

Momentum International Equity Note
(UMMIEA) - Quarterly

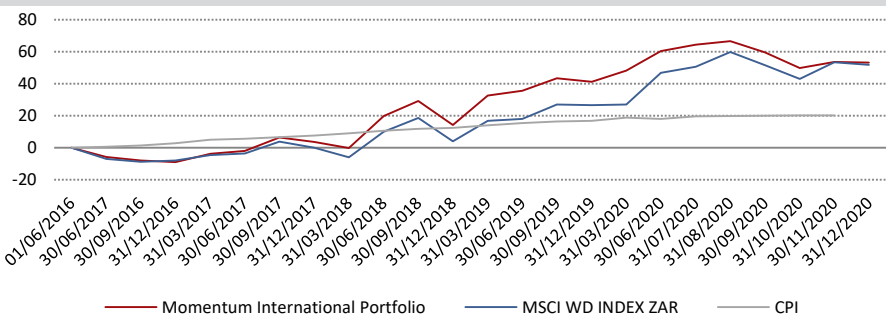
Investment Objective

The exchange traded note (ETN) invests in Momentum Securities' International Equity Portfolio. This portfolio has a global focus determined to maximise risk adjusted returns to investors over the medium to long-term by investing in concentrated listed equity positions. The returns of this portfolio are reliant on the ability of our portfolio management team to identify and take positions in both undervalued and growth orientated shares in a consistent manner that will in time deliver returns in excess of the portfolio benchmark.

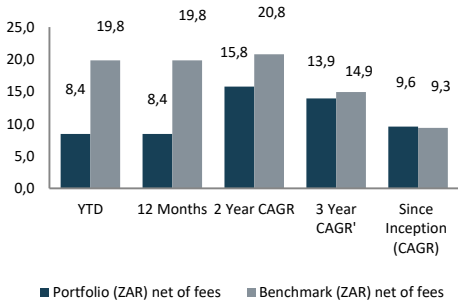
Investment Profile

- Investors with local JSE trading accounts looking for easy to access global equity exposure.
- Investors with ZAR portfolios that want access to the Momentum Securities investment capabilities directly from their existing stockbroking account.
- Investors looking to allocate a portion of their portfolio to an actively managed global equity allocation in ZAR via the JSE (Ticker UMMIEA).

Cumulative Performance (ZAR)



Cumulative Performance (ZAR)



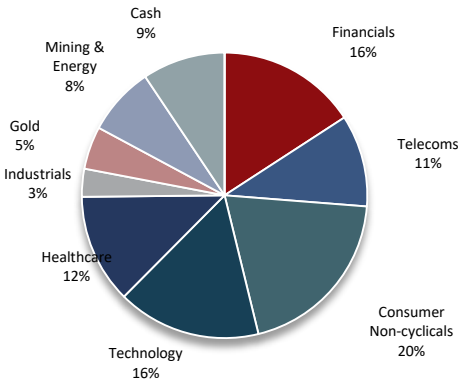
Cumulative Performance (ZAR)

Table with 3 columns: Metric, Portfolio, Benchmark. Rows include YTD, 12 Months, 2 Year CAGR, 3 Year CAGR, and Since Inception (CAGR).

Top 5 Holdings

Table with 2 columns: Holding, Percentage. Rows include Mastercard (MA), Johnson & Johnson (JNJ), Amazon (AMZN), Comcast (CMCSA), Nestle (NESN), and TOTAL.

Sector Allocation



* The Momentum Securities International Equity ETN references the portfolio holdings of the Momentum International Equity Portfolio that was launched in June 2016. Official ETN listing date 20 August 2018.

December 2020

Risk profile



Investment information

Inception date 1 June 2016
Investment manager Momentum Securities
Stockbroker/custodian Your selected stockbroker
Management fee Momentum Securities 0.75% (annual)
UBS ETN Issuance & Administration 0.50% (annual)
Total Fee 1.25% VAT inclusive (annual)
Minimum lump sum R 5 000
Redemption periods 3 business days
Benchmark MSCI World Index (ZAR)
Issuer Details UBS AG
Credit rating by S&P A+
Moody's AA3

Disclaimer: Shares are generally medium- to long-term investments. The value of shares may go down as well as up and past performance is not necessarily a guide to the future. Opinions expressed in this document are those held as at the date appearing in this material only. Momentum Securities shall not be liable or responsible for any use of this document or to any other person or entity for any inaccuracy of information contained in this document or any errors or omissions in its content, regardless of the cause of such inaccuracy, error or omission. This document should not be seen as an offer to purchase any specific product and should not be construed as advice or guidance in any form whatsoever.

Economic Overview

In quarter four, we again saw continued support from Central Banks and governments for their economies. This financial support continued to prop up financial markets and helped support global economies. We have however, seen a continued rise in infections and further lockdowns, which has impacted business activity and caused global economic growth to moderate further.

In 2021, with the roll out of vaccines, global economic growth is expected to improve, however, the pace of growth is likely to be below previous expectations. In SA we expect a rebound in economic growth in the second half of 2021, after a contraction of about 7% odd in 2020.

Market Overview

Over the fourth quarter global equity markets returned a very strong 14.7% and the SA equity market 9.8% in local currency terms. In Dollar terms however, the SA Equity market returned 24.6% due to the SA Rand appreciating nearly 15% relative to the US dollar. The US dollar continued to weaken against most major currencies over the past quarter as the US Fed provided more than enough US Dollar liquidity to global financial markets, which was positive for commodities and emerging markets.

During the fourth quarter of 2020, we saw the following performance in the SA financial markets in Rand terms: the All Share Index returned 9.8%, the All Bond Index returned 6.7% and cash returned 1%.

Portfolio Activity

During the fourth quarter we made no changes to the portfolio. The portfolio decreased by 4% for the quarter with the last month of the quarter posting a 0,3% loss.

Our biggest sector exposures lie in Consumer non cyclicals, Financials, IT and Healthcare, in which we are overweight the first

Further stimulus packages, from global Central Banks, are still likely in 2021, this will shore up both consumers and asset markets. The rate of change of these stimulus' packages, however, will slow and so too will their impact on financial markets.

Financial markets have been pushed up to heady levels in the US and valuations are currently very overextended. Stimulus packages and Central Bank actions may continue to support equity markets. Currently, we feel that developed economies, equity markets, particularly the US, are fully priced and caution is warranted.

SA Equity sector performance was as follows; the Resources Index +8.3%; the Financials Index +19.5%; the Industrial Index +7.4%; and the Listed Property Index +19%. The best performing SA equity sub-sectors over the quarter were Media and Platinum, up 38.3% and 29% respectively (all returns in SA Rands).

On the commodity front, we have seen a very strong quarter from base metals such as Iron Ore and Copper, up 28.5% and 21.6% respectively. These moves were driven by strong demand from China and supply disruptions. Platinum Group Metals (PGM) prices also moved up sharply: Platinum up 19.4%, Palladium up 5.5% and Rhodium up 22.3%.

two, underweight IT and neutral in Healthcare relative to the benchmark. For the past 12 months the portfolio has increased 8,4% with the benchmark, the MSCI World Index (ZAR), increasing by 19,8%.