

The logo for Momentum Investments, featuring the word "momentum" in a bold, dark blue sans-serif font with a red lowercase "m", and the word "investments" in a smaller, grey sans-serif font below it.

momentum
investments

Momentum smart beta funds

Wayne Dennehy and Loftie Botha

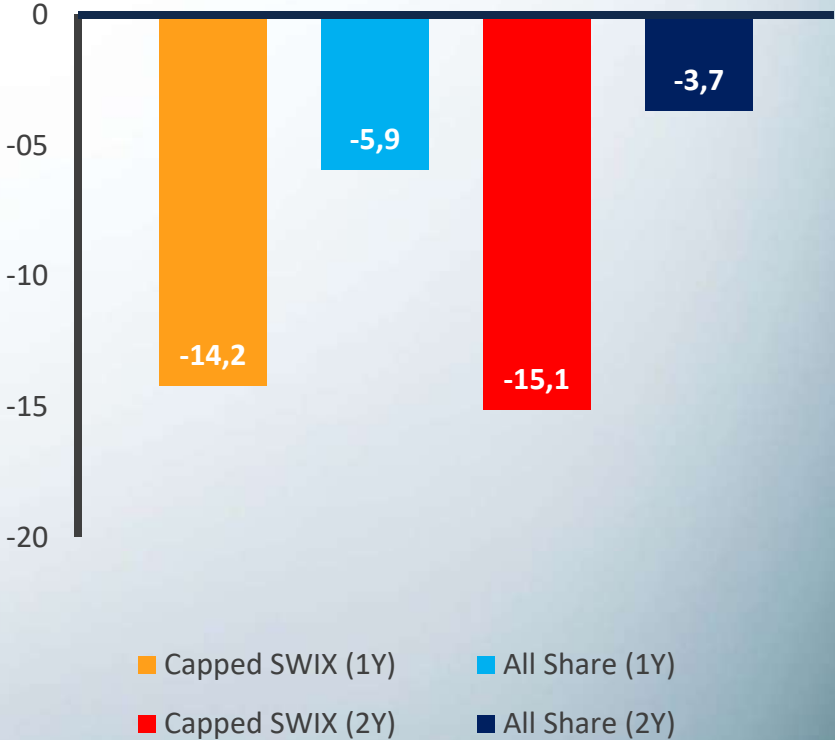
14 July 2020



Returns from the SA equity market

- This has been a tough time for SA equity investors
- Equity benchmark has made a difference

SA equity total returns to end of May 2020

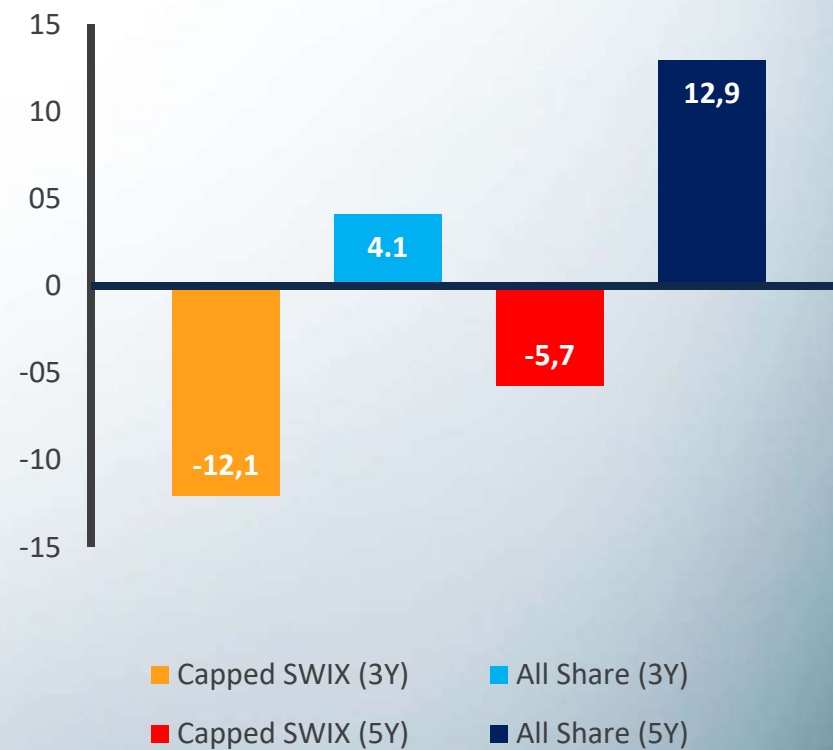


Source : Bloomberg

Returns from the SA equity market

- FTSE/JSE All Share Index is positive for three and five years to end May 2020
- Naspers and Prosus more recently have had a significant effect

SA equity total returns to end of May 2020



Source : Bloomberg

Market cap weighted vs smart beta funds



Momentum Investments' smart beta funds

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*Momentum
Trending Equity
Fund*



*Momentum
Value Equity
Fund*



*Momentum
Quality Equity
Fund*

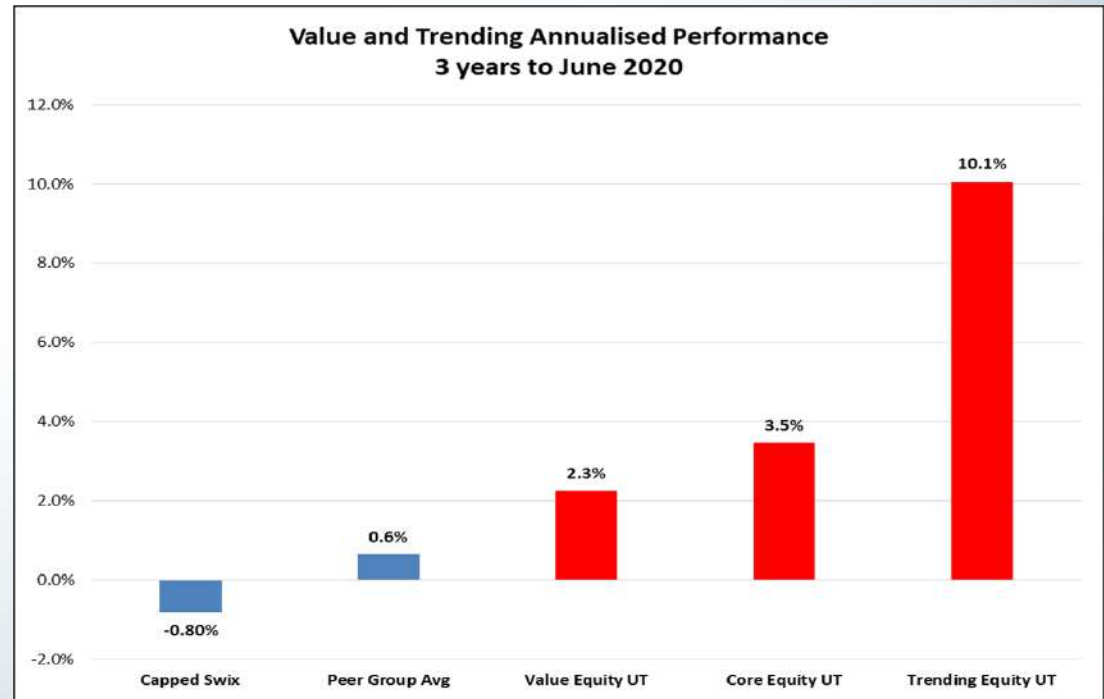
Smart beta funds: Value and Trending



Three-years returns to June 2020

Trending 1st / 143 GE UT peers

Value 51st / 143 GE UT peers
(2nd Quartile)



Source: Morningstar (preliminary report to June 2020)

CIS disclosures

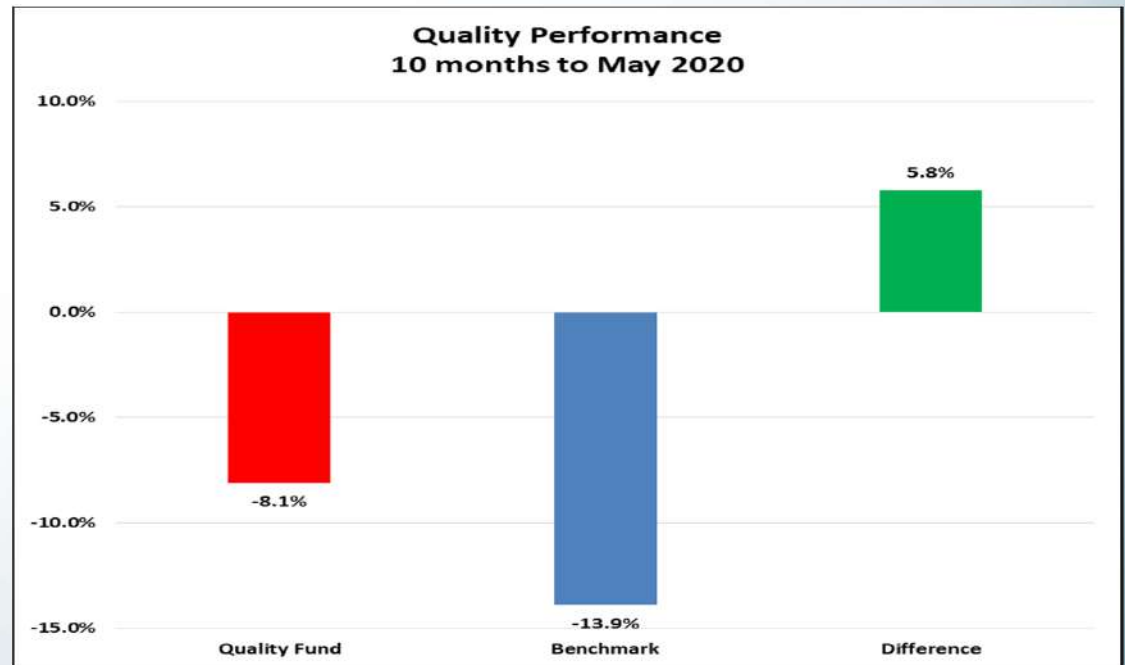
Collective investments are generally medium- to long-term investments. The value of participatory interests may go down as well as up and past returns are not necessarily a guide to the future. Momentum Collective Investments (RF) (Pty) Ltd (the management company) does not provide any guarantee, either 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 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.



Smart beta funds: Quality

Returns since inception July 2019

Unit trust launch eminent



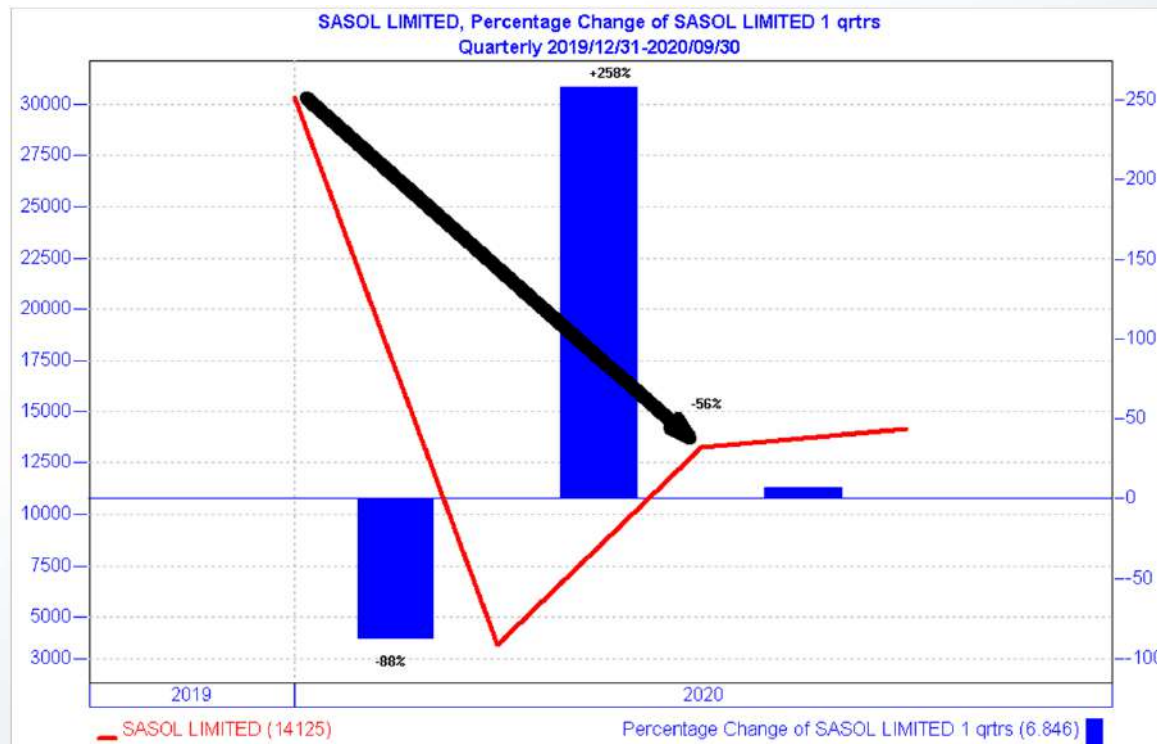
Source: Momentum Investments Performance Team

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Sasol and cross-sectional volatility

Effect on returns





Sasol and ESG

A strategic company for the SA economy, included in trackers, not in smart beta funds

Negative attention on environmental issues:

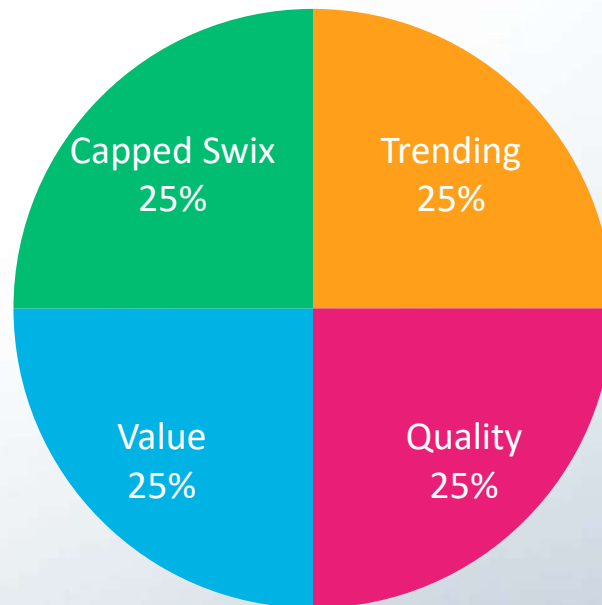
- At the recent Standard Bank AGM, certain shareholder activists requested a vote against directors associated with Sasol
- Climate activists in Europe are talking of boycotting companies that do business with Sasol
- Sasol increasingly aware that it can't just be business as usual going forward

Our ESG analyst engaged with Sasol board members on 26 June 2020 and was informed that:

- Policies will be issued on mitigating climate and carbon risks
- A director would be appointed who is an expert in climate risk to advise the board on policy

Momentum Core Equity Fund

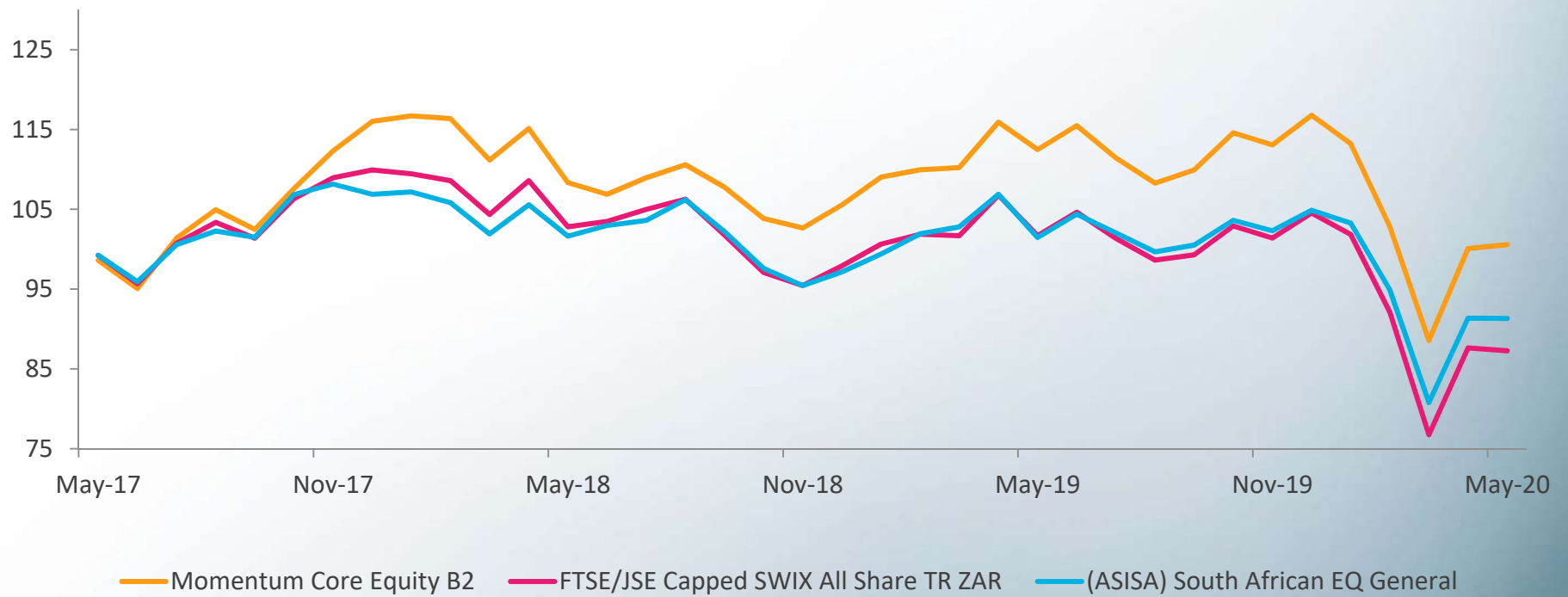
How is the fund constructed?



Momentum Core Equity Fund



Returns since inception to May 2020



Blending different ingredients in SA equity

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With only one style, the journey is wild

Blended styles gives a smoother journey

Combine active and passive funds

Thank you

