

### Momentum Investments Enhanced Factor Portfolio Range

#### Momentum Investments Enhanced Factor 7 Portfolio

Factsheet at 30 June 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

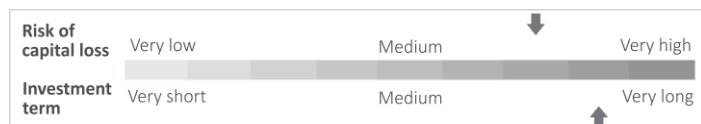
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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



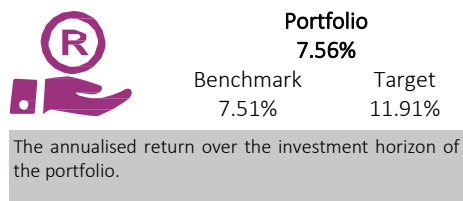
**Mohammed Sibda**  
BCom



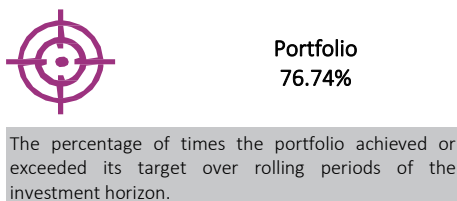
**Nina Saad**  
BSc, CFA

#### 📊 Long-term outcomes

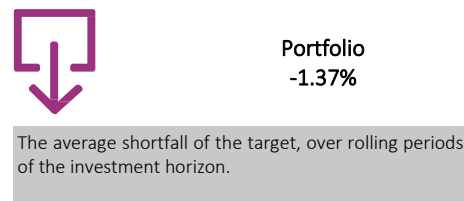
##### Return over the investment horizon



##### Hit rate

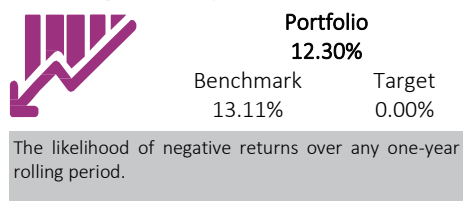


##### Average shortfall

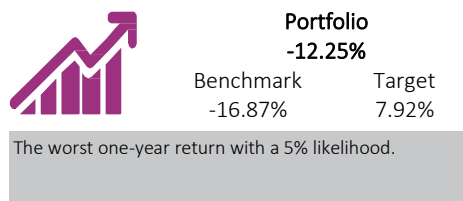


#### 📊 Short-term risk

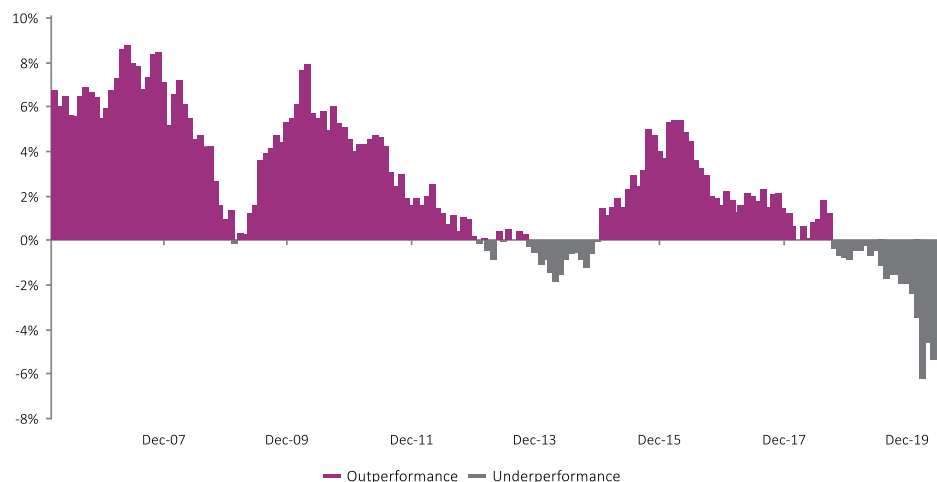
##### Risk of negative one-year return



##### 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>3.57%</b>	<b>14.07%</b>	<b>-5.53%</b>	<b>-0.81%</b>	<b>2.44%</b>	<b>2.51%</b>	<b>3.54%</b>	<b>4.83%</b>	<b>7.56%</b>	<b>12.96%</b>
Benchmark <sup>1</sup>	5.28%	18.48%	-5.41%	-1.06%	2.26%	2.20%	3.49%	4.91%	7.51%	13.03%
Risk-adjusted ratio <sup>2</sup>					0.21	0.23	0.37	0.52	0.84	1.78
Target	0.57%	1.54%	9.68%	10.58%	10.85%	11.26%	11.63%	11.62%	11.91%	12.42%

<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

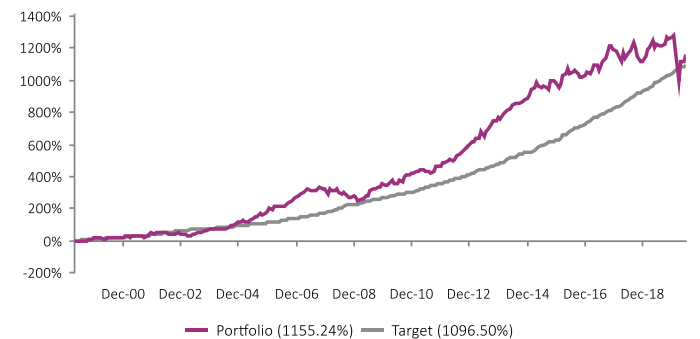
Asset class	Index	One month	One year	Two years	Three years	Five years	Seven years	Strategic allocation
Local equity	FTSE/JSE Shareholder Weighted Capped Index	6.98%	-10.78%	-5.02%	-0.81%	0.07%	5.51%	<b>46.50%</b>
Local property	FTSE/JSE SA Listed Property Index	13.41%	-39.98%	-22.22%	-18.33%	-9.06%	-2.51%	<b>15.00%</b>
Local bond	JSE ASSA All Bond Index	-1.18%	2.85%	7.09%	8.11%	7.49%	7.30%	<b>4.00%</b>
Local ILB	JSE ASSA ILB Index	-0.94%	-3.27%	0.33%	0.75%	2.08%	3.85%	<b>3.00%</b>
Local cash	Short-term Fixed Interest Composite Index	0.44%	6.86%	7.09%	7.17%	7.21%	6.81%	<b>1.50%</b>
Global equity	MSCI All Countries World Index	0.35%	24.03%	15.16%	15.19%	13.47%	16.07%	<b>25.00%</b>
Global property	FTSE EPRA/NAREIT Developed Index	0.20%	3.21%	6.74%	8.48%	9.42%	11.95%	<b>3.50%</b>
Global bond	FTSE World Government Bond Index	-0.40%	29.10%	18.50%	14.18%	11.44%	10.72%	<b>1.50%</b>

## Investment manager allocation and returns

	One year	Three years	Seven years
<b>Local equity</b>			
BlueAlpha	-10.51%	0.84%	6.00%
Fairtree	6.51%	9.90%	12.47%
Foord	-5.52%	-3.30%	4.44%
Momentum Protected Equity			
Momentum Systematic Strategies			
Perpetua	-13.59%	-5.01%	
Prudential	-15.03%	-0.13%	6.79%
SIM	-10.58%	2.48%	8.71%
Truffle	4.03%	6.15%	10.53%
<b>Local property</b>			
Catalyst	-41.15%	-17.56%	-0.41%
Eris	1.95%		
Meago	-40.60%	-18.39%	-1.43%
Momentum Investments	-40.39%		
<b>Local fixed income</b>			
ALUWANI (ILB)	-4.75%	0.69%	4.00%
Momentum Alternative Inv ILB			
Momentum Flexible Bond	-2.76%	5.68%	7.99%
Momentum ILB	-1.96%		
Momentum Special Opportunities	8.56%	8.25%	
<b>Local cash</b>			
ALUWANI	8.18%	8.72%	8.16%
Liquidity	7.81%		
Momentum Enhanced Yield	8.58%		
<b>Local alternative</b>			
Momentum Aggressive FoHF	-5.47%	0.50%	4.56%
Momentum Alternative Inv. (private equity BB)	-19.98%	-5.34%	1.30%
Momentum Alternative Inv. (private equity)	-26.79%	-12.18%	-0.36%
Momentum Portable Alpha FoHF	-19.03%	-1.36%	
<b>Global equity</b>			
Momentum Global Investment Management	16.32%	13.50%	15.67%
<b>Global property</b>			
Momentum Global Property	4.03%		
<b>Global bond</b>			
Amundi	27.49%	13.58%	10.76%
<b>Global cash</b>			
Momentum Global Investment Management	0.00%		

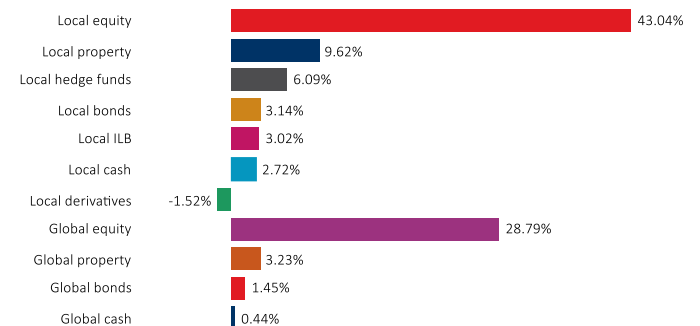
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

## Cumulative returns



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

## Effective asset allocation



## The 10-largest portfolio holdings

Holding
Anglo American Plc
Anglogold Ashanti Ltd
British American Tobacco Plc
Growthpoint Properties Ltd
Impala Platinum Holdings Ltd
Naspers Limited
Prosus
Realfin Collective Investments_MMCOB1
Realfin Collective Investments_MMRRB1
Standard Bank Group Ltd

The 10-largest instruments at 29 May 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

The investment policy is underwritten by Momentum Metropolitan Life Limited, which is a registered insurer under the Long-Term Insurance Act 52 of 1998. This investment portfolio is administered and managed by Momentum Outcome-based Solutions (Pty) Ltd, an authorised financial services provider (FSP No. 19840) under the Financial Advisory and Intermediary Services Act No.37 of 2002 (FAIS Act), as may be amended and/or replaced from time to time, and a part of Momentum Metropolitan Holdings Limited, rated B-BBEE level 1.

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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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## Contact and other information

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