Momentum Classic Factor Portfolio Range

Momentum Classic Factor 4 Portfolio

Factsheet at 30 September 2019

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), but 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. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

Portfolio information

Launch date: July 1999
Target: Inflation plus 4% a year over four-year rolling periods
Reg. 28 compliant: Yes

<table>
<thead>
<tr>
<th>Risk of capital loss</th>
<th>Very low</th>
<th>Medium</th>
<th>Very high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment term</td>
<td>Very short</td>
<td>Medium</td>
<td>Very long</td>
</tr>
</tbody>
</table>

Long-term outcomes

Return over the investment horizon

Portfolio 6.66%
Benchmark 6.20%
Target 8.99%

The annualised return over the investment horizon of the portfolio.

Short-term risk

Risk of negative one-year return

Portfolio 3.88%
Benchmark 6.47%
Target 0.00%

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

Minimum one-year returns

Portfolio -1.69%
Benchmark -3.71%
Target 4.79%

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

Hit rate

Portfolio 66.84%

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

Average shortfall

Portfolio -1.44%

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

Rolling returns

Portfolio returns over one-year rolling periods since launch.
Institutional on-balance-sheet portfolio

Momentum Classic Factor 4 Portfolio

Investment returns

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>One year</th>
<th>Three years</th>
<th>Five years</th>
<th>Seven years</th>
<th>Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio</td>
<td>4.61%</td>
<td>5.14%</td>
<td>6.60%</td>
<td>7.08%</td>
<td>7.69%</td>
</tr>
<tr>
<td>Benchmark1</td>
<td>4.66%</td>
<td>4.40%</td>
<td>6.20%</td>
<td>6.73%</td>
<td>7.55%</td>
</tr>
<tr>
<td>Risk-adjusted ratio2</td>
<td>3.31%</td>
<td>4.31%</td>
<td>6.20%</td>
<td>6.73%</td>
<td>7.55%</td>
</tr>
<tr>
<td>Target</td>
<td>8.86%</td>
<td>8.67%</td>
<td>8.99%</td>
<td>9.16%</td>
<td>9.16%</td>
</tr>
</tbody>
</table>

1 The benchmark is calculated using the strategic allocation weightings below.
2 A ratio of the actual return achieved per unit of risk taken.

Cumulative returns

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

Effective asset allocation

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).
Quarterly portfolio commentary for Q3 2019

Growth asset classes experienced another difficult quarter with the uncertainty around Brexit, on-going trade tensions between the US and China as well as fears of a global economic recession weighing down markets.

Local equity and property were the worst-performing asset classes and the rand experienced a sharp sell off towards the end of July 2019.

The portfolio returned 0.70% for the three months, which outperformed the benchmark of 0.15%.

The outperformance was attributable to the local equity and property building blocks.

Being overweight global equity and property also contributed to 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 Classic Factor 4 Portfolios have been used since then. Portfolio and benchmark returns for Momentum High Interest Portfolio have been used from July 1999.

Disclosures

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Institutional on-balance-sheet portfolio