



Balanced Portfolio - Quarterly

Investment Objective

This is a balanced investment portfolio focused on capital growth over a minimum investment period of five years. It has less risk when compared to a pure equity portfolio in that it offers diversification into multiple asset classes. The portfolio follows an actively managed multi-asset investment strategy that may incorporate passive investments such as exchange traded funds and index funds exposed to the main asset classes in the local and global markets. The portfolio aims to outperform the median managed South African MA high equity collective investment scheme's return on investment.

Investment Profile

- Investors who have a longer investment term (in excess of 5 years).
- Value-based investors with a high risk tolerance.
- The individual is comfortable with inherent volatility of equities.
- Main objective: Capital growth.

Cumulative Performance

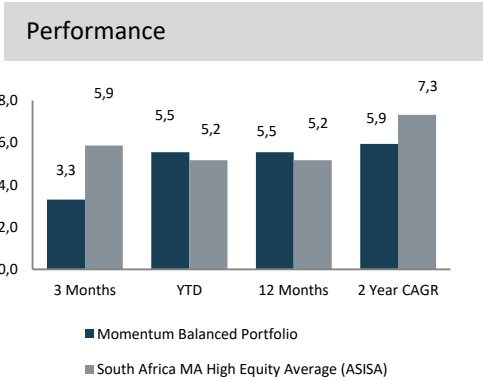
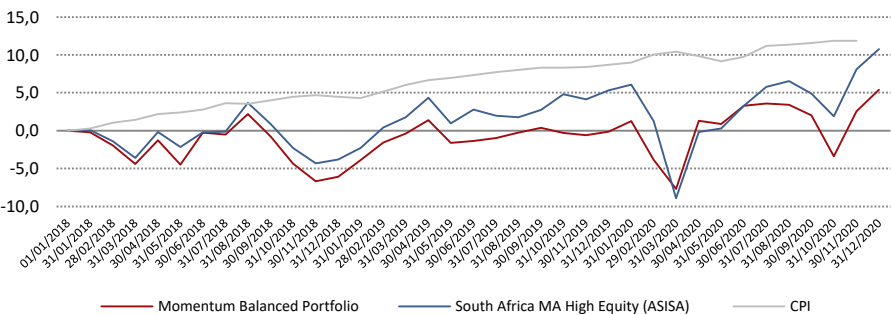
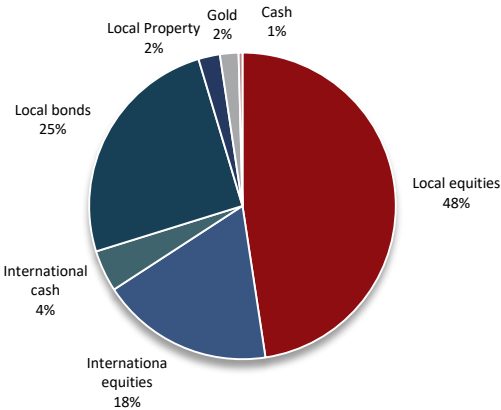


Table with 3 columns: Metric, Portfolio, Benchmark. Rows include 3 Months, YTD, 12 Months, and 2 Year CAGR.

Top 5 Holdings

Table with 2 columns: Holding Name, Percentage. Includes NewFunds Govi (NFGOVI), Satrix MSCI World ETF (STXWDM), British American Tobacco (BTI), Sygna Itrix US (SYGUS), and Impala Platinum (IMP).

Sector Allocation



December 2020

Risk Profile



Investment information

Inception date: 1 January 2016
Investment manager: Momentum Securities
Stockbroker/custodian: Momentum Securities
Management fee: Bespoke Max 1.25% (annual)
Minimum lump sum: R 250 000
Redemption periods: 3 business days
Benchmark: Capped SWIX Top 40 TR Index Target CPI plus 4%

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.

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 Sygnia Itrix FTSE 100, Spar and Sibanye Stillwater. We further increased our exposure to AngloGold, Impala Platinum and Sibanye Stillwater. We sold out of Bidcorp and Liberty and reduced our exposure to NewUSD (USD cash) and Gold. The portfolio increased by 3,3% for the quarter with the last month of the quarter up 2,8%.

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 Impala Platinum, NFGovi (local bonds) and Sibanye Stillwater. Losses were attributable to AngloGold, NewUSD and British American Tobacco. Over the past 12 months the portfolio has increased 5,5% with the Asisa MA High Equity Median Manager benchmark up 5,2%.