

# Global ETF Portfolio – Multiple - Quarterly

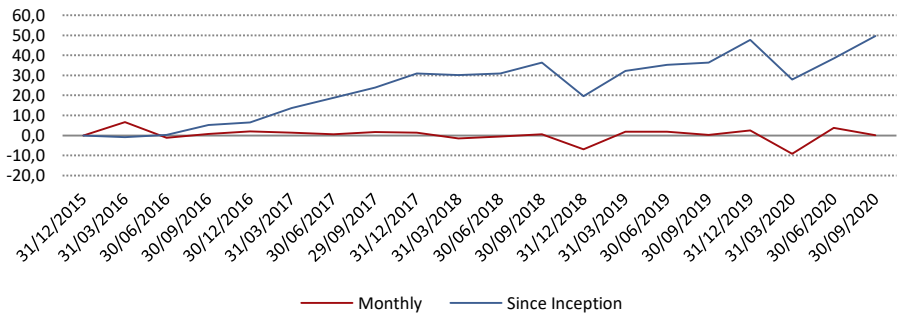
## Investment Objective

This is a global diversification portfolio aimed at a long-term sustainable capital growth, with a limited element of capital protection. Investors are placed in an S&P 500 index tracker fund which exposes the investor to a broad range of large cap US listed companies, and allows the investor to diversify internationally and seek long-term growth. The investor is also exposed to the MSCI Europe ETF which offers exposure to a broad range of large, medium and small cap stocks within the developed market countries within Europe. There is further exposure to the MSCI Pacific ETF which offers the investor comprehensive access to large, medium and small cap stocks in Australia, Hong Kong, Japan, New Zealand and Singapore.

## Investment Profile

- For entry-level investors seeking international exposure.
- Investors who have a longer investment term (in excess of 5 years).
- Value-based investors with a high-risk tolerance, seeking an internationally diversified managed portfolio.
- Main objective: Capital growth.
- Investors comfortable with inherent volatility of equities, as well as the volatility of international currencies.

### Cumulative Performance



## September 2020

### Risk profile



### Portfolio information

Inception date  
1 June 2015

Benchmark average  
MSCI World Index

Investment manager  
Momentum Securities

Stockbroker/custodian  
Momentum Securities

Administration fee  
0.5% (annual)

Minimum lump sum  
\$ 20 000

Redemption periods  
5 business days

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.

## Economic Overview

In quarter three, Central Banks and governments continued the support of their economies and financial markets. This support saw a sharp improvement in their economies which have now lifted from their lows. While global economic growth is expected to continue to improve in the second half of 2020, overall global economic growth will be negative for 2020. In SA we expect a rebound in economic growth in the second half of the year, but see economic growth contracting by more than 8% for 2020.

Further stimulus packages, from global Central Banks, are anticipated this year which will shore up both consumers and asset markets. The rate of change of these stimulus' packages, however, will slow and so too will their impact on financial markets.

## Market Overview

Over the third quarter global equity markets returned 8%; and the SA equity market 0.7%. The US dollar weakened over the third quarter as the US Fed provided more than enough US dollar liquidity to global financial markets.

Over the third quarter 2020, we saw the following performance in the SA financial markets: the rand appreciated by 2.4% relative to the US dollar, the All Share Index returned 0.7%, the All Bond Index returned 1.5% and cash returned 1.2%.

In the short-term, we expect some consolidation in financial markets followed by some weakness in these markets, as the extent of the stimulus declines. This will see greater volatility in currency and financial markets which is likely to see a weaker rand.

In the short-term, we recommend adopting a cautious approach to financial markets.

Sector performance was as follows; the Resources Index +6%; the Financials Index -1.6%; the Industrial Index -2.3%; and the Listed Property Index -14.1%. The best performing SA equity sub-sectors over the quarter were the Oil & Gas Producers and Support Services sectors, up 39.4% and 24% respectively, (all returns are in SA rands).