In the instance of excessive withdrawals from the portfolio, the portfolio may be placed under liquidity pressures and a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

The Total Expense Ratio (TER) is the percentage of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. A current TER may not necessarily be an accurate indication of future TER's. The disclosed TER is shown as an annual percentage based on data for the period from 04 April 2016 to 30 June 2017. The Transaction Costs Ratio (TC) is the percentage of the net asset value of the Financial Product incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. The TC should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER. The disclosed TC is shown as an annual percentage based on data for the period from 04 April 2016 to 30 June 2017. The Total Investment Charges (TIC) is the sum of the TER and the TC and is shown as a percentage depicting the annual costs relating to the investment of the Financial Product. Cost ratios are calculated using historical actual and/or estimated data and are provided solely as an indication/guide as to the annual expenses/costs that could be incurred. These ratios do not represent any current/actual charges or fees.

All portfolio performance is calculated for a portfolio/portfolio 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. Annualised returns, also known as Compound Annualised Growth Rates (CAGR), are calculated from cumulative returns; they provide an indication of the average annual return achieved from an investment that was held for the stated time period. Actual annual figures are available from the Manager on request. All portfolio performance figures quoted (tables and charts where present) are as at 31/08/2017, based on a lump sum investment, using NAV-NAV prices with income distributions reinvested on the ex-dividend date. CPI/Inflation figures, where present, are lagged by one month. Cash figures, where present, are STeFi Composite Index returns. All figures quoted in ZAR. Source: Morningstar and/or Momentum.

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 scrip lending. The CIS may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Different classes of units apply to portfolios, which are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Manager. The Manager reserves the right to close and reopen certain portfolios to new investors from time to time in order to manage them more efficiently in accordance with their mandate. Portfolios are valued daily at approx. 12h00, latest prices can be viewed at [www.momentuminv.co.za](http://www.momentuminv.co.za) and in some national newspapers. Forward pricing is used. Instructions must reach the Manager before 13h00 to ensure same-day value. The Manager does not provide any guarantee, either with respect to the capital or the return of this portfolio. Additional information on the proposed investment including, but not limited to, brochures, application forms and the annual report and any half yearly report can be obtained, free of charge, at [www.momentuminv.co.za](http://www.momentuminv.co.za) or on request from the Manager.

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