

# Momentum International Equity Note (UMMIEA) - Quarterly

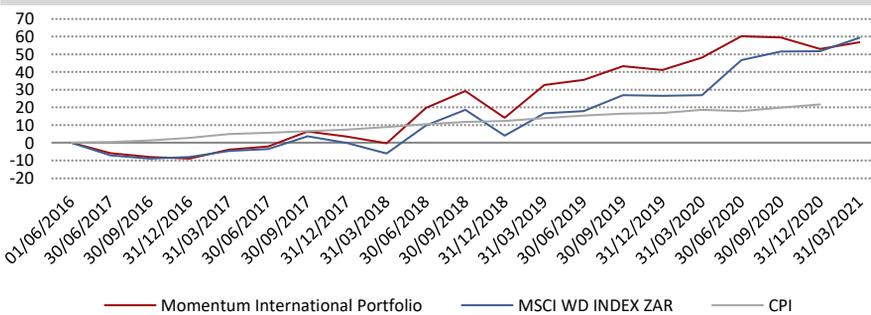
## Investment Objective

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.

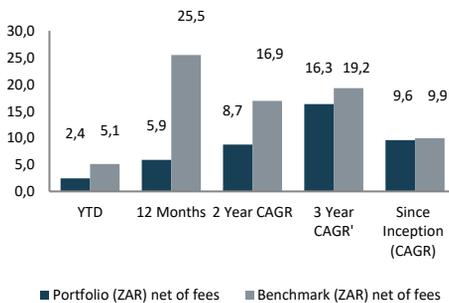
## Investment Profile

- 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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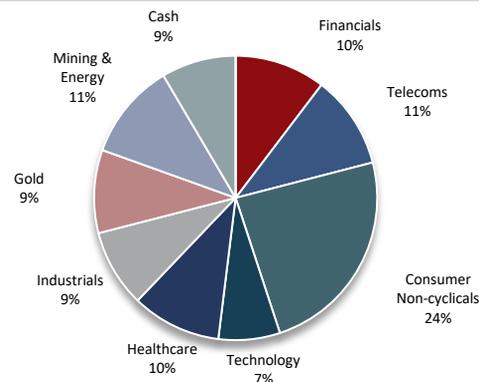
### Cumulative Performance (ZAR)

	Portfolio	Benchmark
YTD	2,4%	5,1%
12 Months	5,9%	25,5%
2 Year CAGR	8,7%	16,9%
3 Year CAGR	16,3%	19,2%
Since Inception (CAGR)	9,6%	9,9%

### Top 5 Holdings

SPDR Gold (GLD)	9,45%
Johnson & Johnson (JNJ)	5,77%
Lockheed Martin (LMT)	5,48%
Comcast (CMCSA)	5,45%
Mastercard (MA)	5,42%
<b>TOTAL</b>	<b>31,57%</b>

### 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.

## March 2021

### 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

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## Economic Overview

Fiscal packages and low interest rates have continued to support global economies, which have rebounded strongly as these economies to various degrees have been unlocked. The unlocking process still has a lot further to run and is unlikely to be a smooth process. Easy financial conditions have continued to be a prop for equity markets; however, inflation concerns have risen on the back of cost base effects and improved demand. We are likely to see a pick-up in global consumer price inflation which we see as being transitory and related to the rebound in economies. Global economies still remain some way off their pre-pandemic levels of activity.

We expect the SA economy to lag the global recovery due to a slower vaccine rollout, although the pace of economic growth in SA is still expected to recover in 2021. The US fiscal expenditure package will be positive for both US and global economic growth as well as commodity prices, however, this expenditure is only likely to occur towards the end of the year.

Equity markets have continued to be pushed up to heady levels in the US and valuations are overextended. Stimulus packages and Central Bank actions may continue to support equity markets, but we feel that the US equity market is fully priced, and caution is now warranted.

## Market Overview

While the riskier asset classes enjoyed an improving growth picture during the first quarter of 2021, global bond markets showed concern over potentially tighter monetary policy. As a result, global bond returns (-5,8% in dollars) were particularly poor in the quarter, falling short of the positive dollar returns provided by SA equities (+12,3%), developed market (DM) equities (+5%) for emerging market (EM) equities (+2,3%).

During the quarter, South Africa (SA) and Europe were the best-performing EM and DM equity markets respectively, outperforming by significant margins. SA equities also provided the highest returns among the local asset classes in the first quarter of this year (+13,1% in rand terms), far outpacing returns from Listed Property (+6,4%), Inflation-Linked Bonds (+4,6%), Cash (0,9%) and particularly Nominal Bonds (-1,7%).

Within SA Equity, SA Resources returned +18.7% over the first quarter of 2021, SA Industrials +13% and SA Financials +3.80%. SA Small Caps outperformed the overall SA Equity market over this period, returning 21.20%.

On the commodity front, we have seen the Copper price improve by +13.10%, while Iron Ore price was up marginally, +1.50%. We expect base metal prices to peak and normalise over the next 6 months. Platinum Group Metals (PGM) prices have moved up sharply: Platinum +10.8%, Palladium +7.3% and Rhodium +70%. Gold was down 10%.

## Portfolio Activity

During the first quarter we made no changes to our portfolio holdings. The portfolio increased by 2,4% for the quarter with the last month of the quarter flat.

For the past 12 months the portfolio has increased 5,9% with the MSCI World Index (in rands) up 25,5%.