

Momentum International Equity Note
(UMMIEA) - Quarterly

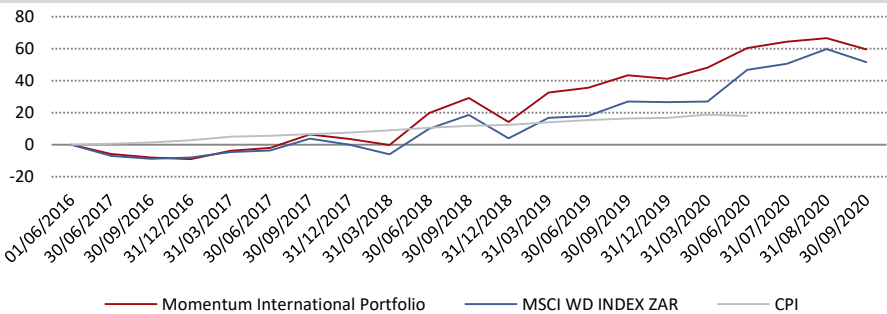
Investment Objective

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.

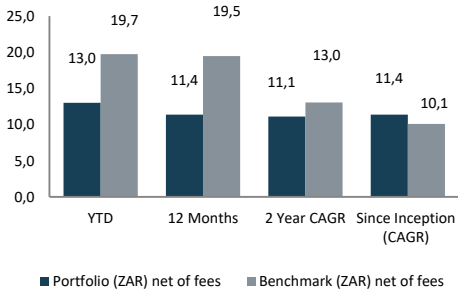
Investment Profile

- 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)



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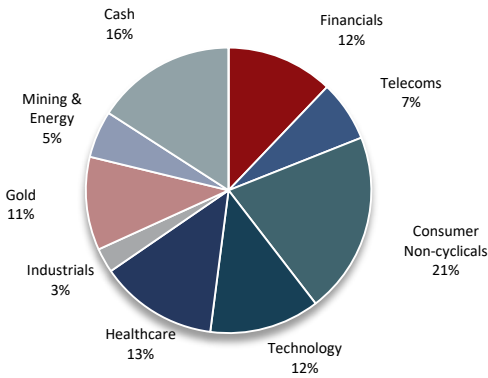
Cumulative Performance (ZAR)

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

Top 5 Holdings

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

Sector Allocation



September 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.

Economic Overview

In quarter three, Central Banks and governments continued the support of their economies and financial markets. This support saw a sharp improvement in their economies which have now lifted from their lows. While global economic growth is expected to continue to improve in the second half of 2020, overall global economic growth will be negative for 2020. In SA we expect a rebound in economic growth in the second half of the year, but see economic growth contracting by more than 8% for 2020.

Further stimulus packages, from global Central Banks, are anticipated this year which 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.

Market Overview

Over the third quarter global equity markets returned 8%; and the SA equity market 0.7%. The US dollar weakened over the third quarter as the US Fed provided more than enough US dollar liquidity to global financial markets.

Over the third quarter 2020, we saw the following performance in the SA financial markets: the rand appreciated by 2.4% relative to the US dollar, the All Share Index returned 0.7%, the All Bond Index returned 1.5% and cash returned 1.2%.

In the short-term, we expect some consolidation in financial markets followed by some weakness in these markets, as the extent of the stimulus declines. This will see greater volatility in currency and financial markets which is likely to see a weaker rand.

In the short-term, we recommend adopting a cautious approach to financial markets.

Sector performance was as follows; the Resources Index +6%; the Financials Index -1.6%; the Industrial Index -2.3%; and the Listed Property Index -14.1%. The best performing SA equity sub-sectors over the quarter were the Oil & Gas Producers and Support Services sectors, up 39.4% and 24% respectively, (all returns are in SA rands).

Portfolio Activity

During the third quarter we increased our exposure to KDDI Corporation and reduced our holding in Hong Kong Exchanges and Clearing, as well as in Amazon. The portfolio decreased by 0,5% for the quarter with the last month of the quarter posting a 4,3% loss.

For the past 12 months the portfolio has increased 11,4% with the benchmark, the MSCI World Index (ZAR), increasing by 19,5%.