

Smoothed Bonus Quarterly Report

First Quarter 2026

“With us the
safest distance
between two
points is also the
smoothest“





Review of the last quarter



Waseema Hassen

Technical Marketing:
Investment Deal Maker
Momentum Corporate

Dear valued investors

The first quarter of 2026 continued many of the global and local trends seen in late 2025, with a notable escalation in geopolitical risk toward the end of the period. While global economic growth remained relatively resilient early in the quarter, the outbreak of conflict, stemming from Israel and the United States' (US) attack on Iran in March 2026, became the dominant driver of financial markets. This led to increased volatility, a stronger US dollar, and a weaker rand. As a result, global assets outperformed South African (SA) assets in rand terms over the quarter.

In global markets, defensive asset classes performed strongly in response to heightened uncertainty. Global cash emerged as the best performing asset class for the quarter. Global bonds outperformed global equities as investors sought safer assets. In the equities asset class, emerging market equities managed to outperform developed market equities over the quarter, supported by strong performance in the first two months of the year. Among developed markets, Japan stood out, benefiting from an election-related rally earlier in the quarter.

In the US, trade policy remained restrictive, although the pace of new tariff implementation slowed. The 2025 tariffs were deemed illegal by the US Supreme Court and retracted, with Trump using executive powers to implement a new 10% global tariff that expires in July 2026. The resolution of the prolonged government shutdown early in January 2026 provided some short-term stability. However, the escalation in geopolitical tensions in March 2026 shifted focus toward global risk factors, which dominated market sentiment toward quarter-end.

Global growth showed signs of moderation as the quarter progressed. A sharp increase in oil prices during March 2026, driven by geopolitical developments, added to inflation concerns and weighed on growth expectations. However, a sustained shock large enough to trigger a global recession is still considered unlikely.

SA's external environment became more challenging as global risk aversion increased. The stronger US dollar and weaker rand reduced the relative performance of local assets compared to global markets. Among SA asset classes, the strong US dollar gold price in January and February 2026 supported gains in gold exposures, with the gold exchange traded funds delivering the highest returns for the quarter despite a sharp sell-off in March 2026. Cash was the only other domestic asset class to produce positive returns. Within equities, the Resources sector benefited from higher gold prices, helping to offset weakness in Industrials, leaving overall market returns only slightly negative.



Consumer pressures remained relatively contained despite increased volatility. While the weaker rand and higher oil prices introduced some upside risks to inflation, underlying price pressures remained moderate, and inflation stayed broadly within the 3% target range. This provided some flexibility for monetary policy, although the uncertain global backdrop may limit further easing in the near term.

SA financial markets delivered mixed performance during the quarter of 2026. The FTSE/JSE All Share Index declined by 0,5%, with the Resources sector providing support through positive returns, while Financials and Industrials detracted. Resources benefited from sustained commodity prices, although returns were more muted compared to the previous quarter with the FTSE/JSE Resource Index returning 8,0% for the quarter.

The rand weakened against the US dollar by 3,1%.

For further market and economic insights, refer to the analysis by Herman van Papendorp and Sanisha Packirisamy of Momentum Investments' macro research team on page 9.

Momentum Corporate smoothed bonus portfolios

The Momentum Corporate smoothed bonus portfolios continued to demonstrate resilience during the quarter, delivering stable performance for the period ended 31 March 2026.

Performance over the quarter reflected the benefits of a well-diversified approach, with contributions from both local and global investments. While local assets faced pressure, particularly in March 2026, earlier gains in gold-linked exposures and consistent contributions from global assets helped support overall returns. Global diversification benefited portfolios as offshore assets outperformed in rand terms during the risk-off environment. Fixed income also contributed to overall portfolio stability, reinforcing the portfolios' ability to perform across varying market conditions.

As of 31 March 2026, all portfolios remain fully funded and well positioned to deliver steady returns over the short to long term. We remain confident that our diversified approach will continue to support consistent performance and help navigate evolving market conditions.

Kind regards

Waseema Hassen



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Patrick Moehrke

Product Specialist
Structured Solutions

The steering wheel of your future: A tale of two savers

Why your choices today
change the journey of your
money tomorrow.

Most retirement advice treats the future as a destination you simply "arrive at" if you save enough. However, in reality, retirement outcomes are shaped by many small decisions made along the way. Incremental changes in variables like contribution rates, fees and withdrawals can materially alter your journey and the destination itself.

With the introduction of the South African two-pot system, this landscape has become even more dynamic since members and advisers will have to weigh up the long-term impact of withdrawals from the savings component against future retirement outcomes. To illustrate how these variables behave, and how individual choices interact with them, we modeled the 40-year journeys of two colleagues, Jack and Jill across 2,500 sample paths.

Jack and Jill both started work on their 25th birthday with:

- A starting monthly salary of R25,000
- Annual salary increases of CPI+1%
- A pensionable salary rate of 80%
- Ongoing contributions throughout their working lives
- A target net replacement ratio (NRR) of 75%.

Both invested in a lifestaging portfolio, beginning with a growth-orientated balanced fund (Equities: 60%, Bonds: 30%, Cash: 10%) that gradually de-risks to a conservative balanced fund from age 60 (Equities: 20%, Bonds: 50%, Cash: 30%).

While their starting points were largely the same, their behaviour was not, leading to materially different retirement outcomes.

The profiles: fragility vs. resilience

Jack: The "leakage" profile

Jack followed the "path of least resistance". He stayed in the default actively managed lifestage portfolio, paying 1,5% p.a. in investment management fees. With the introduction of the two-pot system, Jack viewed his savings component as a readily available lifestyle buffer. Every December, he withdrew a quarter of the available balance to fund travel and lifestyle upgrades. As his salary increased each year, so did his lifestyle, with Jack paying little attention to how his choices would affect his projected retirement income.

He failed to realise that his Net Replacement Ratio (NRR) was silently eroding in the background. By the time he reached his late 50s, Jack's position had become economically fragile. Across the 2,500 sample paths, Jack meets his 75% target NRR only 24,5% of the time.

Jill: The "optimised" profile

Jill followed the "path of diligence". She chose a low-cost passive portfolio, paying 0,75% in investment management fees for the same glide path. Crucially, Jill didn't make any withdrawals from her savings component, letting it compound over her working life.

By avoiding "leakage" and minimising fees, Jill's compounding engine was running at peak efficiency for all 40 years of her career. As a result, Jill achieved her target NRR in 70,7% of scenarios. This means she is nearly 3 times more likely than Jack to reach her retirement goal.

Even though Jack and Jill's retirement choices differed in relatively simple ways, their retirement outcomes were materially different. As a result, the impact of any changes to contribution rates, savings withdrawal behaviour, inflation, and investment management fees wouldn't affect them in the same way.

The sensitivity paradox

Using a technique called **Automatic Differentiation**, we measured how a 1% change today in key variables affected Jack and Jill's chances of reaching their target NRR 40 years from now, averaged across all scenarios.

Variables (+1%)	Expected Impact on NRR	
	Jack	Jill
Inflation	-14,98%	-25,35%
Contribution Rate	5,06%	9,14%
Management Fees	-15,93%	-29,24%
Savings Withdrawal	-0,03%	-8,85%

Key Insight:

Because Jill built up a significantly larger capital base (approximately 1,8x Jack's at retirement), she became more sensitive to each variable. This means that a marginal reduction in fees or an increase in contributions benefits Jill more than Jack. Conversely, even a marginal increase in savings component withdrawals have a far larger negative effect for Jill than for Jack. Given that Jack has eroded his capital through regular withdrawals, even objectively 'good' actions like reducing fees or increasing contributions are less effective due to the weaker base which they operate from.

The late-career stress test:

The true value of Jill's early-career discipline is revealed when she has to access her savings component to fund an unavoidable expense. At age 55, both Jack and Jill face a major, unavoidable expense equivalent to R250k in today's terms (approximately R2,1 million in future value) funded from whatever is available in their savings component.

- **Jack's Outcome:** Because Jack's savings component has already been materially depleted, he is unable to meet the full emergency requirement and is forced to deplete his entire savings. His probability of reaching a 75% NRR remains broadly unchanged. This, however, has second-order consequences as he may require additional debt to reach the emergency target, increasing pressure on his post-retirement income, which would increase his target NRR.
- **Jill's Outcome:** Because Jill built a sufficient buffer, she is able to withdraw the full emergency amount. Her success rate, however, declines from 70,7% to 63,9%, but her target NRR remains achievable on average. Jill's early discipline created optionality.

Smart money choices:

Maximising NRR without sacrificing take-home pay

Jill's results show that the most effective strategies often work in combination.

1. The fee swap:

Moving from a high to a low-cost fund today, say a 50bps fee reduction, is mathematically equivalent to giving your future self a 7,5-15% increase in NRR, with no impact on your current take-home pay.

2. Contribution Increase:

Following a salary increase, if net take-home pay allows, increasing monthly contributions could see a 5-10% improvement in NRR.

3. The zero-withdrawal policy:

By treating the savings component as "locked" it preserves long-term outcomes. For members who have not yet withdrawn from it, every 1% withdrawn can reduce the NRR by around 8%. Once withdrawals become regular, the marginal damage is smaller, but this is only because the long-term cost has already been realised.

The bottom line:

Retirement outcomes are not determined by markets alone. They are shaped by behaviour and the small, yet impactful, changes members make throughout their working lives. Jack and Jill started at the same place, but by smartly adjusting the "levers" of fees and withdrawals, Jill built resilience while Jack accumulated risk. By navigating retirement smartly, and proactively making good choices throughout your working life, it will increase your probability of reaching your retirement goals.



Momentum Investments market commentary for the quarter ended **31 March 2026**

by Sanisha Packirisamy and
Herman van Papendorp

Key financial markets review takeaways for the first quarter of 2026

- The Iran war was the overarching theme dominating global financial market returns in March (and the first quarter of 2026). The associated risk-off and rand weakness drivers caused global assets to outperform South African (SA) assets in rand terms. Global cash was the best-returning asset class internationally in the quarter, with global property a close second. Global bonds outperformed global equities, while the strong returns from emerging market (EM) equities in the first two months of the year cemented a quarterly outperformance over developed market (DM) equities (where Japan had the highest returns due to the election-related rally earlier in the year).
- Among the SA asset classes, the strong dollar gold price showing in January and February helped the gold ETF to produce the highest returns among all asset classes in the first quarter of 2026 (despite a sharp March sell-off), with cash the only other rand-based asset class providing positive returns. Listed property was the worst performer in SA year-to-date, followed by nominal bonds and ILBs. The higher gold price in the first quarter supported the Resources sector, negating the large negative returns from Industrials to leave overall SA equity returns only slightly negative.
- When financial markets experience such severe sell-offs as seen in March this year, it is important for investors to keep perspective. Firstly, unless the oil price spike is sustained for so long and at such a high level that it causes a US recession (a low-probability scenario, in our view), we expect markets to broadly follow the historical playbook and retrace to pre-shock levels in around six months. Secondly, many of the asset classes that saw the biggest return declines in March had very strong performance momentum during 2025 and the first two months of 2026. As such, they were only back at levels of a few months ago at the end of March 2026 and were still sharply up on the Trump tariff-induced lows of April 2025.
- We view our well-diversified portfolios, with exposures across a broad range of asset classes, as the most effective safeguards against the uncertainty and volatility associated with geopolitical shocks. Severe market declines, as experienced in March, also provide us with opportunities to add exposures to asset classes at cheaper levels where fundamentally justified. For investors, historical experience shows that reactive portfolio selling during such periods often erodes long-term value by locking in short-term losses ahead of the recoveries that markets typically deliver.

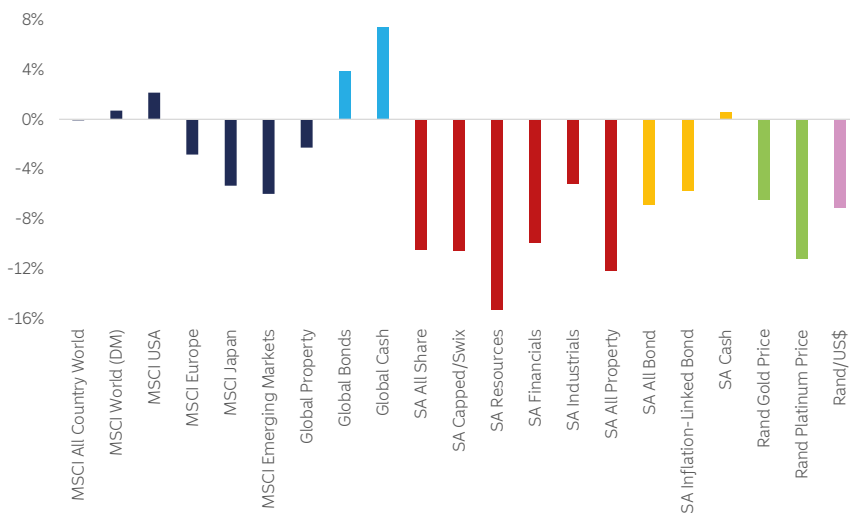


Key financial markets outlook takeaways

- We see SA assets as preferable to global assets, with the combination of positive growth momentum (albeit from a low base), resumption of a falling interest rate cycle, contained inflation and renewed foreign investor interest providing strong support for local assets in a post-Iran war world. SA equities remain deeply discounted relative to both their own history and EM peers, while listed property is benefiting from improving sector fundamentals and declining funding costs. SA nominal bonds offer attractive real yields in a global and historical context, particularly given improving fiscal credibility. In global markets, we see equities as preferable to bonds, supported by synchronised regional earnings growth, fiscal expansion and the lagged impact of previous interest rate cuts, while global bonds face inflation risks and poor supply dynamics. In our view, EM equities offer superior value and earnings momentum to DM equities. For our detailed financial market outlook, please [click here](#).

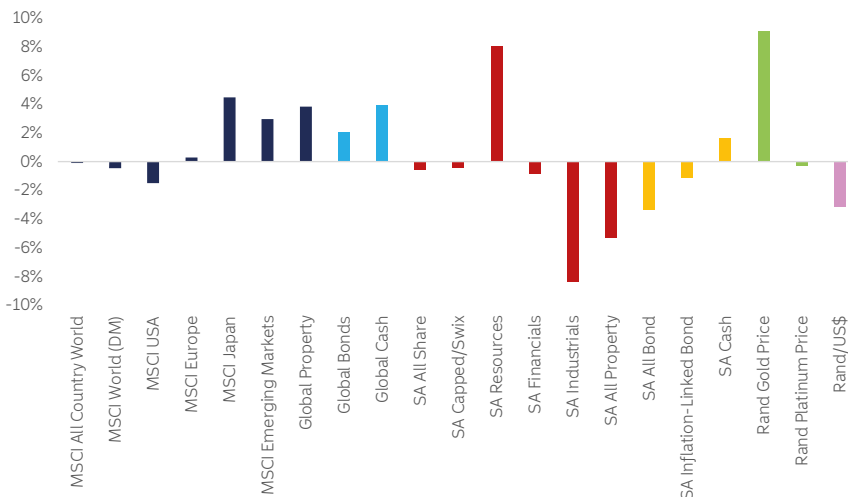
Asset class returns

Chart 1: Month to end of March 2026 - rand returns in %



Source: Momentum Investments, various sources

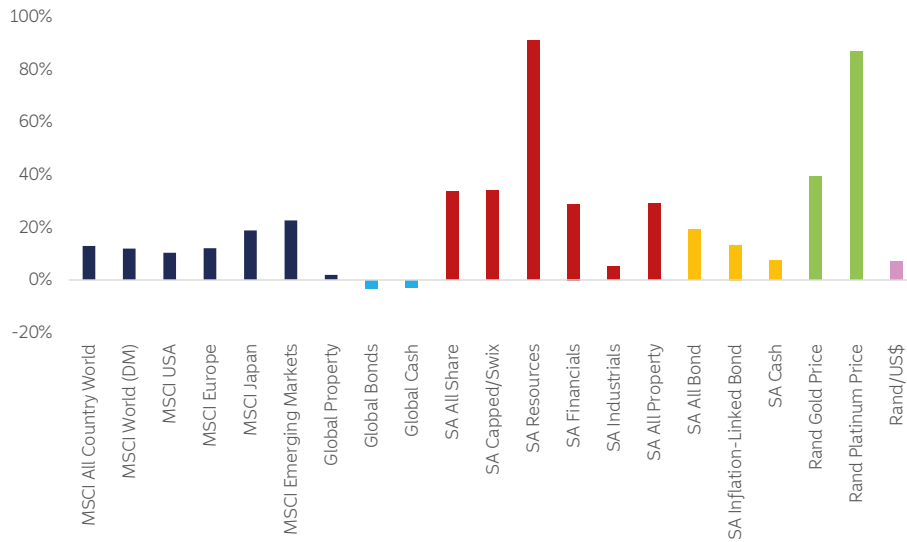
Chart 2: Three months to end of March 2026 - rand returns in %



Source: Momentum Investments, various sources

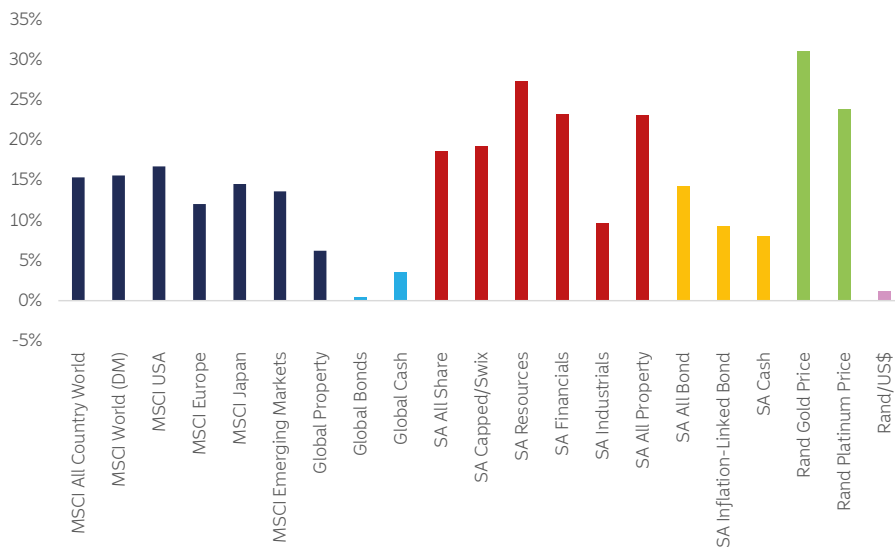


Chart 3: Year to end of March 2026 - rand returns in %



Source: Momentum Investments, various sources

Chart 4: Three years to end of March 2026 - rand returns in %



Source: Momentum Investments, various sources



Iran war ignited an “Ides of March” sell-off in financial markets, but keep this in perspective

The overarching theme dominating global financial market returns in March (and as a result also the first quarter of 2026 as a whole) was the escalation of the Iran conflict from worries about a possible US strike on Iran in January and February into a full-blown war between the US/Israel and Iran starting on 28 February 2026.

Whereas a risk-on global sentiment remained prevalent in January and February, extending the 2025 trend of outperformance of SA assets over global assets (and strong returns from EM and SA equities, SA listed property and nominal bonds), March saw a complete reversal of these trends during the war-induced sell-off in risk assets.

With the US dollar fulfilling the role of global safe-haven asset in March, the rand weakened even more than other EM currencies, while EM and SA risk assets experienced severe selling pressure. This resulted in a sharp outperformance of global assets against SA asset classes in the month.

“Cash was king” in capital markets in March, as its capital preservation properties reigned supreme – global and SA cash were the only asset classes with positive base currency returns in the month. In rand terms, global cash was the top performer in March, with global bonds also providing decent returns, global equities flat for the month and global property the clear global laggard. Unsurprisingly, in the severe risk-off environment, EM equities declined sharply even in rand terms, while DM equities outperformed solely due to US equities being perceived as less risky than equities in Europe and Japan.

Barring the marginally positive returns from local cash, all SA asset class returns were significantly negative in March. Local listed property had the worst returns, followed by the platinum exchange-traded fund (ETF) and SA equities. Sharp declines in the rand platinum and gold prices put severe pressure on the Resources sector, while rising bond yields negatively impacted Financials.

As oil-related inflation fears surfaced, SA ILBs had slightly less negative returns than nominal bonds in March.

The risk-off and rand weakness drivers of the March return trends also largely determined the outcome for the first quarter of 2026, with global assets outperforming SA assets in rand terms. While global cash was the best-returning asset internationally, global property was a close second. Global bonds outperformed global equities (which were flat in rands), while the strong returns from EM equities in the first two months of the year cemented a quarterly outperformance over DM equities (where Japan had the highest returns due to the election-related rally in January and February).

Among the SA assets, the strong dollar gold price showing in January and February (on top of a weaker rand in the quarter) helped the gold ETF to produce the highest returns among all asset classes in the first quarter of 2026 (despite the sharp March sell-off), with cash the only other rand-based asset class providing positive returns. Listed property was the worst performer in SA year-to-date, followed by nominal bonds and ILBs. The higher gold price in the quarter supported the Resources sector, negating the large negative returns from Industrials to leave overall SA equity returns only slightly negative in the first quarter.

When financial markets experience such severe sell-offs as seen in March this year, it is important for investors to keep perspective. Firstly, the March sell-offs were induced by a geopolitical oil shock that in the past typically faded relatively quickly unless the oil price spike was sustained for so long and at such a high level that it caused a US recession. In our view, a US recession is still a low-probability scenario, as the US economy entered the Iran war with strong momentum and will receive further support in 2026 from past interest rate cuts and fiscal stimulus. As such, we currently expect markets to broadly follow the historical playbook and retrace to pre-shock levels in around six months, as shown in research by UBS.

Secondly, many of the asset classes that saw the biggest return declines in March had very strong performance momentum during 2025 and the first two months of 2026. As such, they were only back at levels of just a few months ago at the end of March 2026 and were still sharply up on the tariff-induced lows of April 2025 (see table 1).

Table 1: Keeping the March '26 asset class declines in perspective

	Previous month at end-March '26 level	End-March '26 % change from Trump tariff low in April '25
SA equities (ALSI)	Mid-Dec '25	40%
SA bonds (ALBI)	Late-Nov '25	22%
SA listed property	Mid-Nov '25	36%
\$ Gold price	Mid-Jan '26	52%
\$ Platinum price	Mid-Dec '25	115%
Rand/US\$	Mid-Dec '25	14%
DM equities	Mid-Nov '25	30%
EM equities	End-Dec '25	41%

Source: IRESS, Momentum Investments

We view our well-diversified and carefully constructed portfolios, with exposures across a broad range of asset classes, as the most effective safeguards against the uncertainty and volatility associated with geopolitical shocks. However, severe market declines as experienced in March do provide portfolio managers and investors alike with the opportunity to add exposures to asset classes at cheaper levels where fundamentally justified, thus following the prudent investment advice most commonly attributed to the 19th-century British financier Nathan Mayer Rothschild to “buy on the sound of cannons, sell on the sound of trumpets”.

For investors, adherence to clearly defined, rigorously constructed investment objectives is critical to preserving long-term outcomes. Provided investment goals remain unchanged, maintaining existing portfolio positioning is both sensible and appropriate. Historical experience shows that reactive portfolio selling during periods of market stress erodes long-term value by locking in short-term losses ahead of the recoveries that markets typically deliver. Inaction, in this instance, represents the optimal investment strategy.



Asset class outlook summary (Our view for the year ahead)

Sanisha Packirisamy

Chief Economist



SA cash

While SA cash still offers decent positive real yields above long-term averages, potential returns have declined from 2024 highs as interest rates fell. Although cash always plays a liquidity role in portfolios and serves a short-term capital preservation function during geopolitical stress periods, we currently see it as an inferior return-seeking asset on a one-year view.

SA nominal government bonds

Due to the Iran-related sell-off in March 2026, SA nominal government bonds now offer more attractive real yields by both historical and global standards. Part of the current yield premium reflects the prevailing global risk-off environment, while improvements in local fiscal metrics and investor confidence have narrowed risk premia from the 2024 national election highs without fully eroding forward return potential.

SA inflation-linked bonds (ILBs)

In contrast to nominal bonds, SA ILBs appear less attractive. Break-even inflation rates are unlikely to widen meaningfully given the expected broadly sideways inflation trajectory beyond the nearer-term oil price spike, while accruals are low relative to history. As a result, we expect ILBs to offer lower returns compared to nominal bonds.

SA listed property

Fundamentals have improved markedly, particularly in the Retail and Industrial subsectors. Limited new supply, declining vacancies and rising rental reversions support earnings growth, while falling interest rates reduce funding costs and solar installations drive improved margins. Although recent listed property results have surprised to the upside and companies have increased their forward guidance, valuations remain depressed. As funding costs decline and earnings recover, the sector offers attractive income and capital growth potential.



Herman van Papendorp

Head of Asset Allocation



SA equities

SA equity valuations are exceptionally attractive against their own history and versus EMs, providing a strong margin of safety and meaningful rerating potential. Earnings growth is also expected to be robust, driven by improving domestic conditions, lower interest rates and operational leverage within many companies. In addition, ownership dynamics are favourable, with selling pressure from local institutional investors to fund increased offshore exposure having largely run its course, while foreign investors remain underweight SA within global EM portfolios.

Global equities

Global equities are supported by synchronised regional earnings growth, fiscal expansion and the lagged impact of previous interest rate cuts, while a broadening of earnings growth outside the narrow cohort of mega-cap technology stocks underpins the US equity market. However, return dispersion is increasing. DM equities, particularly the US, face valuation headwinds and diverging prospects for perceived artificial intelligence (AI) winners and losers, while EM equities offer superior value and earnings momentum, supported by a structurally expensive US dollar and improving profit expectations.

Global bonds

Global government bonds face a challenging outlook of inflation risk and deteriorating supply dynamics. Oil price increases linked to the Iran war have revived concerns around inflation, while fiscal deficits across major economies are widening again, pointing to increased bond issuance.

Global cash

We think US cash currently offers a somewhat better alternative to long-duration fixed-income exposure, as expected returns are similar, while cash provides capital protection and optionality in an uncertain geopolitical environment. Nevertheless, real global cash returns remain modest and we rather prefer global equities and particularly most SA asset classes to global cash.

Partially Vesting Smoothed Bonus Range

Smooth-Edge Fund

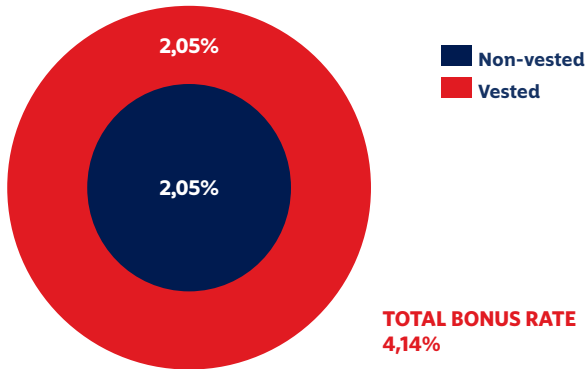


Fund Snap Shot

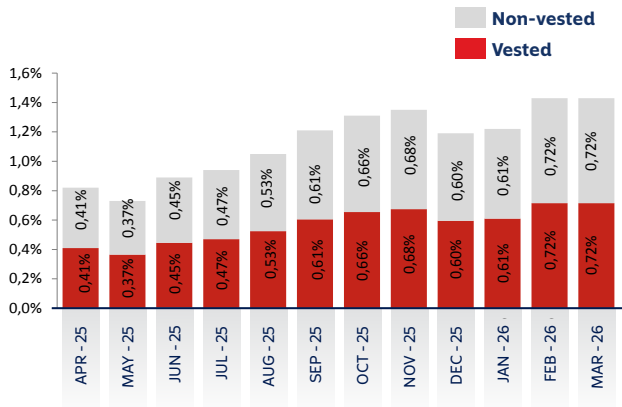
INCEPTION DATE	FUNDING LEVEL RANGE	FUND SIZE	ANNUALISED 3-YEAR VOLATILITY OF BONUS RATES	ANNUALISED 3-YEAR UNDERLYING ASSET RETURN
Feb 2019	105% - 110%	R3,1bn	0,83%	14,25%

Performance

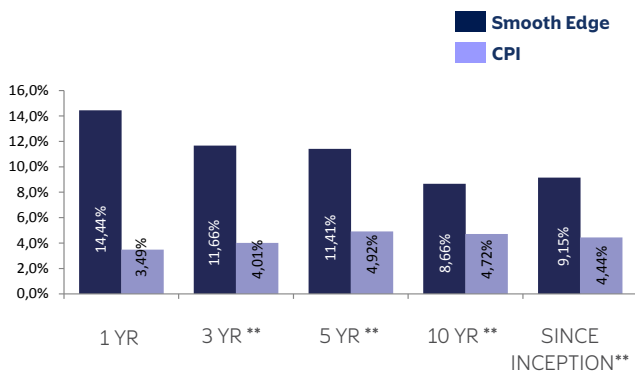
The total bonus rate for the past quarter on the Momentum Smooth-Edge Fund is shown below.



The chart below shows the actual monthly bonus rates* for the past 12 months.



The chart below shows the long term back-tested bonus rates* performance of the Smooth-Edge Fund against CPI.



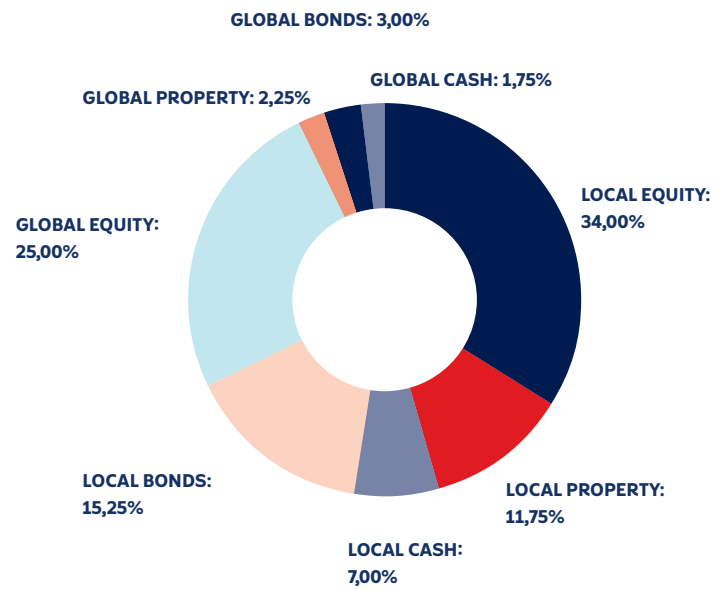
CPI figures are lagged by two months

* The bonus rates and back-tested bonus rates are gross of the investment management fee

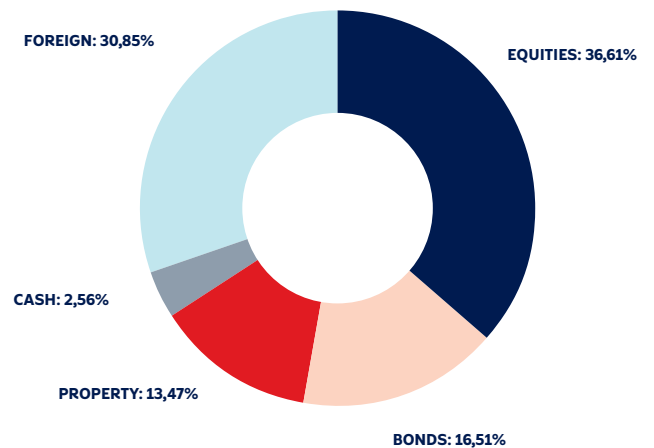
** Annualised

Asset Allocation

The strategic asset allocation is shown below.



The effective asset allocation is shown below.



Partially Vesting Smoothed Bonus Range

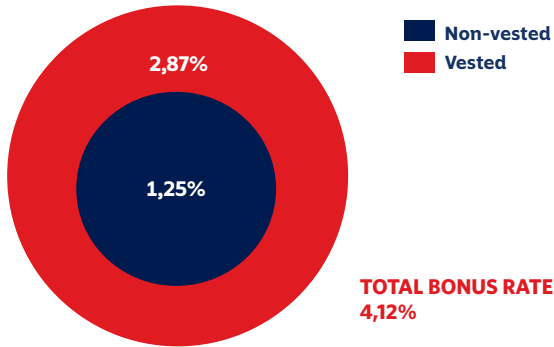
Multi-Manager Smooth Growth Fund Global



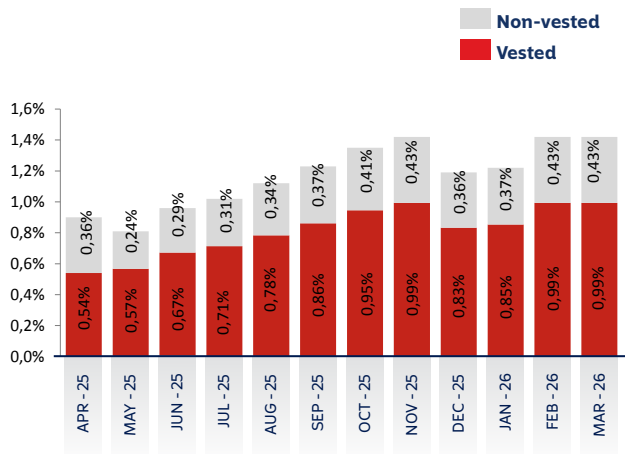
Fund Snap Shot

INCEPTION DATE	FUNDING LEVEL RANGE	FUND SIZE	ANNUALISED 3-YEAR VOLATILITY OF BONUS RATES	ANNUALISED 3-YEAR UNDERLYING ASSET RETURN
Jan 2004	105% - 110%	R7,3bn	0,74%	13,31%

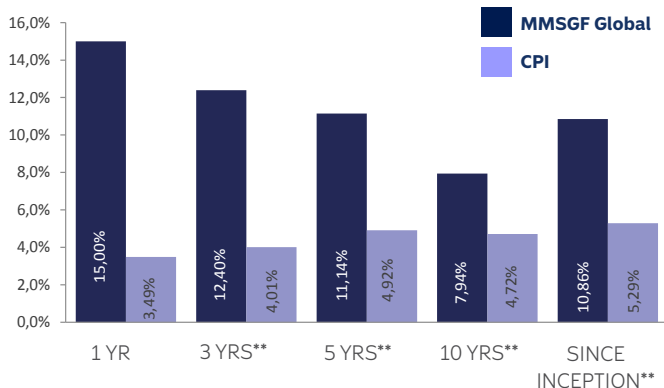
Performance



The chart below shows the monthly bonus rates* for the past 12 months.



The chart below shows the long term bonus* performance of the Multi-Manager Smooth Growth Fund Global against CPI.

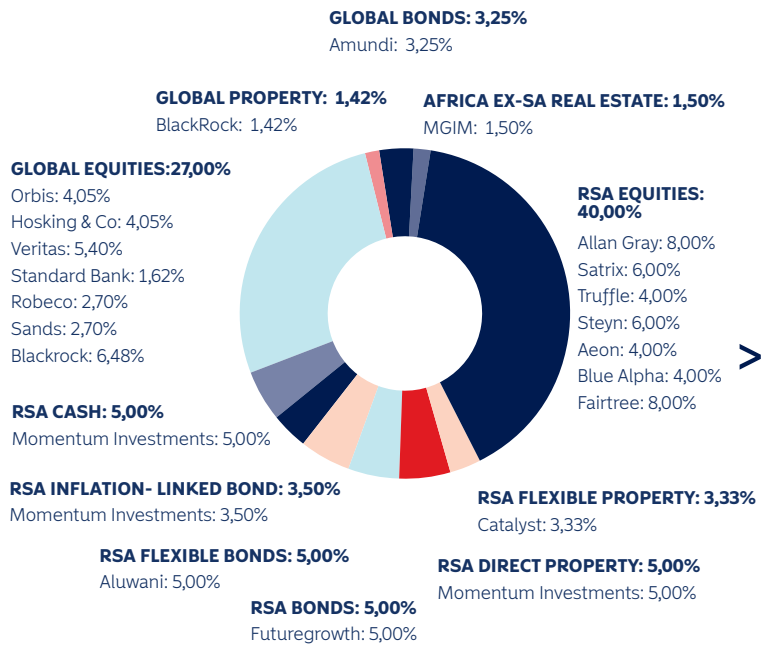


CPI figures are lagged by two months

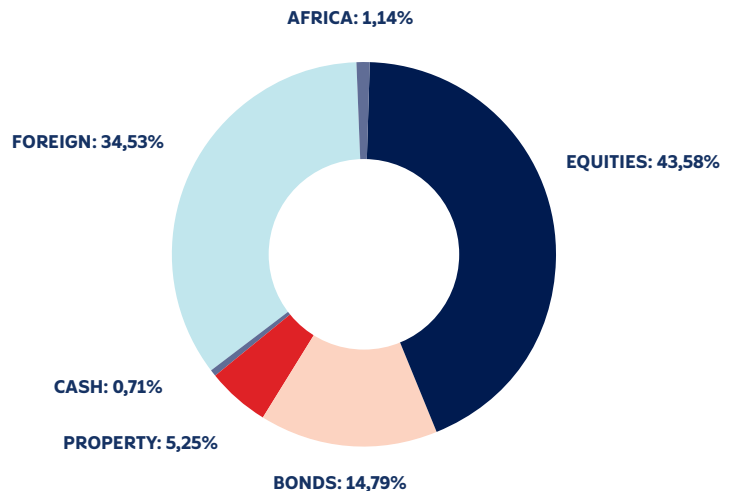
* The bonus rates are gross of the policy fee
 ** Annualised

Asset Allocation

The strategic asset allocation is shown below.



The effective asset allocation is shown below.



Partially Vesting Smoothed Bonus Range

Smooth Growth Fund Global

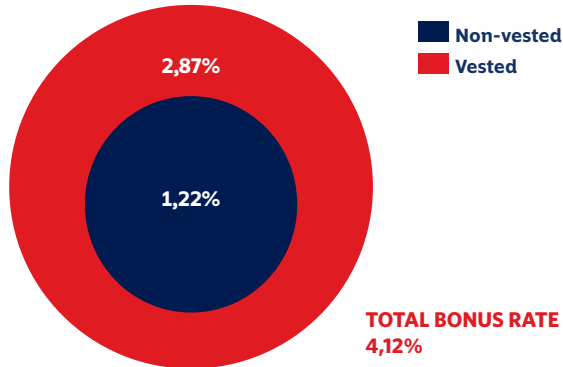


Fund Snap Shot

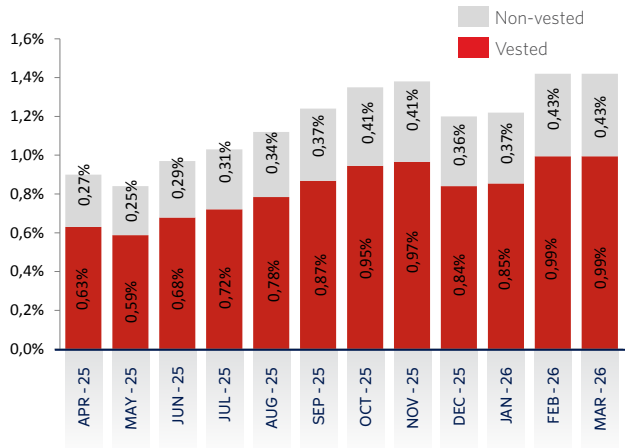
INCEPTION DATE	FUNDING LEVEL RANGE	FUND SIZE	ANNUALISED 3-YEAR VOLATILITY OF BONUS RATES	ANNUALISED 3-YEAR UNDERLYING ASSET RETURN
Jan 1989	105% - 110%	R1,7bn	0,76%	13,30%

Performance

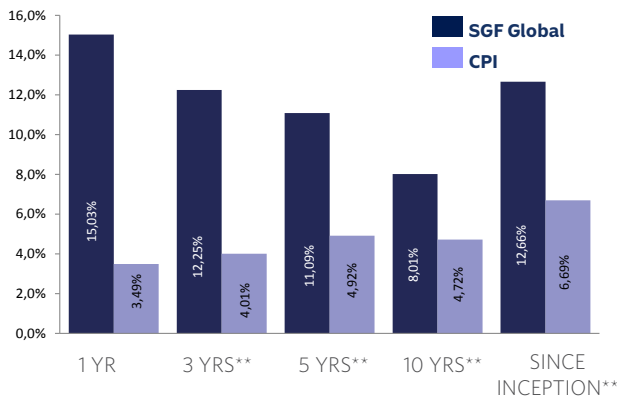
The total bonus rate* for the past quarter on the Smooth Growth Fund Global is shown below.



The chart below shows the monthly bonus rates* for the past 12 months.



The chart below shows the long term bonus* performance of the Smooth Growth Fund Global against CPI.



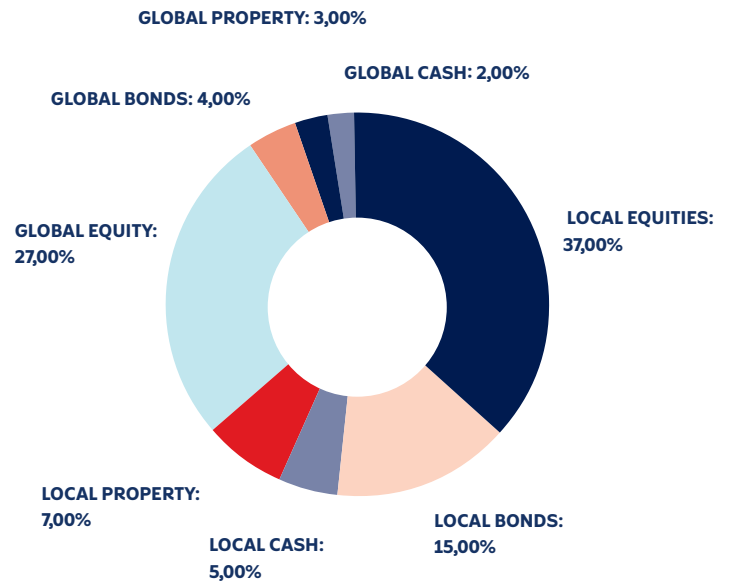
CPI figures are lagged by two months

* The bonus rates are gross of the investment management fee

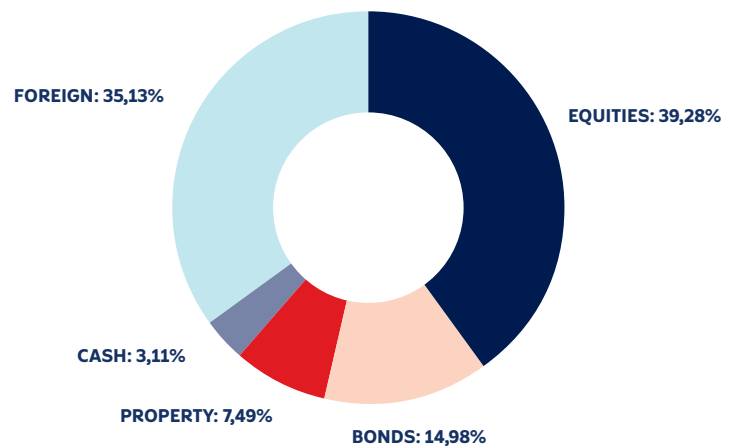
** Annualised

Asset Allocation

The strategic asset allocation is shown below.



The effective asset allocation is shown below.



Partially Vesting Smoothed Bonus Range

Universal Multi-Manager Smooth Growth Fund

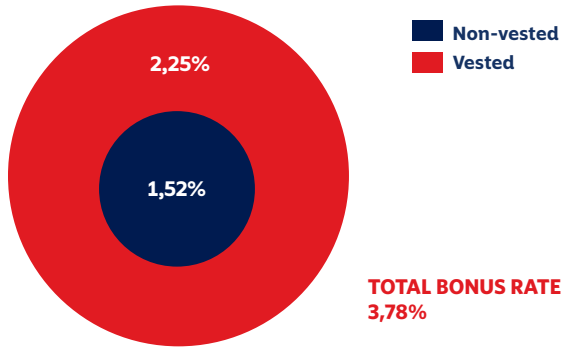


Fund Snap Shot

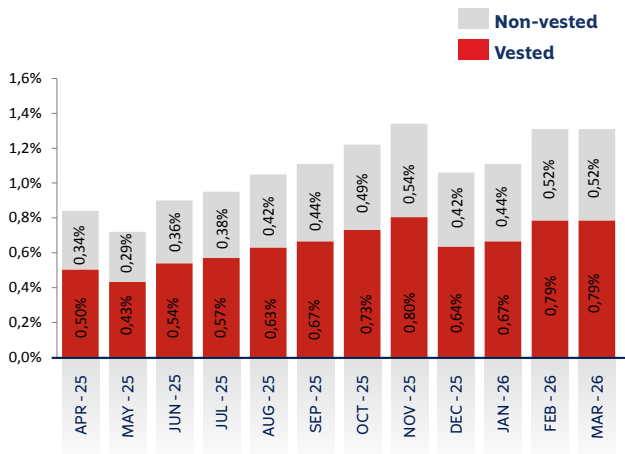
INCEPTION DATE	FUNDING LEVEL RANGE	FUND SIZE	ANNUALISED 3-YEAR VOLATILITY OF BONUS RATES	ANNUALISED 3-YEAR UNDERLYING ASSET RETURN
Jun 2020	105% - 110%	R836m	0,71%	13,31%

Performance

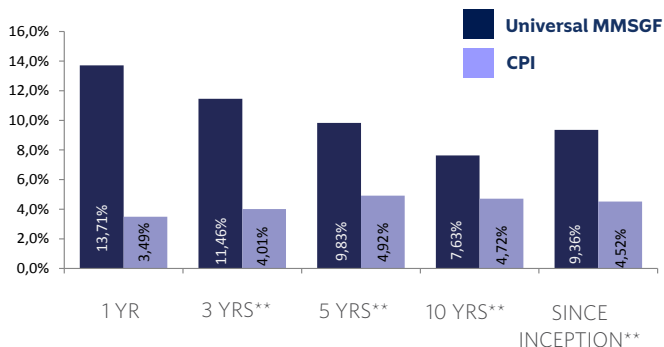
The total bonus rate* for the past quarter on the Universal Multi-Manager Smooth Growth Fund is shown below.



The chart below shows the monthly bonus rates* for the past 12 months.



The chart below shows the long term bonus* performance of the Universal Multi-Manager Smooth Growth Fund against CPI.



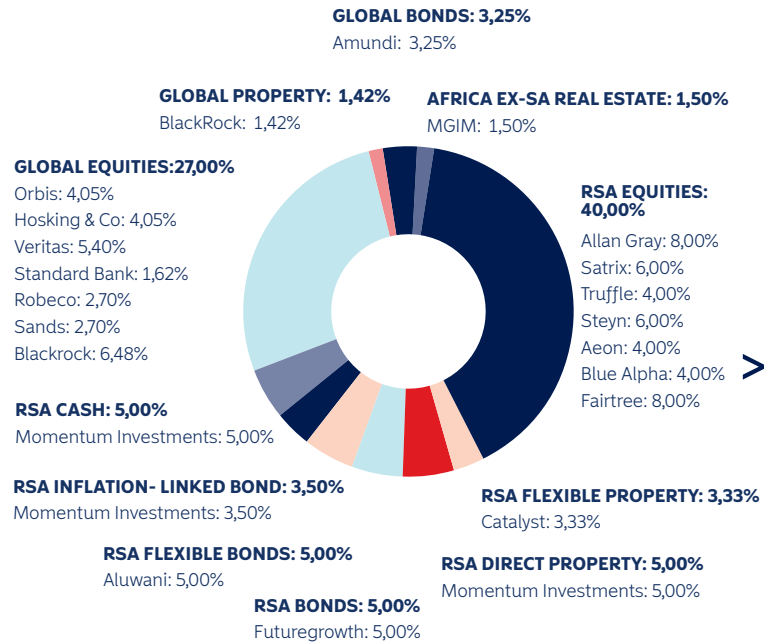
CPI figures are lagged by two months

* The bonus rates and back-tested bonus rates are gross of the policy fee

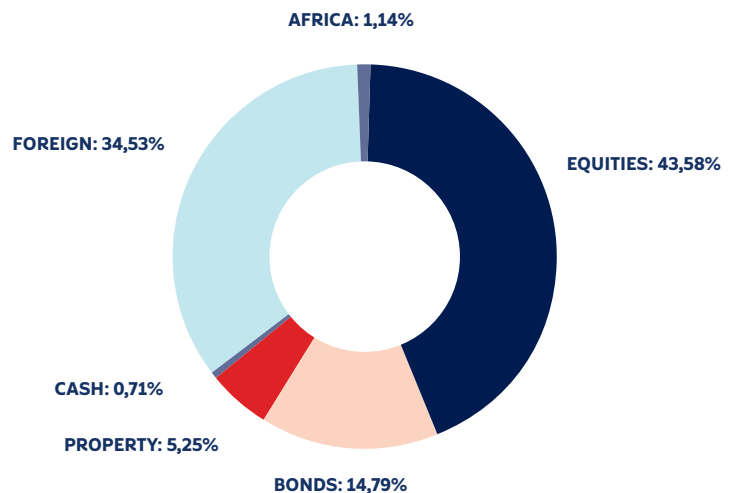
** Annualised

Asset Allocation

The strategic asset allocation is shown below.



The effective asset allocation is shown below.



Partially Vesting Smoothed Bonus Range

Universal Smooth Growth Fund

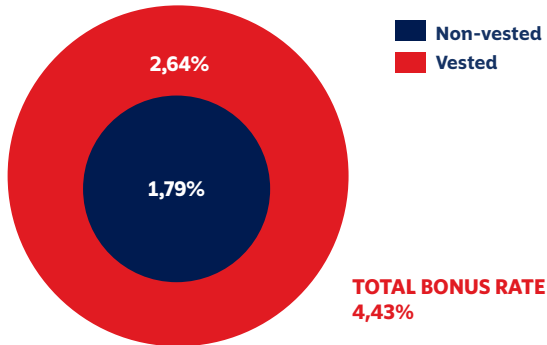


Fund Snap Shot

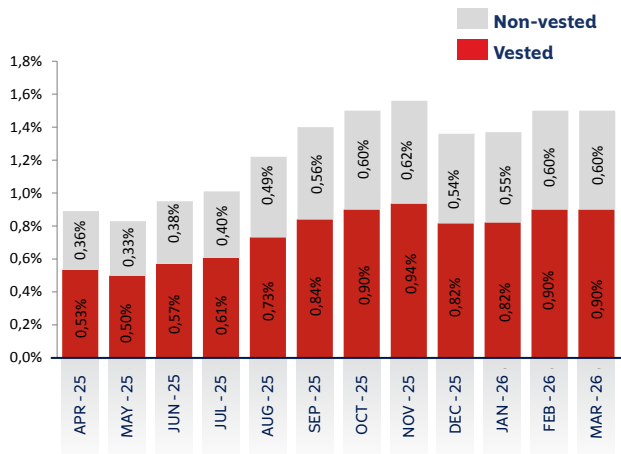
INCEPTION DATE	FUNDING LEVEL RANGE	FUND SIZE	ANNUALISED 3-YEAR VOLATILITY OF BONUS RATES	ANNUALISED 3-YEAR UNDERLYING ASSET RETURN
Jun 2020	105% - 110%	R412m	0,97%	13,41%

Performance

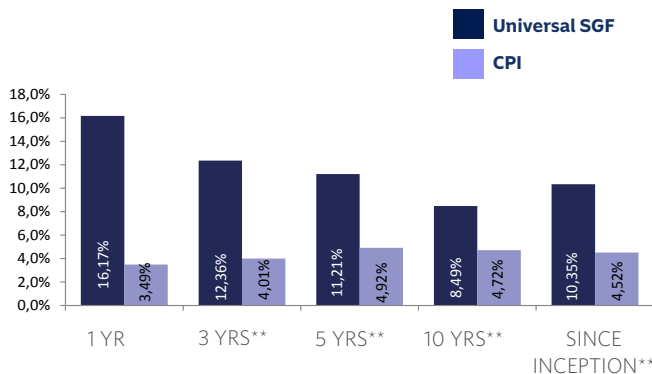
The total bonus rate* for the past quarter on the Universal Smooth Growth Fund is shown below.



The chart below shows the monthly bonus rates* for the past 12 months.



The chart below shows the long term bonus* performance of the Universal Smooth Growth Fund against CPI.



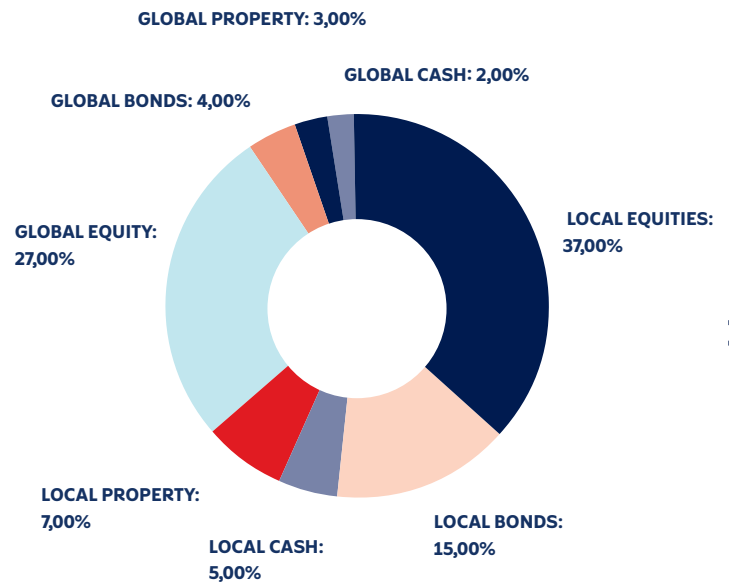
CPI figures are lagged by two months

* The bonus rates and back-tested bonus rates are gross of the investment management fee

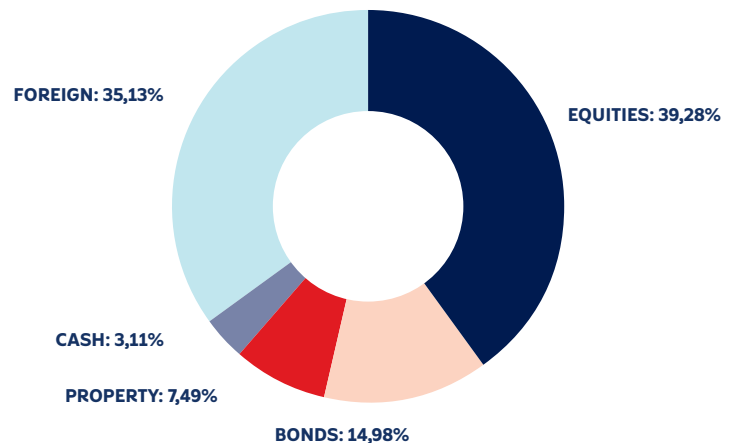
** Annualised

Asset Allocation

The strategic asset allocation is shown below.



The effective asset allocation is shown below.



Fully Vesting Smoothed Bonus Range

Universal Smart Guarantee+3 Fund

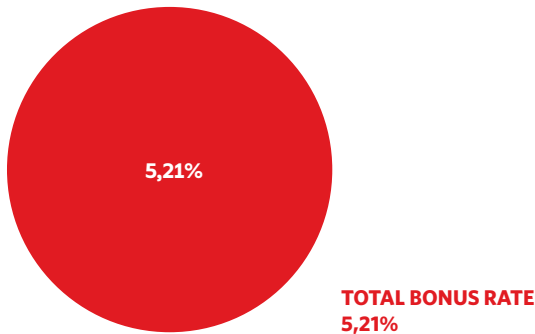


Fund Snap Shot

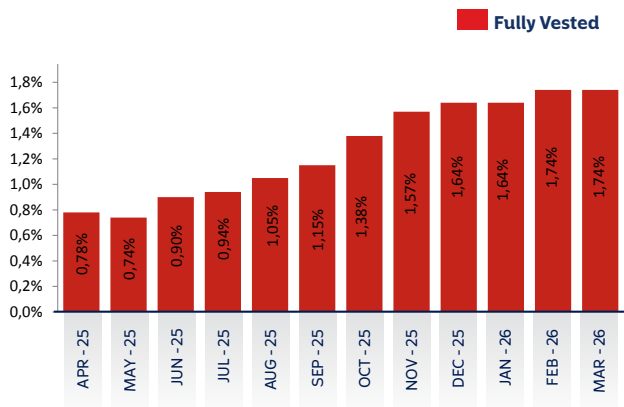
INCEPTION DATE	FUNDING LEVEL RANGE	FUND SIZE	ANNUALISED 3-YEAR VOLATILITY OF BONUS RATES	ANNUALISED 3-YEAR UNDERLYING ASSET RETURN OF BONUS GENERATING PORTFOLIO
Oct 2013	100% - 105%	R586m	1,45%	13,88%

Performance

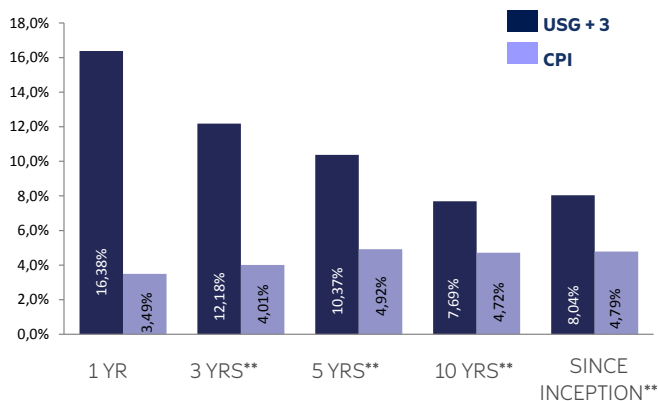
The total bonus rate* for the past quarter on the Universal Smart Guarantee +3 Fund is shown below.



The chart below shows the actual monthly bonus rates* for the past 12 months.



The chart below shows the long term bonus* performance of the Universal Smart Guarantee +3 Fund against CPI.



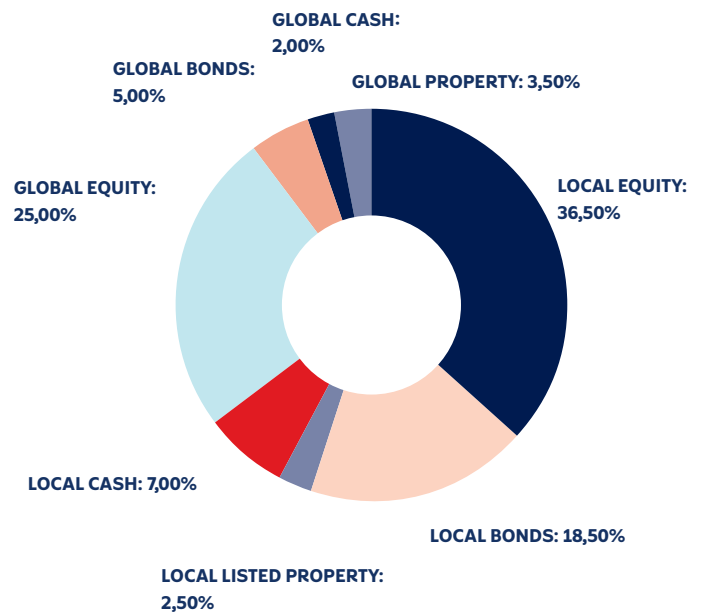
CPI figures are lagged by two months

* The bonus rates are gross of the investment management fee

** Annualised

Asset Allocation

The strategic asset allocation of the bonus generating portfolio (Momentum Dynamic Hedging Reference Portfolio) is shown below.



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.

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.

USG +3: Bonus rates to be declared

Given that the monthly bonuses are based on the weighted average of the previous 36 months' returns of the bonus generating portfolio, it is possible to calculate the future bonuses that will be declared under various future investment return assumptions. Assuming zero returns over the following 34 months (there is a 2 month lag), around 15,91% of bonuses will still be declared.

Fully Vesting Smoothed Bonus Range

Multi-Manager Secure Growth Fund

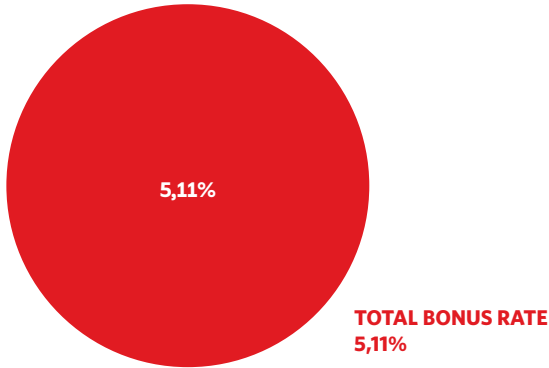


Fund Snap Shot

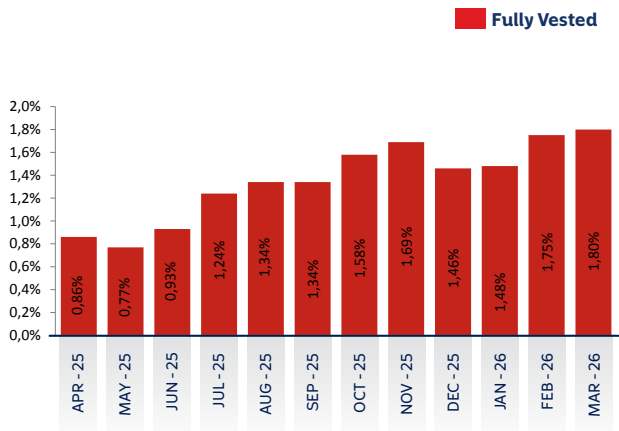
INCEPTION DATE	FUNDING LEVEL RANGE	FUND SIZE	ANNUALISED 3-YEAR VOLATILITY OF BONUS RATES	ANNUALISED 3-YEAR UNDERLYING ASSET RETURN
Nov 2007	105% - 110%	R69m	1,13%	12,57%

Performance

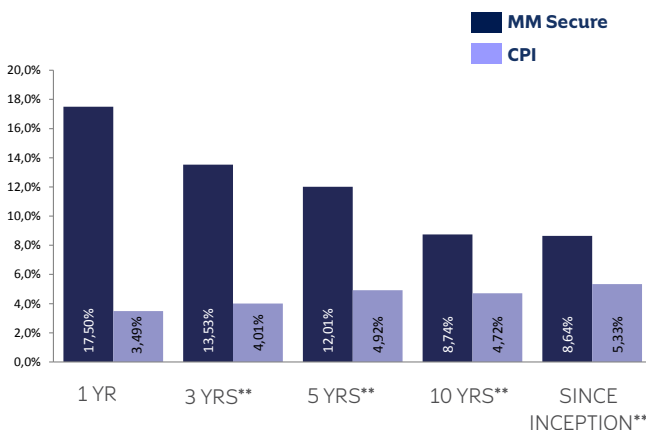
The total bonus rate* for the past quarter on the Multi-Manager Secure Growth Fund is shown below.



The chart below shows the monthly bonus rates* for the past 12 months.



The chart below shows the long term bonus* performance of the Multi-Manager Secure Growth Fund against CPI.



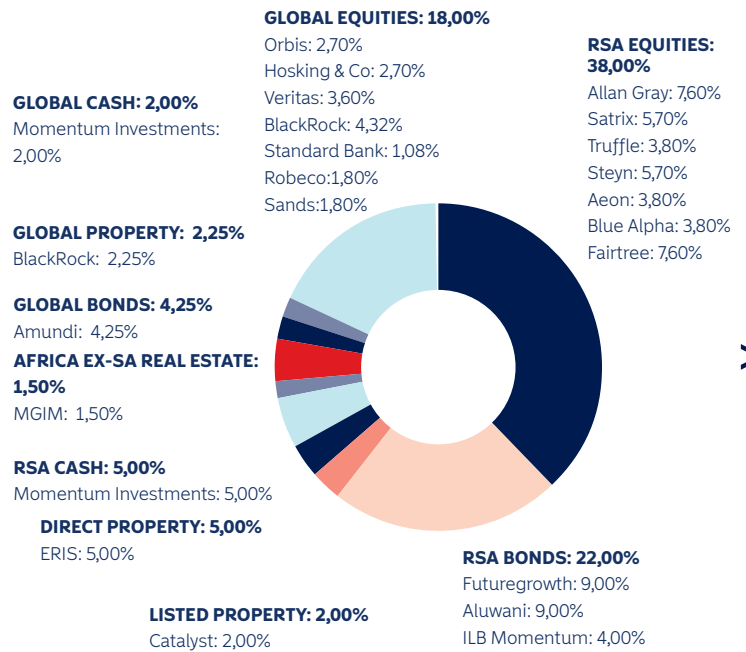
CPI figures are lagged by two months

* The bonus rates are gross of the policy fee

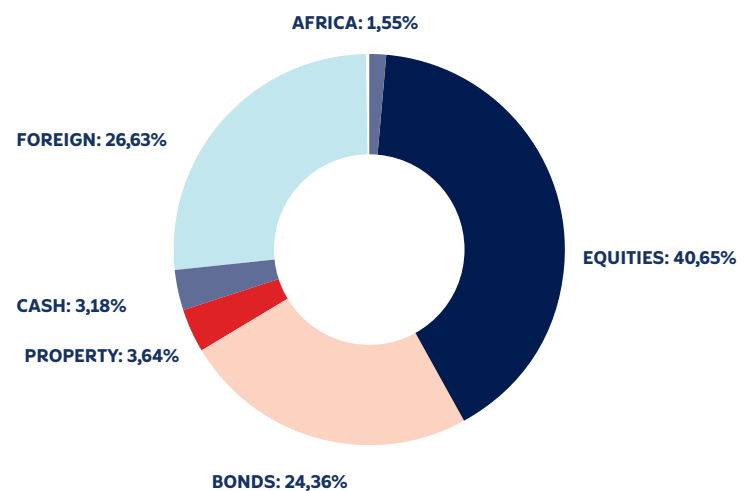
** Annualised

Asset Allocation

The strategic asset allocation is shown below.



The effective asset allocation is shown below.



Smoothed Bonus Portfolios Key Features

	Fund Return Objective	Manager	Mandate Type	Guarantee on Policy Benefits ¹	Market Value Adjustment on Voluntary Exits ²	Capital Charge	Policy Fee or Investment Management Fee ³	Inception Date
Partially Vesting	Multi-Manager Smooth Growth Fund Global	Multi-Manager	Moderate Balanced	100% of net capital invested and vested bonus declared (net of the Policy fee)	Yes	0.90% pa	0.35% of the first R50m, 0.25% of the excess above R50m ³	January 2004
	Universal Multi-Manager Smooth Growth Fund							June 2020
	Smooth Growth Fund Global	Momentum Investments	Moderate Balanced	100% of net capital invested and vested bonus declared (net of the investment management fee)	Yes	0.90% pa	0.45% of the first R10m, 0.35% of the next R40m, 0.25% of the excess above R50m ^{3*}	January 1989
	Universal Smooth Growth Fund							June 2020
Fully Vesting	Smooth-Edge Fund	Momentum Investments	Moderate Balanced	100% of net capital invested and vested bonus declared (net of the investment management fee)	Yes	0.60% pa	0.25% pa ^{3*}	February 2019
	Multi-Manager Secure Growth Fund	Multi-Manager	Moderate Conservative Balanced	100% of net capital invested and total bonus declared (net of the Policy fee)	Yes	1.40% pa	0.35% of the first R50m, 0.25% of the excess above R50m ³	November 2007
	Universal Smart Guarantee+3 Fund	Insurer Liability Driven Investment	Insurer Liability Driven Investment	100% of net capital invested and total bonus declared (net of the investment management fee)	Yes	0.50% pa	0.75% pa ^{3*}	October 2013

*Policy fee includes the cost of investment administration.

³Investment management fee includes policy fee and certain fees related to the management of the assets (not included in underlying asset charges).

1. Policy benefits include but are not limited to death, disability, resignation or retirement. The full list policy benefits is outlined as well as other terms and conditions specified in the client policy contracts.
2. Market value adjustments may be applied on member switches out, terminations and other non-policy benefits if a client is underfunded.
3. Underlying asset charges include capital charge and net priced asset fees and performance fees (where applicable).

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