

momentum
group


Momentum Investments


Impact strategy progress

Ferdi van Heerden



 **Impact strategy recap**

 **Strategy progress update**

 **Closing**



LONG-TERM

WINNING ASPIRATION

Being a ***trusted investment and wealth manager***, who crafts sustainable local and global solutions offering unique engagement journeys that advisers and clients can rely on to ***build and protect their financial dreams***.



IMPACT STRATEGY

AMBITION

Establish ourselves as ***a major contributor to the Momentum Group earnings*** with AUM/A exceeding a trillion rand, reducing our cost-to-income ratio by 5% and achieving a sustained NPS above 70.



STRATEGIC FOCUS AREAS



Growth

- Vertical integration
- Global growth/ new markets
- Partnership opportunities



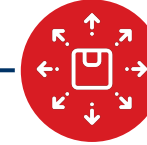
Client experience

- Creating unique distinctive individualised service experiences (consistently)



Operating model

- Technology reset
- Optimisation of capabilities/funds
- Reset the cost base



Product choices

- Product simplification
- Expansion to structured and alternative products



People

- EVP
- Purposeful leadership and culture

Enabled by data, AI and digital

Executed through the federated capability model

Delivered with simplicity

TO ACHIEVE



NHE

>R1 billion

AUM/A

>R1 trillion

Cost efficiency

>R150m | CTI -5% | CTA -0.05%

Net flows

> R30 bn

VNB

1% - 2%

NPS

>70

Wealth Management
(LISP platforms, local and international)

Structured Products and Annuities

Multi-management / Solutions

Multi-Managed Funds
(MMM, MGIM, MAI)

Model Portfolio Solutions
(Equilibrium)

Outcomes-based investment philosophy and process
Collaborate on research and partnerships
Centralised investment provider to internal and external advice networks/partners

Asset management

Specialist Single Manager Funds
(Curate)

Single managed funds each managed by a specialist manager
Independent brands

Single Asset Manager
(MAM, CAIM)

Fixed income Systematics [Alternatives]

Property
(ERIS)

Development Management Advisory
Asset management

Investment Managers Group (IMG) Affiliate AM's

Various % shareholding in independent asset managers

Momentum Securities

Stockbroking (Institutional and Retail) and Client Share Portfolios

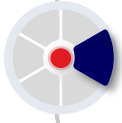
Impact strategy

What this means for us

F2027 measures of success



• Future-fit platform proposition and capability stack for local and global advisers, clients and DFMs



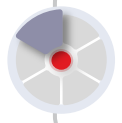
• Vertical integration, to ensure that the platform proposition and capability stack enables the broader ecosystem



• A new Wealth Management operating model to ensure profitability, scalability and sustainability across all jurisdictions



• Explore opportunities to unlock scale in South Africa and selected international markets



• A future-fit client experience to strengthen the platform proposition for local and global advisers, clients and DFMs – digital anchored in human heart

Platform AUA	R370bn
DFM share of platform assets	15%
NPS	70
Cost-to-asset ratio	33bps



Unlock full potential of our businesses



Harness synergies of collaboration



Optimise our cost base



Invest aggressively in advice



Selectively expand our addressable market



Design simplified and impactful client experiences

Structured Products and Annuities

Impact strategy

What this means for us

F2027 measures of success



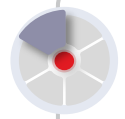
- Increase participation in existing markets and optimise earnings emergence
- Expand revenue sources by focusing on structured products



- Optimise processes and cost base to ensure profitability, scalability and sustainability



- Enter markets to sustain growth



- Implement a model that consistently differentiates service

NPS

70

VNB

R550m - R750m

1%-2% margin

*MI measure not only SPA



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Design simplified and impactful client experiences

Impact strategy

What this means for us

F2027 measures of success

- Become the investment manager to all advice and product businesses in Momentum Group
- Become a leading provider of sustainable investment solutions
- Become the institutional platform provider of choice in the SA market
- Create a single, scalable and global operating model by leveraging technology
- Invest in an IFA network in the UK and selected expat markets
- Access untapped markets through internal collaboration
- Launch a sustainable and profitable fiduciary management business in the UK
- Be recognised for excellent client service in all our key markets
- Evolve and gain support for innovative product range that responds to changing client needs

AUM/A	R510bn
Internal flows	30% into internal products from GLA inflows
Fund performance	70% of fund performance in quartiles 1 or 2

Impact strategy

What this means for us

F2027 measures of success

- 
 - Position Momentum Securities as an integral part of our investment and wealth management propositions
 - Strengthen and grow SA asset management businesses
 - Develop and broaden our direct investment capabilities
 - Optimise and maximise Investment Managers Group (IMG) affiliates
 - Continuously review and expand fund range to meet evolving client needs
- 
 - Strong participation in vertical integration, exploiting synergies between business units
- 
 - Focus on targeted digital capabilities, leveraging data and new technologies
- 
 - Grow international distribution footprint and revenue
 - Launch and grow Curate
- 
 - Build and develop strong client engagement propositions

Direct Asset Management AUM/A	R300bn
ERIS AUM	R25bn
Curate NMG brand perception	≥8



Impact strategy recap



Strategy progress update



Closing

Impact strategy

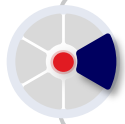
What this means for us

Progress towards F2027 objectives



• Future-fit platform proposition and capability stack for local and global advisers, clients and DFMs

Reasonably confident



• Vertical integration, to ensure that the platform proposition and capability stack enables the broader ecosystem

Highly confident



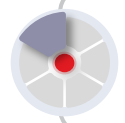
• A new Wealth Management operating model to ensure profitability, scalability and sustainability across all jurisdictions

Highly confident



• Explore opportunities to unlock scale in South Africa and selected international markets

Reasonably confident



• A future-fit client experience to strengthen the platform proposition for local and global advisers, clients and DFMs – digital anchored in human heart

Reasonably confident



Unlock full potential of our businesses



Harness synergies of collaboration



Optimise our cost base



Invest aggressively in advice



Selectively expand our addressable market



Design simplified and impactful client experiences



What we achieved over the last year

- Digital and self-service capabilities are advancing through enhanced onboarding process and reporting
- Client experience and consistency therein remains top of mind prompting a good client NPS outcome
- Launched enhanced offshore proposition with competitive pricing and estate planning features



Where we are experiencing challenges

- Terminated FNZ partnership, but transitioning to improved modular delivery model
- Adviser expectations on service and digital experiences are increasing, leading to a lower adviser NPS outcome
- Market share pressure for local and offshore despite strong volume growth

Platform AUA	R343bn as at 3QF26
DFM share of platform assets	14.7% as at 3QF26
NPS	Between 30 to 60 across platforms and channels as at 3QF26
Cost-to-asset ratio	35bps as at 3QF26

Impact strategy

What this means for us

Progress towards F2027 objectives



- Increase participation in existing markets and optimise earnings emergence
- Expand revenue sources by focusing on structured products

- Reasonably confident
- Highly confident



- Optimise processes and cost base to ensure profitability, scalability and sustainability

- Highly confident



- Enter markets to sustain growth

- Highly confident



- Implement a model that consistently differentiates service

- Reasonably confident



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Structured Products and Annuities



What we achieved over the last year

- Leaders in the IFA market for guaranteed annuities and maintained our position in overall market share
- Income illustrator enhancements that demonstrate improved client outcomes for our hybrid annuity, and new quotation comparison capability that supports the advice process
- Reprice of onerous contracts improving earnings profile and strengthening portfolio sustainability



Where we are experiencing challenges

- Service strain in call centre which is reflected in our NPS score
- Market shift from guaranteed annuities to living annuities impacts VNB

NPS	33 as at 3QF26
VNB	R270m 0.66% margin as at 3QF26
	<small>*MI measure not only SPA</small>

Impact strategy

What this means for us

Progress towards F2027 objectives

- 
 - Become the investment solutions manager to all internal channels
 - Become a leading provider of sustainable investment solutions
 - Become the institutional platform provider of choice in the SA market

- 
 - Create a single, scalable and global operating model by leveraging technology

- 
 - Invest in an IFA network in the UK and selected expat markets

- 
 - Access untapped markets through internal collaboration
 - Launch a sustainable and profitable fiduciary management business in the UK

- 
 - Be recognised for excellent client service in all our key markets
 - Expand product range that responds to changing client needs

- Highly confident
- Highly confident
- Highly confident

- Highly confident

- Fully confident

- Highly confident
- Fully confident

- Reasonably confident
- Highly confident



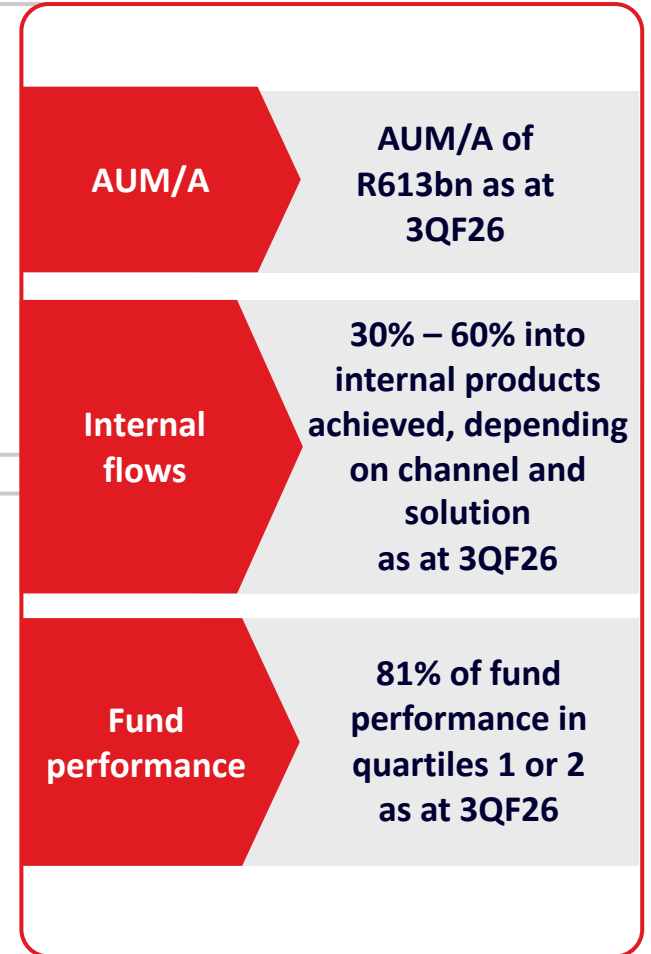
What we achieved over the last year

- Level 1 B-BBEE status indicative of success with our transformation objectives
- Partnerships across channels and business units drive positive net flows and AUM gains
- Solid investment performance across various client segments
- UK retail and institutional growth initiatives are tracking to plan
- Institutional guaranteed solutions has good traction at attractive margins



Where we are experiencing challenges

- Volatile markets causing increased scrutiny and pressure on performance
- The solutions market in South Africa remains saturated and complex to scale



Impact strategy

What this means for us

Progress towards F2027 objectives



- Position Momentum Securities as an integral part of our propositions
- Strengthen and grow SA asset management businesses
- Develop and broaden our fixed income / systematics capabilities
- Optimise and maximise Investment Managers Group (IMG) affiliates
- Build and expand Curate fund range to meet evolving client needs

- Fully confident
- Highly confident
- Highly confident
- Highly confident
- Highly confident



- Strong participation in vertical integration, exploiting synergies between businesses

- Fully confident



- Focus on targeted digital capabilities, leveraging data and new technologies

- Highly confident



- Grow international distribution footprint and revenue
- Launch and grow Curate

- Reasonably confident
- Fully confident



- Build and develop strong client engagement propositions

- Highly confident



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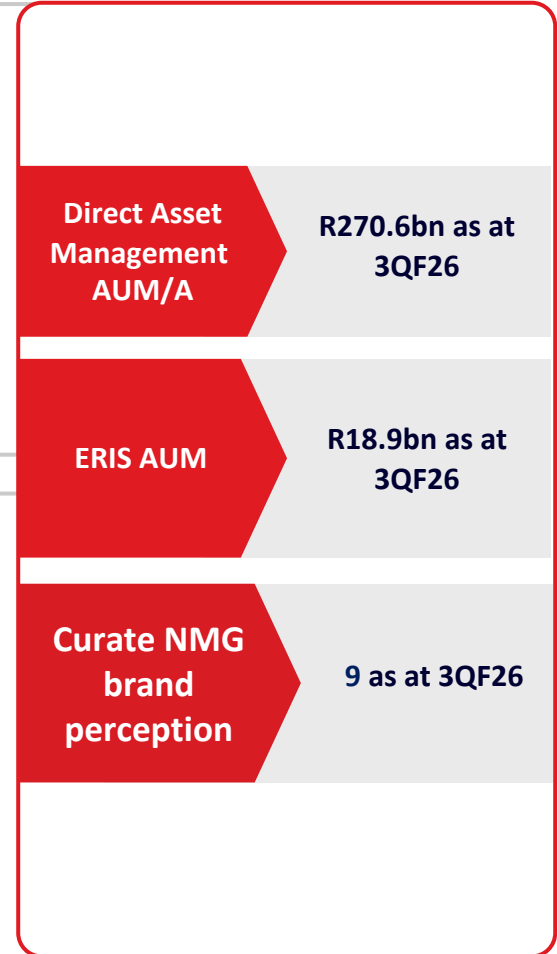
What we achieved over the last year

- Curate Balanced Fund surpasses R1.5bn
- Crown Agents Investment Management (CAIM) secures significant new mandates and wins Central Banking Asset Manager award
- Solid investment performance across CAIM and Momentum Asset Management (MAM)
- Record profitability and AUM in Momentum Securities
- ERIS Bankenveld project in development phase
- Investment Managers Group (IMG) affiliate managers contributing to earnings



Where we are experiencing challenges

- Volatile markets are causing decision-makers to defer provider choices, and resulting in slower discretionary mandate take-up
- Slower decisions around property development impacts on ERIS
- Asset management businesses currently subscale, but opportunity to invest for future growth



	Income illustrator	Manager research	Software development	Client experience
Description	Digital planning tool modelling sustainable retirement income outcomes	AI assistant that delivers timely, cross-manager insights	AI platform for discovery, requirements gathering, design, coding and testing	A series of client engagement tools with digital and AI enabled capabilities
Value	Illustrates sustainable income options, supports decision making, enhances advice experience	Insight time cut to minutes, doubles coverage, boosts allocation confidence, halves admin time	Improved timelines, E.g. Some UX design and coding shifted from weeks to days	OCR and RPA reduce new business capture time by 20%
Next	Continue to roll out to advisers to support hybrid annuities	Expand and deepen understanding of use further cases	Expansion of usage across the wider business	Scale across the business

1

Tokenisation

2

Systematics

3

Private markets

Implication

Tokenisation creates a pathway to lower cost distribution, fractional access and improved liquidity for traditionally illiquid assets

Increasing adoption of systematics and quantitative strategies are reshaping client experiences around consistency, scalability and fee efficiency

Continued investor demand for private market exposures supports long term AUM growth and diversification

Impact

Illustrates sustainable income options, supports decision making, enhances advice experience

Insight time cut to minutes, doubles coverage, boosts allocation confidence, halves admin time

Improved timelines, E.g. Some UX design and coding shifted from weeks to days

Response

Continue to roll out to advisers to support hybrid annuities

Expand and deepen understanding of use further cases

Expansion of usage across the wider business



Impact strategy recap



Strategy progress update



Closing

Vertical integration

1

- Continue to expand support for in-house managed solutions (Curate, EQ, Securities) via internal distribution teams
- Expand IFA partnership model in the UK and embedding centralised investment proposition in advice process
- Broaden support for the institutional advice and solutions proposition in the UK market

Operating model

2

- Transforming the Wealth delivery model to agile modularised approach and collaborating with selective industry partners
- Enhance our operating model for multi- and asset-management businesses for efficiency and improved client experience
- Digitise processes in Wealth and Annuities businesses for efficiency and improved client experience

Product and innovation

3

- Expand structured product range to include protected investments for retail clients
- Comprehensive build-out of systematics and low cost offering and capabilities
- Enhancing our private client portfolio management offering to complement the Securities business

Our
RIGHT
to win

Comprehensive range of high-quality capabilities

Group distribution strength and our belief in advice-led investing

Approach to digital innovation, delivered with a human heart

Integrated approach to stewardship and commercial factors

Well-positioned for targeted growth in SA and international markets

Partnership DNA and retail distribution heritage

Strong Group balance sheet

Thank you

The information in this presentation, including the financial information on which the outlook is based and any non-IFRS financial measures (which are presented for additional information purposes only), is the responsibility of the directors of Momentum Group and has not been reviewed and reported on by Momentum Group's external auditors.

