



# 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.

September 2020

## Risk profile



## Investment information

Inception date  
1 January 2016

Investment manager  
Momentum Securities

Stockbroker/custodian  
Momentum Securities

Management fee  
Max 1.25% (annual)

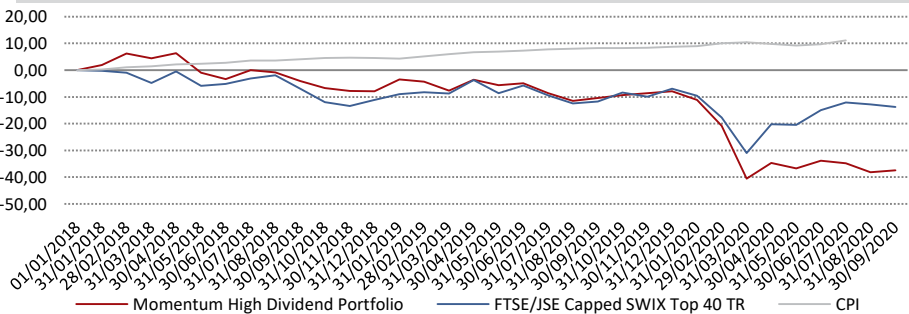
Minimum lump sum  
R 250 000

Redemption periods  
3 business days

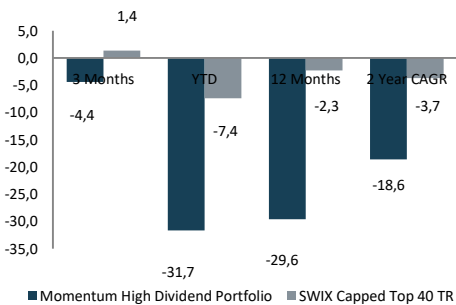
Benchmark  
Capped SWIX Top 40 TR Index Target  
CPI Plus 4%

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## Cumulative Performance



## Performance



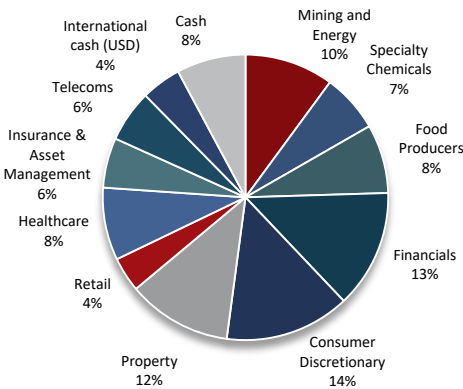
## Performance

	Portfolio	Benchmark
3 Months	-4,4%	1,4%
YTD	-31,7%	-7,4%
12 Months	-29,6%	-2,3%
2 Year CAGR	-18,6%	-3,7%

## Top 5 Holdings

British American Tobacco (BTI)	14,19%
AVI (AVI)	7,81%
Exxaro (EXX)	7,27%
AECI (AFE)	6,62%
Multichoice (MCG)	5,89%
TOTAL	41,78%

## Sector Allocation



## 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 increased our exposure to AVI and Exxaro, and we decreased our exposure to BHP. The portfolio decreased by 4.4% for the quarter with the last month of the quarter posting a 1.2% gain.

Positive contributions were attributable to AVI, Firststrand, Standard Bank and Absa. Losses were attributable British American Tobacco, Adcock Ingram, Liberty Holdings, and Emira. For the past 12 months the portfolio has decreased 29.6% with the JSE SWIX Capped Top 40 Total Return down 2.3%.