



ANNUAL STEWARDSHIP REPORT

2023

momentum
investments

Signatory of:

 **PRI** | Principles for
Responsible
Investment



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Foreword

Welcome to the fourth edition of our Stewardship Report, where we continue to share and highlight the progress made on our responsible investing journey.

Last year there was a heightened focus on climate change and the need to responsibly approach portfolio decarbonisation. To this end we have formalised the Momentum Decarbonisation Roadmap, updated our climate change and proxy voting policies and, for the first time, measured the carbon footprint of the listed equities and fixed interest assets that we invest in. In addition, Momentum Metropolitan Holdings Limited measures the carbon footprint of the group as disclosed in the Carbon Disclosure Project over the last few years.

The need for climate action is nuanced and we are mindful that the approach needs to be considered and measured, taking into account the unintended investment, economic and social consequences. This includes the risk of stranded assets as well as the negative human consequences resulting from the potential closure or scaling back of economic activity with high energy intensity. This is one of the reasons that we continue to be a supporter of a 'Just Transition', to not forget about the negative social impact of any climate related action that we undertake.

We consider what is reasonable and responsible within our portfolios to address climate action. Some of the actions that we have taken are through our investments in selected infrastructure, participation as signatory to the Climate Action 100+ initiative, including a prudent level of decarbonisation in our global equity portfolios, and a variety of other initiatives. Various of these actions are showcased in our report.

Our engagement activities are well aligned to our climate approach together with our other focused initiatives. Through our proxy voting and corporate engagement activities, we engage on climate related issues, governance, remuneration and diversity. In this report, we give case studies of these engagements and the outcomes that we have achieved.

Transformation remains an imperative for the sustainability of South Africa. It is another area that needs to be carefully considered, where we need to be mindful to give opportunities to all South Africans as well as continue to access the skills we need to thrive as an organisation and country. A significant part of this is to be diligent in building up and developing our human capital. This report gives an update on the progress we continue to make on this front.

Responsible investing and sustainability are core values to us. We are proud of the progress that we have made and will continue to make. The Stewardship Report allows us to report back on our progress to you, our investors, and is one of our flagship publications of which I am extremely proud.

I trust that you find the report insightful and if there are any questions or you would like to find out more, please contact us and we will be happy to share and engage with you.

Yours sincerely



Mike Adsetts
Chief Investment Officer



Overview

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Introduction

Momentum Investments at a glance

 One of the largest investment management businesses in South Africa	 Experts in local and global investment solutions
 Part of Momentum Metropolitan Life Limited's balance sheet	 Responsible investment practices are embedded into our investment thinking and management

Our responsible investment framework is based on our values, the Principles of Responsible Investment (PRI) and the Code for Responsible Investment in South Africa (CRISA 2.0).

We consider the environmental, social and governance (ESG) risks of our investments to be relevant to the performance of the overall investment objective – across all asset classes, sectors, markets and through time.

Our methods for integration include:

 ESG integration	 Screening	 Themed investment
 Active ownership	 Impact investing	 Stewardship activities

 **R466.2bn** total discretionary assets under management

Total discretionary assets under management by Momentum Investments (South Africa)

momentum investments

Equity	35.4%
Fixed income	44.6%
Hedge funds	1.6%
Infrastructure	0.1%
Real estate	1.8%
Private equity	1.3%
Other	15.2%

Total discretionary assets under management by Momentum Investments (United Kingdom)

momentum global investment management

Equity	61.2%
Fixed income	36.4%
Hedge funds	0.4%
Infrastructure	0.7%
Real estate	1.5%
Other	15.8%

1. Discretionary assets under management: The total assets managed by our company, after we excluded all execution and/or advisory services.
 2. The total Discretionary AUM of Momentum Investments consist of: Momentum Asset Management(Pty) Ltd; Momentum Global Investment Management Ltd; Momentum Outcome-based Solutions (Pty) Ltd; Momentum Investment Consulting (Pty) Ltd; Momentum Alternate Investments (Pty) Ltd; Momentum Collective Investments (RF) (Pty) Ltd





OUR RESPONSIBLE INVESTING APPROACH

We advocate

We participate in market-related industry events and serve on the responsible investing committee of the industry body the Association of Savings and Investments South Africa (ASISA).



We form part of an international collaborative group that signed a Just Transition statement to support the workforce in our transition to a resilient and low-carbon economy.



We were part of a Steinhoff Shareholder Group that works together in a number of legal actions against Steinhoff International Holdings NV.



We form part of the Investment Consultants' Sustainability Working Group, focussed on applying the UK Stewardship and UNPRI principles when advising pension fund trustees.

We report on progress

We show you that we take our duty to act in your best interests to heart.



For the latest proxy history, please [click here](#)



To view the UN PRI annual transparency report, please [click here](#)



To view our integrated report, which shows the yearly update on our responsible investing initiatives, please [click here](#)



To view our responsible investment and climate change investment policies, please [click here](#)

We seek disclosure

We have a register that shows how we engage with companies that we invest in to keep them accountable.

We are active owners

We use our influence to help maintain a well-governed corporate South Africa.

How we voted in financial year 2023*

243 Number of shareholder meetings

3749 Total resolutions

67 Abstentions

3221 Votes in favour

461 Votes against

We will abstain if there are conflicts of interest
* 1 July 2022 to 30 June 2023

We integrate ESG

We have a responsible investing committee that serves as an oversight function of responsible investing practices across the investment team.

We follow an integrated ESG approach across all our asset classes.

We keep to these rules and regulations



THE UK
STEWARDSHIP
CODE
2020





We participate and collaborate

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Important memberships



Code for Responsible Investment in South Africa (CRISA)

We are long-time supporters of the CRISA. Our company responded to the CRISA 2020 revision consultation draft in February.

Our CRISA 2.0 statement is available [here](#).



Investments Consultants Sustainability Working Group (ICSWG)

As a member of the ICSWG, we contributed to the guide for assessing climate competency of investment consultants, published in January 2021.



The Association for Savings and Investments South Africa (ASISA)

We are a member of the ASISA responsible investment committee. We have wide representation across various ASISA technical and investment committees as well as working groups. Our chief investment officer serves as a representative on the ASISA investments board.



UK Stewardship Code

The UK Stewardship Code 2020 (the Code) is a voluntary set of principles that sets high stewardship standards for investment managers. Momentum Global Investment Management (MGIM), our UK-based investment manager, fully supports this code.



Task Force on Climate-related Financial Disclosures (TCFD)

In May 2021, we became the first South African insurance company to sign up as a formal supporter of the TCFD.

Our TCFD report was published and available on our [website](#).



Climate Action 100+

We are signatories to the Climate Action 100+ initiative.



CDP

We are a voluntary participant in the annual CDP climate change disclosure project. We achieved a B score in 2022.



Principles for Responsible Investing (PRI) and PRI Just Transition

We became a signatory of the United Nations-supported Principles for Responsible Investment (PRI) in 2006 and report on our progress against these principles.

We signed the PRI-led international statement of investor commitment to the Just Transition initiative. We also serve on the working group.

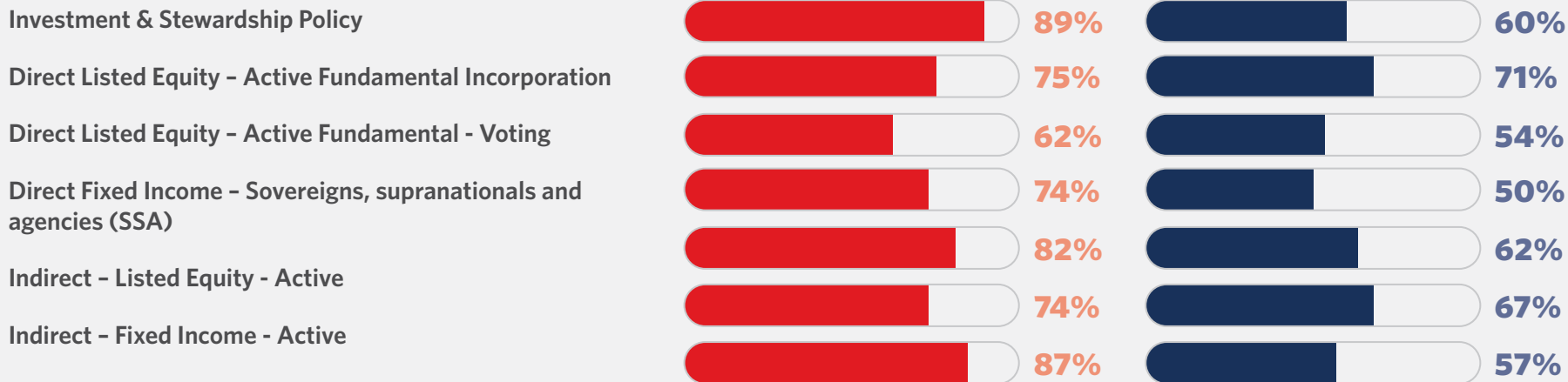


UN PRI scorecard

Module name

Our score

Global median score



The modules listed cover at least 50% or more of our assets under management. Visit our website to view our PRI Assessment report and Transparency report [here](#).

The PRI launched a pilot reporting framework in 2021, within this new approach many challenges arose. As result, the PRI made the decision that signatories will only submit their next assessment in 2023.





We protect your investments

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Year under review

Although we concentrate on our stewardship activities in this report it is also important to reflect on the external environment, which directly or indirectly affects those stewardship activities.

The external environment*

- Chinese economic growth has declined but is expected to pick up later in 2023 and beyond.
- Western companies are onshoring a lot of capacity to their own countries. Their dependence on emerging market inputs into their strategic defense industries proved to be a very unforeseen and uncomfortable realisation.
- COVID-19 is hardly newsworthy anymore and hopefully it will stay that way in future.
- There are many moves and attempts by Brazil, Russia, India, China and South Africa (BRICS) as well as other countries to lessen their dependence on Western currencies and economies. It is part of the creation of a multi-polar world.
- In South Africa, news about the economy and loadshedding continued to be depressing. But people tend to forget that economies move in cycles, and there will be positive cycles in the future, as there had been in the past.

*At the time of writing August 2023

Proxy voting and other stewardship activities for the financial year ending 30 June 2023

The stewardship activities of our responsible investment (RI) team broadened and intensified during the financial year. The focus of attention has moved from a main governance theme to expanding on climate risk mitigation activities.

Although in its infancy, the intellectual backdrop to our activities is also moving from only individual company issues to include ways to assist the Just Transition in South Africa to a carbon neutral future.

There was also a much greater reliance on engagement with management of companies as a tool for achieving our objectives than in previous years.

The listed property and resource sectors were more likely to be the sectors that the RI team would engage with directly.

Like other investment teams at Momentum Investments, the RI team had its own set of objectives for reporting on its sustainable development goal (SDGs) activities.

By June 2023, there were still engagements outstanding in this regard, where some companies were not adequately responding to inquiries on these matters and needed additional follow up.

Regarding proxy voting activities in general, the number of shareholder meetings voted on was very much in line with that of the previous financial year. So was the division between the proportion of votes that were in favour of resolutions against those that were not in favour of.

However, what has been changing is the proportion of votes against remuneration resolutions compared with those relating to director issues. Two years ago, there were about a third more votes against director issues than remuneration issues. This year, it changed to a more even balance. Towards the end of this financial year the number of votes against remuneration resolutions were starting to exceed the number of votes against director issues and by an increasingly larger margin.



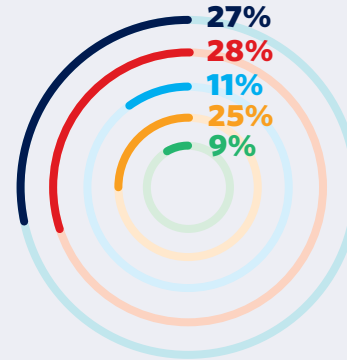


Stewardship activities

from 1 July 2022 to 30 June 2023

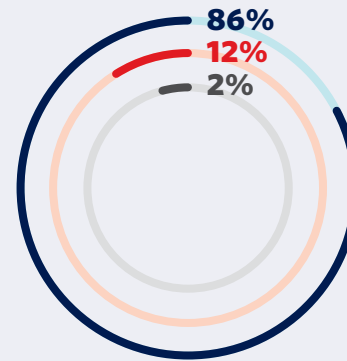


Proxy votes against by category for the financial year ended June 2023



- Director issues
- Remuneration issues
- Audit appointments
- Capital structure
- Other

Votes by resolution for the financial year ended June 2023



- For
- Against
- Abstentions*

Industries engaged	Frequency
Real estate	11
Financial services	17
Retail	1
Basic materials	4
Consumer staples	1

Engagement topics	Frequency
Company board governance	37%
Remuneration policy	20%
Climate change risks	19%
Toxic spill and rehabilitation approach	4%
Pre and post voting discussions	15%
Real estate investment trust structure	2%
Sustainable development goals	2%
Sustainability linked and green bonds	2%

Engagement outcomes	Frequency
Positive	33
Negative	1

Number of meetings per quarter	Frequency
Q1	7
Q2	9
Q3	2
Q4	16

Engagement status	Frequency
Closed	30
Ongoing	4

Engagement type	Frequency
Virtual	22
In person	4
Email	8

* Momentum Investments abstains when there is a conflict of interest situation (i.e. related parties).





Case study on **Glencore Plc**

Glencore Plc has been under public scrutiny due to misconduct, bribery and corruption over the last year. Some of the allegations include bribing officials in countries in Africa, including Nigeria, Cameroon, the Ivory Coast, Equatorial Guinea and South Sudan, to gain access to oil and being fined R13 billion as punishment. This, along with their poor returns over the last decade compared to their competitors, drew our attention. We wrote a letter to Glencore about our concerns as investors. On the back of climate change, according to the International Energy Agency, the carbon emitted from coal combustion is responsible for more than 0.3°C of the 1°C increase in global average annual temperatures above pre-industrial levels, making coal the single largest source of the increase in global temperature.

Moreover, Glencore is ranked as one of the top 10 of the world's largest carbon emitters. Its climate results were contrary to the climate targets set in the company's latest climate change report, with Scope 1 emissions up 4.4% from the previous year, and additionally deteriorating after showing improvement in 2020.

In our letter we asked Glencore to give justifications to these matters.

It was also noted that the company's Climate Change Report received only 76% votes in favour compared to 93% the previous year. This decrease was due to the company not illustrating how it would implement the pathway for the targets set for net zero carbon emissions by 2050, and its alignment with the Paris Agreement. This should hopefully prove to be an alarming wake up call for the company.

We also shared some proxy advice giving insights on why we voted against some of their AGM resolutions, with recommendations on how to improve, so that they could potentially get our votes in favour at the next AGM.

We are still to receive a much-anticipated response from them.



Luvuyo Mdingi
ESG Analyst





Case study on **Fortress Property Fund**

In 2022, the management of Fortress was faced with the problem of having insufficient capital structure to maintain dividend pay outs required for the company to retain its status as a Real Estate Investments Trust (REIT).

Fortress management held a General Shareholder Meeting to request approval from shareholders to abolish one class of shares and to only have a single share structure. 'A' shareholders would receive three 'B' shares for each of their 'A' shares.

This proposal was rejected by shareholders at the general meeting. On 30 March 2022, we held a meeting with management where we agreed to disagree on the solutions to the problems facing the company about its REIT status.

Management was adamant that the REIT status had to be kept at all costs while our team, although in broad agreement with that sentiment, did not want to approve a solution which in our view was to the detriment of 'A' shareholders. Our viewpoint was that the company could rather lose its REIT status for a few years than buy out the 'A' shareholders using 'B' shares at the ratio proposed by management.

The management of Fortress REIT then convened another shareholder meeting in August 2022 where they were again outvoted, mainly by 'A' shareholders who still felt that they had the most to lose from these proposals.

Following this, Momentum Investments and eight other investors (representing 40% of all votes) wrote a letter to management requesting that new proposals be put before the shareholders. This was done at a meeting in January 2023 and

this time the proposals of the shareholders who had written the said letter to management had their proposals rejected in turn. This resulted in an impasse.

What was also noteworthy was that at the Annual General Meeting of the company in December 2022, 49.7% of the shareholders voted against the re-appointment of the CEO and 40% against the re-appointment of the Lead Independent Director. This was an indication of the deterioration of the relationship between management and a large block of shareholders at the time.

Management had by then already warned shareholders that the Johannesburg Stock Exchange was considering terminating the REIT status of the company, which subsequently happened at the beginning of 2023.

After this the Chairman of the Board of Directors requested a meeting with us, which was part of a series of meetings with shareholders to hold a post-mortem on the issues of the year leading to the loss of REIT status, and to establish a better future relationship with shareholders.



Piet van der Merwe

Senior ESG Analyst





Case study on **Kaap Agri Limited**

At their 2023 Annual General Meeting (AGM), we voted against the remuneration policy of Kaap Agri Ltd. The board of directors followed up on this vote by initiating a post AGM discussion with our responsible investing team.

We explained that the reason for this negative vote was due to the authority of the Remuneration Committee to override the outcome of the remuneration policy calculations for the short-term incentives awarded to executive management.

As this authority completely negates any remuneration policy provisions, we regularly vote against any such principle included in a remuneration policy. The only exception is when the committee can adjust any such awards downwards. The outcome of the engagement was brief and positive with their management being cognisant of the reasoning we gave them.

We will observe at the next AGM whether the company adjusted its remuneration policy, which excludes discretionary clauses.



Luvuyo Mdingi
ESG Analyst





Supreme Court setback for corporate governance

In 2023, the Independent Regulatory Board of Auditors (IRBA), lost a very important case, in our view, at the Supreme Court of Appeal (SCA). In 2017 IRBA mandated that all companies employing the same independent external audit firm for more than 10 consecutive years had to replace their current audit firm.

However, the East Rand Branch Member District of Chartered Accountants went to court to have this IRBA rule overturned. The SCA agreed with the District Branch that IRBA was acting outside its powers.

We were disappointed with this development as we had incorporated the principle of audit rotation in our proxy voting policy in 2018 after Steinhoff collapsed. We felt vindicated after the accounting scandal at Tongaat Hulett. These companies were not only audited by the same audit firm but had been for several decades. In the case of Steinhoff since its initial JSE listing in 1998, and in the case of Tongaat Hulett for more than 80 years.

When there is less than an arm's-length relationship between the company and its external auditor, the company would probably fight tooth and nail to protect that relationship if it is in its economic interest. The auditors, if the audit fees are relatively material, would probably try to extend the relationship as well.

If this happens, the chain must be broken. Internationally, researchers in the United States claim that the above is not the case. They claim that especially with large technically specialised companies the quality of the audit will suffer when new auditors are appointed. While this may be true to some extent there should also not be permanent business relationships between auditors and their clients. Opinions are more divided in other regions of the world.

Some countries chose audit partner rotation only whereas others, like South Africa, chose audit firm rotation every 10 years and audit partner rotation every five years. The idea of audit rotation is to ensure that any less than arm's-length relationships do not develop, even if only by default. And if they do exist, to ensure that it is severed.

It is not meant to accuse auditors of not being professional but the cases of Steinhoff and Tongaat Hulett cannot be ignored. Investors lost hundreds of billions of rands among other things, on audit opinions that were consistently incorrect, potentially for decades.

The second reason for our disappointment is that the South African financial system is currently regarded with some suspicion internationally, with the result that we have been greylisted. A push back by members of the audit profession against audit rotation every 10 years could create negative perceptions by offshore investors on the arm's length and independent role played by audit firms as reflected by their opinions on the reasonability of company financial statements.

This possibility is enhanced after the cases of Steinhoff and Tongaat Hulett. Unfortunately, perceptions may become reality in the minds of investors, even if they are incorrect.

Luckily, according to some commentators, between 91% and 95% of all audit rotations have already occurred. We would hope that the IRBA rule is either re-instated in some form or voluntarily applied by all JSE-listed companies



Piet van der Merwe
Senior ESG Analyst





Engagement register

from 1 July 2022 to 30 June 2023*

Date (2022)	Company	Topic
JULY 12	Redefine Properties Ltd	Sustainability bond roadshow
SEPTEMBER 5	Exxaro Resources Ltd	ESG performance KPIs, ESG discussions
SEPTEMBER 28	Nepi Rockcastle NV	Long term incentives discussion
SEPTEMBER 29	Fortress REIT Ltd	Collaborative capital structure engagement
OCTOBER 6	Fortress REIT Ltd	Follow-up discussions on capital structure engagement
NOVEMBER 1	Fortress REIT Ltd	Continued discussions on capital structure engagement
NOVEMBER 4	Growthpoint Properties Ltd	Pre-voting discussions and explanations on the remuneration policy
NOVEMBER 17	Redefine Properties Ltd	Discussed restructure of share scheme of management that they established in 2013

Date (2023)	Company	Topic
JANUARY 19	Fortress REIT Ltd	Post AGM nomination committee discussions
MARCH 29	KAL Group Ltd	Remuneration policy discussions. Concerns around discretion.
MAY 2	Thungela Resources Ltd	<ol style="list-style-type: none"> The Kromdraai toxic spill. Pathways to Net Zero: Explanation on why a 2070 target, instead of 2050 The issues around mine rehabilitation
MAY 2	Exxaro Resources Ltd	Climate policies and implementation
MAY 10	Equites Property Fund Ltd	Post results catch-up
MAY 23	Capitalworks Investment Partners (Pty) Ltd	Governance and ESG
MAY 24	Sirius Real Estate Ltd	ESG update
JUNE 2	African Rainbow Capital Investments Ltd	Sustainability practices
JUNE 8	Truworths International Ltd	Remuneration policy-ESG KPIs
JUNE 15	Absa Group Limited	Remuneration policy- ESG KPIs
JUNE 20	Anglo American Plc	Inclusion of ESG KPIs into executive remuneration
JUNE 29	Nepi Rockcastle NV	Issues with remuneration report

* These are some of the topical engagements highlighted for the year ended June 2023



We integrate ESG

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Our approach to the United-Nations (UN)-supported sustainable development goals (SDGs)

As investors, we have a profound opportunity to make a difference through our investment actions. All UN member states adopted the 17 SDGs in 2015, as a universal call to action to end poverty, protect the planet and make sure all people enjoy peace and prosperity by 2030. Our investment team went through a process of understanding the SDGs and concluded that it is a matter of making intentional forward-looking commitments. Using our strengths and capabilities, and doing what we do best as an investment team by identifying sound investment opportunities, we created an SDG framework.

It has been the third year since we have mapped our SDG commitments across our respective investment capabilities. We have learned that disclosure is key to assess the impact and build closer relationships with our investees to better understand the nature of the impact we are creating.

We have selected six SDG goals for a more focused approach that also seeks alignment, practical integration and scale across Momentum Metropolitan.

As an investment team, we also agreed on a set of principles to keep us honest and committed towards these selected goals:

- The goals should be practical and achievable
- The goals should be within our influencing sphere
- The goals should be forward-looking and intentionally create a positive impact towards the SDGs
- The goals must be reviewed annually to assess progress
- The goals may become more dynamic over time
- The metrics/targets to measure our progress may not be subjective and should be universally acknowledged
- We should not map SDG logos to our portfolios if we cannot illustrate through our SDG mapping framework that we have intentionally set out to achieve these goals



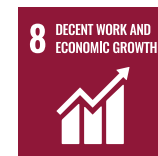
To ensure healthy lives and promote well-being for all at all ages.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Ensure access to affordable, reliable, sustainable and modern energy for all.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



Take urgent action to combat climate change and its impacts.





SDG framework

F2023 progress update



Team	Hedge fund	Portfolio solutions	Listed equity	Private equity	Listed property
Target name	Climate change investment policy adoption.		Listed companies to disclose remuneration policies with climate-specific KPIs.	Climate change investment policy adoption.	Greening buildings.
Target description	Create climate awareness and achieve climate policy adoption across all appointed investment managers.		Encouraging our targeted listed equity companies, where we have material influence, to have remuneration policies in place with climate-specific KPIs.	Create climate awareness and achieve policy adoption across appointees.	Greening buildings of listed property portfolios.
Metrics	<p>The climate change policy coverage of investments increased from 16.36% (2021) to 21.55% (2022).</p> <p>Percentage of appointed investment managers with climate policies increased from 23% (2022) to 29% (2023).</p>		Listed companies to disclose and link remuneration policies with climate-specific KPIs. For the FYE2023 period we assessed the five companies where we are material investors, of which only Growthpoint Properties Ltd has adequately linked their climate change goals to their remuneration policies.	16% of our appointees currently has climate investment policies in place.	Exposure to green buildings increased from 28% (2022) to 39% (2023).





SDG framework

F2023 progress update



Team	Impact	Portfolio solutions
Target name	Contribute to the supply of affordable, reliable and modern energy services.	Substantially increase the generation of clean and affordable energy.
Target description	Increase our investments in clean energy sources such as solar and wind.	Increase the number of sites for solar to generate clean energy and limit its CO2 emissions.
Metrics	Total emissions generated by investing in renewables investments: 12 121 133 MWh (per year). Number of houses powered by renewable energy: 1 799 760. Total emissions saved by investing in renewables: 1 229 930 tCO ₂ e (per year), Total amount invested in renewables (solar 57% wind 43%) is R 110 275 764.	Number of solar sites increased from nine (2022) to ten (2023) Total renewable power generated by the solar sites: 17 631 000 kWh (per year) Total emissions saved by investing in the solar sites: 17 700 tCO ₂ eq/per year.





SDG framework

F2023 progress update



Team

Impact

Fixed income

Target name

Ensure affordable and reliable access to student accommodation.

The underlying investments within our fixed income portfolios will be used to finance businesses and projects that promote the selected six SDGs as outlined in our SDG bond framework.

Target description

Increase number of student beds to 16 000.

Sustainability bonds are specifically designed to raise money for environmental and social responsible initiatives. We will endeavour to increase our exposure to sustainability bonds.

Metrics

The current number of student beds are 988, with two buildings currently under construction.

We have increased our exposure to sustainable bonds from 0.52% (2022) to 0.61% (2023) across our total assets under management. Our total exposure to sustainable bonds as at 30 June 2023 is R 510 million.





SDG framework

F2023 progress update



Team	Impact	Impact	Private equity
Target name	Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Significantly increase access to information and communications technology and strive to provide affordable access to the internet.	Facilitate sustainable and resilient industry, innovation and infrastructure development in developing countries through investment support to African countries.
Target description	Increase the number of flight passengers at Lanseria airport - the business strategy is to enable lower-income passengers to afford airline tickets. Increase the number of vehicles that use the road infrastructure we invest in: the N3 toll road concession and the Trans African Concessions that manages the N4 Toll Route.	Increase the information and communications technology breadth across South Africa.	Improve innovation, industry and infrastructure in Africa.
Metrics	<p>Number of vehicles (million) increased to 32.8, a 0.52% increase from last year.</p> <p>Number of passengers (million) increased to 1.16, an 18% increase from last year.</p>	<p>20k Kilometers coverage to service businesses with fiber. 1.5 million homes passed to service with fiber. A total of 620k homes connected.</p>	<p>The total Africa Infrastructure market value invested increased to a total of R 510.7 million, a 37% increase from last year.</p>





Transformation relating to appointing asset managers

As custodians of our clients' investments, we place their interests first. Transformation is one of the most important ESG concerns in our country that needs to be successfully implemented. A transformed industry will help solve our country's legacy economic imbalances, lack of education and levels of poverty.

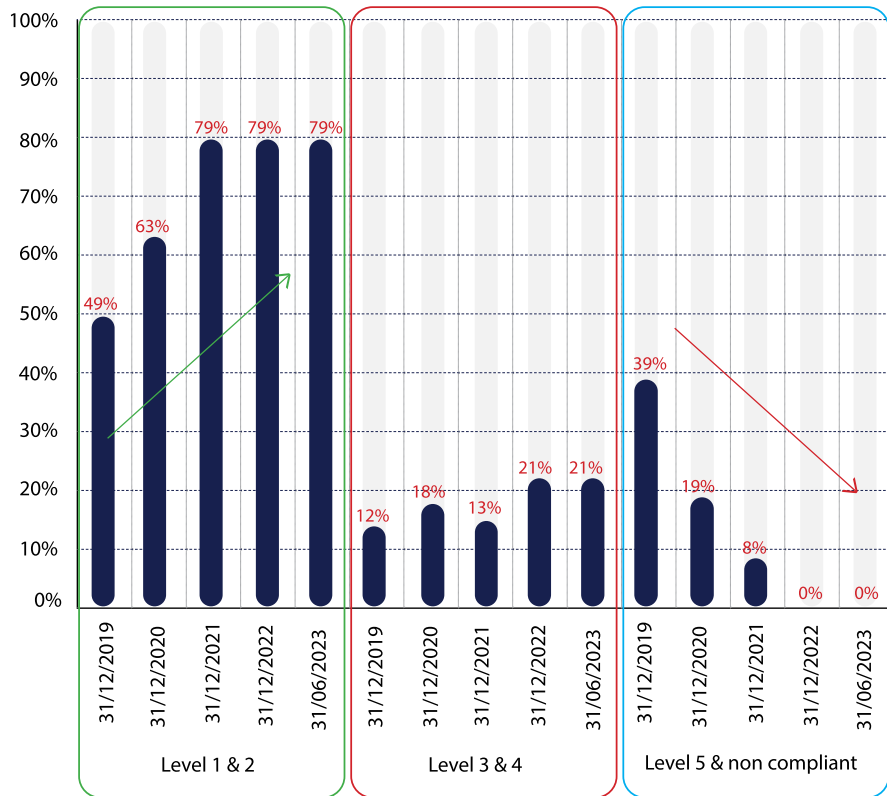
Transformation, therefore, serves as a critical component of our responsible investment approach. Like any other impact investment, it must be fully integrated into our decision-making process, where engagement and active ownership is key, and portfolio plans need to be specific and measurable. We recently formalised our transformation policy, which guides our portfolio managers when they engage with external investment managers.

We seek to maximise the probability of delivering on the predefined investment objective of the portfolio and in so doing ensure the investment case is preserved. We believe in authentic and broad-based transformation across the value chain and that **responsible investing will enhance the longer-term risk-return objective** of the portfolio.

In our commitment to support transformation in the industry, each portfolio has a three-year transformation plan in place that is reviewed annually to ensure it remains relevant and aligned to our strategic intent. We have a detailed dashboard to monitor the transformation credentials in our portfolios at a more granular level, which assists in focusing our engagement efforts with the asset managers.

The first and second charts are an extract from our dashboard and demonstrates the progress we have made on our transformation plan. Since 2019, in our Enhanced and Classic Factor 7 Portfolios we are pleased to report that the allocation to at least level 2 managers has significantly increased across the portfolios and our allocation to level 5 and non-compliant investment managers has reduced to 0%.

Chart 1: The empowerment rating in our Enhanced Range as a percentage of local investment managers at 30 June 2023

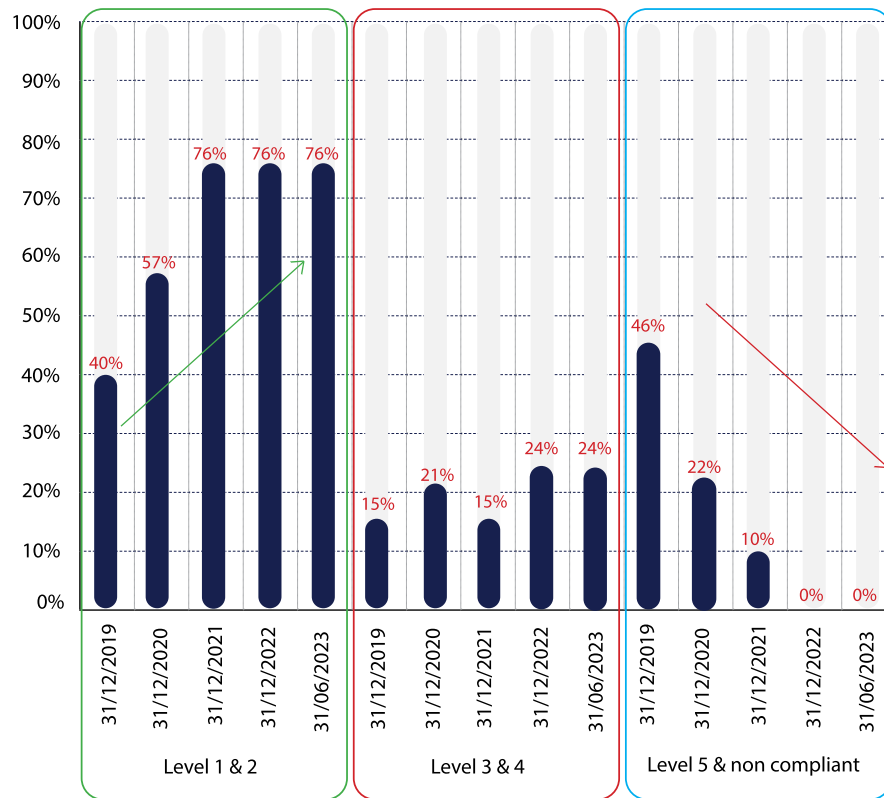


Source: Momentum Investments portfolio weightings 30 June 2023
Alexander Forbes BEE Survey as at 30 June 2023





Chart 2: The empowerment rating in our Classic Range as a percentage of local investment managers at 30 June 2023



Source: Momentum Investments portfolio weightings 30 June 2023
Alexander Forbes BEE Survey as at 30 June 2023

Our transformation plan in these portfolios is expressed as a percentage of the local portion of the portfolio, as roughly 35% (and expected to increase given recent regulatory changes) of our investments are offshore, a space where very few South African (SA) based investment managers have successfully developed the required skill and expertise. We encourage the emergence of Black-owned investment managers and professionals in this space and is a key part of our research and engagement plan with investment managers.

How we engage investment managers to transform

We do not only focus on Black ownership but rather favour broad-based transformation as majority Black ownership is only one element of transformation. Broad-based transformation will lead to more diverse investment teams and more Black people, specifically Black women, in senior decision-making positions across large established firms as well as boutiques. This will help to achieve a more transformed and inclusive investment management industry.

The large established investment managers, that aren't necessarily majority Black-owned but still have meaningful Broad-Based Black Economic Empowerment ratings, have been fertile training grounds and sometimes the largest employers of black and female investment professionals. Many of the large established investment managers have pioneered corporate initiatives that have contributed to meaningful transformation and the development of skills in the financial services industry. In many cases, these corporate initiatives have led to the establishment of independent black investment businesses. The large established investment managers also allocate meaningful size brokerage to Black stockbrokers.

We believe that the industry is embracing transformation and the opportunity set is expected to widen in the years ahead. Many large asset managers and some smaller boutiques have made strong and rapid advances to lift their Black Economic Empowerment (BEE) credentials. Shareholding credentials remain the most challenging aspect to address in large established asset managers as it may necessitate corporate restructure or mergers and acquisitions activity in a somewhat subdued economy. Also, the current opportunity set for strategic BEE partnerships with relevant experience is somewhat limited given SA's skills shortage. A further challenge is that very few locally based asset managers have successfully developed the required skill and expertise in the multi-asset class and global portfolio management space, with the biggest growth and proliferation in the very competitive SA equity category.

As a key part of our research and engagement plan with asset managers we continue to encourage and support the broad-based transformation initiatives of the large established and boutique investment managers, as they continue their transformation journey.





Our alternative investments portfolios

at a glance

Purpose

To deliver competitive returns from quality alternative and private market investments for our investors

About

- Founded in 2007 to provide institutional investors access to alternative mandates and generate illiquidity premium
- Combining direct primary investing and third-party manager use

Capital structure

- Invest across the capital structure, depending on mandate
- Allows us to manage diversified asset class portfolios
- Co-invest with Group portfolios to provide well capitalised solutions

Investment process

- Disciplined investment approach with comprehensive governance
- High quality due diligence, deal structuring, balanced risk-adjusted return, portfolio management and exit management

Well positioned to access and execute high quality opportunities

Hedge fund strategies

Impact portfolios

Private equity

Hedge fund strategies



Motlatsi Mutlanyane

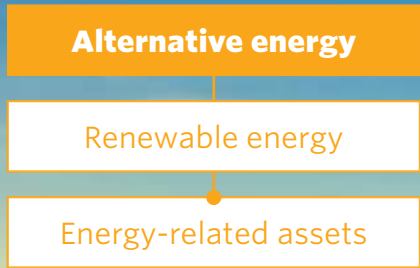
Head: Alternative Investments





Alternative energy portfolio

Exposure to energy growth sector



7 AFFORDABLE AND CLEAN ENERGY

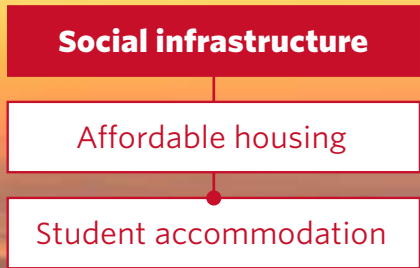
- South African focus
- Targeting: CPI + 4%-6%
- No performance fee

100MW CSP Plant

Operating assets
 Secondaries and refinance
 Hybrid instruments
 Exit in 6-10 years

Social infrastructure portfolio

Stable and resilient asset class



4 QUALITY EDUCATION

- Develop & operate assets
- Target: IRR 14%
- Fee: 1.25% pa

Enrolments at an all-time high

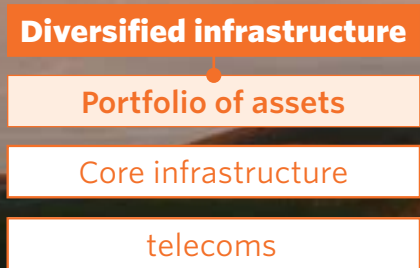
Excess demand of over 210,000 beds

Capital value growth and secure rental income

Resilient and uncorrelated

Diversified infrastructure portfolio

Core infrastructure - multi-strategy



9 INDUSTRY INNOVATION AND INFRASTRUCTURE

- Mature assets
- Target: IRR 12%

Direct:
 Operating companies

Indirect:
 3rd party managed funds
 Stable cash flow profiles
 Sub-Saharan focus





Case study on **Lake Turkana Wind Power**

Momentum Metropolitan Holdings Limited is an investor in the Pan Africa Infrastructure Development Fund (PAIDF). The PAIDF invests in a number of infrastructure projects in South Africa as well as the rest of the African continent. One of its investments is in the Lake Turkana Wind Power project.

Lake Turkana is a 310 MW wind power project and is the single largest wind power project in Africa. The project is situated in the Marsabit County in Kenya, approximately 545 km north of Nairobi. The lake itself is the world's largest permanent desert lake, and is also known as the Jade Sea due to its unique greenish blue colour. The area has an attractive wind resource. It is situated between Mount Kulal and Mount Nyiro, which effectively act as a funnel, hence the wind in the region is strong and consistent. This is demonstrated in the project's capacity factor of an excess of 60%, which is

very attractive compared to projects in South Africa which would be in the range of 25-30%. The project supplies approximately 16% of Kenya's total power requirement. The company mitigated the equivalent of 680 000 tCO₂e carbon emissions and saved the country in excess of €97 million of fuel imports in the last year.

The company has a 20-year power purchase agreement with Kenya Power and Lighting Company (KPLC) which runs through to 2039, on a build-own-operate-transfer basis. Ketraco, the Kenya Transmission Company was responsible for building a 435km transmission line to link the project to the national grid. The company employs over 320 people, of which some 85% are from the local Marsabit community, and 99% are Kenyans.



Godfrey Albertyn

Portfolio manager





Our FutureTrends Fund

This fund is suited to investors with a high-risk profile wanting a diversified and non-traditional, equity centric investment strategy. The fund is an actively managed high equity, multi-asset-class fund aiming to deliver long-term, real returns over periods longer than seven years.

The fund has a thematic evolutionary dynamic and focuses on the future investment landscape, targeting economic development and trends that will shape the future. It is a holistic solution that will not only target a single event or area of development but will capture a wide variety of themes that may impact the world.

The last 30 years have seen the new concept of thematic investing gain traction, allowing investors to capitalise on future trends by identifying macro-level themes today that are likely to flourish over the coming years and even decades. Thematic investing is therefore an approach which focuses on predictable long-term trends rather than specific companies or sectors, enabling investors to access structural, once-off shifts that can change an entire industry.

Today's examples of popular themes include the disruptive technologies of the Fourth Industrial Revolution, such as artificial intelligence, machine learning, robotics, blockchain and data analytics. Investment opportunities that are tied to the concept of sustainability, such as clean energy and green bonds, are also garnering much interest. And more recently, investors have been turning their attention towards healthcare given the global crisis that has been sparked by the COVID-19.



[click here to view brochure](#)





Momentum

Global Sustainable Equity Fund

Well-diversified, low-cost, systematic equity strategy providing exposure to global developed markets.



We aim to achieve

At least a 20% lower environmental footprint than the benchmark, as measured by greenhouse gas emissions, waste generation and water consumption

At least a 20% better sustainability profile, as measured by the RobecoSAM Smart ESG Score



How do we plan to achieve this?

As of June 2023, the portfolio's:

Greenhouse gas emissions
(Scope 1 and 2)

21.5%
lower than benchmark

Waste generation

26.1%
lower than benchmark

RobecoSAM Smart ESG Score

20.4%
lower than benchmark

Water consumption

21.1%
lower than benchmark

Managed by Momentum Global Investment Management (MGIM)

Approved as an **Article 8** (ESG integrated) fund under the European Sustainable Finance Disclosure Regulation (SFDR)

*Not available in South Africa

Momentum

Africa Real Estate Fund (MAREF)

A institutional real estate portfolio that finances and develops commercial real estate in sub-Saharan Africa, excluding South Africa.



Governance

MAREF's governance benchmarking for all property development projects aligns with the International Finance Corporation Performance Standards 1 to 8.



Social impact

Its social impact includes sustained job creation, and all development projects are aligned to the International Finance Corporation's Performance Standards on governance benchmarking.



Environmental impact

The Rose development, MAREF's on-going service apartment development in Nairobi, is Leadership in Energy and Environmental Design (LEED) Silver certified. LEED is a green building certification programme used worldwide, an initiative of the US Green Building Council.

Mon Tresor Business Gateway, MAREF's office development in Mauritius, **won the Best Green Building in Africa award at the Africa Property Investment Awards 2019.**

Harmony

Sustainable Growth Multi-Asset Fund

Launched in 2022, this fund managed by MGIM is an approved Article 8 Fund under the SFDR.



The fund has strong sustainability credentials, with no exposure to coal businesses and a fossil fuel exposure (limited oil and gas).

60%
lower than its peers



MGIM supports the TCFD and strongly encourages investment managers we invest with to do the same.

The two equity funds holding oil and gas are **Article 8** funds, ensuring ESG integration with high levels of disclosure.





Climate change





Our decarbonisation strategy

Our aim is to work towards a Just Transition and achieve a low carbon economy while being aligned to the Paris Agreement¹.

Reduce our carbon footprint as a business

We are long-time supporters of reporting our carbon footprint and have been signatory to the Carbon Disclosure Project (CDP) since 2013, also working towards a science-based aligned approach. We publish our company climate approach on our website ([TCFD report](#)).

1

Promote climate-aligned investing

Through our stewardship efforts we collaborate and create awareness across the investment industry.

3

Work towards a Just Transition

Managed transition

We support high and low emitting firms, to ensure delivery of critical services and through our stewardship efforts, ensure entities have a robust climate strategy and support a Just Transition.

Finance and invest in climate solutions

We increase our focus on low-emitting technologies and services, thereby replacing high-emitting technologies or services over time.

Green economy

We increase our investment exposure in the green economy.

2

We will be demonstrable in our progress.

Climate-related reporting is important to ensure transparency and accountability.

TCFD report

Provides information on our climate-related activities and serves as a climate risk framework. Click [here](#) to read our published report.

Stewardship report (For policy holders)

This report demonstrates the extent to which we have integrated responsible investment practices. Disclosing the carbon footprint of our financed emissions.

Sustainability report

Provides insight into our Sustainability Framework and related performance. Click [here](#) to read our published report.

Client-specific reports (For policy holders)

Carbon footprinting of the South African local equities and fixed income exposures held within our client portfolios. Available on request.

4



1. By Paris Alignment, we mean that MML Ltd will be consistent with the objectives of the Paris Agreement and a country's pathway towards low greenhouse gas emissions and climate-resilient development. Taking into account the principle of common but differentiated responsibilities and respective capabilities, in light of countries' different national circumstances.





Climate metrics

We acknowledge climate change as a real risk and manage these climate-related considerations across all the assets we manage. Our investment decarbonisation strategy serves as a guiding framework for the respective investment capabilities within our business. Our aim is to work towards a Just Transition and achieve a low carbon economy while being aligned to the Paris Agreement¹.

Our responsible investment team uses third-party research to bolster internal assessments and ratings. At the start of this year, we appointed MSCI ESG Research company as our climate data service provider with a focus on making progress on more rigorous measurement of carbon emissions across the listed equity and listed fixed income discretionary assets managed by the Momentum Investment Team within South Africa.

The Implied Temperature Rise (ITR) metric provides an indication of how well public companies align with global temperature goals. Expressed in degrees Celsius, it is an intuitive, forward-looking metric that shows how a company aligns with the ambitions of the Paris Agreement -- which is to keep a global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C.

Source: [MSCI](#)

Note:

1. By Paris Alignment, we mean that MML Ltd will be consistent with the objectives of the Paris Agreement and a country's pathway towards low greenhouse gas emissions and climate-resilient development. Taking into account the principle of common but differentiated responsibilities and respective capabilities, in light of countries' different national circumstances.

Disclaimer: This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although Momentum Outcome-based Solutions (Pty) Ltd.'s information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Implied temperature rise:

The overall implied rise of temperatures of our South African discretionary assets managed within our listed equity and listed fixed income asset classes is:



The issuers within our FYE 2023 portfolio analysis are distributed according to their Implied Temperature Rise showing the number who are aligned with the Paris Agreement and the more ambitious 1.5°C temperature goal.

Implied temperature	Rise categories	% of companies in category
1.5 °C aligned	<= 1.5 °C	21.6%
2 °C aligned	> 1.5 °C - 2 °C	35.2%
Misaligned	> 2 °C - 3.2 °C	23.2%
Strongly misaligned	> 3.2 °C	20.0%

From this distribution, 56.4% of companies are aligned with the goal of limiting temperature increase to below 2°C. 24.6% of companies are aligned with the goal of limiting temperature increase to below 1.5°C.



SA discretionary assets invested in:

	F2022	F2023
 Total carbon-related assets*	R40.9bn	R30.6bn
 Total coal**	R3.8bn	R2.4bn
 Total oil and gas***	R725k	R737k

Source: Momentum Investments/[MSCI](#)

*Total carbon-related assets consist of energy sector; basic materials: mining; consumer discretionary: transport; consumer staples: food producers, farmers, fishing, ranches and plantations; industrials: containers and packaging, diversified industrials, transportation services, engineering and contracting services, marine transportation; real estate: real estate holding and development; health care. **Unlisted entities:** Eskom and Transnet.

**Total coal assets consist of Eskom, Thungela Resources Ltd and Exxaro Resources Ltd.

***Total oil and gas consist of Efora Energy Limited (EEL).

It is our fiduciary duty to ensure we manage climate change risk concerns on our clients' behalf.

Through our climate decarbonisation strategy, we acknowledge the importance of working with our investee companies to ensure they have a robust climate strategy and support a Just Transition. Our investment actions results in an implied temperature rise and carbon footprint of which we endeavor to manage responsibly by also being cognisant of achieving a Just Transition. Our governance team has renewed their SDG 13: Climate Action goal to encourage their targeted listed equity companies to disclose and link remuneration policies with climate-specific KPIs ([click here to view our SDG framework \(listed equity\)](#)).

We have recently updated our [Climate Change Investment policy](#), to ensure no direct investment allocation will be made towards financing any new coal fired power stations.

Our [proxy voting policy](#) has also been updated with our expected climate considerations. Please also refer to our engagement register on [page 15](#). We are also a signatory of the Climate Action 100+ global initiative and form part of the engagement groups of Sasol and Eskom.



South African discretionary listed equity and listed fixed income carbon footprint

To achieve alignment with the Paris Agreement target, it is essential for us to understand what our current carbon footprint is. Through our stewardship efforts, we encourage these listed companies to also transition to a low carbon economy and report in line with the TCFD framework. Herewith is our total discretionary asset analysis of our listed equities and listed fixed income assets, which makes up almost 80% of the total discretionary assets that we manage:

		Listed fixed income		Listed equities		Listed fixed income + Listed equities	
		2022	2023	2022	2023	2022	2023
Financed carbon emissions (tCO ₂ e/\$m invested)	Scope 1+2	16.3	10.6	254.2	171.4	203.6	142.3
tCO ₂ e/\$m invested	Scope 3 - upstream	55.9	64.4	147.7	149.8	128.2	134.3
Investor allocation: EVIC	Scope 3 - downstream	111.3	125.1	1227.4	1012.7	989.8	852.1
Financed Carbon intensity (tCO ₂ e/\$m sales)	Scope 1+2	33.9	22	461.1	299.4	379.7	255.80
tCO ₂ e/\$m sales	Scope 3 - upstream	116.4	133.5	267.5	261.8	238.7	241.60
Investor allocation: EVIC	Scope 3 - downstream	231.8	259.5	2222.5	1770	1,843.4	1,532.6
Data coverage (%)		29%	27%	95%	94%	64%	64%

Source: Momentum Investments/[MSCI](#)¹

CO₂e

Carbon dioxide equivalent.

EVIC

"Enterprise Value Including Cash (EVIC) is an alternate measure to Enterprise Value (EV) to estimate the value of a company by adding back cash and cash equivalents to EV. The underlying data used for EVIC calculation is sourced from a company's accounting year-end annual filings. EVIC is updated and reflected once a year as the data is sourced annually."

Financed Carbon Emissions

Allocated emissions to all financiers (EVIC) normalized by \$m invested. Measures the carbon emissions, for which an investor is responsible, per USD million invested, by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalisation).

Financed Carbon Intensity

Allocated emissions per allocated sales. Measures the carbon efficiency of a portfolio, defined as the ratio of carbon emissions for which an investor is responsible to the sales for which an investor has a claim by their equity ownership. Emissions and sales are apportioned based on equity ownership (% market capitalisation).

Data Coverage

The percentage of the portfolio value for which the stated metric is calculated.

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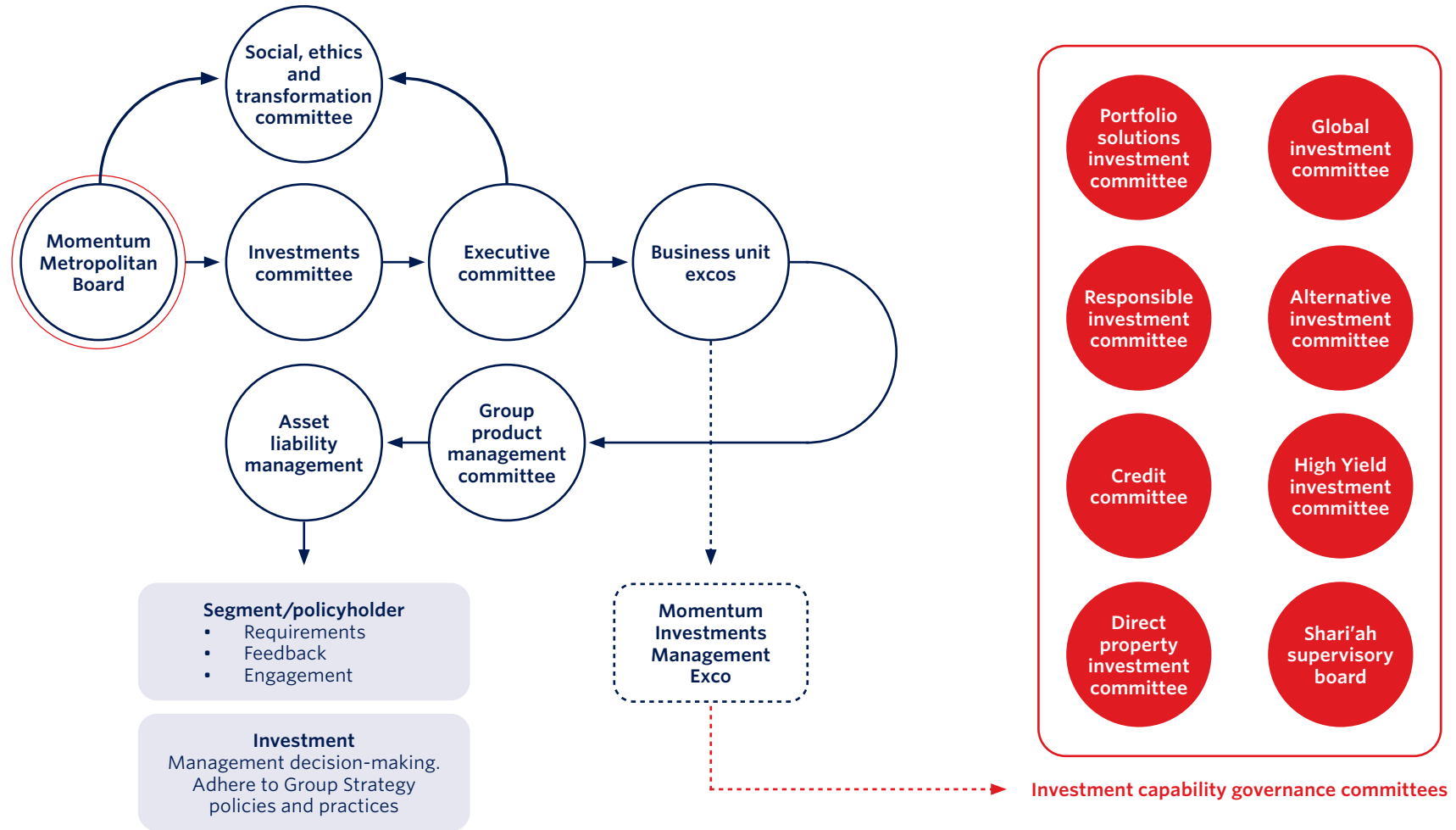


Business sustainability matters

m









Governance structures in place to achieve as well as promote responsible and ethical investing



Our investments committee and social, ethics and transformation committee are mandated by the Board to provide oversight of the Group's application of responsible and economically sensible investment practices. At management level, the responsible investment committee monitors the relevance and integrity of our responsible investment practices and policies and ensures alignment with global best practices. It does not enforce but guides and seeks to influence the Group towards responsible investment decisions. The management teams lead all efforts to regularly assess and disclose our performance as a responsible investor against global standards such as the PRI.

How we manage conflict of interest

Potential conflict	Mitigation
 Profits and losses incurred as a result of errors	We apply the principle that clients should be put back into the position they would have been had the error not occurred and there is no materiality level applied to trading errors. Further information on the treatment of profits and losses incurred as a result of errors and breaches are contained in our Error Treatment and Reporting Policy.
 Employee personal account dealing	Personal account trading of staff members is captured by our policy on personal account dealing, requiring scrutiny and pre-authorisation by senior management, before engaging in a trade for their own account. All employees are required to declare annually that they have complied with the policy and to provide details of personal dealings and holdings.
 Rebates	It is a legislative requirement that rebates should be for the benefit of the client.
 Commission arrangements	Equity broker allocation follows a best-execution principle, while also taking into account the pay-for-flow model, whereby brokers will get allocations based on their research capabilities that will serve in the best interest of our clients.
 Gifts, benefits or inducements	Financial Interest and Conflict of Interest Policy stipulates that employees may not solicit or provide anything of value directly or indirectly to other financial services providers (FSPs) or third parties (except under limited circumstances), which would impair the FSP's duty to act in the best interests of clients. Accordingly, no financial interest of more than R 1 000 may be offered or accepted.

Potential conflict	Mitigation
 Segregation of key functions	Segregation of duties has been given due consideration in all areas of the investments value chain. Portfolio management and execution are conducted by different functions. Portfolio management is conducted by the portfolio managers and execution is done by the Dealing and Implementation teams. Back office functions are completely separated from portfolio management activity.
 Client order and aggregation	Our primary focus is to ensure timely and fair allocation of all client orders. Client orders are prioritised based on arrival time and can be aggregated with other client orders and worked simultaneously if not detrimental to any client. Orders are managed by our dealing desk, which is independent from the portfolio management teams. All orders are allocated on a proportional basis across all client accounts in the event of the total order not being completed in the market. The allocation process is automated and each client account's portion is calculated by the company's order management system (OMS). The OMS also provides an audit trail detailing all actions implemented at each stage of the order's life cycle.
 Proxy voting arrangements	In our proxy voting philosophy and the practical application thereof we consider the clients' interests in preference to our interests.
 Insider trading	Should any staff member become a party to material non-public price sensitive information from any source the affected security/ies and/or entity/ies will be placed on embargo by the investment compliance department on the portfolio management system. Personal deals by the affected individual/s will also not be permitted.



Our business transformation story

As part of our Reinvent and Grow Strategy, transformation remains a key strategic enabler, as this has a direct impact on our business strategy. We are continually driving strategies that sustain Momentum Metropolitan's level 1 B-BBEE contributor status. The transformation enabler, as part of our strategy, is further cascaded into our strategic scorecard, for which executive leadership is responsible for delivering on. Given the changes in the regulatory environment, we are working towards an independent B-BBEE scorecard. The past year has seen the implementation of various strategic initiatives to enable Investments Management B-BBEE Scorecard, which will be run independently. While this process is in audit at the time of this report being released, we are unable to share the outcome, but look forward to a positive result in line with our B-BBEE Strategy. We are also focusing on the following high level key strategic shifts that positively contribute to transformation within the South African landscape.

Our focus remained on ensuring a representative workforce over this year, as we improved our overall representation at middle, junior, and semi-skilled occupational levels within Momentum Investments. While we celebrate the shift in our overall representation at middle management level, our focus remains on ensuring that we improve representation in both middle and senior management levels in the upcoming financial year.

The junior management ACI representation increased from 69.95% to 71.24% while the middle management ACI representation increased from 36.87% to 40.30%. Our senior management representation remained unchanged during this period. These changes were based on a concerted effort to implement the Employment Equity (EE) Plan, following a thorough process to develop the same. Delays in the implementation of our EE plan for senior management lead to our statistics at this level remaining unchanged.

	2022		2023		
	ACI	% ACI	ACI	% ACI	
Junior	149	69.95	161	71.24	Improved
Middle	73	36.87	81	40.30	Improved
Semi-skilled	160	82.47	156	83.87	Improved
Senior	5	19.23	5	19.23	Unchanged
Unskilled	3	100.00	3	100	Unchanged

**HEADCOUNT
MOVEMENTS**



Skills development



Our Phambili 2.0 programme at a glance



Launched internship programme



Two interns appointed as investment analysts



Evolved our Phambili programme to include internships and bursaries

- 100% absorption of our interns from this inaugural program into permanent roles in our business
- 50% of our Phambili interns successfully completed their FMP practitioner qualifications
- comprehensive bursary that covers tuition, textbooks, learning equipment as well as stipends
- Currently funding 25 students from universities across South Africa (a combination of able bodied and disabled students)
- 90% of these learners are from designated groups

2023 = initiated an employee learnership programme, aimed at the young junior talent that has the ability, aptitude, and drive to become investment professionals as part of their career journey.

During the past financial year, we have shifted our skills development focus to address our specific scorecard requirements as part of our first B-BBEE Scorecard for our Investments Management business. Our Skills Management Strategy saw the development of a targeted approach to effectively drive both socio-economic impact, as well as create a talent pipeline.



Thabang Mmekoa

Lesedi Nkosi

Sbulele Njeke



With the success of the Phambili internship and a need to further contribute to youth development within South Africa, we launched our Phambili Bursary Programme in September 2022. We believe that this programme will not only impact the lives of our students but also create a pipeline of talent to feed into organisations in the future.

- In addition to the above programme, we have also initiated an employee learnership programme, aimed at young junior talent that has the ability, aptitude, and drive to become investment professionals as part of their career journey. The learners on the learnership programme, studying towards an FMP qualification for the reporting period in question, have a 100% pass rate and are well on their way to careers in the investment business.

Both our internship and employed learnership programmes are aligned to formal qualifications offered by **The Association for Savings and Investment South Africa** and accredited and registered through **The South African Institute of Stockbrokers**. This partnership has been useful in ensuring valuable programs are implemented as part of our youth development strategy.





iSabelo

To achieve our long-term strategic business objectives and to strengthen our B-BBEE ownership, Momentum Metropolitan has made available an employee share ownership plan (ESOP) called 'iSabelo' to its employees. iSabelo is structured to benefit all permanent employed South African-based employees to promote inclusivity.

As a B-BBEE Scheme, iSabelo has allocated at least **85%** of benefits to black beneficiaries

of which at least **55%** will be for the benefit of black women.

At the moment, about **78%** of our staff is defined as black (which includes African, Indian and Coloured employees)

All new permanent employees were allocated units in (employed before March 2023) **APRIL 2023**

Dividends were declared in **APRIL 2023**

and **OCTOBER 2022**



Developing transformational partnerships

We believe that investing is personal. For this reason, we want to continually engage with an industry body like The Association of Black Securities and Investment Professionals (ABSIP) which takes to heart the issue of financial transformation in our country and helps financial advisers better understand their clients.

Momentum is mass in motion and our partnering with ABSIP and other key industry bodies is about thrusting us in the right direction to help transform the investment industry.

The objective of these partnerships is to:

- Drive a dialogue that fosters economic transformation.
- Share knowledge, cross-collaborate and solidify financial empowerment and acumen.
- Better understand and tap into a seasoned audience to create and curate investment solutions tailored for them.

Other development initiatives we have completed:



Signed up for their corporate membership to actively contribute to the transformation of the financial services sector by participating in relevant ABSIP programmes and collaborating with them to lobby government and key bodies.

2023 headline sponsor of the ABSIP Asset Owner Symposium: A platform for pension and retirement fund principals and trustees, Chief investment officers, Asset consultants and asset management firms to discuss relevant issues pertaining to diversity and inclusion in the sector against the backdrop of sector activities and pending changes in the industry.



R3 million

in loans provided to the Association for Savings and Investment South Africa Enterprise and Supplier Development Trust to support small business initiatives.



R750 000

in loans provided to Imvula Securities to support their bursary programme.



R500 000

provided to Motswedi Emerging Managers and Strategists to support job creation.

R2 million

loan provided to Motswedi to support financing of upcoming black asset managers with less than R3 billion in assets under management (AUM).

The responsible investment team

Our dedicated responsible investment team works closely with our investment team to support the integration of ESG, promote active ownership and facilitate research and learning. They refine, own and champion our responsible investment policies and drive adoption across the respective investment team capabilities.

Piet van der Merwe

Senior ESG Analyst

Piet has extensive experience and focuses on proxy voting and engagement. He has specialist knowledge in the credit and private markets.

Luvuyo Mdingi

ESG Analyst

Luvuyo has many years of ESG research experience and specialises in proxy voting and engagement.

Jana van Rooijen

Responsible Investment Specialist

Jana focuses on our overall responsible investment approach to strategy and advocates activities across business, research, reporting and SDGs.

More than 45
years of combined
responsible
investment
experience

Contact Momentum Responsible Investments

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Disclosure

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