

### Momentum Investments Enhanced Factor Portfolio Range

#### Momentum Investments Enhanced Factor 7 Portfolio

Factsheet at 31 July 2020

**Target return:** CPI + 7% p.a.

**Investment horizon:** Seven years

**Investments managed by:** Momentum Outcome-based Solutions (Pty) Ltd

#### 📄 Momentum outcome-based investing philosophy

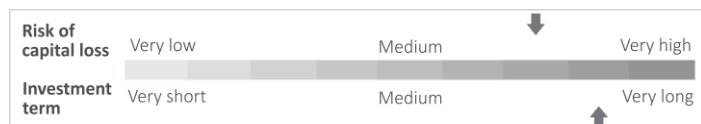
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, we have constructed a range of outcome-based solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to you – ensuring we maximise the probability of you achieving your investment goals. Outcome-based investing is about placing your goals at the centre of our investment process.

#### 📄 Investor profile and investment strategy

This portfolio is aimed at investors who are in the accumulation phase of investing. It has a long-term investment horizon and, therefore, the aim is to maintain exposure of between 82.5% and 90% to growth asset classes (local and global equities and property). The portfolio consists of the full universe of asset classes, including global investments of up to 30% (excluding Africa), and alternative investments. Through the optimum selection of asset classes, the probability of achieving the outcome is maximised within acceptable risk parameters. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

#### ✏️ Portfolio information

<b>Launch date:</b>	April 1999
<b>Benchmark:</b>	Composite: Local equity 46.5%; Local property 15%; Local bond 4%; Local ILB 3%; Local cash 1.5%; Global equity 25%; Global property 3.5%; Global bond 1.5%
<b>Target:</b>	Inflation plus 7% a year over seven-year rolling periods
<b>Reg. 28 compliant:</b>	Yes



#### 👤 Portfolio managers



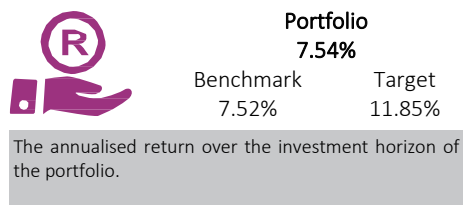
**Mohammed Sibda**  
BCom



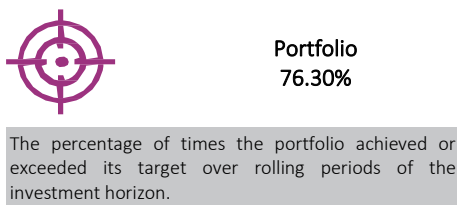
**Nina Saad**  
BSc, CFA

#### 📊 Long-term outcomes

##### Return over the investment horizon



##### Hit rate

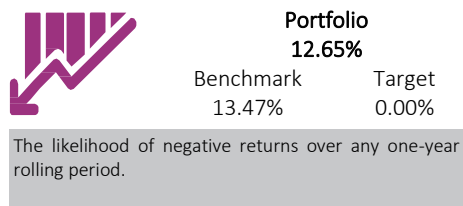


##### Average shortfall

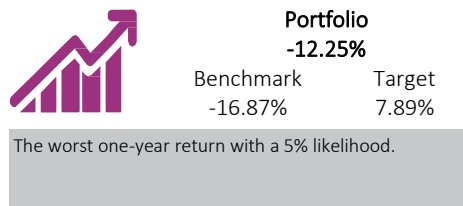


#### 📊 Short-term risk

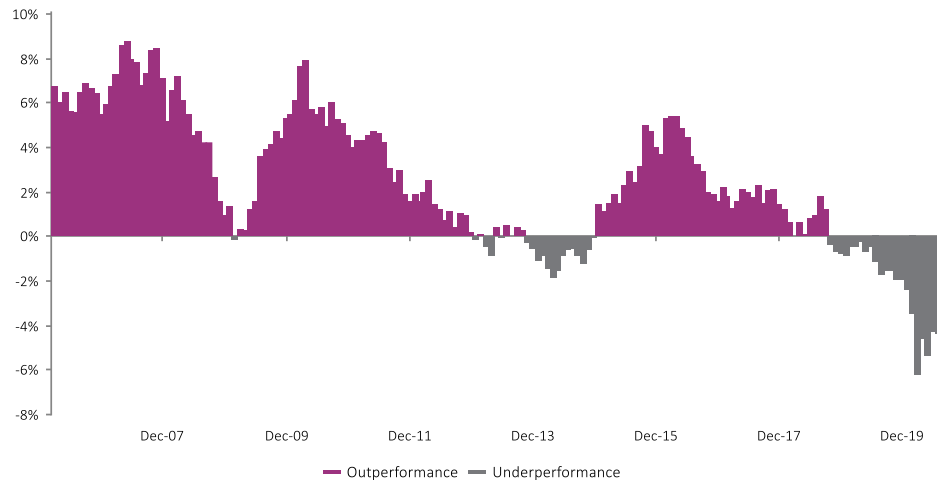
##### Risk of negative one-year return



##### Minimum one-year returns



#### 📊 Rolling returns



Portfolio returns relative to the target over rolling periods of the investment horizon since launch.

## Investment returns

	One month	Three months	One year	Two years	Three years	Four years	Five years	Six years	Seven years	Launch
<b>Portfolio</b>	<b>2.90%</b>	<b>6.19%</b>	<b>-1.88%</b>	<b>0.55%</b>	<b>1.99%</b>	<b>2.95%</b>	<b>3.85%</b>	<b>5.11%</b>	<b>7.54%</b>	<b>13.05%</b>
Benchmark <sup>1</sup>	2.27%	7.85%	-2.05%	-0.10%	1.42%	2.47%	3.65%	5.08%	7.52%	13.09%
Risk-adjusted ratio <sup>2</sup>					0.16	0.27	0.39	0.55	0.82	1.79
Target	1.06%	1.13%	9.23%	10.34%	10.75%	11.09%	11.52%	11.56%	11.85%	12.39%

<sup>1</sup>The benchmark is calculated using the strategic allocation weightings below.

<sup>2</sup>A ratio of the actual return achieved per unit of risk taken.

## Index returns

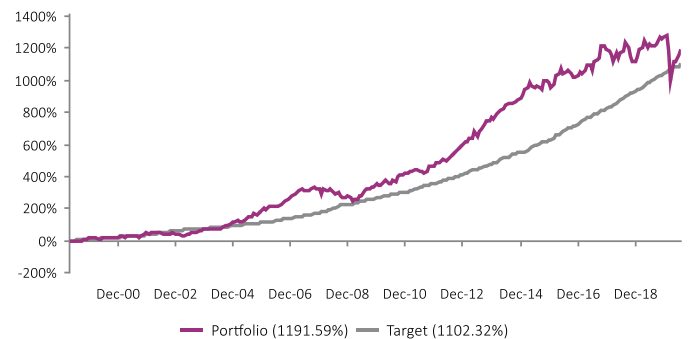
Asset class	Index	One month	One year	Two years	Three years	Five years	Seven years	Strategic allocation
Local equity	FTSE/JSE Shareholder Weighted Capped Index	3.01%	-5.13%	-4.29%	-1.54%	0.65%	5.47%	<b>46.50%</b>
Local property	FTSE/JSE SA Listed Property Index	-3.19%	-41.19%	-23.28%	-20.18%	-10.55%	-2.37%	<b>15.00%</b>
Local bond	JSE ASSA All Bond Index	0.61%	4.25%	6.14%	7.79%	7.40%	7.49%	<b>4.00%</b>
Local ILB	JSE ASSA ILB Index	-1.19%	-4.38%	-0.40%	0.31%	1.42%	3.39%	<b>3.00%</b>
Local cash	Short-term Fixed Interest Composite Index	0.42%	6.66%	6.99%	7.10%	7.18%	6.81%	<b>1.50%</b>
Global equity	MSCI All Countries World Index	5.09%	28.71%	19.10%	15.60%	13.80%	16.21%	<b>25.00%</b>
Global property	FTSE EPRA/NAREIT Developed Index	1.81%	2.11%	10.64%	8.06%	8.36%	12.00%	<b>3.50%</b>
Global bond	FTSE World Government Bond Index	1.50%	31.11%	22.15%	13.93%	10.99%	10.78%	<b>1.50%</b>

## Investment manager allocation and returns

	One year	Three years	Seven years
<b>Local equity</b>			
BlueAlpha	-7.42%	-1.15%	5.05%
Fairtree	21.69%	11.60%	13.58%
Foord	-2.94%	-4.29%	4.08%
Momentum Protected Equity			
Momentum Systematic Strategies			
Perpetua	-12.84%	-5.91%	
Prudential	-12.00%	-2.03%	6.18%
SIM	-4.18%	1.23%	8.58%
Truffle	13.77%	6.67%	10.66%
<b>Local property</b>			
Catalyst	-42.35%	-19.40%	-0.36%
Eris	1.39%		
Meago	-41.42%	-20.11%	-1.20%
Momentum Investments	-41.12%		
<b>Local fixed income</b>			
ALUWANI (ILB)	-5.77%	0.30%	3.56%
Momentum Alternative Inv ILB			
Momentum Flexible Bond	-2.69%	5.07%	7.84%
Momentum ILB	-3.32%		
Momentum Special Opportunities	7.53%	8.43%	
<b>Local cash</b>			
ALUWANI	7.94%	8.65%	8.16%
Liquidity	7.59%		
Momentum Enhanced Yield	8.34%		
<b>Local alternative</b>			
Momentum Aggressive FoHF	-1.75%	0.42%	4.62%
Momentum Alternative Inv. (private equity BB)	-19.57%	-5.66%	1.64%
Momentum Alternative Inv. (private equity)	-26.83%	-12.04%	-0.45%
Momentum Portable Alpha FoHF	-10.84%	-2.47%	
<b>Global equity</b>			
Momentum Global Investment Management	19.54%	13.64%	15.50%
<b>Global property</b>			
Momentum Global Property	1.65%		
<b>Global bond</b>			
Amundi	28.78%	13.21%	10.77%

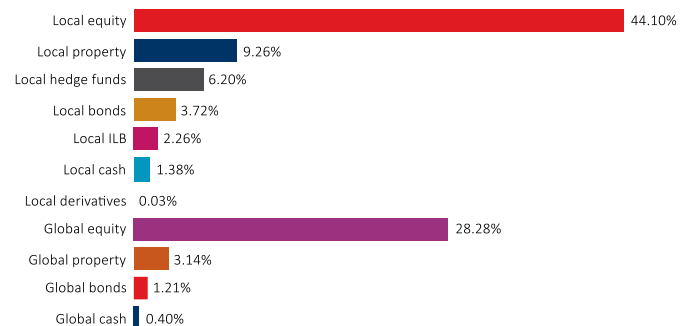
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

## Cumulative returns



The cumulative growth of the portfolio since launch compared to its target.

## Effective asset allocation



## The 10-largest portfolio holdings

Holding	
Naspers Limited	4.58%
Prosus	2.32%
Realfin Collective Investment Scheme MMRRB1	2.26%
British American Tobacco Plc	1.89%
Firststrand Limited	1.78%
Realfin Collective Investment Scheme MMCQB1	1.73%
Anglo American Plc	1.70%
Impala Platinum Holdings Limited	1.51%
Growthpoint Properties Limited	1.47%
AngloGold Ashanti Limited	1.41%

The 10-largest instruments at 30 June 2020, looking through all asset classes held.



## Quarterly portfolio commentary for Q2 2020

The mood in global financial markets sweetened in the past quarter, in reaction to a rapid and sizeable intervention by policymakers to counter the COVID-19 pandemic, but history has warned about a quick rebound in earnings. The current optimistic consensus could be in for a negative surprise, given the disconnect between share prices and expected company profits against a backdrop of prevailing uncertainties. The bond market and the rand have nevertheless maintained a risk-off profile during this period, given concerns on the outlook for the economy.

The portfolio returned 14.1% for the quarter, which underperformed the benchmark of 18.5%. Being overweight global asset classes and local equity contributed to the relative returns from the portfolio, while being underweight local property detracted from returns.



## Notes

The benchmark for the local equity component was changed on 1 November 2017 from the FTSE/JSE Shareholder Weighted Index to the FTSE/JSE Shareholder Weighted Capped Index.

Changes were made to the strategic asset allocations on 30 May 2014 and the benchmark returns were changed from 1 June 2014.

The inception date of the combined, local and global portfolios is 1 July 2011 and portfolio and benchmark returns for the Momentum Investments Enhanced Factor 7 Portfolios have been used since then. Portfolio and benchmark returns for Momentum High Equity Portfolio have been used from April 1999.



## Disclosures

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Investment returns for periods exceeding one year are annualised. All returns quoted are before deduction of fees, except where a portfolio includes underlying investments where fees are deducted from the return, but after the deduction of performance-based fees. All returns are daily time-weighted returns. The return for the global component of a portfolio is generated at month-end using the global component's last known price. The return for Consumer Price Index (CPI) is to the end of the previous month.

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