



International Portfolio - Quarterly

Investment Objective

This is a high conviction international portfolio focused on maximising risk adjusted returns to the investors over the medium to long-term by investing in global listed equities. The returns of this portfolio are based on the ability of world equity markets indices to deliver returns in excess of inflation and the ability of the portfolio manager and our research team to identify and take positions in undervalued securities.

Investment Profile

- Investors who have a longer investment term and want the highest possible risk-adjusted return on their invested capital.
- Value-based investors with high risk tolerance.
- Investors who understand that there are investment cycles that cause share prices to fluctuate.

December 2020

Risk profile



Investment information

Inception date
1 June 2016

Investment manager
Momentum Securities

Stockbroker/custodian
Momentum Securities

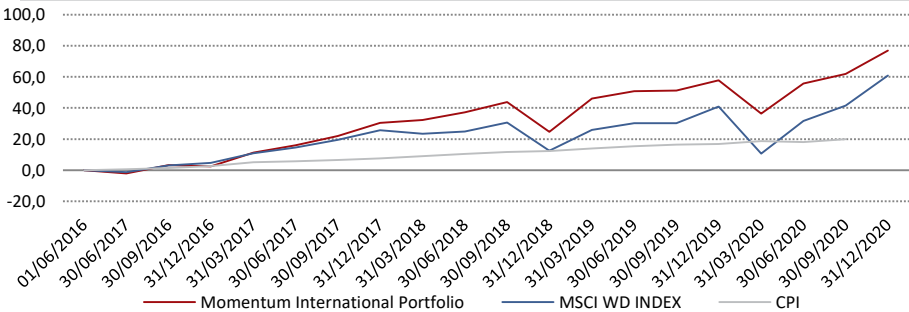
Management fee
Max 1.25% (annual)

Minimum lump sum
\$80 000

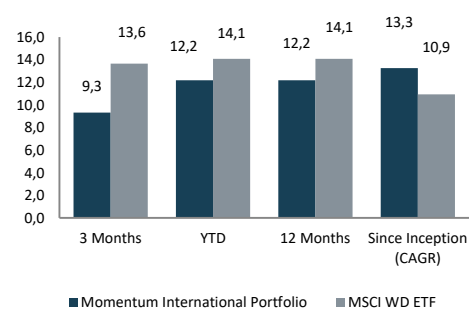
Redemption periods
3 business days

Benchmark
MSCI World Index (USD)

Cumulative Performance (USD)



Cumulative Performance (USD)



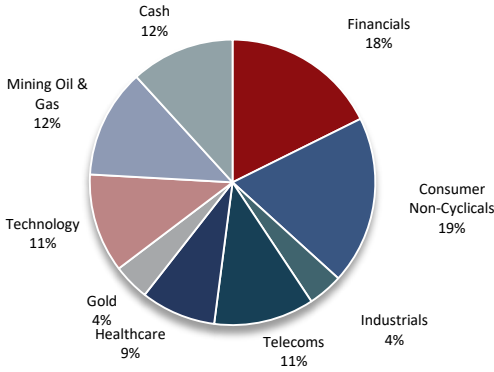
Cumulative Performance (USD)

Table with 3 columns: Period, Portfolio, Benchmark. Rows include 3 Month, YTD, 12 Months, and Since Inception (CAGR).

Top 5 Holdings

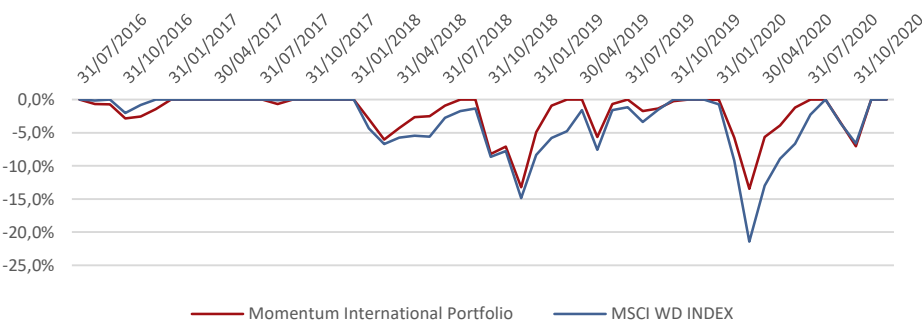
Table with 2 columns: Holding Name, Percentage. Top 5 holdings include Mastercard (MA), Sibanye Stillwater (SBSW), Comcast (CMCSA), Nestle (NESN), and KDDI Corp (KDDIY).

Sector Allocation



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Drawdown



Glossary

Max Drawdown - Measures largest peak-to-trough decline before a new peak is achieved

| | PORTFOLIO | BENCHMARK |
|-----------------|-----------|-----------|
| Max Drawdown | -13,5% | -21,4% |
| Best Month | 9,6% | 12,7% |
| Worst Month | -8,2% | -13,5% |
| Gain/Lose Ratio | 2,44 | 2,44 |

Economic Overview

In quarter four, we again saw continued support from Central Banks and governments for their economies. This financial support continued to prop up financial markets and helped support global economies. We have however, seen a continued rise in infections and further lockdowns, which has impacted business activity and caused global economic growth to moderate further.

In 2021, with the roll out of vaccines, global economic growth is expected to improve, however, the pace of growth is likely to be below previous expectations. In SA we expect a rebound in economic growth in the second half of 2021, after a contraction of about 7% odd in 2020.

Market Overview

Over the fourth quarter global equity markets returned a very strong 14.7% and the SA equity market 9.8% in local currency terms. In Dollar terms however, the SA Equity market returned 24.6% due to the SA Rand appreciating nearly 15% relative to the US dollar. The US dollar continued to weaken against most major currencies over the past quarter as the US Fed provided more than enough US Dollar liquidity to global financial markets, which was positive for commodities and emerging markets.

During the fourth quarter of 2020, we saw the following performance in the SA financial markets in Rand terms: the All Share Index returned 9.8%, the All Bond Index returned 6.7% and cash returned 1%.

Portfolio Activity

During the fourth quarter we bought Sibanye Stillwater, British American Tobacco and Roche Holdings, and we increased our exposure to Polyus PJSC. We did not sell any of our holdings. The portfolio increased by 9,3% for the quarter with the last month of the quarter posting a 5,4% loss.

Further stimulus packages, from global Central Banks, are still likely in 2021, this 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.

Financial markets have been pushed up to heady levels in the US and valuations are currently very overextended. Stimulus packages and Central Bank actions may continue to support equity markets. Currently, we feel that developed economies, equity markets, particularly the US, are fully priced and caution is warranted.

SA Equity sector performance was as follows; the Resources Index +8.3%; the Financials Index +19.5%; the Industrial Index +7.4%; and the Listed Property Index +19%. The best performing SA equity sub-sectors over the quarter were Media and Platinum, up 38.3% and 29% respectively (all returns in SA Rands).

On the commodity front, we have seen a very strong quarter from base metals such as Iron Ore and Copper, up 28.5% and 21.6% respectively. These moves were driven by strong demand from China and supply disruptions. Platinum Group Metals (PGM) prices also moved up sharply: Platinum up 19.4%, Palladium up 5.5% and Rhodium up 22.3%.

Positive contributions were attributable mainly to Sibanye Stillwater, Citigroup and KDDI Corporation. Losses were attributable to Biogen, Nestle and Polyus PJSC. For the past 12 months the portfolio has increased 12,2% with the benchmark, the MSCI World Index, increasing by 14,1%.