



Momentum International Equity Note (UMMIEA) - Quarterly

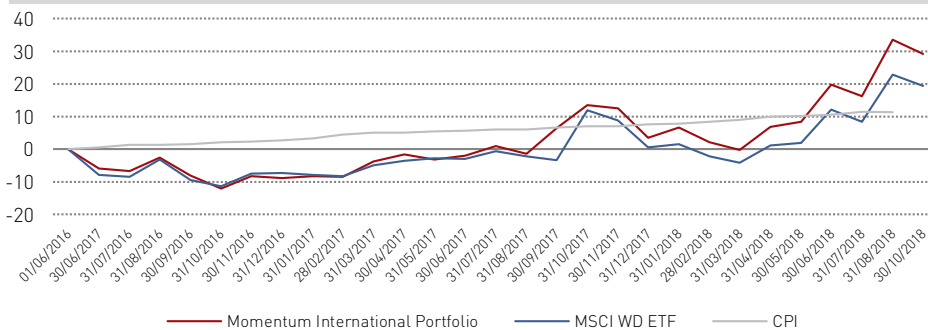
Investment Objective

The exchange traded note (ETN) invests in Momentum Securities' International Equity Portfolio. This portfolio has a global focus determined to maximise risk adjusted returns to investors over the medium to long-term by investing in concentrated listed equity positions. The returns of this portfolio are reliant on the ability of our portfolio management team to identify and take positions in both undervalued and growth orientated shares in a consistent manner that will in time deliver returns in excess of the portfolio benchmark.

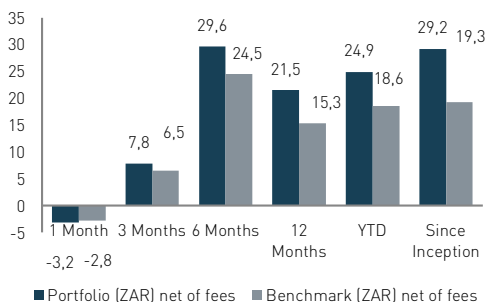
Investment Profile

- Investors with local JSE trading accounts looking for easy to access global equity exposure.
- Investors with ZAR portfolios that want access to the Momentum Securities investment capabilities directly from their existing stockbroking account.
- Investors looking to allocate a portion of their portfolio to an actively managed global equity allocation in ZAR via the JSE (Ticker UMMIEA).

Cumulative Performance (USD)



Cumulative Performance (ZAR)



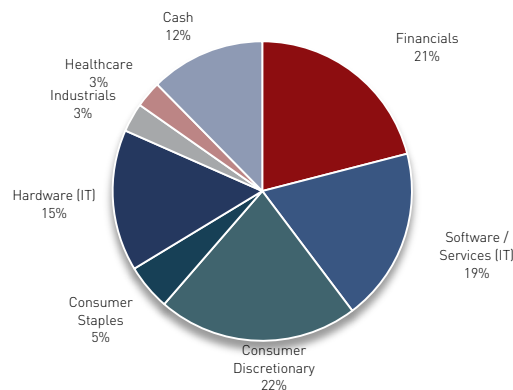
Cumulative Performance (ZAR)

	Portfolio	Benchmark
1 Month	-3,2%	-2,8%
3 Months	7,8%	6,5%
6 Months	29,6%	24,5%
12 Months	21,5%	15,3%
YTD	24,9%	18,6%
Since Inception	29,2%	19,3%

Top 5 Holdings

Mastercard (MA.N)	7,22%
Microsoft (MSFT-US)	6,07%
Anheuser-Busch (BUD-US)	5,46%
Amazon (AMZN-US)	5,14%
Home Depot (HD-US)	5,14%
TOTAL	29,03%

Sector Allocation



September 2018

Risk profile



Investment information

Inception date

1 June 2016

Investment manager

Momentum Securities

Stockbroker/custodian

Your selected stockbroker

Management fee

Momentum Securities 0.75% (annual)
UBS ETN Issuance & Administration 0.50% (annual)
Total Fee 1.25% + VAT (annual)

Minimum lump sum

R 5 000

Redemption periods

3 business days

Benchmark

MSCI World Index [ZAR]

Issuer Details

UBS AG

Credit rating by S&P A+
Moody's AA3

Disclaimer: Shares are generally medium- to long-term investments. The value of shares may go down as well as up and past performance is not necessarily a guide to the future. Opinions expressed in this document are those held as at the date appearing in this material only. Momentum Securities shall not be liable or responsible for any use of this document or to any other person or entity for any inaccuracy of information contained in this document or any errors or omissions in its content, regardless of the cause of such inaccuracy, error or omission. This document should not be seen as an offer to purchase any specific product and should not be construed as advice or guidance in any form whatsoever. The Momentum Securities International Equity Exchange Traded Note constitutes unconditional, unsecured and unsubordinated obligations of UBS AG and is listed on the JSE Limited.

* The Momentum Securities International Equity ETN references the portfolio holdings of the Momentum International Equity Portfolio that was launched in June 2016. Official ETN listing date 20 August 2018.

Momentum Securities | 257 Oxford Road, Illovo, Johannesburg, 2196 | PO Box 55386, Northlands, 2116
T +27 11 550 6200 | F +27 11 550 6295 | www.momentum.co.za/securities

Directors: J van Staden (CEO), E Gouws, B Smit, A Kotzee & J Marais

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Economic overview

Tax cuts and improved consumer dynamics have supported the US economy, which is now in the later part of its expansion. Rising US wage and producer price inflation will see further US interest rate hikes and result in slower economic growth. Higher US interest rates and slower earnings growth will act as headwinds to US financial markets returns. In addition to, rising US interest rates contracting money supply (less buying support from Central Banks) will have a negative impact on financial markets.

So far this year, rising interest rates, a strong US dollar, global political uncertainty and trade wars have negatively impacted investor sentiment. This has seen a sharp decline in emerging markets and in any assets that are deemed by investors as risky. Going forward, the conditions outlined

above are likely to persist and will result in slower global growth. These factors will continue to have a negative impact on investor confidence, and will be headwinds to global financial markets' performance.

In South Africa the positive sentiment following the outcome from the ANC December elective conference has worn off resulting in our local markets selling off, impacted by both local and global factors. Going forward SA economic growth is likely to be sluggish and only start to improve next year.

USD commodity prices, with the exception of the USD oil price, have been flat to weaker this year.

Market Overview

Over the last 12 months, ended 30 September 2018, we saw the following performance in international markets The S&P 500 was up 15.7%, the Euro Stoxx 50 down 5.4%, the UK FTSE up around 1.63%, the Japanese Nikkei up 18.49% and the MSCI Emerging market 50 down 1.69%.

On the local front the SA equity market has pulled back 7%, post the end of the third quarter, some value is starting to selectively emerge in the SA equity market.

Portfolio Activity

During the quarter we moved out of Disney, Medtronic, Nike, Anheuser Busch and SAP, whilst adding BTI, Raytheon, Comcast and Nestle to the portfolio. The portfolio increased 7.8% for the quarter with the last month showing a negative 3.2% performance with the benchmark down 2.8%. For the

past 12 months the portfolio has increased 21.5% with the MSCI World ETF (in Rands) up 15.3%.