

Momentum Defender Retirement Fund

Wealth

31 May 2019

momentum

investments

Launch date on Wealth platform:
17 March 2008

Investment manager:
Momentum Manager of Managers

Benchmark/Target Return:
CPI plus 2% over 36-month rolling terms

Unit prices:
The fund is daily priced. The relevant fund management fee and tax (where applicable) is applied to the daily unit price

Ongoing investment management fee:
1.25% pa

Product availability:
All Momentum Wealth products, except for the Wealth Flexible Investment Option (FIO)

Administration platform:
Momentum Wealth

Capital guarantee:
The fund provides an inherent, fund-level capital guarantee

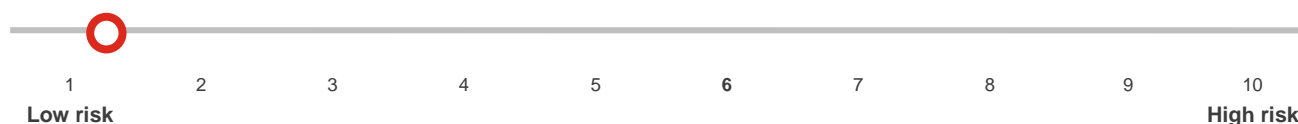
Risk profile:
Low risk, conservative

Investment horizon:
Short to medium term

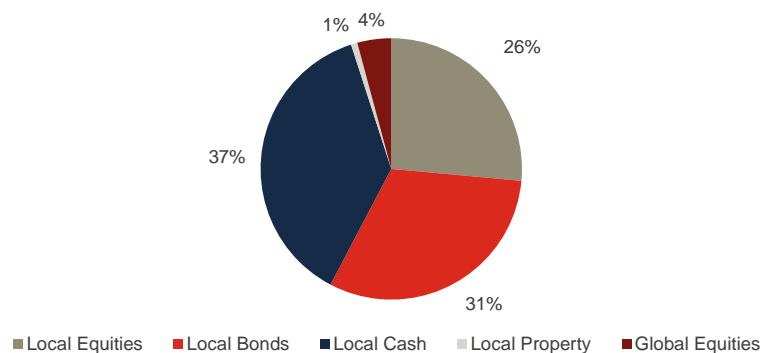
Investment objective

This is a multi-manager investment portfolio and the investment managers have the objective of delivering inflation-beating returns. Bonuses are declared monthly in advance and the investment returns from the underlying asset classes are actuarially smoothed over time, thus protecting investors against short-term volatility. The portfolio offers investors an explicit capital guarantee and full daily liquidity on all payments from the portfolio, including benefit payments, switches and full or partial terminations. Bonuses are declared monthly in advance and, once declared, vest fully. Bonuses are declared after fees are deducted and can never be negative.

Risk classification



Asset allocation



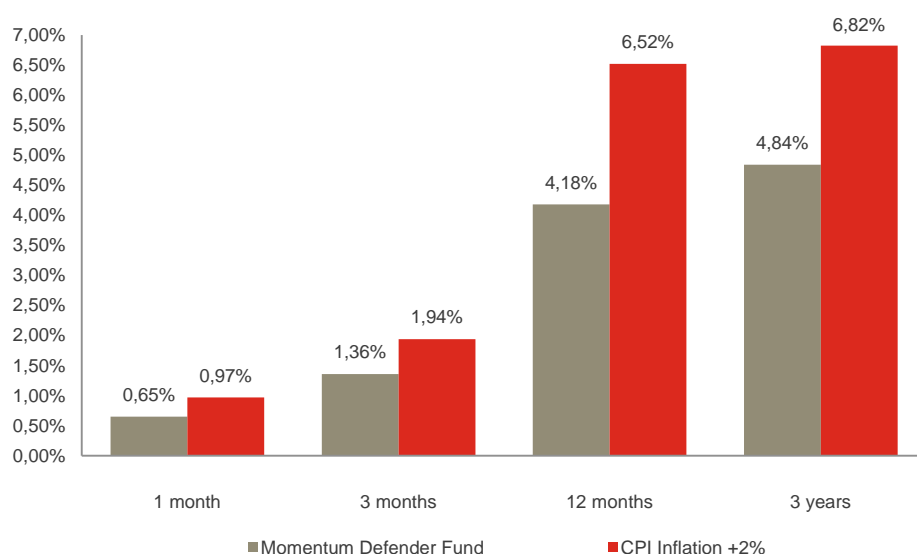
Fund performance

Monthly bonus declaration history (previous six months):

Retirement Fund

May '19	0.65%
Apr '19	0.40%
Mar '19	0.30%
Feb '19	0.20%
Jan '19	0.10%
Dec '18	0.10%

Returns are shown net of investment management fees and tax:



Returns annualised for terms longer than one year

1st Quarter 2019 Market Comment

The world economy continues to expand, but there are increasing signs that momentum in growth appears to be fading. The global expansion is set to slow further in 2020, as high levels of public debt limit the ability of major advanced economies to counteract a slowdown with fiscal stimulus. Regardless of firm macro fundamentals, the US Federal Reserve pivoted towards a more dovish stance in the past quarter, with its reaction function placing more emphasis on elevated global political and economic risks.

The recent coordinated dovish U-turn in monetary policy in major advanced economies, expected near-term Dollar weakness and a pause in trade war rhetoric should lead to an improvement in sentiment towards emerging markets (EMs), but a rise in anti-globalisation politics, the reduced pace of growth in global liquidity and elevated debt-servicing costs for EM corporates continue to pose downside risks.

The damaging effects of electricity constraints on confidence and output have prompted a downward adjustment to Momentum Investments' forecast for real growth in South Africa (SA) for 2019. A modest improvement is expected in the medium term on the back of some regulatory and governance reform. The positive downward trajectory in inflation expectations and weaker-than-expected growth outcomes likely lower the pressure on the SA Reserve Bank (SARB) to maintain a tightening bias. However, the hurdle to interest rate cuts remains high, given the SARB's intention to drive inflation expectations closer to the midpoint of the target band, while looser fiscal policy further encumbers the SARB's ability to run a more accommodative stance on monetary policy.

Returns illustrated above apply to lump sum investments. Past performance of any investment is not necessarily a guide to the future. Fluctuations in the value of the underlying assets, and the income derived from these assets and changes in interest rates, mean that the value of an investment may fall as well as rise. All performances are illustrated net of investment management fees, except where otherwise stated. An investment in the fund may not be suitable for all investors. Investors should obtain advice from their financial adviser before proceeding with an investment.