

The image features a large, vibrant red 'S' shape that curves from the top left towards the center, partially obscuring the background. The background is a photograph of a woman with long dark hair, wearing a grey long-sleeved top and bright red leggings, walking away from the camera down a long, empty corridor. The corridor has a polished concrete floor and a series of tall, arched windows on the right side, which let in bright light. On the left wall, the Momentum Investments logo is displayed.

momentum
investments

Fund management in 2020:
Only hindsight is perfect
Jako De Jager

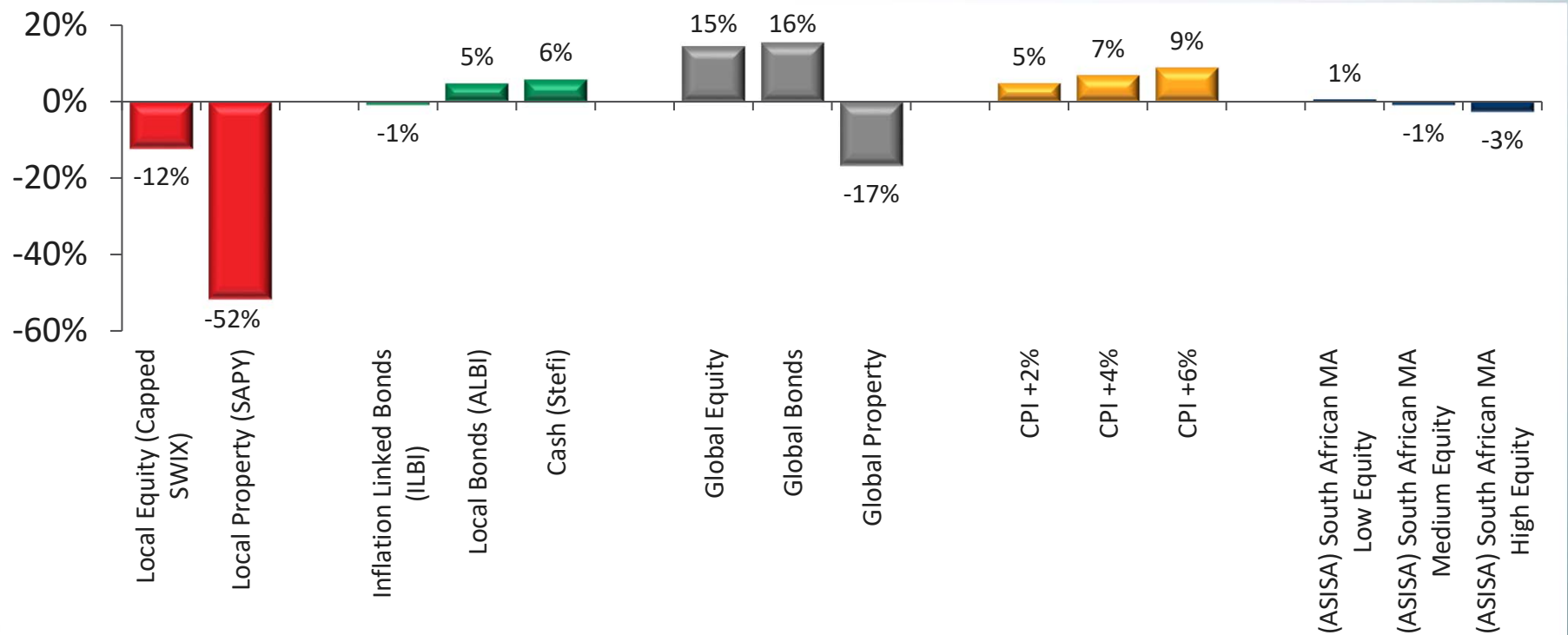
16 November 2020

20/20 Vision in 2020



Asset class returns

One year to 31 October 2020 – A year to forget...

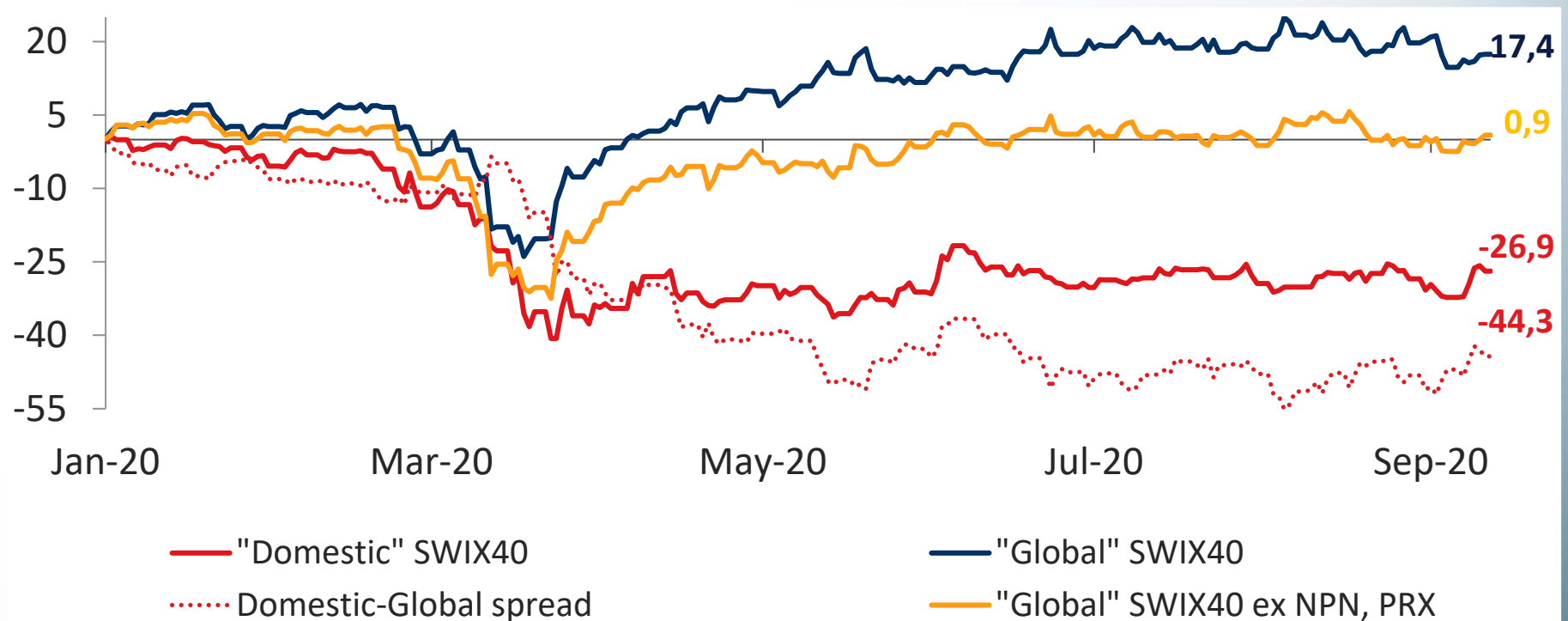


Sources: Momentum Investments, Morningstar

SA equity market: A tale of two parts this year

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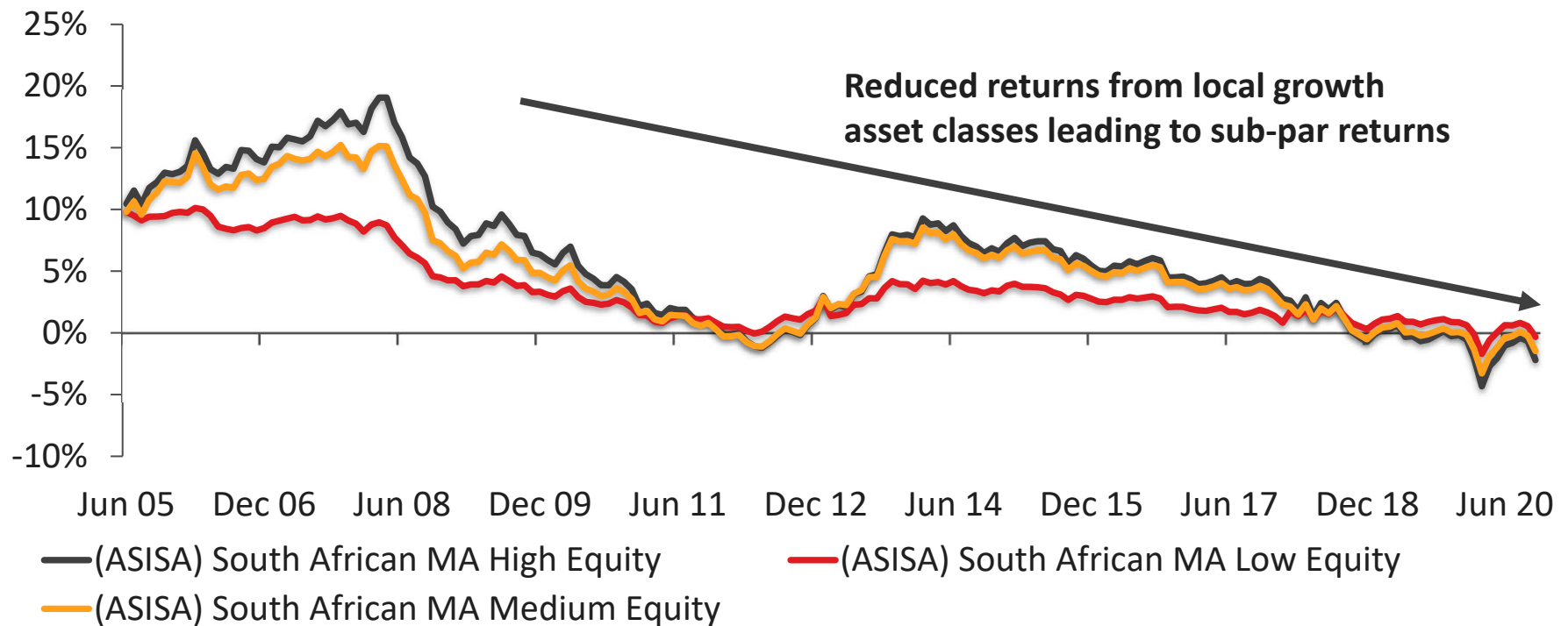
SA Incorporated shares have massively underperformed SA global shares



Source: Investec Securities

Multi-asset-class returns

Asisa category returns: Five-year rolling compared to inflation



Sources: Momentum Investments, Morningstar

Momentum Focus Fund of Fund range



Robust and peer-relevant delivery of outcomes in the longer term

	Momentum Focus 3 FoF B2	Momentum Focus 4 FoF C	Momentum Focus 5 FoF B2	Momentum Focus 6 FoF C	Momentum Focus 7 FoF B2
Investment objective	CPI + 2%	CPI + 3%	CPI + 4%	CPI + 5%	CPI + 6%
Horizon	3 years +	4 years +	5 years +	6 years +	7 years +
Peer group	(ASISA) South African MA Low Equity	(ASISA) South African MA Medium Equity		(ASISA) South African MA High Equity	
Hit rates vs Asisa peer groups					

Sources: Momentum Investments, Morningstar.

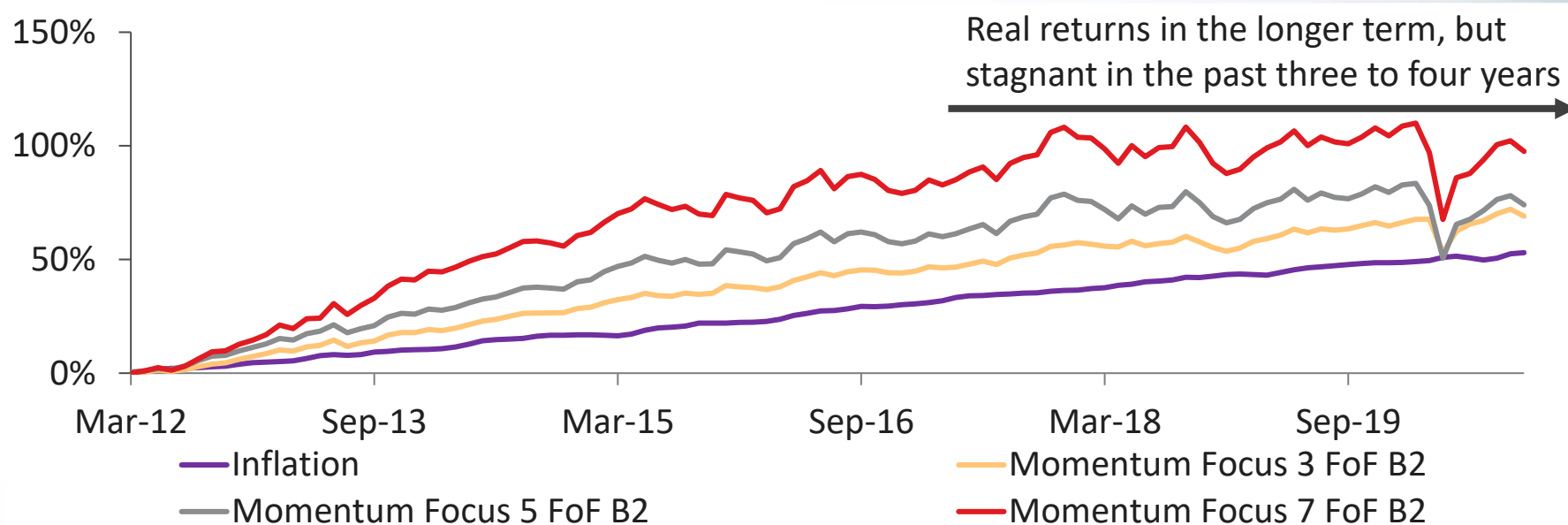
Hit rates based on actual Focus FoF range returns since Feb 2012 for Focus 3,5 & 7. For Focus 4 & 6 actual returns since May 2017.

Prior returns based on Classic with appropriate fee adjustments.

Momentum Focus Fund of Funds range



Inflation-outperforming growth over time – CPI-linked targets under pressure



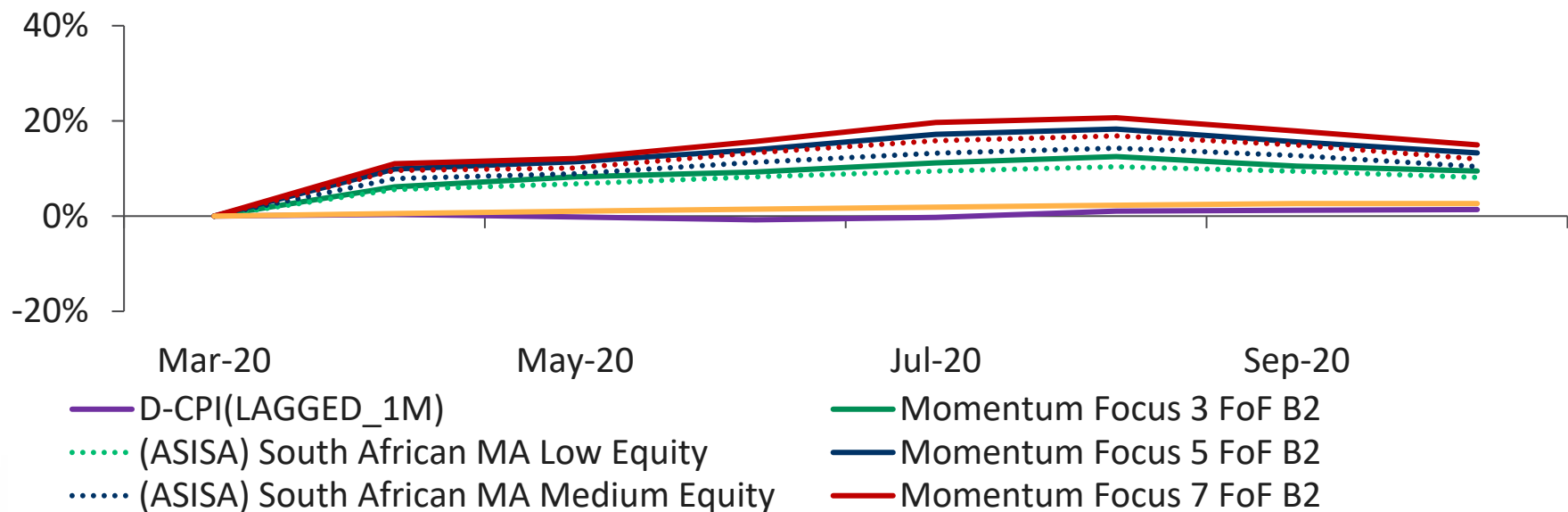
Sources: Momentum Investments, Morningstar

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.

Momentum Focus Fund of Fund range

Cumulative post-COVID recovery – cash outperforming inflation, but missed opportunities for those that switched



Sources: Momentum Investments, Morningstar

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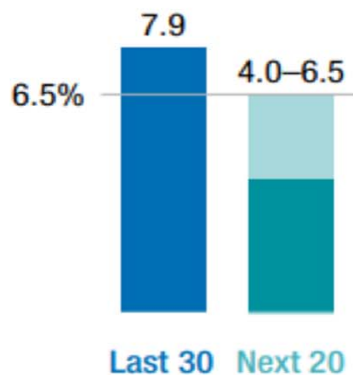
Manage your enthusiasm

Global evidence for lower expected returns

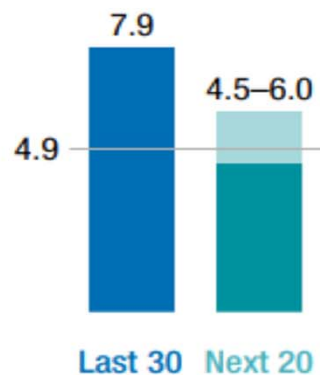
The past 30 years saw returns that exceeded the long-run average

■ Historical real returns
— Last 100 years average return

US equities



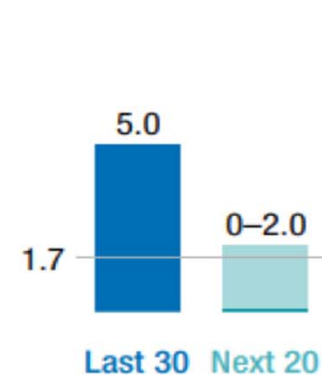
European equities



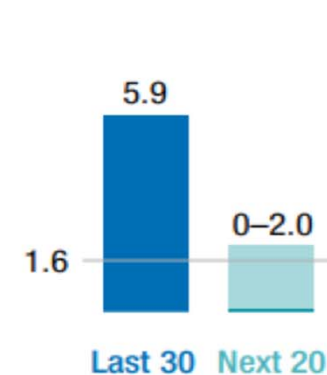
The next 20 years could be more challenging

■ Growth-recovery scenario
■ Slow-growth scenario

US bonds



European bonds

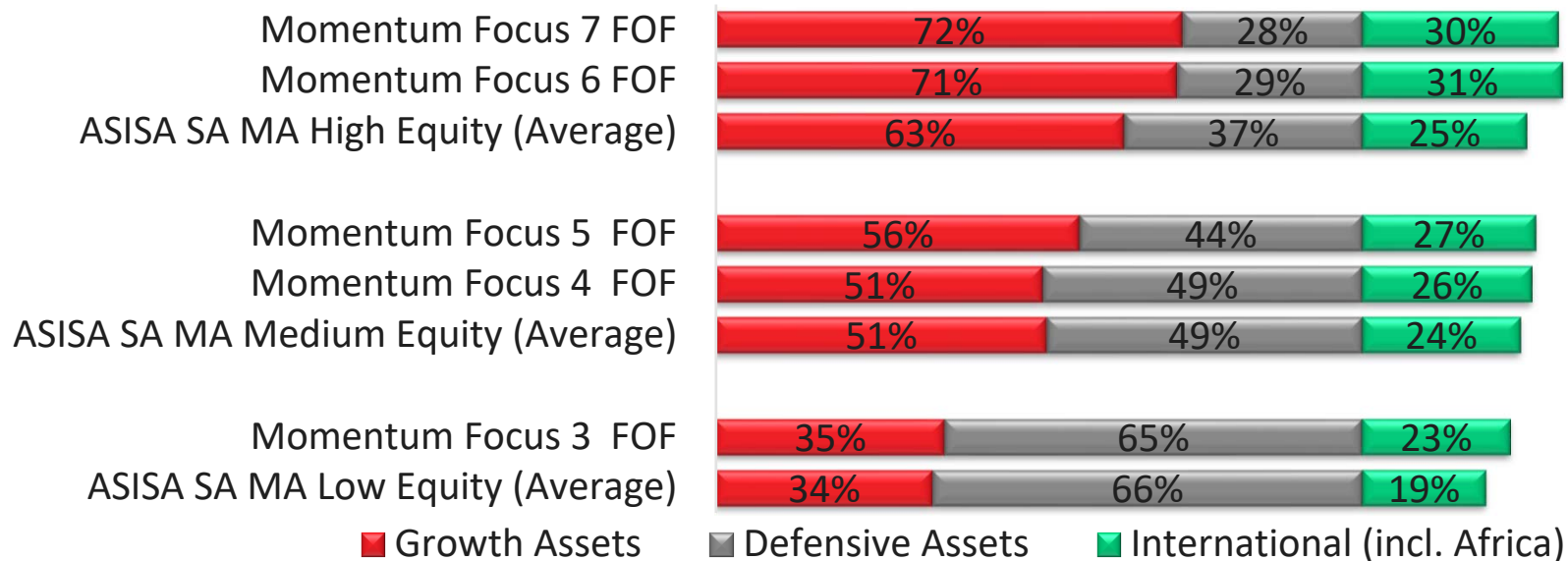


The economic and business drivers of equity and fixed-income returns are shifting

Source: Mckinsey, Global Institute Analysis

Momentum Focus Fund of Fund range

Positioning within peer groups



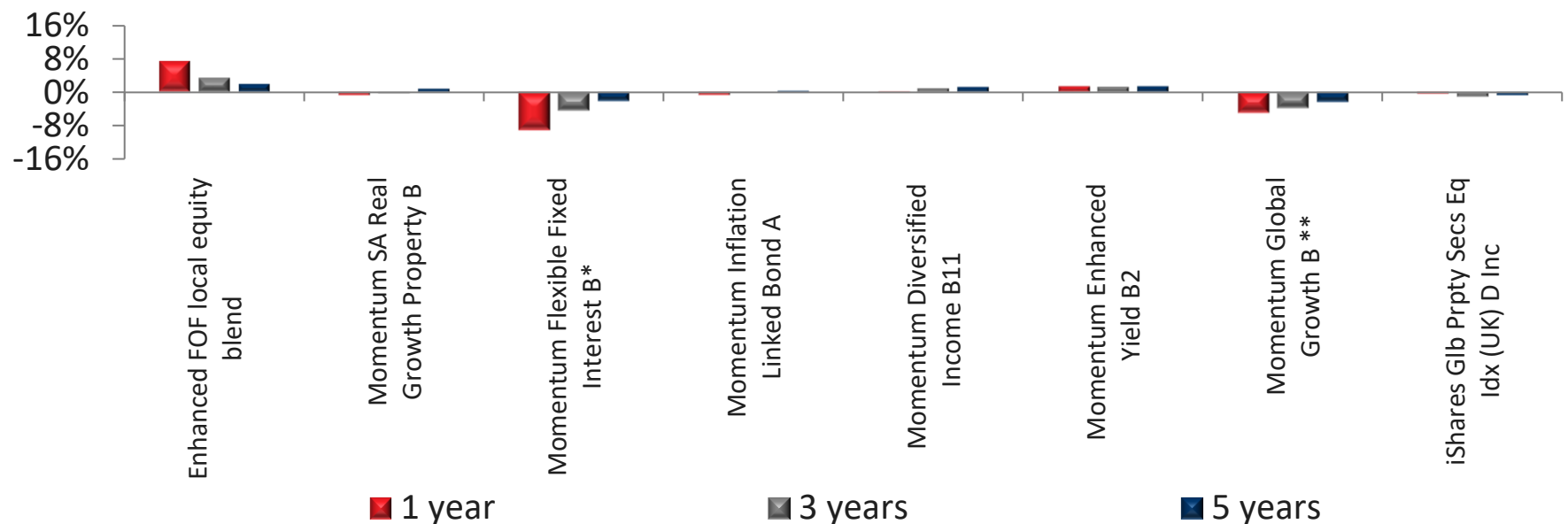
Sources: Momentum Investments, Morningstar (latest reported data)

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Momentum Focus Fund of Funds range

Underlying fund active returns (net vs gross benchmark) for October 2020



Sources: Momentum Investments, Morningstar (latest reported data)

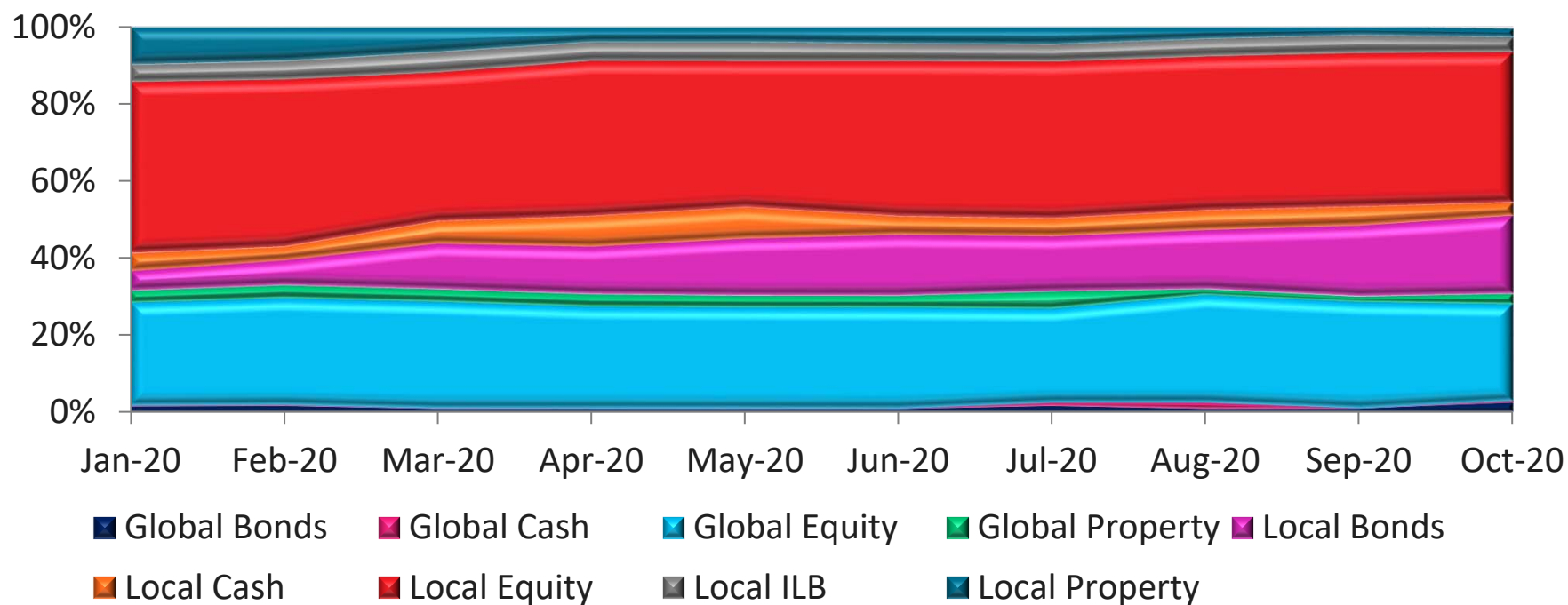
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Fund positioning and actions

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Focus 6 Fund of Funds asset allocation for the year to date

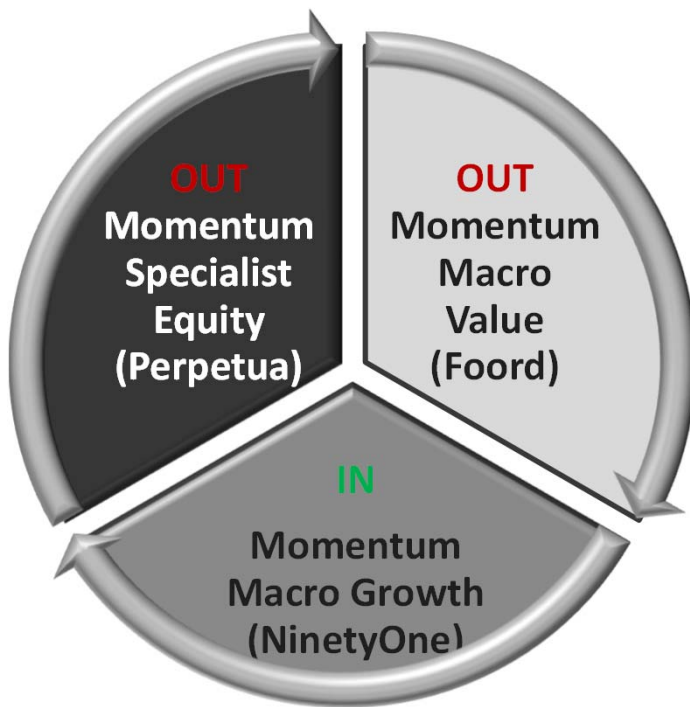


Source: Momentum Investments

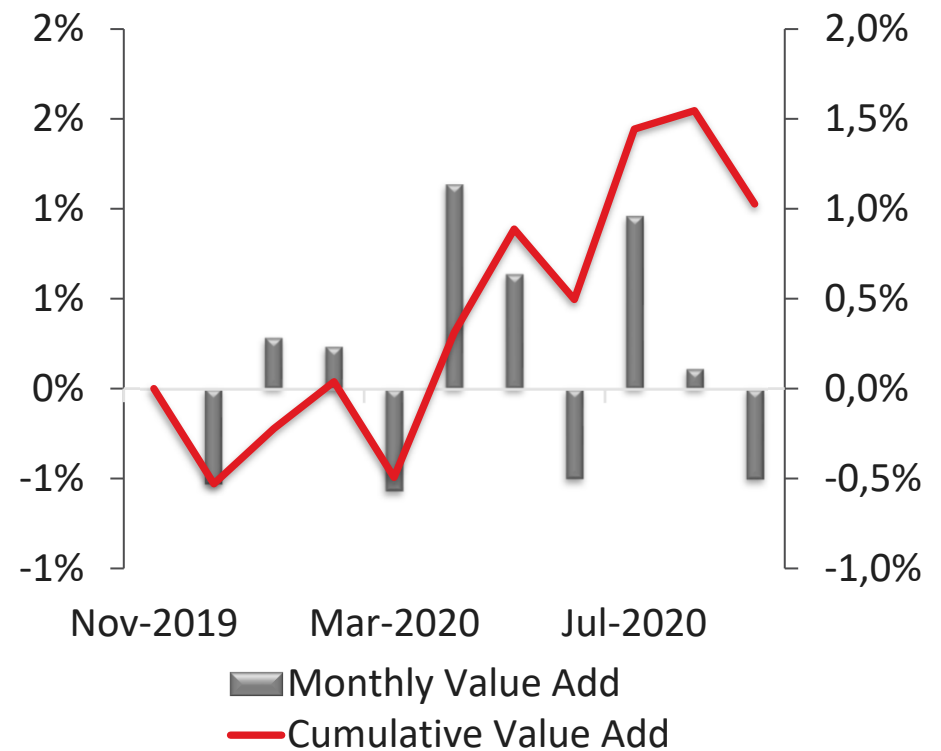
Portfolio mandate activity



Mandate changes on the local equity level



Investment manager change value add





Moving forward

CIS disclosures



This investment fund is administered by Momentum Collective Investments (RF) (Pty) Ltd (the management company), registration number 1987/004287/07, which is authorised in terms of the Collective Investment Schemes Control Act, No 45 of 2002 (Cisca) to administer collective investment schemes (CISs) in securities. The management company is the manager of the Momentum Collective Investments Scheme (the scheme) and a part of Momentum Metropolitan Life Limited, an authorised financial services provider (FSP) (FSP6406) under the Financial Advisory and Intermediary Services Act No. 37 of 2002 (Fais), a registered credit provider (NCRCP173), a full member of the Association for Savings and Investment SA (Asisa) and rated B-BBEE level 1. Standard Bank of South Africa Limited, registration number 1962/000738/06, is the trustee of the scheme.

A fund of funds, apart from investments in liquid form, consists solely of participatory interests in investment funds of CIS, which may levy their own charges and could result in a higher fee structure for fund of funds than some other forms of CISs.

All investment fund returns are calculated for a class. Individual investor returns may differ as a result of fees, actual date(s) of investment, date(s) of reinvestment of income and withholding tax. All investment fund returns shown are after the deduction of the total investment charges (TIC) but exclude any initial or ongoing advisory fees that may, if applicable, be charged separately. Annualised returns, also known as compound annualised growth rates, are calculated from cumulative returns and provide an indication of the average annual return achieved from an investment that was held for the stated period. Actual annual figures are available from the management company on request. All investment fund return figures quoted (tables and charts where present) are based on a lump sum investment, using net asset value (NAV) to NAV prices with income distributions reinvested on the ex-dividend date. Inflation figures, where present, are lagged by one month. Cash figures, where present, are Short-term Fixed Interest Composite Index returns. All figures quoted in are in rand terms.

CISs 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. 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. A schedule of fees and charges and maximum commissions is available on request from the management company.

The management company reserves the right to close and reopen certain investment funds to new investors from time to time to manage them more efficiently in accordance with their mandate. The following transaction cut-off times apply: for money market funds is 10:00 on the pricing date; for all investment funds, except for fund of funds, feeder funds and money market funds is 14:00 on the pricing date; for fund of funds and feeder funds is 14:00 on the business day before the pricing date. The following investment fund valuation times apply: All investment funds, except for fund of funds and feeder funds is 15:00 and 17:00 on the last business day of every month; fund of funds and feeder funds is 24:00. Latest prices can be viewed at momentuminv.co.za and in some national newspapers. Forward pricing is used. 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.

Foreign securities within investment funds may have additional material risks, depending on the specific risks affecting that country, such as potential constraints on liquidity and the repatriation of money, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks as well as potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk. The terms and conditions, a schedule of fees, charges and maximum commissions, performance fee frequently asked questions as well as the minimum disclosure document (MDD) and quarterly investor report (QIR) for each portfolio are available at momentuminv.co.za. Associates of the management company may be invested within certain investment funds and the details thereof are available from the management company.

This document should not be seen as an offer to purchase any specific investment fund and is not to be construed as advice. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of the management company's investment funds. The complaints policy and procedure as well as the conflicts of interest management policy are available at momentuminv.co.za.

The image features a large, vibrant red graphic element, a thick curved line resembling a stylized 'S' or a comma, that originates from the left side and sweeps across the middle of the frame. The background is a photograph of a modern, minimalist interior space with a high ceiling, large arched windows, and a polished concrete floor. A woman in a grey long-sleeved shirt and bright red leggings is walking away from the camera towards the right side of the frame. The overall aesthetic is clean and professional.

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Thank you