

Momentum Investments Target Factor Portfolio Range

Momentum Investments Target Factor 5 Portfolio

Factsheet at 29 February 2020

Target return: CPI + 5% p.a.

Investment horizon: Five years

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

📄 Momentum outcome-based investing philosophy

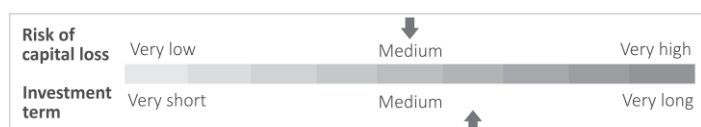
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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- to long-term investment horizon and, therefore, the aim is to maintain exposure of between 60% and 77.5% 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 range consists mainly of passive and enhanced passive investment strategies and excludes the exposure to alternative asset classes. Through the optimum selection of asset classes the probability of achieving the outcome is maximised within acceptable risk parameters. The risk of exposure to losses in the short term is continually managed by maximising diversification to various markets and strategies at the least relative cost to the investor.

✍️ Portfolio information

Launch date:	August 2011
Benchmark:	Composite: Local equity 40%; Local property 12%; Local bond 10%; Local ILB 10%; Local cash 7.5%; Global equity 15%; Global property 3%; Global bond 2.5%
Target:	Inflation plus 5% a year over five-year rolling periods
Reg. 28 compliant:	Yes



👤 Portfolio managers



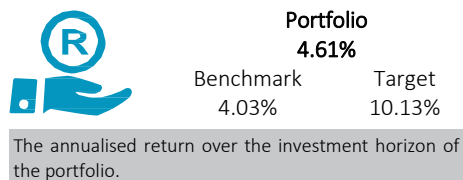
Mohammed Sibda
BCom



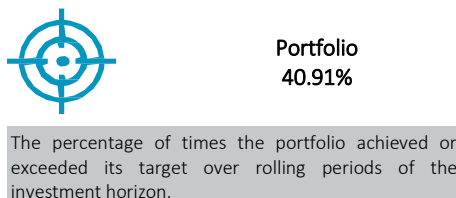
Nina Saad
BSc, CFA

📊 Long-term outcomes

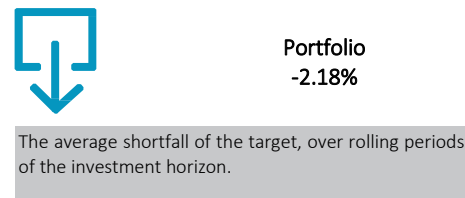
Return over the investment horizon



Hit rate

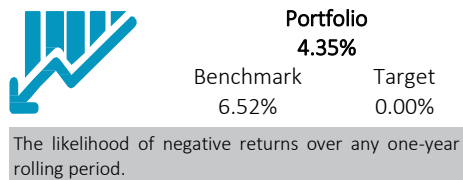


Average shortfall

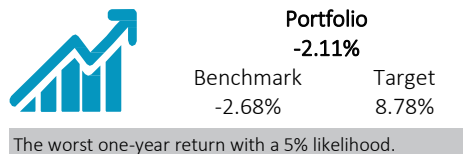


📊 Short-term risk

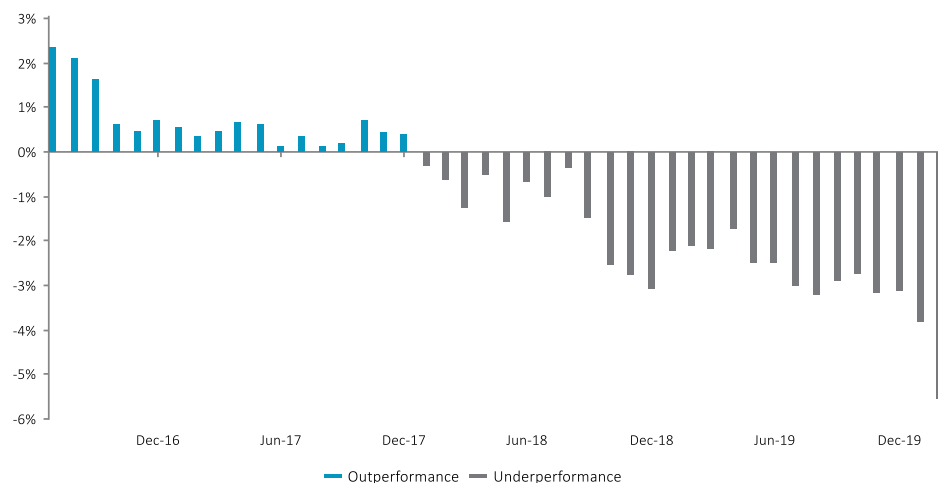
Risk of negative one-year return



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
Portfolio	-5.50%	-4.33%	0.35%	1.63%	4.56%	4.93%	4.61%	6.71%	7.44%	9.07%
Benchmark ¹	-6.12%	-5.05%	-1.40%	0.34%	3.51%	4.25%	4.03%	6.25%	7.06%	9.11%
Risk-adjusted ratio ²					1.03	1.21	1.20	1.75	1.98	2.41
Target	0.66%	1.82%	9.49%	9.25%	9.29%	9.86%	10.13%	10.02%	10.13%	10.16%

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

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

Index returns

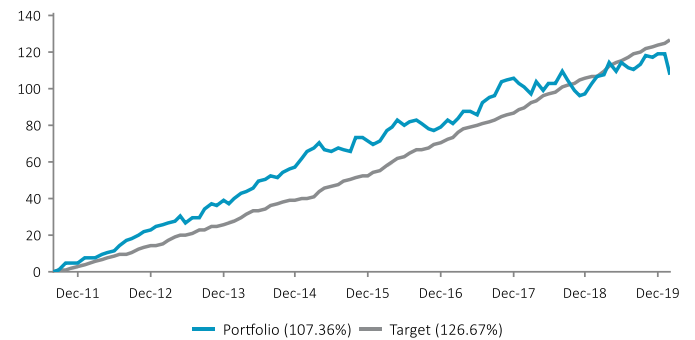
Asset class	Index	One month	One year	Two years	Three years	Five years	Seven years	Strategic allocation
Local equity	FTSE/JSE Shareholder Weighted Capped Index	-9.55%	-9.57%	-7.90%	-1.06%	-0.21%	5.60%	40.00%
Local property	FTSE/JSE SA Listed Property Index	-15.69%	-19.09%	-12.42%	-10.36%	-4.76%	1.73%	12.00%
Local bond	JSE ASSA All Bond Index	-0.04%	8.91%	6.54%	9.07%	7.24%	7.10%	10.00%
Local ILB	JSE ASSA ILB Index	0.54%	1.55%	1.63%	1.27%	3.08%	3.77%	10.00%
Local cash	Short-term Fixed Interest Composite Index	0.54%	7.26%	7.26%	7.33%	7.22%	6.76%	7.50%
Global equity	MSCI All Countries World Index	-3.70%	15.09%	15.60%	12.83%	11.45%	16.19%	15.00%
Global property	FTSE EPRA/NAREIT Developed Index	-3.90%	15.18%	24.47%	11.72%	10.40%	14.81%	3.00%
Global bond	FTSE World Government Bond Index	5.25%	19.12%	18.55%	10.66%	8.90%	9.74%	2.50%

Investment manager allocation and returns

	One year	Three years	Seven years
Local equity			
Momentum Capped SWIX Index	-9.81%		
Momentum Quality Equity			
Momentum Trending Equity			
Momentum Value Equity			
Local property			
Momentum Real Growth Property Index	-19.20%		
Local fixed income			
ALUWANI (ILB)	2.24%	1.95%	4.23%
Momentum ILB	2.72%		
Prescient	8.75%	9.29%	7.57%
Local cash			
ALUWANI	8.75%	9.03%	8.12%
Liquidity	8.01%		
Momentum Enhanced Yield	8.68%		
Local alternative			
Coherent (Commodity)			
Global equity			
Momentum Global Investment Management	17.14%	14.09%	16.59%
Global property			
Momentum Global Property	14.52%		
Global bond			
Amundi	18.08%	10.19%	9.81%

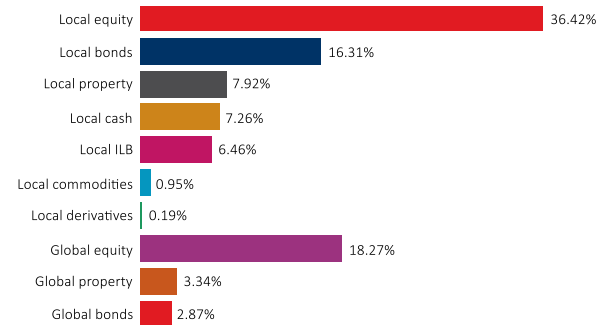
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



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

Effective asset allocation





Quarterly portfolio commentary for Q4 2019

Global equity markets rallied on the US-China trade deal and posted solid returns in the fourth quarter of 2019.

The JSE along with most Emerging markets benefitted from the improved risk sentiment and erased the losses experienced during the third quarter.

The Rand strengthened during December despite poor local economic news.

The portfolio returned 2.60% for the three months, which outperformed the benchmark of 2.07%.

The tactical overweight position in local equity and underweight position in local property contributed to the relative performance of the portfolio.

The local equity building block was a further source of alpha during this period.



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

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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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