momentum corporate

FAW - Momentum Passive Factor Portfolio Range

Momentum Passive Factor 7 Portfolio

Factsheet at 30 April 2025

Target: CPI + 5% to 6%

Investment horizon: Seven years

Investments managed by: Momentum Multi-Manager (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 investment portfolio is aimed at members of a retirement fund who are in the accumulation phase of investing. It has a long-term investment horizon and, therefore, the aim is to maintain an average exposure of 79.5% to growth asset classes (local and global equities and property). The allocations between asset classes are not actively managed, but do allow for market drift. The long-term return objective of this portfolio is inflation plus 5% to 6% over seven-year rolling periods. Different combinations of asset classes are considered and an optimum allocation is selected to achieve this objective with an acceptable degree of certainty. This portfolio is managed in accordance with the investment limitations set out in Regulation 28 of the Pension Funds Act.

Portfolio information

Launch date:	February 2006
Benchmark:	Composite: Local equity 42%; Local property 3%; Local bond 10%; Local cash 4%; Global equity 32%; Global property 3.5%; Global bond 3.5%; Global cash 2%
Target:	Inflation plus 5% to 6% over seven-year rolling periods
Reg. 28 compliant:	Yes

Risk of capital loss	Very low	Medium	Very high
Investment term	Very short	Medium	Very long

Portfolio managers

Mohammed Sibda
BCom

Long-term outcomes

Return over the investment horizon

Portfolio
8.66%

Benchmark 8.06%

CPI + 5% 9.70%

The annualised return over the investment horizon of the portfolio.

Hit rate

Portfolio
40.54%

The percentage of times the portfolio achieved or exceeded CPI + 5% over rolling periods of the investment horizon.

Average shortfall

Portfolio
-2.41%

The average shortfall relative to CPI + 5% over rolling periods of the investment horizon.

Short-term risk

Risk of negative one-year return

Portfolio 12.27%

Benchmark 13.18%

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

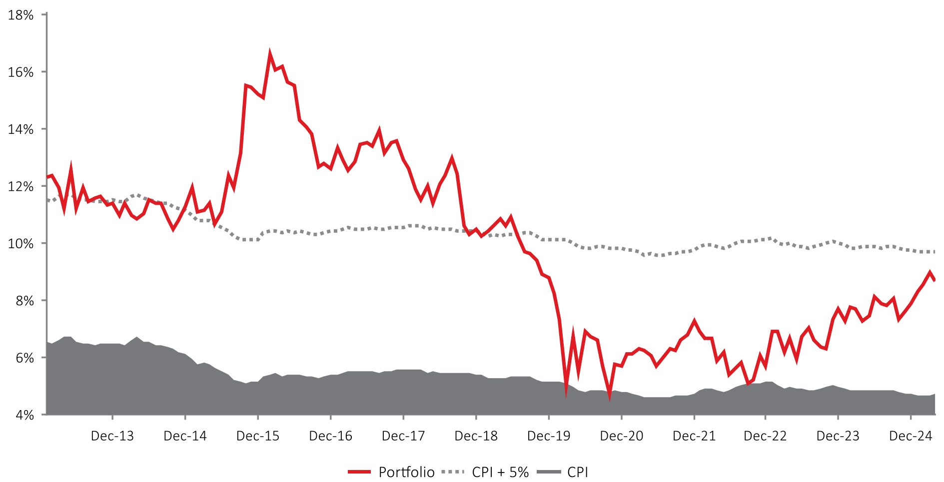
Minimum one-year returns

Portfolio -16.19%

Benchmark -16.45%

The worst one-year return with a 95% likelihood.

Rolling returns over investment horizon



Returns 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	**2.83%**	**2.26%**	**17.41%**	**12.98%**	**12.02%**	**11.96%**	**13.80%**	**9.70%**	**8.66%**	**10.43%**
Benchmark[1]	2.81%	2.22%	17.29%	12.64%	11.73%	11.68%	13.09%	9.04%	8.06%	10.25%
Risk-adjusted ratio[2]					1.22	1.34	1.39	0.85	0.77	0.99
CPI + 5%	0.79%	2.77%	7.75%	9.03%	10.04%	10.26%	9.85%	9.73%	9.70%	10.59%

[1]The benchmark is calculated using the composite benchmark allocation. [2]A ratio of the actual return achieved per unit of risk taken.

Index returns

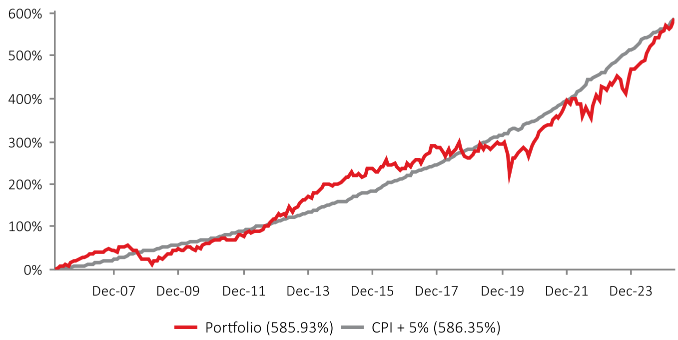
Asset class	Index	One month	One year	Two years	Three years	Five years	Seven years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	4.23%	24.44%	12.86%	11.19%	16.52%	8.18%	**42.00%**
Local property	FTSE/JSE All Property Index	7.65%	29.95%	21.30%	14.44%	18.80%	1.43%	**3.00%**
Local bond	FTSE/JSE All Bond Index	0.76%	19.44%	12.95%	10.73%	11.05%	8.53%	**10.00%**
Local cash	STeFI Composite Index	0.61%	8.22%	8.34%	7.63%	6.23%	6.51%	**4.00%**
Global equity	MSCI All Countries World Index	1.45%	8.98%	15.86%	15.54%	13.67%	15.24%	**32.00%**
Global property	FTSE EPRA/NAREIT Developed Index	1.47%	8.29%	5.82%	1.47%	4.60%	7.95%	**3.50%**
Global bond	FTSE World Government Bond Index	4.58%	6.63%	2.95%	5.71%	-2.22%	5.02%	**3.50%**
Global cash	ICE BofA US 1-Month Treasury Bill Index	1.46%	3.64%	6.20%	10.49%	3.11%	8.65%	**2.00%**

Investment manager returns

	One year	Three years	Seven years
Local equity			
Momentum Capped SWIX	24.41%	11.15%	7.97%
Local property			
Momentum ALPI Tracker Fund	30.31%	14.29%	1.75%
Local bond			
Momentum GOVI Tracker Fund	19.51%	10.71%	8.36%
Local cash			
ALUWANI	9.59%	8.98%	7.87%
Global equity			
Momentum Global Investment Management	9.31%	16.12%	
Global property			
BlackRock Global Property	7.91%	2.14%	
Global bond			
Amundi Global Bond	7.13%	6.51%	5.76%
Global cash			
State Street	3.84%		

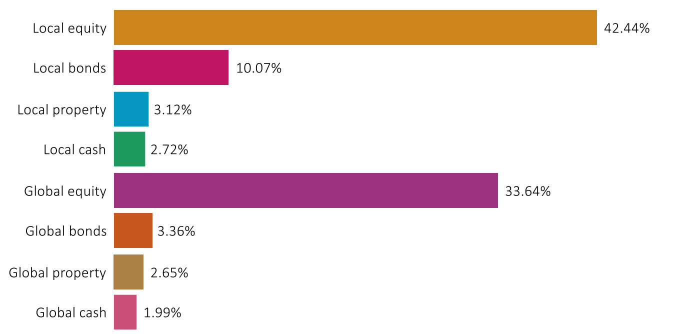
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



The cumulative growth of the portfolio since launch compared to CPI + 5%.

Effective asset allocation



The 10-largest portfolio holdings

Holding	
Naspers Limited	3.82%
Gold Fields Limited	2.37%
FirstRand Limited	2.36%
Standard Bank Group Limited	1.96%
Capitec Bank Hldgs Limited	1.88%
AngloGold Ashanti plc	1.71%
MTN Group Limited	1.42%
Apple Inc	1.37%
Republic Of South Africa R186	1.33%
Republic of South Africa R2030	1.31%

The 10-largest instruments at 30 April 2025, looking through all asset classes held.

Quarterly portfolio commentary for Q1 2025

On April 2 2025, the United States (US) unveiled tariff hikes that echoed the protectionism of the Great Depression, exceeding earlier expectations in scope and severity. A pause was announced later; however, these measures threaten to disrupt global trade, with uneven regional impacts as export-reliant nations face sharper blows and retaliatory actions emerge worldwide. Sustained tariffs could drag growth projections lower for the US and beyond, shrinking trade volumes without necessarily triggering a recession. Globalisation's uneven rewards, fuelling US inequality, suggest this shift may endure past President Donald Trump's tenure. In South Africa (SA), the potential for 31% tariffs compound the local strain of a faltering Government of National Unity (GNU), where tensions between the African National Congress (ANC) and Democratic Alliance (DA) - laid bare by recent disputes around the fiscal framework, expropriation laws and changes to health and education legislation - signal fragility, raising the risk premium of the country as post election euphoria in both the US and SA fade.

We believe that the overall Trump policy package should be less negative for US economic growth (and hence for equities) than for inflation and the fiscal numbers (and thus for bonds) over time. However, in the short term, the almost immediate US growth-negative implications of an immigration clampdown and higher tariffs are taking precedence in financial markets over the more medium-term growth-friendly policy measures of deregulation and potential tax relief. Despite recent yield rises, developed market (DM) bonds outside the US remain expensive relative to their respective equity markets. In our view, US bonds could remain cheap versus US equities should inflation and fiscal numbers negatively surprise market expectations going forward. The valuations of neither the SA equity nor nominal bond markets reflect much positive sentiment about better growth potential for the country going forward, enhancing future potential returns. SA equities continue to trade around historically cheap one standard deviation lows against emerging market (EM) equities on a relative forward P/E basis and more than one-half of a standard deviation below its long-term historical average. SA vanilla government bonds still provide some of the highest backward-looking real yields in the world, while the current more than 6% real forward-looking bond yield is comfortably more than one standard deviation above the historical average. SA inflation-linked bonds (ILBs) should receive fundamental support from the anticipated rising local inflation trend until late 2025.

The portfolio delivered a return of 1.2% which was in line with the benchmark return.

Notes

Changes were made to the strategic asset allocations on 1 October 2024.
Changes were made to the strategic asset allocations on 1 July 2023.
On 1 November 2021, this portfolio's name was changed from Momentum Passive Factor 6 to Momentum Passive Factor 7.
The benchmark for the local property component was changed on 1 October 2021 from the FTSE/JSE SA Listed Property Index to the FTSE/JSE All Property Index.
Changes were made to the strategic asset allocations on 31 October 2020.
The inception date of this portfolio is 1 April 2015 and actual portfolio and benchmark returns have been used since then.
From 1 February 2010, investment returns are based on a combination of actual and back-tested returns. The majority of the back-tested returns are based on actual building-block returns as most have lengthy track records.
The termination period for the Momentum Passive Lifestage portfolios is three months given that the underlying asset class returns are in most cases guaranteed.

Disclosures

Investment returns for periods exceeding one year are annualised. All returns quoted are before deduction of fees, but after the deduction of performance fees on global underlying investments (where applicable). 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.
For investments in collective investments schemes (CIS), please refer to the minimum disclosure document (MDD), which is available from the respective CIS manager. The MDD contains important information relating to investment in the respective CIS.

Sources: Momentum Multi-Manager, Morningstar, Iress, msci.com, yieldbook.com, ft.com.

Contact and other information

Momentum FundsAtWork
269 West Avenue, Centurion, 0157
PO Box 7400, Centurion, 0046
T +27 (0)86 065 7585
F +27 (0)12 675 3970
Email FAWInvestmentQueries@momentum.co.za
Web www.momentum.co.za/FundsAtWork

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