



High Dividend Portfolio - Quarterly

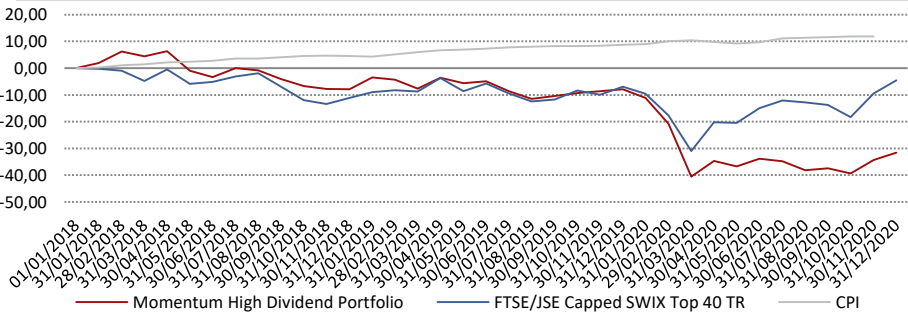
Investment Objective

This is an income focused portfolio, investing in local, high value shares, paying higher and sustainable dividends. This portfolio is generally less volatile. It aims to provide the investor with an attractive dividend yield over the long-term, whilst striking a balance between capital growth and return on investment.

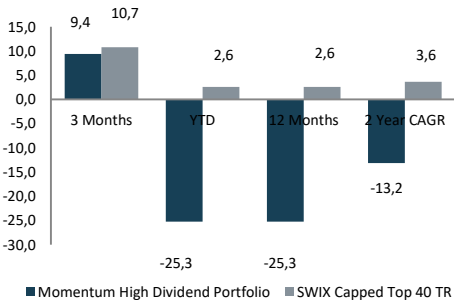
Investment Profile

- Retired individuals or individuals close to retirement.
- Individuals requiring a certain level of investment return from their discretionary investment.
- Value-based investors who have a moderate to high risk tolerance, and understand that investment cycles cause asset prices to fluctuate.
- Main objective: To strike a balance between capital growth and return on investments.

Cumulative Performance



Performance



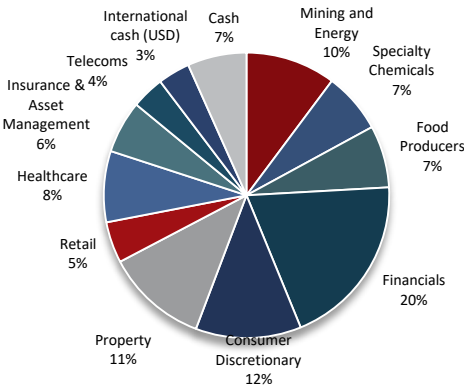
Performance

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. Top 5 holdings include British American Tobacco (BTI) at 11.96%, Exxaro (EXX) at 7.41%, AVI (AVI) at 7.04%, AECL (AFE) at 6.86%, and Standard Bank (SBK) at 5.42%.

Sector Allocation



December 2020

Risk profile



Investment information

Inception date
1 January 2016

Investment manager
Momentum Securities

Stockbroker/custodian
Momentum Securities

Management fee
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 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 Sanlam and the JSE. We sold out of Liberty and reduced our exposure to Multichoice. The portfolio increased by 9.4% for the quarter with the last month of the quarter posting a 4.1% gain.

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 Multichoice, Mr Price, FirstRand and Standard Bank. Losses were attributable to British American Tobacco, NewUSD (USD cash) and Netcare. For the past 12 months the portfolio has decreased 25.3% with the JSE SWIX Capped Top 40 Total Return is up 2.6%.