

Momentum Investments Flexible Factor Portfolio Range

Momentum Investments Flexible Factor 4 Portfolio

Factsheet at 30 April 2020

Target return: CPI + 4% p.a.

Investment horizon: Four years

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

📄 Momentum outcome-based investing philosophy

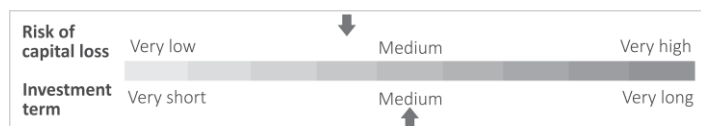
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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 consolidation phase of investing. It has a medium-term investment horizon and, therefore, the aim is to maintain exposure of between 42.5% and 60% to growth asset classes (local and global equities and property). The remaining exposure is to asset classes that should preserve the purchasing power of the capital accumulated. The portfolio consists of the full universe of asset classes, including global investments of up to 30% (excluding Africa), and alternative investments. The allocations between asset classes, within these balanced mandates, are actively managed. 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

Launch date:	March 2011
Benchmark:	Composite: Local equity 28%; Local property 8%; Local bond 15%; Local ILB 20%; Local cash 10%; Global equity 11.5%; Global property 2.5%; Global bond 5%
Target:	Inflation plus 4% a year over four-year rolling periods
Reg. 28 compliant:	Yes



👤 Portfolio managers



Mohammed Sibda
BCom



Nina Saad
BSc, CFA

📊 Long-term outcomes

Return over the investment horizon



Portfolio	3.48%
Benchmark	3.11%
Target	8.65%

The annualised return over the investment horizon of the portfolio.

Hit rate



Portfolio	33.33%
------------------	---------------

The percentage of times the portfolio achieved or exceeded its target over rolling periods of the investment horizon.

Average shortfall



Portfolio	-2.09%
------------------	---------------

The average shortfall of the target, over rolling periods of the investment horizon.

📊 Short-term risk

Risk of negative one-year return



Portfolio	5.05%
Benchmark	5.05%
Target	0.00%

The likelihood of negative returns over any one-year rolling period.

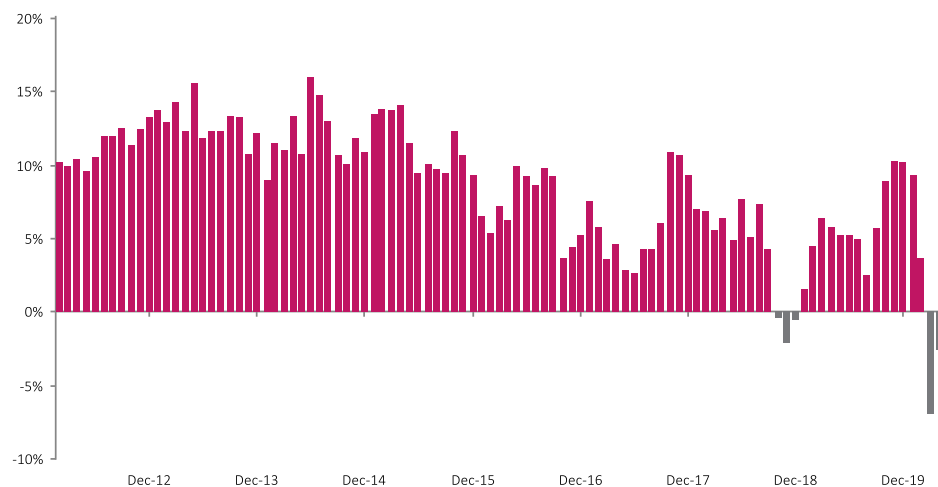
Minimum one-year returns



Portfolio	-2.49%
Benchmark	-3.63%
Target	7.78%

The worst one-year return with a 5% likelihood.

📊 Rolling returns



Portfolio returns over one-year rolling periods since launch.

Investment returns

	One month	Three months	One year	Two years	Three years	Four years	Five years	Six years	Seven years	Launch
Portfolio	6.94%	-6.06%	-2.60%	1.50%	3.11%	3.48%	4.03%	5.65%	6.72%	7.75%
Benchmark ¹	8.02%	-6.98%	-5.15%	-0.53%	2.36%	3.11%	3.57%	5.48%	6.14%	8.11%
Risk-adjusted ratio ²					0.40	0.50	0.66	0.93	1.15	1.38
Target	0.66%	2.52%	8.15%	8.33%	8.16%	8.65%	8.97%	8.82%	9.00%	9.33%

¹The benchmark is calculated using the strategic allocation weightings below.

²A ratio of the actual return achieved per unit of risk taken.

Index returns

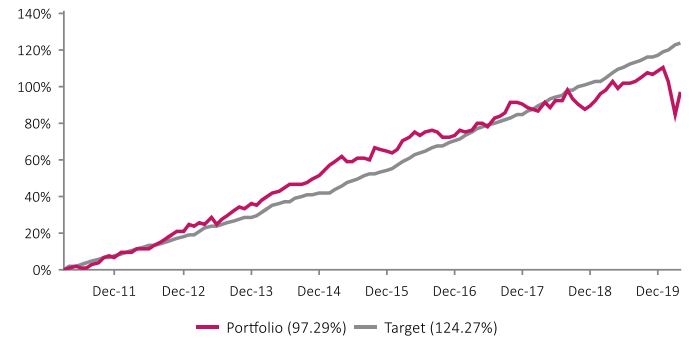
Asset class	Index	One month	One year	Two years	Three years	Four years	Five years	Strategic allocation
Local equity	FTSE/JSE Shareholder Weighted Capped Index	14.18%	-17.93%	-10.17%	-4.31%	-2.58%	-2.07%	28.00%
Local property	FTSE/JSE SA Listed Property Index	7.00%	-45.98%	-30.13%	-21.38%	-16.50%	-12.33%	8.00%
Local bond	JSE ASSA All Bond Index	3.92%	0.06%	2.48%	6.11%	7.21%	6.09%	15.00%
Local ILB	JSE ASSA ILB Index	4.57%	-3.99%	-0.74%	0.60%	0.77%	1.75%	20.00%
Local cash	Short-term Fixed Interest Composite Index	0.52%	7.14%	7.21%	7.28%	7.37%	7.23%	10.00%
Global equity	MSCI All Countries World Index	15.97%	19.68%	19.28%	14.71%	13.06%	12.74%	11.50%
Global property	FTSE EPRA/NAREIT Developed Index	10.55%	5.97%	16.54%	9.46%	6.36%	9.52%	2.50%
Global bond	FTSE World Government Bond Index	2.99%	38.00%	25.54%	15.73%	9.11%	12.04%	5.00%

Investment manager allocation and returns

	One year	Three years	Seven years
Local property			
Catalyst	-47.75%	-20.70%	-3.21%
Meago	-46.63%	-21.25%	-4.04%
Momentum Investments	-44.99%		
Local balanced			
Abax Investments	-17.85%	-3.31%	4.67%
Coronation	-8.03%	-0.47%	5.76%
Foord	-5.43%	-0.97%	5.33%
Investec	-9.35%	0.80%	7.01%
Momentum Protected Equity			
Prescient	-17.16%	-2.48%	3.56%
Local absolute-return			
Absa	1.19%	6.62%	7.45%
Prescient	-3.39%	3.86%	6.21%
Prudential	-15.59%	-1.36%	
Sentio	-9.57%	-1.30%	
Tantalum	-8.23%	0.56%	
Local fixed income			
ALUWANI (ILB)	-5.45%	0.57%	2.92%
Momentum ILB	-3.25%		
Momentum Special Opportunities	10.44%	8.60%	
Local cash			
ALUWANI	8.49%	8.91%	8.14%
Liquidity	7.97%		
Momentum Enhanced Yield	8.45%		
Local alternative			
Coherent (Commodity)			
Momentum Aggressive FoHF	-10.07%	-1.88%	4.26%
Momentum Alternative Inv. (private equity BB)	-12.56%	-2.63%	1.34%
Momentum Moderate FoHF	0.73%	3.45%	6.08%
Global equity			
Momentum Global Investment Management	22.11%	16.04%	17.42%
Global property			
Momentum Global Property	6.59%		
Global balanced			
Foord	31.44%	15.20%	15.82%
Investec	25.89%	16.81%	16.95%
Orbis			
Global bond			
Amundi	35.39%	14.93%	12.38%
Global cash			
Momentum Global Investment Management	0.00%		

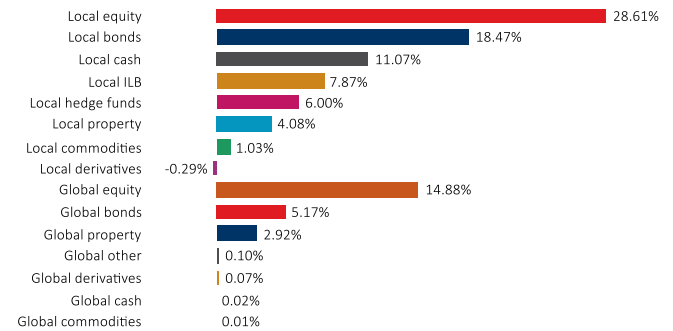
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



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

Effective asset allocation



The 10-largest holdings

Holding
Fortress Reit - B
FRJ20 8.1250% 200920
HSBC IRS 1.975 18APR21 VS CAD6M
HSBC IRS 1.975 18APR21 VS CAD6M
NN013 7.765% 090920
NN015 7.575% 200920
Perdekraal CPIF Facility 5.75% 310738
Pick 'n Pay
SAFEX ZAR CALL
SPGC01 7.725% 151020

Look-through holdings data as at 31/12/2019



Quarterly portfolio commentary for Q1 2020

Fears over the global effect of COVID-19 resulted in significant losses for global equity and other growth asset classes. In sharp contrast to the rapid fall in equity markets, the US 30-year bond yields traded below 1.5% for the month, as the US Federal Reserve cut interest rates close to 0% in a rapid succession of extraordinary meetings. The Volatility Index reached its highest level since the European banking crisis in 2011.

The South African (SA) Reserve Bank cut interest rates by 100 basis points to help ease the economic strain put on SA consumers and business by COVID-19, while the government imposed a 21-day lockdown on non-essential business and consumption. Due to concerns around the fiscal position and lack of speed of reforms, at the end of March, Moody's became the last credit rating agency to cut SA's debt below investment grade, while keeping its outlook on negative watch.

The portfolio returned negative 11.5% for the three months, outperforming the benchmark return of negative 13.3%. Being overweight global asset classes and local equity and cash as well as being underweight local property contributed to the relative return of the portfolio.



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.



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.

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. 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. Fluctuations in exchange rates may cause the value of international investments, if included in the mandate, to go up or down. Investors should be aware that investing in a financial product entails a level of risk that depends on the nature of the investment. The merits of any investment should be considered together with the investor's specific risk profile and investment objectives. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this factsheet, Momentum Metropolitan Life Limited 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 Life Limited, its affiliates, directors, officers, employees, representatives or agents (the "Momentum Metropolitan 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 Momentum Metropolitan Life Limited or the Momentum Metropolitan 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 Momentum Metropolitan Life Limited and the Momentum Metropolitan Parties accordingly.

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.

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 Life Limited. Under no circumstances will Momentum Metropolitan Life Limited be liable for any cost, loss or damages arising out of the unauthorised dissemination of this factsheet or the information contain herein, and you agree to indemnify Momentum Metropolitan Life Limited and the Momentum Metropolitan Parties accordingly.



Contact and other information

Momentum Outcome-based Solutions (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 MOBS.emailus@momentum.co.za

Web www.momentuminv.co.za/momentumoutcome-basedsolutions

Signatory of:

