momentum
corporate

Momentum Conservative Default Lifestages

February 2024

Lifestage progression

The portfolio range has a life stage model, which allows a member of a retirement fund to switch from a more aggressive investment portfolio with longer terms to retirement to more conservative and, ultimately, defensive portfolio as they get closer retirement. The risk profiles in the life stage model use a combination of asset classes, managed by multiple investment managers with different investment strategies to achieve its objectives. The lifestage philosophy uses 'term to retirement' as a proxy for the risk a member can accept. This means, for example, the asset classes in which members of a retirement fund would invest in more than 7 years from retirement will have a different emphasis from those closer to retirement.

It makes sense that when a member of a retirement fund has a long-term investment horizon, they should be invested in growth asset classes, which would include higher yielding asset classes and strategies appropriate for a higher level of risk, such as equities and property locally and globally

Although volatile, these asset classes normally provide returns above inflation over the long term. As a member moves to a medium-term investment horizon, the exposure to volatile asset classes should be gradually reduced to protect them from being exposed to unnecessary volatility.

All portfolios follow Momentum Investments' outcome-based investing approach, which strives to enhance the financial success of retirement fund members.

Investment portfolio allocation

Portfolio	Portfolio building block	Glide path (years to retirement)
Momentum Conservative Default Lifestages Accumulator	Momentum Classic Factor 6	More than 7 years from normal retirement age
Momentum Conservative Default Lifestages Builder	Momentum Classic Factor 5	Between 5 and 7 years from normal retirement age
Momentum Conservative Default Lifestages Consolidator	Momentum Classic Factor 4	Between 3 and 5 years from normal retirement age
Momentum Conservative Default Lifestages Defender	Momentum Universal Smart Guaranteed + 3*	Less than 3 years from normal retirement age

*Portfolio may attract a market value adjustment (MVA).

Contact and other information

Momentum Corporate
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

Signatory of:
PRI Principles for Responsible Investment

momentum corporate

FAW - Momentum Conservative Default Lifestage Portfolio Range

Momentum Conservative Default Lifestage Accumulator

Factsheet at 29 February 2024

Target: CPI + 4% to 5%

Investment horizon: Six years

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

Momentum outcome-based investing philosophy

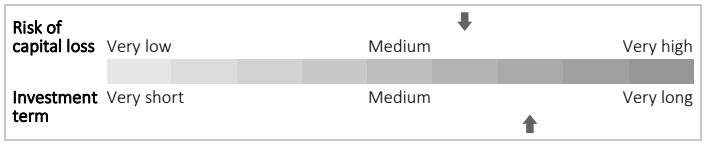
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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 accumulation phase of investing. It has a medium- to long-term investment horizon and, therefore, the aim is to maintain an average exposure of 67.5% to growth asset classes (local and global equities and property), with a small allocation to defensive asset classes. The portfolio consists of the full universe of asset classes, including global investments of up to 45% and selective alternative asset classes. The allocation between asset classes is actively managed, taking the market environment into account. Through the optimum selection of asset classes, the probability of achieving the outcome is maximised within acceptable risk parameters. Performance fees may be paid within investment mandates, should they sufficiently enhance investment returns after fees. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

Portfolio information

Launch date:	July 2000
Benchmark:	Composite: Local equity 36.5%; Local property 2.5%; Local bond 18.5%; Local cash 7%; Global equity 25%; Global property 3.5%; Global bond 5%; Global cash 2%
Target:	Inflation plus 4% to 5% over six-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	Benchmark	CPI + 4%
8.16%	6.59%	8.92%

The annualised return over the investment horizon of the fund.

Hit rate

Portfolio 71.36%

The percentage of times the portfolio achieved or exceeded CPI + 4% over rolling periods of the investment horizon.

Average shortfall

Portfolio -1.67%

The average shortfall relative to CPI + 4% over rolling periods of the investment horizon.

Short-term risk

Risk of negative one-year return

Portfolio	Benchmark
12.09%	13.19%

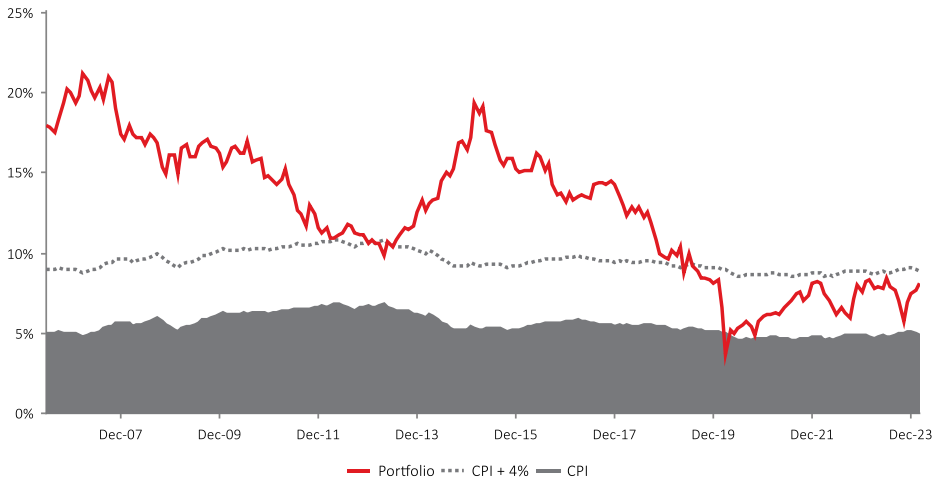
The likelihood of negative returns over any one-year rolling period.

Minimum one-year returns

Portfolio	Benchmark
-10.55%	-13.66%

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	**1.05%**	**3.21%**	**9.20%**	**8.27%**	**10.60%**	**11.68%**	**9.06%**	**8.16%**	**8.46%**	**12.60%**
Benchmark[1]	0.82%	3.25%	8.77%	7.13%	9.60%	10.15%	7.60%	6.59%	7.22%	11.75%
Risk-adjusted ratio[2]					1.19	0.89	0.75	0.69	0.75	1.25
CPI + 4%	0.41%	0.99%	9.33%	10.11%	9.97%	9.26%	9.11%	8.92%	8.84%	9.50%

[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

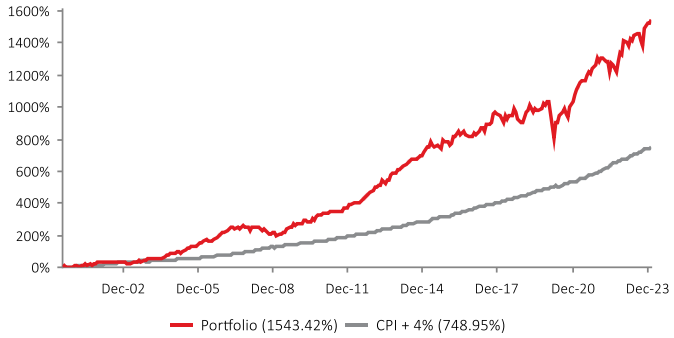
Asset class	Index	One month	One year	Two years	Three years	Five years	Six years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.27%	-1.97%	0.85%	7.77%	7.00%	4.68%	**36.50%**
Local property	FTSE/JSE All Property Index	-0.34%	16.28%	9.50%	13.77%	-0.51%	-1.31%	**2.50%**
Local bond	FTSE/JSE All Bond Index	-0.58%	7.64%	6.27%	7.18%	7.75%	7.15%	**18.50%**
Local cash	STeFI Composite Index	0.65%	8.30%	6.99%	5.95%	5.98%	6.19%	**7.00%**
Global equity	MSCI All Countries World Index	5.89%	28.17%	18.32%	15.23%	17.44%	17.22%	**25.00%**
Global property	FTSE EPRA/NAREIT Developed Index	2.02%	5.79%	3.95%	7.80%	7.02%	11.18%	**3.50%**
Global bond	FTSE World Government Bond Index	2.08%	6.85%	3.70%	0.84%	4.15%	6.34%	**5.00%**
Global cash	ICE BofA US 1-Month Treasury Bill Index	3.60%	10.28%	15.99%	11.17%	8.68%	10.76%	**2.00%**

Investment manager returns

	One year	Three years	Seven years
Local equity			
BlueAlpha	-0.79%	6.90%	5.78%
Fairtree	-0.46%	8.28%	12.37%
Foord	4.58%	11.20%	5.88%
M&G Investments	-3.19%	12.29%	8.91%
Momentum Systematic Strategies	-3.09%	7.48%	
SIM	-1.94%	6.65%	6.84%
Truffle	-3.95%	8.37%	10.59%
Local property			
Catalyst	11.57%	12.70%	-0.96%
Eris Social Infrastructure	-2.76%	8.46%	
Meago	10.04%	12.05%	-2.01%
Local bond			
Aluwani Flexible Bond	7.44%	7.67%	5.02%
Flexible Fixed Interest	7.35%	7.58%	7.66%
Futuregrowth	7.15%	8.99%	9.53%
Momentum Flexible Bond	8.30%	8.42%	
Local cash			
ALUWANI	9.63%	7.26%	7.84%
Momentum Enhanced Yield	9.67%	7.19%	
Momentum Money Market	9.19%	6.79%	
Global equity			
Momentum Global Investment Management	25.81%	14.50%	15.09%
Global property			
Momentum Global Property	5.43%	6.92%	
Global bond			
Amundi	7.49%	2.24%	5.31%
Global cash			
State Street			

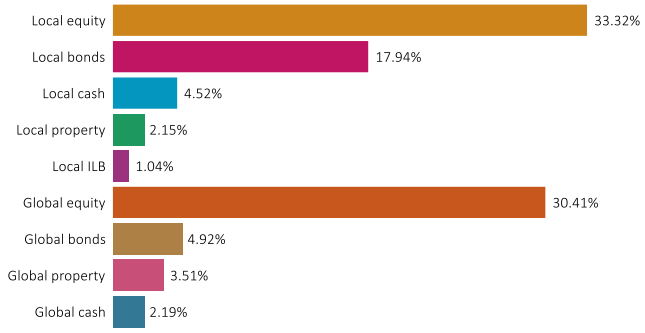
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



The cumulative growth of the portfolio since launch compared to CPI + 4%.

Effective asset allocation



The 10-largest portfolio holdings

Holding	
Republic of South Africa R2037	4.01%
Naspers Limited	2.91%
Republic of South Africa R209	2.48%
Prosus NV N	2.24%
Republic of South Africa R2032	1.78%
FirstRand Limited	1.69%
Standard Bank Group Limited	1.51%
Gold Fields Limited	1.45%
Republic of South Africa R2040	1.41%
British American Tobacco plc	1.35%

The 10-largest instruments at 31 January 2024, looking through all asset classes held.

Quarterly portfolio commentary for Q4 2023

Past monetary policy tightening, constrained government coffers, lingering inflation and unpredictable geopolitical events will likely lead to a moderation in global growth in 2024. Nevertheless, the world economy faces varied growth paths. While robust consumer spending in the United States (US) is expected to slow as excess savings dry up, Europe is contending with economic pressures and calls for fiscal austerity will likely limit recovery. On the other hand, China is anticipated to benefit from meaningful policy announcements made late in 2023, following a disappointing response from authorities earlier last year. Despite global inflation having more than halved, the International Monetary Fund warns that inflation in 90% of inflation-targeting countries will likely still exceed central bank targets in 2024. Moreover, elections in 2024 for over half of the world's population will contribute to an uncertain geopolitical landscape.

Indications of slowing US economic activity in 2024, along with expectations for the start of a subsequent US easing policy cycle, would provide positive support to both the US bond and equity markets.

Escalating logistical challenges are affecting rail and port efficiency and dampening growth prospects in South Africa (SA) even as energy constraints are expected to ease. The inability to resolve these bottlenecks is a challenge for the ruling party as we approach the 2024 national elections. Moreover, SA's interest burden and social demands remain high, hindering a swift stabilisation in the country's debt ratio. Though renewed risks to the SA inflation forecast exist, demand-led pressures and wage inflation are expected to remain contained. The SA Reserve Bank is expected to continue talking tough on inflation even though the next move in interest rates is likely lower from here, most likely by the middle of 2024.

A significant risk premium is embedded in rock-bottom SA equity valuations, with little positive sentiment towards this very underowned asset class by local and foreign fund managers. There is thus scope for a rerating should there be an improvement in some of the local impediments over time, or if a global risk-on environment takes hold. SA nominal bonds similarly discount lots of bad news. A break-even widening in the second half of 2024 should provide more fundamental support for inflation-linked bonds as 2024 unfolds. SA listed property nominal and real dividend yields are among the highest in the world. However, the delayed impact of higher interest rates is already starting to hurt SA listed property companies.

The portfolio delivered a return of 7.1% for the quarter, which was below the benchmark.

Notes

Changes were made to the strategic asset allocations on 1 July 2023.
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.
On 1 November 2020, the real return expectation for this portfolio was revised from inflation plus 6% to a range of inflation plus 4% to 5%.
Changes were made to the strategic asset allocations on 31 October 2020.
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.
Asset management fees exclude performance fees, where applicable. as well as investment management fees recovered by the underlying investment managers within the portfolio, where applicable.

Disclosures

The investment policy is underwritten by Momentum Metropolitan Life Limited, which is a registered insurer under the Insurance Act, 18 of 2017. 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, 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.
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.
Sources: Momentum Investments, 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

Signatory of:
PRI Principles for Responsible Investment

momentum corporate

FAW - Momentum Conservative Default Lifestage Portfolio Range

Momentum Conservative Default Lifestage Builder

Factsheet at 29 February 2024

Target: CPI + 3% to 4%

Investment horizon: Five years

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

Momentum outcome-based investing philosophy

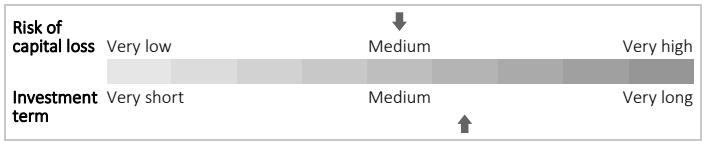
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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-term investment horizon and, therefore, the aim is to maintain an average exposure of 56% 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 45% and selective alternative asset classes. The allocation between asset classes is actively managed, taking the market environment into account. Through the optimum selection of asset classes, the probability of achieving the outcome is maximised within acceptable risk parameters. Performance fees may be paid within investment mandates, should they sufficiently enhance investment returns after fees. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

Portfolio information

Launch date:	June 2010
Benchmark:	Composite: Local equity 30%; Local property 2.5%; Local bond 23%; Local cash 12%; Global equity 20%; Global property 3.5%; Global bond 5%; Global cash 4%
Target:	Inflation plus 3% to 4% 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

Portfolio	Benchmark	CPI + 3%
8.70%	6.84%	8.11%

The annualised return over the investment horizon of the fund.

Hit rate

Portfolio
50.00%

The percentage of times the portfolio achieved or exceeded CPI + 3% over rolling periods of the investment horizon.

Average shortfall

Portfolio
-1.46%

The average shortfall relative to CPI + 3% over rolling periods of the investment horizon.

Short-term risk

Risk of negative one-year return

Portfolio	Benchmark
7.14%	10.39%

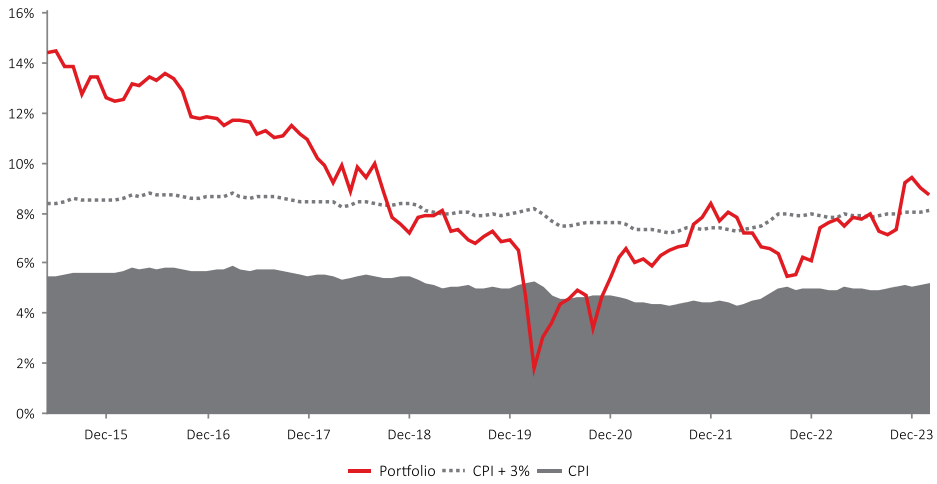
The likelihood of negative returns over any one-year rolling period.

Minimum one-year returns

Portfolio	Benchmark
-5.61%	-7.30%

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	**0.94%**	**2.93%**	**9.08%**	**8.08%**	**10.12%**	**11.02%**	**8.70%**	**7.87%**	**8.07%**	**9.99%**
Benchmark[1]	0.75%	3.06%	8.87%	7.22%	9.05%	9.07%	6.84%	6.04%	6.61%	9.29%
Risk-adjusted ratio[2]					1.31	0.97	0.83	0.78	0.84	1.29
CPI + 3%	0.33%	0.74%	8.32%	9.10%	8.97%	8.26%	8.11%	7.92%	7.84%	8.13%

[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

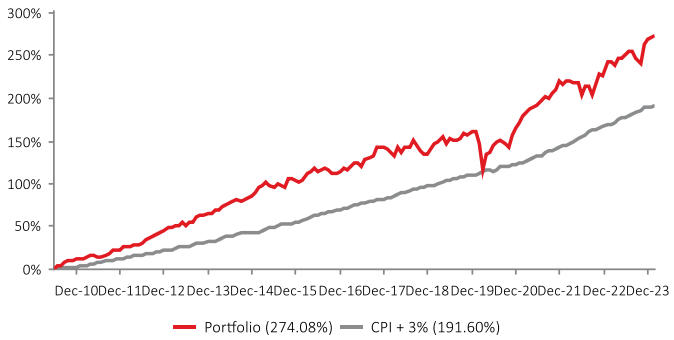
Asset class	Index	One month	One year	Two years	Three years	Five years	Seven years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.27%	-1.97%	0.85%	7.77%	7.00%	5.98%	**30.00%**
Local property	FTSE/JSE All Property Index	-0.34%	16.28%	9.50%	13.77%	-0.51%	-2.14%	**2.50%**
Local bond	FTSE/JSE All Bond Index	-0.58%	7.64%	6.27%	7.18%	7.75%	8.15%	**23.00%**
Local cash	STeFI Composite Index	0.65%	8.30%	6.99%	5.95%	5.98%	6.38%	**12.00%**
Global equity	MSCI All Countries World Index	5.89%	28.17%	18.32%	15.23%	17.44%	15.78%	**20.00%**
Global property	FTSE EPRA/NAREIT Developed Index	2.02%	5.79%	3.95%	7.80%	7.02%	7.87%	**3.50%**
Global bond	FTSE World Government Bond Index	2.08%	6.85%	3.70%	0.84%	4.15%	4.86%	**5.00%**
Global cash	ICE BofA US 1-Month Treasury Bill Index	3.60%	10.28%	15.99%	11.17%	8.68%	7.76%	**4.00%**

Investment manager returns

	One year	Three years	Seven years
Local equity			
BlueAlpha	-0.79%	6.90%	5.78%
Fairtree	-0.46%	8.28%	12.37%
Foord	4.58%	11.20%	5.88%
M&G Investments	-3.19%	12.29%	8.91%
Momentum Systematic Strategies	-3.09%	7.48%	
SIM	-1.94%	6.65%	6.84%
Truffle	-3.95%	8.37%	10.59%
Local property			
Catalyst	11.57%	12.70%	-0.96%
Eris Social Infrastructure	-2.76%	8.46%	
Meago	10.04%	12.05%	-2.01%
Local bond			
ALUWANI	10.13%	7.86%	8.33%
Aluwani Flexible Bond	7.44%	7.67%	5.02%
Flexible Fixed Interest	7.35%	7.58%	7.66%
Futuregrowth	7.15%	8.99%	9.53%
Momentum Flexible Bond	8.30%	8.42%	
Local absolute-return			
Laurium	1.48%	8.34%	7.10%
M&G Investments	1.09%	9.70%	7.41%
Prescient	7.40%	8.59%	7.40%
Sentio	1.63%	6.63%	5.15%
SIM	0.27%	0.50%	0.23%
Local cash			
ALUWANI	9.63%	7.26%	7.84%
Momentum Enhanced Yield	9.67%	7.19%	
Momentum Money Market	9.19%	6.79%	
Global equity			
Momentum Global Investment Management	25.81%	14.50%	15.09%
Global property			
Momentum Global Property	5.43%	6.92%	
Global bond			
Amundi	7.49%	2.24%	5.31%
Global cash			
State Street			

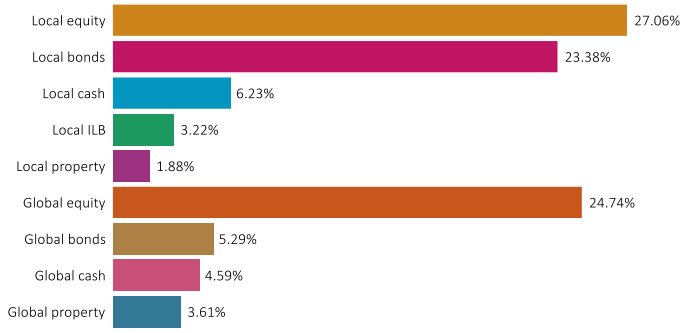
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



The cumulative growth of the portfolio since launch compared to CPI + 3%.

Effective asset allocation



The 10-largest portfolio holdings

Holding	
Republic of South Africa R2037	4.24%
Republic of South Africa R209	2.37%
Naspers Limited	2.33%
Republic of South Africa R2032	2.14%
Republic of South Africa R2035	2.05%
Prosus NV N	1.91%
Republic of South Africa R2040	1.51%
FirstRand Limited	1.44%
Republic of South Africa R213	1.39%
Standard Bank Group Limited	1.24%

The 10-largest instruments at 31 January 2024, looking through all asset classes held.

Quarterly portfolio commentary for Q4 2023

Past monetary policy tightening, constrained government coffers, lingering inflation and unpredictable geopolitical events will likely lead to a moderation in global growth in 2024. Nevertheless, the world economy faces varied growth paths. While robust consumer spending in the United States (US) is expected to slow as excess savings dry up, Europe is contending with economic pressures and calls for fiscal austerity will likely limit recovery. On the other hand, China is anticipated to benefit from meaningful policy announcements made late in 2023, following a disappointing response from authorities earlier last year. Despite global inflation having more than halved, the International Monetary Fund warns that inflation in 90% of inflation-targeting countries will likely still exceed central bank targets in 2024. Moreover, elections in 2024 for over half of the world's population will contribute to an uncertain geopolitical landscape.

Indications of slowing US economic activity in 2024, along with expectations for the start of a subsequent US easing policy cycle, would provide positive support to both the US bond and equity markets.

Escalating logistical challenges are affecting rail and port efficiency and dampening growth prospects in South Africa (SA) even as energy constraints are expected to ease. The inability to resolve these bottlenecks is a challenge for the ruling party as we approach the 2024 national elections. Moreover, SA's interest burden and social demands remain high, hindering a swift stabilisation in the country's debt ratio. Though renewed risks to the SA inflation forecast exist, demand-led pressures and wage inflation are expected to remain contained. The SA Reserve Bank is expected to continue talking tough on inflation even though the next move in interest rates is likely lower from here, most likely by the middle of 2024.

A significant risk premium is embedded in rock-bottom SA equity valuations, with little positive sentiment towards this very underowned asset class by local and foreign fund managers. There is thus scope for a rerating should there be an improvement in some of the local impediments over time, or if a global risk-on environment takes hold. SA nominal bonds similarly discount lots of bad news. A break-even widening in the second half of 2024 should provide more fundamental support for inflation-linked bonds as 2024 unfolds. SA listed property nominal and real dividend yields are among the highest in the world. However, the delayed impact of higher interest rates is already starting to hurt SA listed property companies.

The portfolio delivered a return of 6.6% for the quarter, which was below the benchmark.

Notes

Changes were made to the strategic asset allocations on 1 July 2023.
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.
On 1 November 2020, the real return expectation for this portfolio was revised from inflation plus 5% to a range of inflation plus 3% to 4%.
Changes were made to the strategic asset allocations on 31 October 2020.
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.
Asset management fees exclude performance fees, where applicable. as well as investment management fees recovered by the underlying investment managers within the portfolio, where applicable.

Disclosures

The investment policy is underwritten by Momentum Metropolitan Life Limited, which is a registered insurer under the Insurance Act, 18 of 2017. 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, 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.
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.
Sources: Momentum Investments, 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

Signatory of:
PRI Principles for Responsible Investment

momentum corporate

FAW - Momentum Conservative Default Lifestage Portfolio Range

Momentum Conservative Default Lifestage Consolidator

Factsheet at 29 February 2024

Target: CPI + 2% to 3%

Investment horizon: Four years

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

Momentum outcome-based investing philosophy

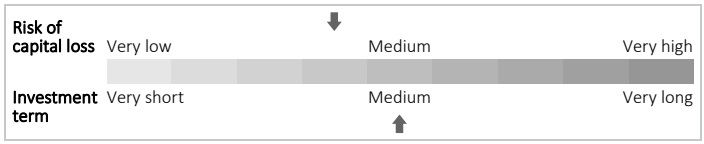
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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 pre-retirement and consolidation phase of investing. It has a short- to medium-term investment horizon and, therefore, the aim is to maintain an average exposure of 43.5% 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 consists of the full universe of asset classes, including global investments of up to 45% and selective alternative asset classes. The allocation between asset classes is actively managed, taking the market environment into account. Through the optimum selection of asset classes, the probability of achieving the outcome is maximised within acceptable risk parameters. Performance fees may be paid within investment mandates, should they sufficiently enhance investment returns after fees. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

Portfolio information

Launch date:	January 2004
Benchmark:	Composite: Local equity 20%; Local property 2.5%; Local bond 30%; Local cash 17%; Global equity 17.5%; Global property 3.5%; Global bond 5%; Global cash 4.5%
Target:	Inflation plus 2% to 3% 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	Benchmark	CPI + 2%
10.35%	8.51%	7.26%

The annualised return over the investment horizon of the fund.

Hit rate

Portfolio 79.49%

The percentage of times the portfolio achieved or exceeded CPI + 2% over rolling periods of the investment horizon.

Average shortfall

Portfolio -1.11%

The average shortfall relative to CPI + 2% over rolling periods of the investment horizon.

Short-term risk

Risk of negative one-year return

Portfolio	Benchmark
5.63%	6.93%

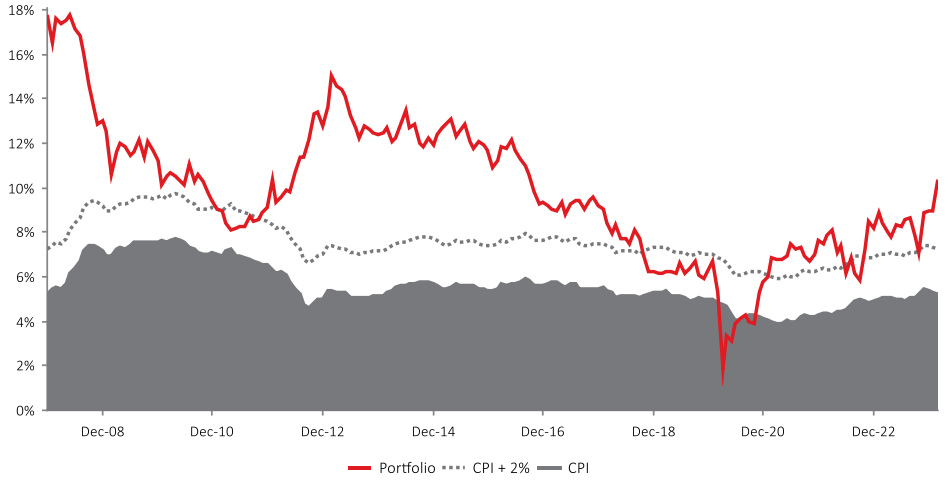
The likelihood of negative returns over any one-year rolling period.

Minimum one-year returns

Portfolio	Benchmark
-3.40%	-4.40%

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	**0.94%**	**3.10%**	**9.37%**	**8.03%**	**9.51%**	**10.35%**	**8.59%**	**7.91%**	**7.97%**	**11.15%**
Benchmark[1]	0.84%	3.23%	9.78%	7.71%	8.60%	8.51%	6.98%	6.27%	6.73%	10.72%
Risk-adjusted ratio[2]					1.45	1.11	1.00	0.97	1.03	1.72
CPI + 2%	0.25%	0.50%	7.32%	8.10%	7.97%	7.26%	7.10%	6.92%	6.84%	7.45%

[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

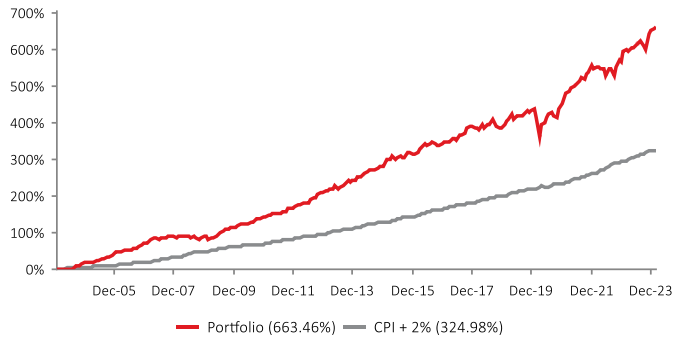
Asset class	Index	One month	One year	Two years	Three years	Four years	Five years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.27%	-1.97%	0.85%	7.77%	11.59%	7.00%	**20.00%**
Local property	FTSE/JSE All Property Index	-0.34%	16.28%	9.50%	13.77%	5.50%	-0.51%	**2.50%**
Local bond	FTSE/JSE All Bond Index	-0.58%	7.64%	6.27%	7.18%	7.46%	7.75%	**30.00%**
Local cash	STeFI Composite Index	0.65%	8.30%	6.99%	5.95%	5.67%	5.98%	**17.00%**
Global equity	MSCI All Countries World Index	5.89%	28.17%	18.32%	15.23%	18.04%	17.44%	**17.50%**
Global property	FTSE EPRA/NAREIT Developed Index	2.02%	5.79%	3.95%	7.80%	5.07%	7.02%	**3.50%**
Global bond	FTSE World Government Bond Index	2.08%	6.85%	3.70%	0.84%	0.71%	4.15%	**5.00%**
Global cash	ICE BofA US 1-Month Treasury Bill Index	3.60%	10.28%	15.99%	11.17%	7.32%	8.68%	**4.50%**

Investment manager returns

	One year	Three years	Seven years
Local equity			
BlueAlpha	-0.79%	6.90%	5.78%
Fairtree	-0.46%	8.28%	12.37%
Foord	4.58%	11.20%	5.88%
M&G Investments	-3.19%	12.29%	8.91%
Momentum Systematic Strategies	-3.09%	7.48%	
SIM	-1.94%	6.65%	6.84%
Truffle	-3.95%	8.37%	10.59%
Local property			
Catalyst	11.57%	12.70%	-0.96%
Eris Social Infrastructure	-2.76%	8.46%	
Meago	10.04%	12.05%	-2.01%
Local bond			
ALUWANI	10.13%	7.86%	8.33%
Aluwani Flexible Bond	7.44%	7.67%	5.02%
Flexible Fixed Interest	7.35%	7.58%	7.66%
Momentum Flexible Bond	8.30%	8.42%	
Local absolute-return			
Laurium	1.48%	8.34%	7.10%
M&G Investments	1.09%	9.70%	7.41%
Prescient	7.40%	8.59%	7.40%
Sentio	1.63%	6.63%	5.15%
SIM	0.27%	0.50%	0.23%
Local cash			
ALUWANI	9.63%	7.26%	7.84%
Momentum Enhanced Yield	9.67%	7.19%	
Momentum Money Market	9.19%	6.79%	
Global equity			
Momentum Global Investment Management	25.81%	14.50%	15.09%
Global property			
Momentum Global Property	5.43%	6.92%	
Global bond			
Amundi	7.49%	2.24%	5.31%
Global cash			
State Street			

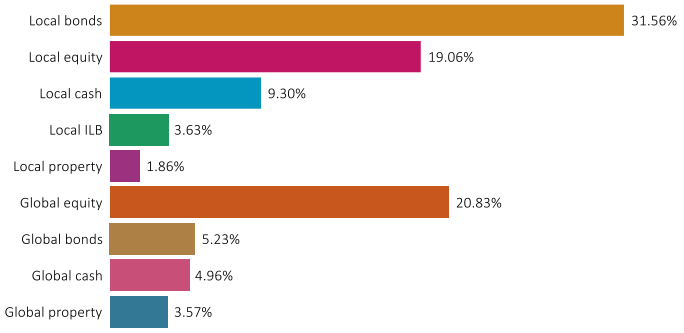
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



The cumulative growth of the portfolio since launch compared to CPI + 2%.

Effective asset allocation



The 10-largest portfolio holdings

Holding	
Republic of South Africa R2037	5.66%
Republic of South Africa R209	3.37%
Republic of South Africa R2032	2.72%
Republic of South Africa R2035	2.38%
Republic of South Africa R213	1.89%
Republic of South Africa R2040	1.83%
Naspers Limited	1.55%
Prosus NV N	1.36%
FirstRand Limited	1.02%
Republic of South Africa R2044	0.94%

The 10-largest instruments at 31 January 2024, looking through all asset classes held.

Quarterly portfolio commentary for Q4 2023

Past monetary policy tightening, constrained government coffers, lingering inflation and unpredictable geopolitical events will likely lead to a moderation in global growth in 2024. Nevertheless, the world economy faces varied growth paths. While robust consumer spending in the United States (US) is expected to slow as excess savings dry up, Europe is contending with economic pressures and calls for fiscal austerity will likely limit recovery. On the other hand, China is anticipated to benefit from meaningful policy announcements made late in 2023, following a disappointing response from authorities earlier last year. Despite global inflation having more than halved, the International Monetary Fund warns that inflation in 90% of inflation-targeting countries will likely still exceed central bank targets in 2024. Moreover, elections in 2024 for over half of the world's population will contribute to an uncertain geopolitical landscape.

Indications of slowing US economic activity in 2024, along with expectations for the start of a subsequent US easing policy cycle, would provide positive support to both the US bond and equity markets.

Escalating logistical challenges are affecting rail and port efficiency and dampening growth prospects in South Africa (SA) even as energy constraints are expected to ease. The inability to resolve these bottlenecks is a challenge for the ruling party as we approach the 2024 national elections. Moreover, SA's interest burden and social demands remain high, hindering a swift stabilisation in the country's debt ratio. Though renewed risks to the SA inflation forecast exist, demand-led pressures and wage inflation are expected to remain contained. The SA Reserve Bank is expected to continue talking tough on inflation even though the next move in interest rates is likely lower from here, most likely by the middle of 2024.

A significant risk premium is embedded in rock-bottom SA equity valuations, with little positive sentiment towards this very underowned asset class by local and foreign fund managers. There is thus scope for a rerating should there be an improvement in some of the local impediments over time, or if a global risk-on environment takes hold. SA nominal bonds similarly discount lots of bad news. A break-even widening in the second half of 2024 should provide more fundamental support for inflation-linked bonds as 2024 unfolds. SA listed property nominal and real dividend yields are among the highest in the world. However, the delayed impact of higher interest rates is already starting to hurt SA listed property companies.

The portfolio delivered a return of 6.2% for the quarter, which was below the benchmark.

Notes

Changes were made to the strategic asset allocations on 1 July 2023.
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.
On 1 November 2020, the real return expectation for this portfolio was revised from inflation plus 4% to a range of inflation plus 2% to 3%.
Changes were made to the strategic asset allocations on 31 October 2020.
From 1 March 2019, the inflation plus objective of this portfolio changed from inflation plus 3% per year over three-year rolling periods to inflation plus 4% per year over four-year rolling periods.
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.
Asset management fees exclude performance fees, where applicable. as well as investment management fees recovered by the underlying investment managers within the portfolio, where applicable.

Disclosures

The investment policy is underwritten by Momentum Metropolitan Life Limited, which is a registered insurer under the Insurance Act, 18 of 2017. 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, 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.
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.
Sources: Momentum Investments, 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

Signatory of:

PRI Principles for Responsible Investment

Conservative Default Lifestage Defender

momentum corporate

Fund fact sheet
February 2024

This is an investment product provided through a policy of insurance. Members receive a guaranteed return of the value of their premiums invested (net of any payments made) plus accumulated bonuses (net of Investment management fee) at the date of a policy benefit (e.g., death, disability, resignation, retirement). Notwithstanding the guarantees on policy benefits, all other disinvestments may be subject to a market value adjustment (for further details contact your financial adviser to obtain more information on the market value adjustment).

This means that if the underlying asset values are below the fund value, the amount payable (for non-policy benefits) will be lower than the amount requested. It is therefore important to ensure that you are comfortable with the level of the market value adjustment if applicable, prior to investing or requesting disinvestments other than guaranteed policy benefits.

The Momentum Universal Smart Guarantee +3 fund complies with the FSCA Conduct Standard 5 of 2020 (RF) and may be used as a default investment portfolio as per Regulation 37 of the Pension Funds Act.

Inception date

01 October 2013

Fund objective

The Fund targets an average smoothed return of CPI + 3% per annum, net of Investment management fee and Underlying asset charges, over the long term.

How we aim to achieve the Fund objective

A liability-driven investment strategy is utilised to secure the guarantee and allow participation in 90% of the returns generated by the bonus generating portfolio, subject to the bonus smoothing methodology set out further below.

Although the bonus generating portfolio has relatively high growth exposure and may have volatile return pattern, it is expected to provide returns above inflation over the long term.

The portfolio incorporates all opportunities identified and performance fees may be paid within investment mandates, should they sufficiently enhance investment returns after fees. All combinations of asset classes are considered and an optimum allocation is selected to achieve this objective with a high degree of certainty. Alternative asset-class opportunities are continually investigated. The risk of exposure to losses in the short term is continually managed by maximising diversification to predominantly active strategies within specialist investment mandates within each asset class.

How this product differs from other smoothed bonus funds

The liability-driven investment strategy is in line with international best practice, presenting the following distinct advantages:

- The capital guarantee is provided for by means of the participation rate in the bonus generating portfolio, which results in the investor paying for the guarantee when it can best be afforded.
- The bonus smoothing formula used is transparent and allows for a clear translation from underlying asset returns to bonuses.
- Cross-subsidy, which is an inherent feature of smoothed bonus portfolios, is smaller.
- The liability driven investment strategy employed includes a dynamic protection overlay to secure the guarantee. As a result, the value of the underlying asset portfolio is sensitive to changes in asset values (and interest rates) and the effective asset allocation will reflect both the bonus generating portfolio and the dynamic protection overlay.

Risk profile

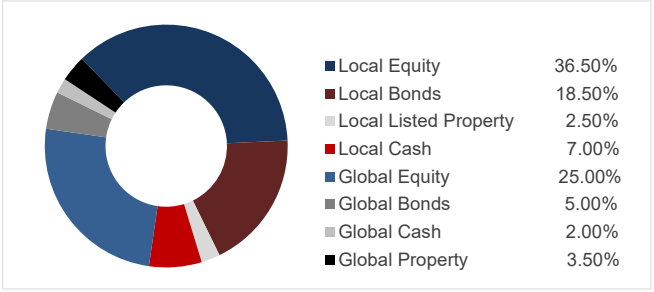
Low

Particularly appropriate for

The portfolio is suitable for:

- long-term investors seeking to plan with confidence for retirement;
- investors who would like to benefit from the upside potential of volatile investment like equities but require downside protection in case of an unforeseen event like death, disability, or a market crash shortly before retirement.

Strategic asset allocation of the bonus generating portfolio



Bonus smoothing methodology

For bonus declarations, 90% of the underlying asset returns of the bonus generating portfolio are smoothed over a three-year period as per the smoothing formula. This means:

- in years when investment markets rise, members forego a portion of the investment returns; and
- in years when investment markets fall, members do not experience the full impact of the fall.

The monthly bonus rate is the weighted average of 90% of the monthly historical returns of the bonus generating portfolio, as per the following simplified smoothing formula:

- returns for the year ended 31 January 2022 are weighted by 17%
- returns for the year ended 31 January 2023 are weighted by 33%
- returns for the year ended 31 January 2024 are weighted by 50%

The monthly bonus rate can be adjusted to allow for the level of the funding position (this takes cognisance of the product liability and value of the underlying assets), the effect of cross-subsidies and any impact of the protection overlay.

The Fund Account consists of:

- capital invested;
- plus vested bonus declared each month on the Fund Account;
- less disinvestments and any market value adjustments;
- less investment management fees.

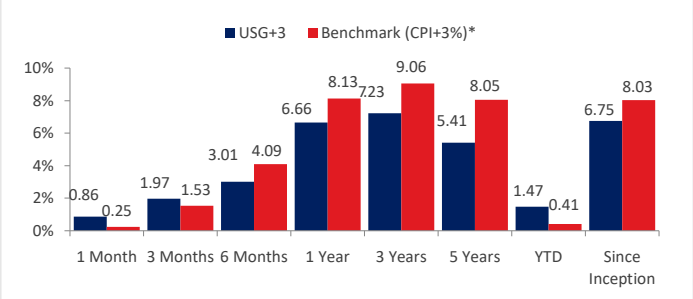
Note: Vested refers to guaranteed. These terms are used interchangeably in marketing literature and investment reports. If there are queries, please contact us

The smoothed bonus disclosure document outlines how Momentum allocates capital to portfolio under adverse market conditions.

Monthly bonus rates

Month	Vested
Mar - 2024	0.780%
Feb - 2024	0.860%
Jan - 2024	0.600%
Dec - 2023	0.500%
Nov - 2023	0.064%
Oct - 2023	0.450%
Sep - 2023	0.500%
Aug - 2023	0.650%
Jul - 2023	0.550%
Jun - 2023	0.500%
May - 2023	0.570%
Apr - 2023	0.550%

Performance



*NOTE: Past performance cannot be extrapolated into the future and is not always an indication of future performance.

Bonus rates are net of Underlying Asset charges but gross of the Investment management fee indicated under 'Fees and Charges'

Returns for periods longer than 1-year are annualised

CPI figures are lagged by two months

Fees and charges (per annum)

Investment management fee

0.75% of the fund account value

Underlying asset charges

0.50% capital charge

In addition to the capital charge, depending on the performance, performance fees can be payable to the underlying asset managers. These fees will be deducted from the assets.

Total Expense Ratio (TER) and Total Investment Cost (TIC)

The latest available three-year TER and TIC is shown below, as at 30 September 2023.

Capital Charge	0.50%
Investment Management Fee	0.75%
Net Priced Asset Fees	0.20%[1]
Performance Fees	0.05%
TER, including the Capital Charge	**1.49%**
Transaction Costs	0.04%[2]
TIC, including the Capital Charge	**1.53%**

[1] The net priced asset fees are dependent on the allocations to the bonus generating portfolio and matching fixed income portfolio, which are determined by the liability-driven investment strategy.

[2] Transaction costs are incurred with the buying and selling of financial instruments within the portfolio.

The Principles and Practices of Financial Management (PPFM) describe the approach we adopt in managing this product. The PPFM is available on our website.

Contact details

Website:

momentum.co.za/fundsatwork

Email:

FAWInvestmentQueries@momentum.co.za

Disclaimer

Copyright reserved © Momentum Metropolitan 2024 – Momentum Corporate is a part of Momentum Metropolitan Life Limited (registration number 1904/002186/06), a wholly owned subsidiary of Momentum Metropolitan Holdings Limited. The document is for illustrative purposes only and does not constitute tax, legal, accounting or financial advice. You rely on the contents at your sole discretion. We recommend that you consult with a financial adviser before making any changes to your group employee benefits. Momentum Metropolitan Holdings Limited, its subsidiaries, including Momentum Metropolitan Life Limited, will not be liable for any loss, damage (whether direct or consequential) or expenses of any nature which may be incurred as a result of or which may be caused, directly or indirectly, to the use or reliance on this publication. Terms & conditions apply.

Momentum Metropolitan Life Limited is an authorised financial services (FSP6406) and registered credit provider (NCRCP173), and rated B-BBEE level 1.

01/2024