

# Balanced Portfolio - Quarterly

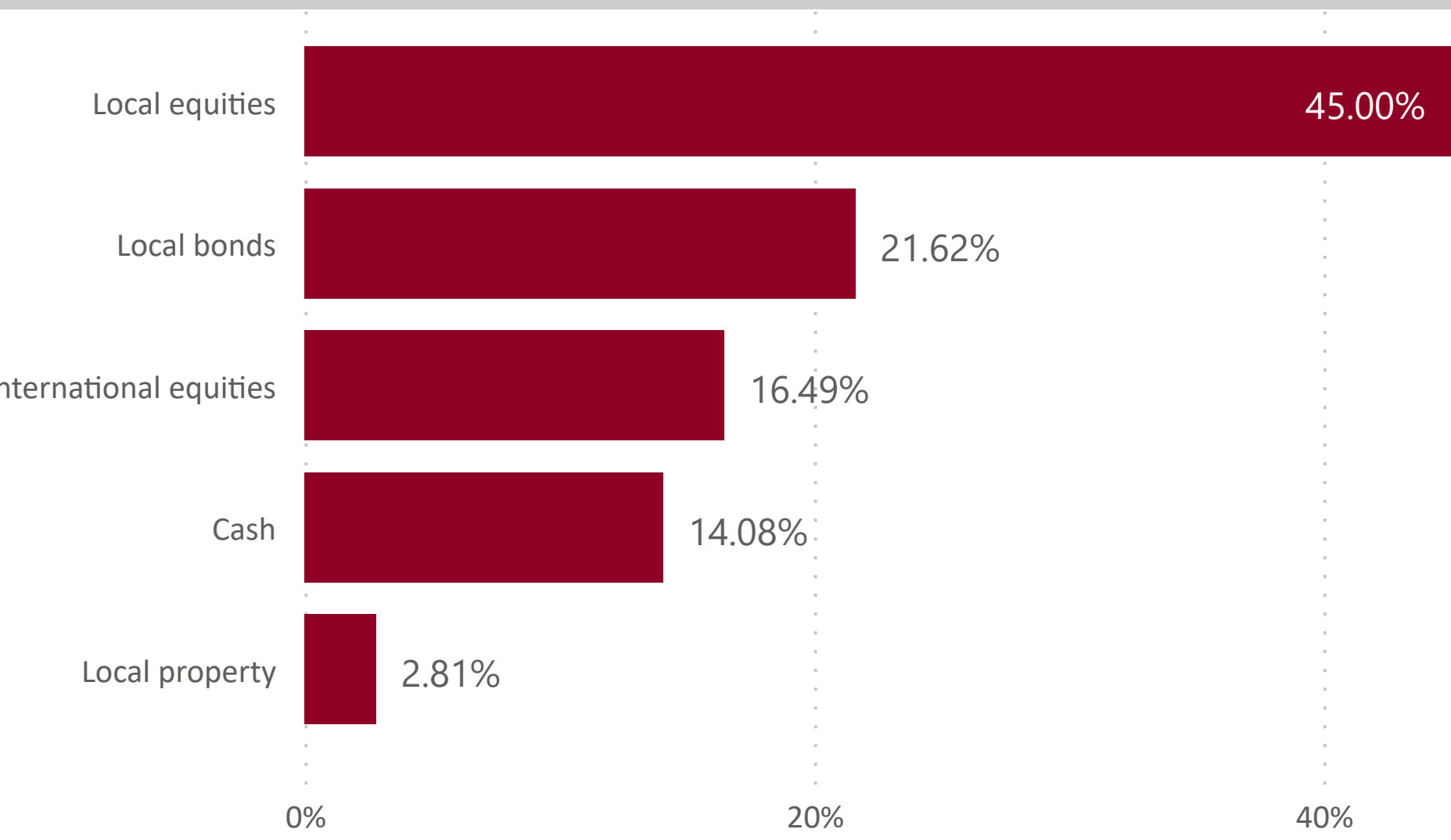
## Investment Objective

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 medium 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 high risk tolerance.
- The individual is comfortable with inherent volatility of equities.
- Main objective: Capital growth.

## Sector Allocation



## Top 10 Holdings

NFGovi	NFGOVI	21.62%
Cash	CASH	14.08%
Glencore	GLN	6.70%
Satrix World ETF	STXWDM	6.58%
SYGUS	SYGUS	6.14%
Naspers	NPN	4.67%
Sygnia Itrix	SYGUK	3.77%
Nedbank	NED	3.61%
Tiger Brands	TBS	3.21%
AVI Limited	AVI	2.89%

## Performance

Portfolio	3 Months	6 Months	12 Months	YTD	2 Year	3 Year	4 Year	5 Year	Since Inception
(ASISA) South Africa MA Medium Equity Average	-4.6%	-5.3%	3.2%	-5.3%	8.4%	6.3%	5.8%	6.0%	5.3%
Balanced Portfolio	-3.8%	-4.6%	4.3%	-4.6%	6.0%	5.6%	3.9%	3.8%	3.6%

Returns for periods longer than 12 months have been annualised.

June 2022

## 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	South Africa Medium Equity Average (ASISA) CPI Plus 4%

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# Economic Overview

US inflation has continued to surprise on the upside with expectations now being that the Fed will raise its Fed Funds Rate to above 3% in this interest rate cycle. From September the Fed is also expected to reduce its balance sheet, or the quantity of dollars in the US monetary system, by \$95bn per month. These two factors will be headwinds to financial market performance.

A further headwind will be a stronger USD which will put pressure on US companies’ foreign earnings. Currently, Chinese economic growth remains subdued, but we expect Chinese policymakers to loosen monetary conditions and increase spending to shore up their economic growth. The impact of this may only be felt in 2023 in China.

The SA rand has weakened primarily as a result of a stronger USD, but also as a result of the impact of load shedding on the SA economy. Current slowing global growth, tighter monetary conditions and high valuations in the US equity market are headwinds to equity performance.

# Market Overview

During the quarter, global equity markets declined sharply, -18% while SA equity returns were negative but slightly better than global equity market returns. Over the second quarter SA equity was down -10.6%.

Resources and financials were down -20.7% and -15.3% respectively, while industrial performance was down -3% for the quarter. Overall, a poor quarter for equity returns.

# Portfolio Activity

During the first quarter we bought Old Mutual Ltd, AECI Ltd, Impala Platinum, and Mondi PLC. We sold Mr Price, Alviva Holdings, Anheuser Busch Inbev SA, Adcock Ingram, and Signia Irix. The portfolio decreased by 3.85% for the quarter with the last month of the quarter down 3.91%.

Positive contributions were attributable mainly to Naspers, Prosus, British American Tobacco, Pick 'n Pay, and Mondi PLC. Losses were attributable to Sygnia Itrix, Impala Platinum Holdings, Old Mutual Ltd, Barclays Africa, and Growthpoint. For the past 12 months the portfolio has increased 4.3% with the benchmark, the ASISA SA Medium equity, up 3.2%.