



momentum
METROPOLITA



ANNUAL
**STEWARDSHIP
REPORT**
2024

momentum
investments

Signatory of:





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Foreword



Mike Adsetts
Global Chief Investment Officer

Welcome to the 5th edition of the Momentum Investments Stewardship report, our annual publication where we focus and track progress on our stewardship and sustainability journey.

In this year's publication we give examples of the progress that we have made over a broad range of sustainability related themes and practices.

Industry participation is a key focus area for us, as this ultimately sets and contributes to a dynamic and receptive environment within which broader sustainability initiatives can be driven at a societal level. One of the successes in this area is that Momentum Global Investment Management, our UK based team, have been approved as a signatory to the UK Stewardship Code. This has been a rigorous process during which we have needed to demonstrate deep commitment and evidence our sustainability and responsible investing practices.

Proxy voting and engagement activities continues to be a cornerstone of our sustainability approach and in this year's report we provide both high-level feedback on the number and types of issues that we have voted on as well as including case studies on how we have engaged and interacted with Sasol, Exxaro and Investec.

As a sustainability focused business, we do not believe in a piecemeal approach to integrating sustainability and responsible investment practices in all that we do. As such we believe that integration of ESG practices is the most appropriate way to ensure that our portfolios authentically address the challenges and opportunities of ESG. This report will illustrate how we have practically incorporated ESG into some of our infrastructure and global portfolios.

Within the broader ambit of ESG, the challenges presented by climate change are becoming more evident and pressing. Addressing the risks of climate change in a responsible and practical way, that consider the complexities of the issue is one of the key challenges that we all face together. We have made good progress on this front and will showcase our decarbonisation strategy and the carbon related metrics of portfolios.

The report concludes with a description of some of our business sustainability practices. Stewardship is not just a portfolio prerogative but also infuses how we conduct ourselves as a business that truly believes in sustainability.

I trust that you will enjoy this report where we continue to provide feedback on our sustainability journey.

Yours sincerely

Mike Adsetts
Global Chief Investment Officer



Overview

m



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 Group'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), the UK Stewardship Code 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 of integration include:



ESG integration



Screening



Themed investing



Active ownership



Impact investing



Stewardship activities



R494.3 billion total discretionary assets¹ under management

Total discretionary assets under management by Momentum Investments (South Africa)²

momentum
investments

Equity	46.9%
Fixed income	29.8%
Hedge funds	1.9%
Infrastructure	0.1%
Real estate	2.9%
Private equity	1.3%
Other	17.1%

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

momentum
global investment management

Equity	59.4%
Fixed income	32.7%
Hedge funds	3.1%
Infrastructure	0.7%
Real estate	1.5%
Other	2.6%

1. Discretionary assets under management (AUM): The total assets managed by our company, after we excluded all execution and/or advisory services.
2. The total Discretionary AUM of Momentum Investments (South Africa) 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



The importance of stewardship in South Africa



Jana Van Rooijen
Responsible Investment Specialist

Integrating environmental, social and governance (ESG) issues into investment decision making and applying stewardship practices are two key parts of our role as a responsible investor, also known as Responsible Investing (RI). The two strategies are complementary to each other, as we integrate these insights to ensure the sustainability of our clients' capital. In this article, we review the concept of stewardship and show how we implement it in practice.

Stewardship means taking ownership — acting as an owner of an asset. This involves using your legal rights by either engaging and voting with investee companies or by engaging with the appointed investment managers who are managing mandates on your behalf.

The importance of stewardship applies to all types of asset classes because the principle of taking ownership is universal.

“
As a responsible investor, you need to understand what you've invested in and address ESG-related matters to protect your investment, regardless of the nature of the asset you own.
”

Exclusionary policies, negative screening or divesting from entities are not popular strategies among South African investors. The small, concentrated and declining investable listed universe in South Africa makes exclusionary policies very expensive in terms of lower levels of portfolio returns and higher levels of portfolio risk. Additionally, there is the imperative to invest in opportunities linked to the Just Transition, which means that investors' most valuable mechanism to navigate through the ESG risk landscape is through sound stewardship principles.

Our proxy voting and engagement policies serve as guiding frameworks as we use our investor rights to make decisions and work towards sustainable outcomes with our investee companies. We strongly encourage our investee companies to be transparent and disclose the required ESG-related information to the public. Transparency enables higher quality conversations between the engaging parties, allows for management accountability, and ensures well-informed proxy voting decisions. In turn, investors also have an obligation to be transparent with their clients and ensure actions are evidenced in their Stewardship Report and published voting records on their [website](#).



Within the **listed equity asset class**, we believe that full participation is necessary to make a difference. Therefore, we vote on all company corporate resolutions (regardless of our percentage holding in the company) and to never abstain, unless it is a related party of Momentum Group as defined by the Companies Act.

“
Collectively investors have the potential to make a positive impact on the sustainable outcome of South African companies.
”

As a signatory to the United Nations-supported Principles for Responsible Investing (PRI), we pre-declare our voting actions of the top-20 shares, by benchmark weight of the FTSE/JSE All Share Index (ALSI), where we have exposure, on the [PRI pre-declaration platform](#). The intention is to be transparent in our motivations and advocate to other investors what we believe is best practice.



When engaging with company management teams, we take a focused approach, selectively engaging with companies where we are deemed material investors. Engagement topics will link to our ESG focused themes we have committed to address as a company. We will also respond to material ESG matters that may arise during the year and seek collaboration opportunities with other investors to have a meaningful presence and hopefully turn the dial towards a positive direction.



Within the **fixed income teams** stewardship efforts are evidenced in their engagement register. This register records engagements with issuers about ESG concerns, their strategy and management thereof. It enables reflection on progress and identifies agreed next steps between parties. There is acknowledgement that collaboration initiatives are necessary. We are signatories to the Climate Action 100+ initiative and serve on the Eskom and Sasol engagement groups with other investors, which helps us to be part of critical conversations, although we might not be the material investor leading the engagement.



As stewards of the assets invested in either fund of **hedge funds or multi-managed portfolios**, we understand the breadth of our influencing sphere and its limitations. Regardless of the investment vehicle type, whether it be a reinsurance agreement, unit trust, or a pooled or segregated mandate, there is always some progress to be an active owner and effect positive influence.

Our segregated investment mandates include responsible investment clauses that link to our responsible investment policy and advise that we will vote according to our own proxy voting policy. When we have more limitations, for example being an investor in a unit trust vehicle, it wouldn't stop us from sharing our views with the appointed investment manager.

Through our commitments to the sustainable development goals (SDGs), our teams have committed to engage with their appointee managers to encourage them to publish their own climate change investment policy. We believe that a policy within an organisation should have oversight and hopefully become a positive steppingstone to climate progress and alignment with our own journey.



Alternative investments such as infrastructure, real estate and private equity create a stewardship-friendly environment for investors through partnership and direct co-investment arrangements offered in these investments. These investment vehicles allow for closer involvement by allowing us to serve on the advisory board, advisory committees or attend the shareholder meetings.



Within the **private equity** landscape, side letters are another mechanism that allows investors to specify ESG guidelines. Given our team's respective SDG commitments, they have engaged directly with their investee companies to establish climate policy adoption and reached out to request impact-related metrics, for example carbon emissions metrics and number of jobs created.

One of the key learnings from our SDG initiative was that the simple request for data or queries around policy often resulted in fruitful engagements in the form of meetings, phone calls, emails and other follow-up engagements with management of the investee company. The sentiment across our investees is always positive and helpful and some have shared with us that our requests have begun new processes and considerations within their own organisations.



We focus on building relationships with our various types of investees, using the opportunity to engage and explain why we stand by our principles. We also acknowledge that we are continuously on a journey to improve our responsible investment practices, which is essential for delivering sustainable returns to our clients.



The principle of stewardship is fundamental to our RI practices. By viewing ourselves as the de facto owners of assets, we are both obligated and empowered to achieve change on behalf of our clients. This is the most powerful way to achieve the change that is required to improve the sustainability of our investments in the future.

For more information on our Stewardship practices, you can visit our website [here](#).



Our responsible investing approach

We commit to best practice



We integrate ESG

We have a responsible investment committee that serves as an oversight function across the various investment capabilities within the team. We integrate ESG across all our discretionary assets under management.

We are active owners

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

Number of shareholder meetings	213
Total resolutions	3464
Abstentions*	74
Votes in favour	3013
Votes against	377

1 July 2023 to 30 June 2024.

* We will abstain if there are conflicts of interest

We advocate

We have committed to the below Sustainable Development Goals (SDG) for a focused approach and engage with our investees accordingly.

- SDG 4:** Quality education
- SDG 7:** Affordable and clean energy
- SDG 8:** Decent work and economic growth
- SDG 9:** Industry, innovation and infrastructure
- SDG 13:** Climate action

We report on progress

We want to be demonstrable in our progress, please visit our responsible investment webpage for:

- The latest proxy voting history
- The PRI transparency and assessment report
- The Stewardship report, which shows the yearly update on our stewardship efforts
- The Sustainability report shows our company's wider sustainability efforts.
- The responsible investment related policies

We seek disclosure

Through our engagement efforts with our investees, we advocate the importance of transparency which result in better quality information and sustainable outcomes for our clients.

**We participate
and collaborate**





Important memberships



Principles for Responsible Investing (PRI)

We have been signatories to the United Nations-supported Principles for Responsible Investment (PRI) since 2006 and continue to report on our progress against these principles.



UK Stewardship Code

Momentum Global Investment Management has been listed as a signatory to the UK Stewardship Code recognised by the FRC since July 2024.



Code for Responsible Investment in South Africa (CRISA)

We proudly support the CRISA code. You can read our CRISA 2.0 statement on our website [here](#).



Task Force on Climate-related Financial Disclosures (TCFD)

By following TCFD guidelines, we aim to provide investors, stakeholders and the broader market with clear and consistent information about our climate-related risks, resilience strategies and their financial implications. This commitment underscores our proactive approach to addressing climate change and promoting sustainable financial practices.



Climate Action 100+

We are signatories to the Climate Action 100+ initiative. We serve on the Eskom and Sasol engagement working groups.



CDP

We are a voluntary participant in the annual CDP (formerly the Carbon Disclosure Project) and achieved a B score for 2023, affirming our commitment to catalyse action towards a sustainable, decarbonised, deforestation-free and water-secure world.



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 and working groups. Our chief investment officer serves as a representative on the ASISA investments board.



Investments Consultants Sustainability Working Group (ICSWG)

We are a member of the UK Investment Consultants Sustainability Working Group through representation in the Momentum Investment Solutions and Consulting team. It leads UK investment consulting firms that aim to improve sustainability investment practices across the industry.





UN PRI Scorecard

2023* UN PRI scorecard

Module name	Our score	Global median score
Policy, Governance and Strategy	84%	59%
Indirect - Listed Equity - Active	71%	57%
Direct - Listed Equity - Active Fundamental	68%	71%
Direct Fixed Income - Sovereigns, supranationals and agencies (SSA)	83%	59%
Direct - Fixed Income - Corporate	83%	59%

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 next PRI assessment result will be shared for 2025.



We protect
your investments





Year under review

Over the past year, South Africa faced significant macroeconomic challenges, including persistent high unemployment, slow economic growth, rising inflation paired with high interest rates and serious bottlenecks in the country's harbour and rail infrastructure.

The rail and port issues are being resolved. While efforts are underway to resolve these infrastructure issues, key opportunities were missed as the recovery coincided with the end of the resources boom. This was evident in our company analysis, where businesses dependent on Transnet and subject to international commodity prices experienced noticeable impacts.

Eskom and Sasol, South Africa's two largest polluters, continued to disappoint stakeholders by failing to implement sufficient climate risk strategies, largely due to severe financial pressures. These challenges are pushing both companies toward difficult strategic decisions.

But, on a positive note, our stewardship efforts have led to increased evaluation of climate mitigation strategies by companies. Despite some setbacks and frustrations with the pace of progress, we have observed a positive trend in addressing climate issues by companies in which we invest our client funds.

Proxy voting and stewardship activities for the financial year ending 30 June 2024

Over the past few years, direct company engagements have become a growing part of our stewardship approach, though proxy voting remains a key component of shareholder democracy.

Once again, the largest category of votes against resolutions involved remuneration policies and their implementation, followed by the election of directors. This trend has been particularly prominent in the post-COVID-19 world.

Interestingly, during this reporting period, we voted against an ESG resolution for Sasol Ltd. We believed the company was not keeping to its own timelines to implement its Net Zero policies.

Company engagements for the year under review

The focus on climate-related issues continued to dominate our company engagements.

Our approach has evolved from merely assessing whether companies have the right sustainability policies on paper to actively ensuring they are demonstrating meaningful sustainability stewardship.

To promote genuine sustainability, we have encouraged companies to incorporate sustainability key performance indicators (KPIs) into their CEOs' remuneration schemes. While initial attempts were often too broad, we have seen these measures gradually evolve into more specific and measurable requirements, driving more impactful actions.



Piet van der Merwe
Senior ESG Analyst





Stewardship activities

from 1 July 2023 to 30 June 2024

213

Shareholder meetings

3464

Resolutions voted on

32

Engagements

22

Environmental engagements

7

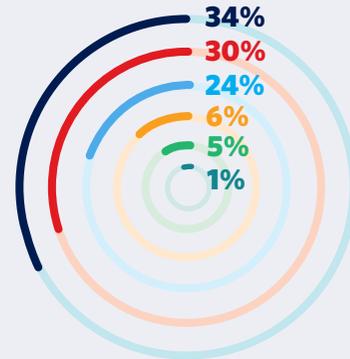
Social engagements

18

Governance engagements

Proxy votes against by category

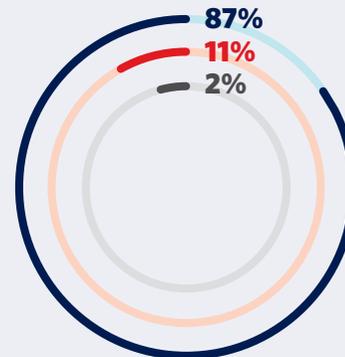
for the financial year ended June 2024



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

Votes by resolution

for the financial year ended June 2024



- For
- Against
- Abstentions*

*We will abstain when there is conflict of interest

Industries engaged	Frequency
Real estate	11
Financial services	9
Basic materials	6
Retail	3
Consumer staples	1
Energy	1
Telecommunications	1

Engagement topics

Remuneration policy	32%
Climate change and regulation	27%
Company board governance	20%
Climate change risks	10%
Pre-voting discussions	7%
Succession planning	3%
Environmental considerations in mining sector	1%

Engagement outcomes

Positive	31
Negative	1

Number of meetings per quarter

Q1	5
Q2	7
Q3	4
Q4	16

Engagement status

Closed	17
Ongoing	15

Engagement type

Virtual	17
Letter	9
In person	4
Email	2





Case study: Sasol Ltd



Piet van der Merwe

Senior ESG Analyst



An important facet of engagement is how a company perceives its investors, particularly their influence within the broader stakeholder universe.

In South Africa, a few large investors, such as retirement funds and asset managers, have the size and influence to secure exclusive board level engagements with major companies, especially dual listed ones.

While we may not have this level of access, we've found ways to overcome this challenge. By aligning ourselves with collective initiatives, such as becoming co-signatories to Climate Action 100+, we have positioned ourselves to engage meaningfully. Additionally, we've kept strong connections with companies investor relations teams, keeping us on their radar.

This approach allowed us to participate in Sasol's Climate Change engagement with multiple investors on 25 October 2023. Although it took some time for the collective effort to gain momentum, we met with the other signatories in May 2024 to develop an engagement strategy for the rest of 2024 and early 2025.

Both types of meetings have proven extremely valuable. During the Sasol organised session representatives addressed concerns from some investors that Sasol was falling behind on its 2030 goals, even in the early implementation stages. In response, the company defended its progress and asserted that there

was still ample time to rectify any perceived delays in their Climate Change programs. However, many investors saw this as a sign of weak commitment to addressing climate risk mitigation strategies. Some analysts pointed out that Sasol's financial struggles might be limiting their ability to fully pursue these strategies.

At the time of writing, the newly appointed CEO had made an announcement that, according to some climate-focused NGOs, suggested a potential extension of the target dates for achieving the company's climate goals. Our responsible investment team will be following up with Sasol to verify the accuracy of this perception.

We also virtually attended Sasol's first Annual General Meeting (AGM) on 17 November 2023, which was disrupted by climate activists, causing the meeting to be rescheduled.

Looking ahead, we will continue to participate in Climate Action 100+ meetings with Sasol, alongside other stakeholders. Our fixed income team is also involved in similar engagements with Eskom, another significant polluter in South Africa facing severe financial challenges. Where relevant, we will continue to pursue this collective engagement strategy.





Case study: Exxaro Resources Ltd



Luvuyo Mdingi
ESG Analyst

Exxaro Resources is a South African mining company and is one of the main contributors to our carbon footprint. The company is primarily engaged in coal mining but has expressed a commitment to transitioning towards a low-carbon future. As part of our commitment to the Sustainable Development Goals (SDGs), particularly SDG13 on Climate Action, we are focused on ensuring that Exxaro aligns with global climate objectives.

During the financial year, we attended Exxaro's ESG roadshow at their head offices, where we engaged in discussions about a Just Transition. Exxaro emphasised the need to address basic needs before fully adopting the Just Transition principles, which is about ensuring that the shift to a more sustainable and environmentally friendly economy is fair and inclusive for everyone. Their social strategy involves focusing on creating positive, lasting impacts on communities through education and skills development while ensuring employee engagement and adherence to ethical business practices. Since our last engagement, media reports indicated that Exxaro was struggling to find non-coal producing mines for expansion and was considering expanding its coal mining operations. This potential shift is concerning as it appears to contradict their stated commitment to reducing carbon emissions.

In response to these reports, we proactively reached out to Exxaro Resources to seek clarity on how their potential return to coal expansion aligns with the Paris Agreement's climate goals. We have requested detailed commentary on Exxaro's decarbonisation plan, including short-term emissions reduction targets and the strategies to achieve them.



Understanding these details is crucial for assessing Exxaro's transition to a low-carbon future and their contribution to global climate goals.

At the time of writing, we have arranged an engagement where we will discuss the following:

1. Clarification on their potential coal expansion and its alignment with the Paris Agreement.
2. Detailed information on their decarbonisation plan and short-term emissions reduction targets.
3. Insights into their renewable energy projects and investments.
4. Comprehensive climate risk assessment processes and integration into risk management.
5. Alignment of their operations with South Africa's National Disclosure Commitments (NDCs).
6. A follow up on their social strategy.

Our commitment to engaging with Exxaro remains steadfast. We will continue to monitor their progress and maintain open lines of communication to ensure that their actions align with their stated commitments to sustainability and the Paris Agreement. Regular updates and transparent reporting from Exxaro will be key.





Case study: Investec Ltd/Plc



Luvuyo Mdingi
ESG Analyst



As part of our commitment to the Sustainable Development Goals (SDGs), we engaged with Investec to review their climate strategies and commitments.

During the financial year, we met with key leadership at Investec's Sandton offices, including the Chairman of the Board and the Head of the Remuneration Committee. Our discussions focused on the importance of linking climate change metrics to the performance indicators of executives. We advocate for clear targets on climate change to be included as key metrics for the CEO, ensuring accountability and measurable progress.

Investec has integrated specific climate-related key performance indicators into the CEO's remuneration plan with target and stretch measures. The specific metrics include targets for reducing carbon emissions, ensuring that leadership is directly accountable for the company's climate performance.

Their approach to climate change mitigation in their remuneration policy sets a new standard. The company's hard targets for reducing carbon intensities demonstrate a clear commitment to minimising its environmental impact. We found Investec to be a good example of how a remuneration policy should incorporate climate change metrics, and we hope that their peers will follow suit.

Our engagement with Investec is a critical component of our engagement strategy and as the next step, we will assess if the targets that they have set have been met. By advocating for the integration of climate change metrics into executive performance indicators, we aim to ensure that Investec's operations align with global and national climate goals. Ongoing transparency and collaboration will be key to achieving these objectives and driving positive change.





Engagement register

from 1 July 2023 to 30 June 2024*

Date (2023)	Company	Topic
AUGUST 16	Vukile Property Fund Ltd	Remuneration policy update and encouraged a gender diverse board and Exco.
AUGUST 22	Thungela Resources Ltd	A progress update on their climate net zero 2030 commitments.
SEPTEMBER 04	Exxaro Resources Ltd	A progress update on their climate net-zero 2030 - just transition commitments and gender diversity profile.
SEPTEMBER 28	Exxaro Resources Ltd	Investor feedback on ESG Roadshow.
OCTOBER 10	Redefine Properties Ltd	Governance update.
OCTOBER 25	Sasol Ltd	Climate change round table discussion.
OCTOBER 26	Shoprite Holdings Ltd	Pre-AGM update.
NOVEMBER 30	Growthpoint Properties Ltd	Governance update.
NOVEMBER 07	Attacq Ltd	Investor feedback on ESG Roadshow.
NOVEMBER 23	MAS Plc	Expressed concern about the discretion in their remuneration policy.
NOVEMBER 28	Climate Action 100+	Climate Action 100+ general update.

Date (2024)	Company	Topic
FEBRUARY 22	NEPI Rockcastle	Encouraged a CEO succession plan and discussed their gender diversity profile. Expressed concern about the use of discretion in their remuneration policy.
MARCH 06	Motus Holdings Ltd	Encouraged transparent ESG metric disclosures in their remuneration policy. We requested improvement of gender diversity on their board and Exco, and the publication of a climate-related report.
MARCH 11	Growthpoint Properties Ltd	We requested improvement of gender diversity on their board and Exco, and the publication of a climate-related report.
MARCH 19	Climate Action 100+	Climate Action 100+ general update.
MAY 08	Climate Action 100+	Sasol was under review by the working group. The following were discussed: <ul style="list-style-type: none"> Climate key performance indicators in the remuneration policy 2030 Climate risk mitigation plan The use of discretion in their remuneration policy
MAY 17	Nedbank Group Ltd	Update on the CEO succession plan and discussed their gender diversity profile. Encouraged the inclusion of climate performance indicators in their remuneration policy.
MAY 28	Climate Action 100 +	A general Eskom update within the working group.
JUNE 01	Fortress Ltd	Expressed our concern that the remuneration policy was amended without shareholder approval.
JUNE 18	Climate Action 100+	Climate Action 100+ general update.
JUNE 24	Investec Ltd, Standard Bank Group Ltd, MTN Group Ltd, Resilient REIT Ltd, Absa Group Ltd, Growthpoint Properties Ltd, Motus Holdings Ltd, Truworths International Ltd	Encouraged the inclusion of climate performance indicators in their remuneration policy. We encouraged these companies, by letter, to include climate performance indicators in their remuneration policy.

* These are some of the topical engagements highlighted from 1 July 2023 to June 2024



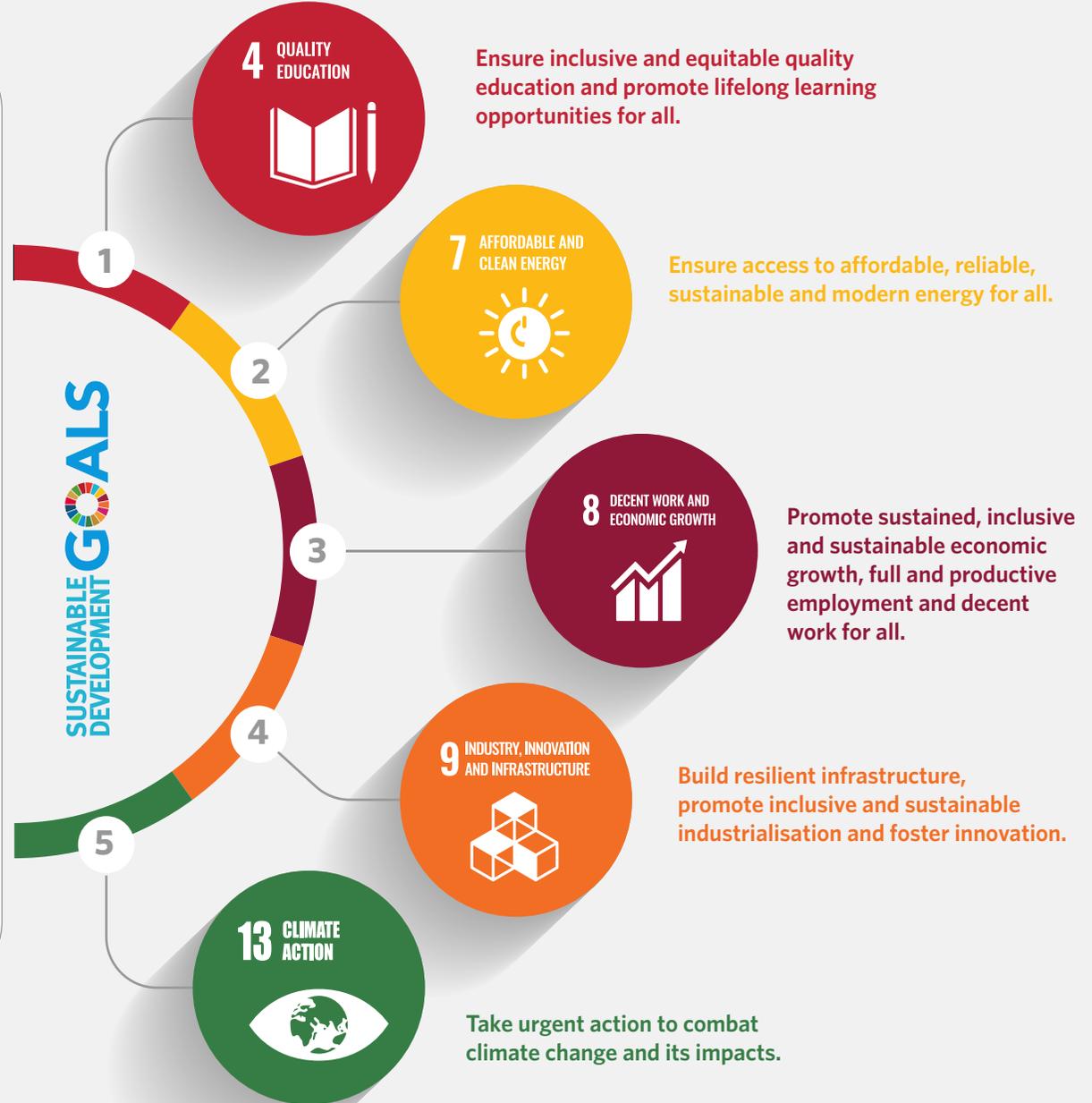


We
integrate
ESG



SDG Framework 2024 (y-o-y progress update)

We have selected **five sustainable development goals (SDGs)** for a more focused approach that seeks alignment, practical integration and scale across Momentum Group. Our SDG framework provides an overview of the responsible investing practices across the various investment capabilities within the team.





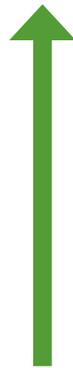
SDG framework

Team

Target name

Target description

Metrics



Impact

Ensure affordable and reliable access to student accommodation.

Increase number of student beds to 16 000.

The number of student beds increased from 988 (2023) to 5130 (2024).

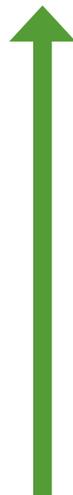


Team

Target name

Target description

Metrics

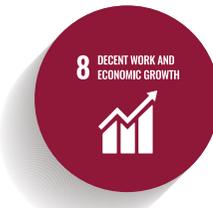


Fixed income

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

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

We have increased our exposure to sustainable bonds from 0.6% (2023) to 0.8% (2024) across our total assets under management. Our total exposure to sustainable bonds as at 30 June 2024 is R640.3 million.





SDG framework

Framework F2024 **SDG 7**



Team		Impact
Target name		Contribute to the supply of affordable, reliable and modern energy services.
Target description		Increase our investments in clean energy sources such as solar and wind.
Metrics		Total emissions generated by investing in renewables investments: 8 567 628 MWh (per year). Number of houses powered by renewable energy: 1 799 760. Total emissions saved by investing in renewables: 1 117 855 tCO2eq/per year), Total amount invested in renewables (solar 67% wind 33%) is R148 million.
Team		Portfolio solutions
Target name		Substantially increase the generation of clean and affordable energy.
Target description		Increase the number of sites for solar to generate clean energy and limit its CO2 emissions.
Metrics		Number of solar sites remained at ten (2024). Total renewable power generated by the solar sites: 9 264 129 kWh/per year. Total emissions saved by investing in the solar sites: 8 801 tCO2eq/per year.





SDG framework

Framework F2024 **SDG 13**



Team

Target name

Target description

Metrics



Hedge fund

Climate change investment policy adoption.

Create climate awareness and achieve climate policy adoption across all appointed investment managers.

Percentage of appointed investment managers with climate policies increased from 15% (2023) to 43% (2024).

Portfolio solutions

Percentage of appointed investment managers with climate policies increased from 29% (2023) to 45% (2024).

Team

Target name

Target description

Metrics



Listed equity

Listed companies to disclose remuneration policies with climate-specific key performance indicators (KPIs).

Encouraging our targeted listed equity companies, where we have material influence, to have remuneration policies in place with climate-specific KPIs.

For the FYE2024 period we assessed the nine companies where we are material investors, of which Investec Plc Ltd and ABSA Group Ltd have adequately linked their climate change goals to their remuneration policies.

Team

Target name

Target description

Metrics



Private equity

Climate change investment policy adoption.

Create climate awareness and achieve policy adoption across appointees.

17% of our appointees currently have climate investment policies in place.



Listed Property

Greening buildings.

Greening buildings of listed property portfolios

Exposure to green buildings reduced from 39% (2023) to 34% (2024).





SDG framework

Framework F2024 **SDG 9**



Team

Target name

Target description

Metrics



Impact

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.

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 such as the N3 toll road concession and the Trans African Concessions that manages the N4 Toll Route.

Number of vehicles (million) increased to 33, a 0.6% increase from last year.
Number of passengers (million) decreased to 0.996, a 15% decrease from last year.

Target name

Target description

Metrics



Significantly increase access to information and communications technology and strive to provide affordable access to the internet.

Increase the information and communications technology breadth across South Africa.

50k kilometers coverage to service businesses with fiber. 2 million homes passed to service with fiber. A total of 760k homes connected.

Team

Target name

Target description

Metrics



Private equity

Facilitate sustainable and resilient industry, innovation and infrastructure development in developing countries through investment support to African countries.

Improve innovation, industry and infrastructure in Africa.

The total Africa Infrastructure market value invested increased to a total of R513.3 million, a 0.5% increase from last year.





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. It is also a key component to achieve the targeted, sustainable development goals we have committed to.

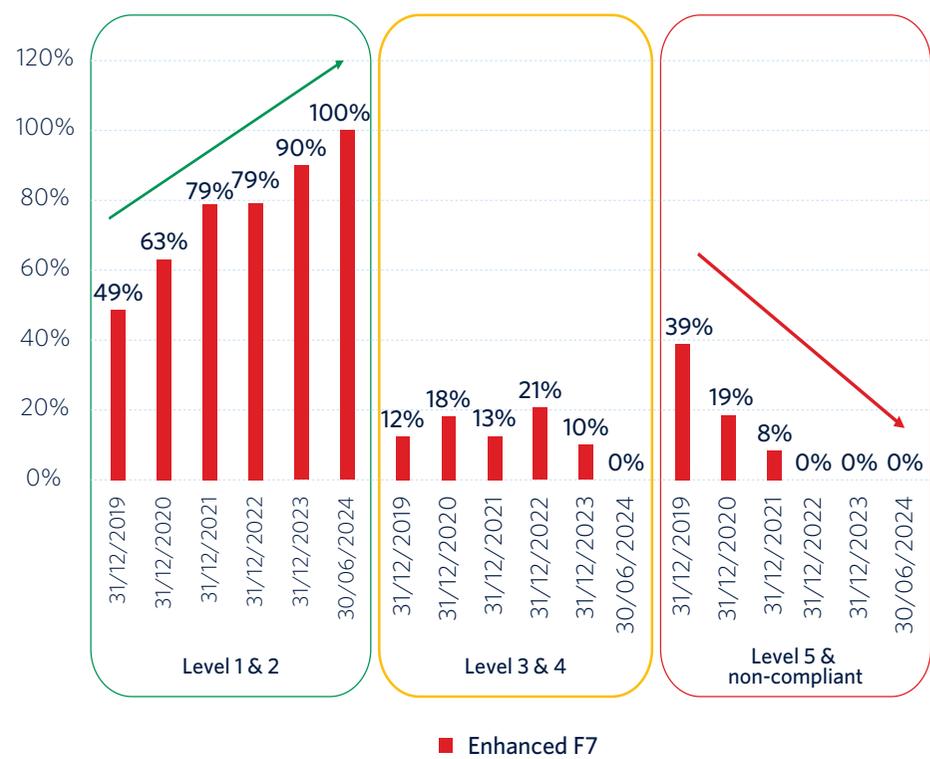
Transformation, therefore, serves as a critical component of our responsible investment approach. Like any other impact investment, it must be fully integrated in our decision-making process, where engagement and active ownership is key, and portfolio plans need to be specific and measurable. Our transformation policy 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 chart below is an extract from our dashboard and demonstrates the progress we have made on our transformation plan. In our Enhanced Factor 7 Portfolio we are pleased to report that all our local managers, as at 30 June 2024, have at least a level 2 rating.

Chart 1: Enhanced Factor 7
Empowerment ratings as % of local to 30 June 2024

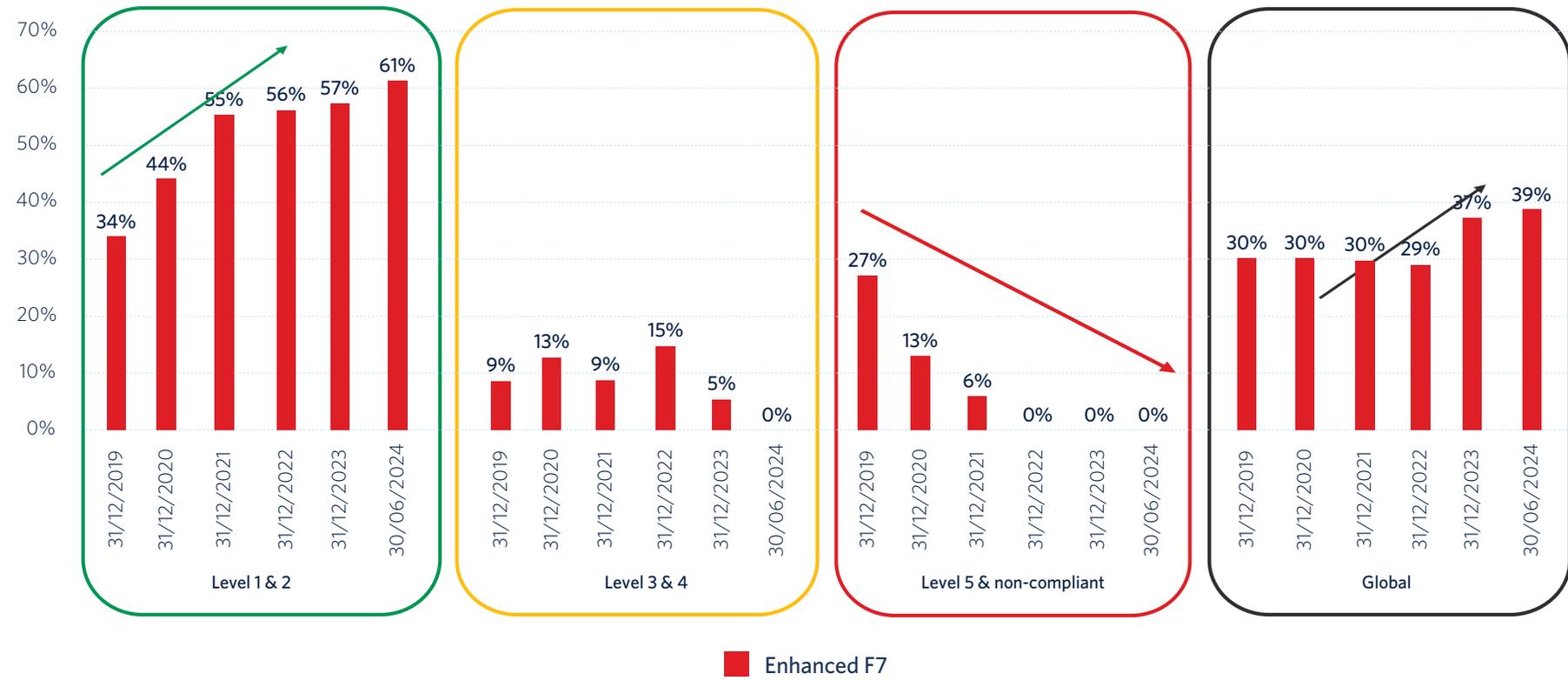


Source: Momentum Investments portfolio weights 30 June 2024
Alexander Forbes BEE Survey as at 30 June 2024 and directly from managers





Chart 2: Enhanced Factor 7
Empowerment ratings as % of total portfolio to 30 June 2024



Source: Momentum Investments portfolio weights 30 June 2024
Alexander Forbes BEE Survey as at 30 June 2024 and directly from managers

Our transformation plan in these portfolios is expressed as a percentage of the local portion of the portfolio, as roughly 40% of our assets are currently invested 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 advocate for broad-based transformation in the investment management industry, focusing on diversity and inclusion beyond just Black ownership. Large, established firms, while not always majority Black-owned, play a crucial role in training and employing Black professionals, and often spearhead corporate initiatives that foster transformation. The industry is making strides in transformation, but challenges persist, particularly in achieving shareholding credentials and developing skills in multi-asset and global portfolio management. We actively support broad-based transformation initiatives, believing that a diverse and transformed industry benefits both our clients and society as a whole.





Momentum Alternative Investments

Our investment capabilities and strategies

Alternative investments don't fall into any of the traditional asset classes of equity, bonds or cash. Compared to popular assets like public equities or corporate or government bonds, our alternative investments provide investors with a unique set of benefits such as:

- > Scalability (the capacity to absorb sizable investment sums).
- > Low correlation with traditional assets to deliver benefits related to diversification.
- > Inflation-hedging; long-term, high-risk, or illiquid investments that are linked to higher returns.

Our alternative investments strategies





Investing for impact

Momentum Impact Portfolio Value: R370 million (F2023: R295 million)

The portfolio invests in the three portfolios mentioned below to provide clients with a diversified exposure to various infrastructure assets and impact themes.

Momentum Alternative Energy Portfolio Value: R99 million (F2023: R63 million)



This portfolio invests in equity and mezzanine debt instruments related to renewable energy infrastructure. These investments help contribute to the expansion of renewable energy capacity, reduce reliance on fossil fuels and mitigate climate change impacts.

Momentum Diversified Infrastructure Portfolio Value: R188 million (F2023: R175 million)



This portfolio invests in core infrastructure, including roads, rail, telecommunications and agriculture. By focusing on these essential infrastructure areas, the portfolio seeks to contribute to the development and improvement of critical systems and services that support economic growth and societal well-being.

Momentum Social Infrastructure Portfolio Value: R83 million (F2023: R75 million)



This portfolio invests in student accommodation and affordable housing. This investment aligns with our broader sustainable development objectives by providing accessible and affordable housing solutions for communities. Additionally, investing in student accommodation supports educational opportunities and enhances the overall quality of life for students pursuing higher education.





Student accommodation impact investment fund



Godfrey Albertyn
Portfolio Manager

Momentum is an investor in the South African Student Accommodation Impact Investment Fund (SASAI), a fund dedicated to addressing the critical shortage of student housing in South Africa. With a clear mission, SASAI is focused on creating affordable, sustainable, and well-located accommodation for students across the country.

The shortage of student accommodation is a significant challenge in South Africa. SASAI aims to tackle this by adding much-needed beds, ensuring the projects provide affordable housing within walking distance of key tertiary institutions. To further their commitment to sustainability, all projects strive to achieve **IFC EDGE** accreditation, which recognises environmentally responsible buildings. Importantly, these initiatives must also offer a competitive financial return to investors.

To date, SASAI has invested in three major student accommodation projects, adding over 5 000 beds to a sector struggling with a large backlog.

Name	Location	Number of beds	Target institution
Units on Park	Tshwane	988	University of Pretoria
Units on Jorissen	Johannesburg	1 072	Wits University
Units on Station Square	Cape Town	3 071	Cape Peninsula University of Technology
Total		5130	



In total, these developments have created 5130 new beds. A fourth project, currently under construction in Kimberley, will add over 600 beds and is expected to be completed in time for the 2025 academic year, benefiting students at Sol Plaatjie University.

All accommodations are strategically located close to the respective campuses, ensuring students can easily walk to class without relying on private transportation. Each project is within a 1 kilometre radius from the target institution, reducing commuting time and costs for students.

Units on Park, which has been operational since 2020, has been a successful model, while the other two developments started taking in students in early 2024. Leasing has been largely in line with expectations, notwithstanding uncertainties on the National Student Financial Aid Scheme (NSFAS) rates.

More than 70% of the beds in the three developments are reserved for NSFAS accredited students.

The completed projects are in the process of obtaining IFC EDGE accreditation, which certifies that the buildings are more resource-efficient, whether in energy, water usage or embodied energy in materials.

SASAI is not only about providing student housing but also about making a broader societal impact. The fund targets several of the UN's Sustainable Development Goals (SDGs) including:



Goal 4 (quality education) – SASAI contributes toward this goal by offering students quality, affordable, and safe student accommodation. The all-inclusive bed rates cover utilities, ablutions, shower and laundry facilities, gym equipment, Wi-Fi, and dedicated study areas, allowing students to focus on their studies. Each building features computer labs and hosts “Student Life programmes” which coordinates sport and social activities and assists with integrating first year students into university life.



Goal 5 (gender equality) – SASAI is involved in the 2X gender challenge, which aims to achieve equality between males and females. Many permanent staff involved in the fund are females.



Goal 13 (climate action) – SASAI contributes by ensuring all the projects adhere to the green building design, ensuring they attain the IFC EDGE accreditation. This accreditation confirms that the buildings are at least 20% more efficient in the use of resources compared to conventional buildings. This not only benefits the environment but also reduces operational costs, which in turn makes student rentals more affordable.

The fund will continue expanding its reach, with plans to roll out more student accommodation projects in the coming years. This ongoing commitment to growth and sustainability will help further ease the accommodation crisis and provide students with more opportunities to access safe, affordable housing near their institutions.

For more information about the student accommodation, visit the official platform at [risestudentliving.com](https://www.risestudentliving.com)





Momentum Global Investment Management's sustainable themed funds:

The Momentum Global Sustainable Equity Fund

Value R15.7 billion (F2023: R11 billion)

Key performance indicators

The strategy is article 8 under the EU Sustainable Finance Disclosure Regulation. With varying thresholds, it excludes coal, tobacco, palm oil, firearms, UNGC breaches, and companies that have a negative impact on the UN Sustainable Development Goals, Specific sustainability objectives include: an ESG score at least 20% better than the MSCI World index, and 20-30% lower carbon footprint, waste generation and water consumption compared with the MSCI World benchmark.

- 46.4% lower GHG (Scope 1 and 2) than the benchmark.
- 23.6% lower waste generation than the benchmark.
- 78% lower water consumption than the benchmark.

The Harmony Sustainable Growth Fund

Value: R239 million (F2023: R157.6 million)

Key performance indicators

This fund aims to provide capital growth in US dollar terms, but with a reduced level of volatility via strategic exposures to a wide range of asset classes. With varying thresholds, the fund excludes companies where the core business activity is tobacco production, controversial weapons or coal. The fund aims for a better sustainability profile compared to relevant broad market indices for many of the asset class exposures by integrating ESG factors. In the selection of sustainable investments, the fund will consider collective investment schemes that are classified under Article 9 or Article 8 (with a commitment to a minimum investment in sustainable investments). Any other investment classified as sustainable must be aligned with one or more of the SDGs or demonstrate a substantial reduction of 20% or more in environmental footprint versus a comparable market index. These investments must also do no significant harm from an environmental or social perspective.

- No exposure to coal, tobacco and controversial weapons.
- 21% and 72% of the portfolio is invested in impact and ESG integrated strategies respectively.
- Portfolio is SFDR Article 8.

The Momentum Africa Real Estate Fund (MAREF)

Value: R1.9 billion (F2023: R1.7 billion)

Key performance indicators

An institutional real estate portfolio that finances and develops commercial real estate in sub-Saharan Africa, excluding South Africa. MAREF has a minimum standard of construction for IFC EDGE which implies a 20% minimum saving on all three of the following versus the national country average for energy consumption, water consumption and implied energy usage in materials. One of the properties, The Rose in Nairobi, will be a considerably higher standard upon completion: LEED Silver at a minimum.

- 100% of buildings have achieved the IFC EDGE certification or better.

[Find out more](#)



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

1

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 in our Sustainability report on our website.

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

3

Promote climate-aligned investing

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

We will be demonstrable in our progress.

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

Sustainability report

Targets all stakeholders seeking insight into our Sustainability Framework and key areas such as financial inclusion, social and employee well-being, climate change (TCFD) and environmental stewardship. Click [here](#) to read our **published report**.

4

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

Client-specific reports (For policy holders)

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

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 with the Paris Agreement¹.

Decarbonisation area	Climate metric	Overview	Scope	External data provider	Section
Discretionary assets under management for SA listed equity and fixed income	Temperature alignment	Measure our portfolio alignment to Paris Agreement target as shown in degree Celsius.	Policy holder	MSCI	1
Discretionary assets under management for SA listed equity and fixed income	Financed emissions	Attributed emissions and intensity data of our investments. This covers Scope 3 category 15 - Scope 1 and 2 of the investee companies.	Policy holder	MSCI	2
Discretionary assets under management for fixed income	Monitoring sovereign holdings	This covers Scope 3 category 15 - production emissions of sovereigns.	Policy holder	MSCI	3

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

Section 1 Implied Temperature Rise

The Implied Temperature Rise (ITR) metric indicates how well public companies align with global temperature goals. Expressed in degree 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.

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 2024 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	13.3%
2 °C aligned	> 1.5 °C - 2 °C	25.2%
Misaligned	> 2 °C - 3.2 °C	41.3%
Strongly misaligned	> 3.2 °C	20.3%

From this distribution, 38.5% of companies are aligned with the goal of limiting temperature increase to below 2°C. 13.3% of companies are aligned with the goal of limiting temperature increase to below 1.5°C.

Source: MSCI

Note:

- 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.

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Climate metrics

Section 2 Financed emissions

Financed emissions represent the estimated carbon emissions of our investment portfolio. We monitor the emissions of our investment portfolio for shareholders, with-profits and policyholder funds and our progress towards our climate ambitions. We use three metrics to assess our financed emissions: absolute emissions which represent attributed estimated emissions, an asset class specific intensity metric and economic carbon intensity which enables comparison across asset classes.

Financed emissions by asset class for 2024 (Investee Scope 1 and Scope 2, excluded Investee Scope 3)

Asset class	Emissions data coverage %	PCAF data quality score	Financed Carbon intensity (tCO2e/\$m sales) 2024	Financed Carbon intensity (tCO2e/\$m sales) 2023	Financed carbon emissions (tCO2e/\$m invested) 2024	Financed carbon emissions (tCO2e/\$m invested) 2023
S.A Listed Equity	93%	2.05	249.4	299.4	136.3	171.4
S.A Listed Fixed income	41%	2.10	82.0	22	35.3	10.6
S.A Listed Equity and Fixed income	71%	2.08	213.3	255.8	110.5	142.3

Section 3 Monitoring sovereign holdings

The weighted average carbon intensity of the sovereign constituents, it measures the overall fixed income's exposure to carbon-intensive economies, defined as the weighted average of sovereign GHG Intensity (emissions/GDP).

	Emissions data coverage %	PCAF data quality score	Corporate constituents (tCO2e/\$m GDP Nominal) 2024	Corporate constituents (tCO2e/\$m GDP Nominal) 2023
SA Listed Fixed income	47.1%	2.10	1315.4	1291.3

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SA discretionary assets invested in carbon intensive assets:

The totals represent the South African discretionary listed equity, carbon-related assets* managed by Momentum Investments with the unlisted exposure inclusion of Eskom and Transnet as at end June 2024.

	F2024	F2023
 Total carbon-related assets*(R billion)	R39.3	R30.6
 Total coal** (R billion)	R3.7	R2.4
 Total oil and gas*** (R 000)	R613	R737

Source: Momentum Investments

* Includes companies within the following ICB sectors: Beverages; Chemicals; Construction and Materials; Electricity; Electronic and Electrical Equipment; Food Producers; General Industrials; Industrial Engineering; Industrial Materials; Industrial Metals and Mining; Industrial Transportation; Oil, Gas and Coal; Personal Care, Drug and Grocery Stores; Pharmaceuticals and Biotechnology; Precious Metals and Mining.

**Includes Eskom, Thungela Resources Ltd and Exxaro Resources Ltd.

***Includes oil and gas consisting of Efora Energy Limited

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 result in an implied temperature rise and carbon footprint which we endeavour to manage responsibly by keeping to our company's decarbonisation strategy.

Our governance team has committed to their SDG 13: Climate Action goal to encourage their targeted listed equity companies to disclose and link remuneration policies with climate-specific key performance indicators (click [here](#) to view our SDG framework (listed equity)).

As stated in our climate change investment policy, we are committed to refrain from direct investment allocation towards financing new coal-fired power stations.





Climate metrics

CO2e



Carbon dioxide equivalent.

PCAF



Partnership for Carbon Accounting Financials principles.

Financed Carbon Emissions



Allocated emissions to all financiers (EVIC) normalised 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).

Sovereign constituents



Measures a portfolio's exposure to carbon-intensive economies, defined as the portfolio weighted average of sovereigns' GHG Intensity (emissions/GDP).

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.

Data Coverage



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

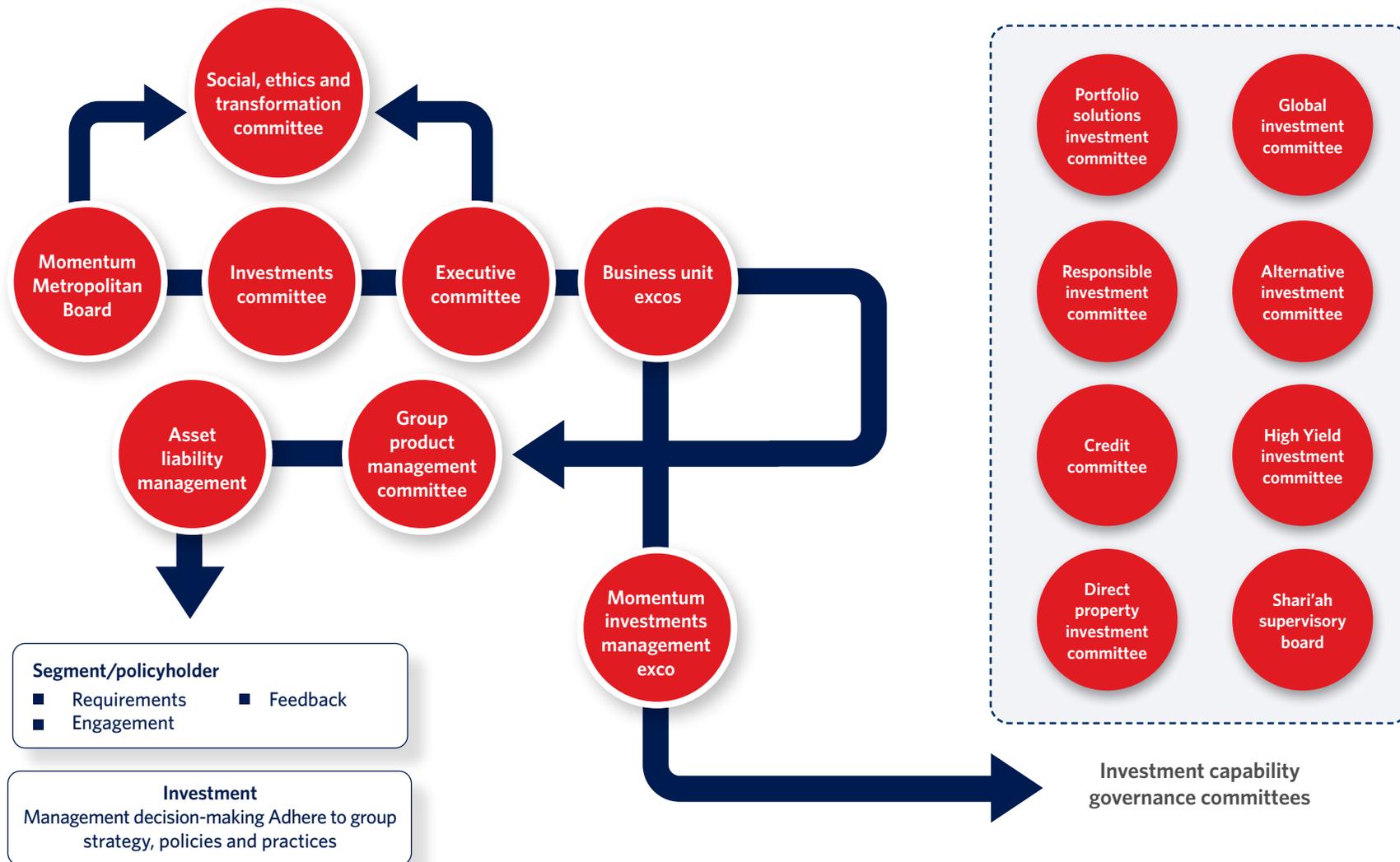


Business sustainability matters





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 R1 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

Summary

Transformation remains a key strategic objective, as it has a direct impact on our business strategy. We are continually driving strategies that contribute to the Momentum Metropolitan and Momentum Investments respective BBB-EE scorecards. In line with the Financial Sector Transformation Council requirements, Momentum Investments secured an independent BBB-EE Scorecard in September 2023 based on retrospective activities in the previous fiscal year. Over the last year, we have continued with specific strategies to drive impact in alignment with the intent of the BBB-EE Act.

Management control

A focus this year was ensuring a representative workforce as we improved our overall representation at all occupational levels as indicated in the table below. While we celebrate the shift in our overall representation, our focus remains on ensuring that we improve representation in both middle and senior management levels to achieve representation targets in alignment with the Amended Employment Equity Act as gazetted in 2024.

HEADCOUNT MOVEMENTS	2023		2024		
	ACI	% ACI	ACI	% ACI	
Junior	5	19.23	6	22.22	Improved
Middle	81	40.30	89	43.84	Improved
Semi-skilled	161	71.24	225	76.01	Improved
Senior	156	83.87	144	86.75	Improved
Unskilled	3	100	4	100	Improved

In a specialist investment environment, we were intentional about creating opportunities of growth for employees, through targeted talent management and development strategies. This is to ensure that we enable internal pipelines that promote opportunities and the growth of employees to meet the future skills needs of the business.





Skills development

Phambili 2.



Our Skills Development Strategy saw the development of a targeted approach to effectively drive both socio-economic impact, as well as create a talent pipeline. The following key initiatives were driven during this fiscal year:



The Phambili Internship Programme offered three unemployed youths the opportunity to go through an internship program to gain investment experience. To create further depth and credibility, we added a Financial Markets Practitioner qualification to the internship program, facilitated in partnership with The Association for Savings and Investment South Africa (ASISA). All learners completed their South African Institute of Stockbrokers (SAIS) examinations. Two of the three interns were successfully absorbed into the business.



The Phambili Bursary Programme which was launched in January 2023, successfully inducted the second intake of this program. This program was targeted at high-performing students with limited means, studying towards tertiary education in the field of commerce. The 2024 intake sponsors 17 studies, of which 90% are from previously designated groups. The academic performance of these students secured them a space in this programme, and we are proud to see that their academic progress has been maintained. To further enable and set our bursars up for success, we have initiated a mentorship program, which is specifically set up to help students successfully navigate their student and career journeys.



Financial Markets Practitioner Employed Learnership was initiated to create an opportunity for junior employees to broaden their exposure in the broader investment environment while attaining an NQF Level 7 qualification in partnership with ASISA. This learnership targets employees with the ability, aptitude, and drive to become investment professionals. During the F2024 fiscal year, three employees participated in this programme and completed their SAIS examinations. While we continue to await the outcome of their exams, we are proud of the determination and grit shown by these learners during the past year.

An important milestone for Momentum Investments, was the start of our participation in the **Youth Employment Services (YES)**, in partnership with the presidency, responding to the youth unemployment crisis in South Africa. Momentum Investments' investment in this programme provided 27 unemployed youth, aged 18 to 25, from previously disadvantaged groups, with an opportunity to gain valuable experience and enhance their employability. Beyond financial support, Momentum Investments is hosting 10 of these learners, providing effective coaching and mentoring to guide them through their journey and pre parethem for success.

Through the various programmes implemented, we have reached a total of 50 beneficiaries, significantly impacting on their career growth and future success.





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 permanently 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 **APRIL 2023**

(employed before March 2023)

Dividends were declared annually in **APRIL and OCTOBER** since inception

The iSabelo Trust received **R26.9 million** dividend distribution from Momentum Metropolitan Holdings on 22 April 2024.

R3.4 million dividend distribution to employee beneficiaries. May 2024





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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momentum

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Disclosure

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