

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

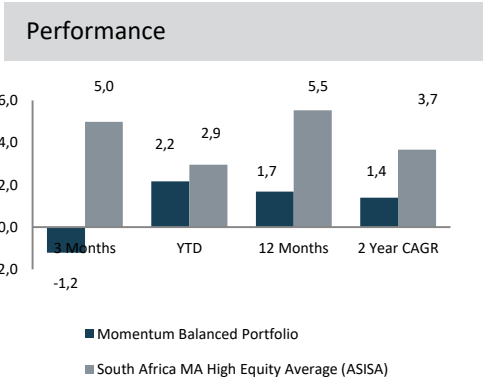
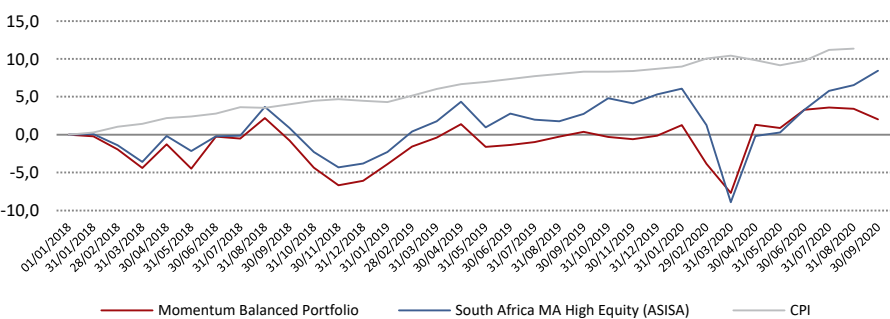
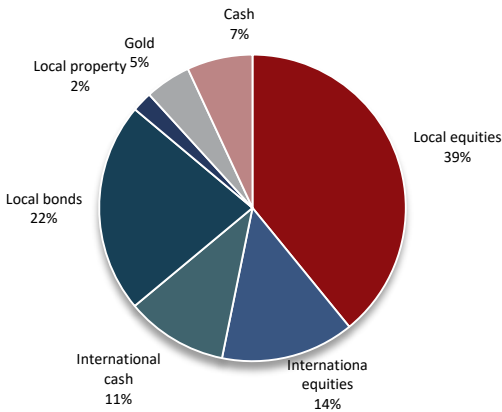


Table with 3 columns: Performance, Portfolio, Benchmark. Rows include 3 Months, YTD, 12 Months, and 2 Year CAGR.

Top 5 Holdings

Table with 2 columns: Holding Name, Percentage. Rows include NewFunds Govi (NFGOVI), NewUSD (NEWUSD), British American Tobacco (BTI), Satrix MSCI World ETF (STXWDM), Sygnia Itrix US (SYGUS), and TOTAL.

Sector Allocation



September 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%

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## 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).

## Portfolio Activity

During the third quarter we bought Pick 'n Pay and increased our exposure to AVI. We sold out of Oceana and Tiger Brands. The portfolio decreased by 1,2% for the quarter with the last month of the quarter down 1,4%.

Positive contributions were attributable to Impala Platinum, Sygnia Itrx US exposure, Discovery and Pick 'n Pay. Losses were attributable to British American Tobacco, Anglo Gold, Liberty Holdings and Adcock Ingram. Over the past 12 months the portfolio has increased 1,7% with the Asisa MA High Equity Median Manager benchmark up 5,5%.