

Balanced Portfolio - Quarterly

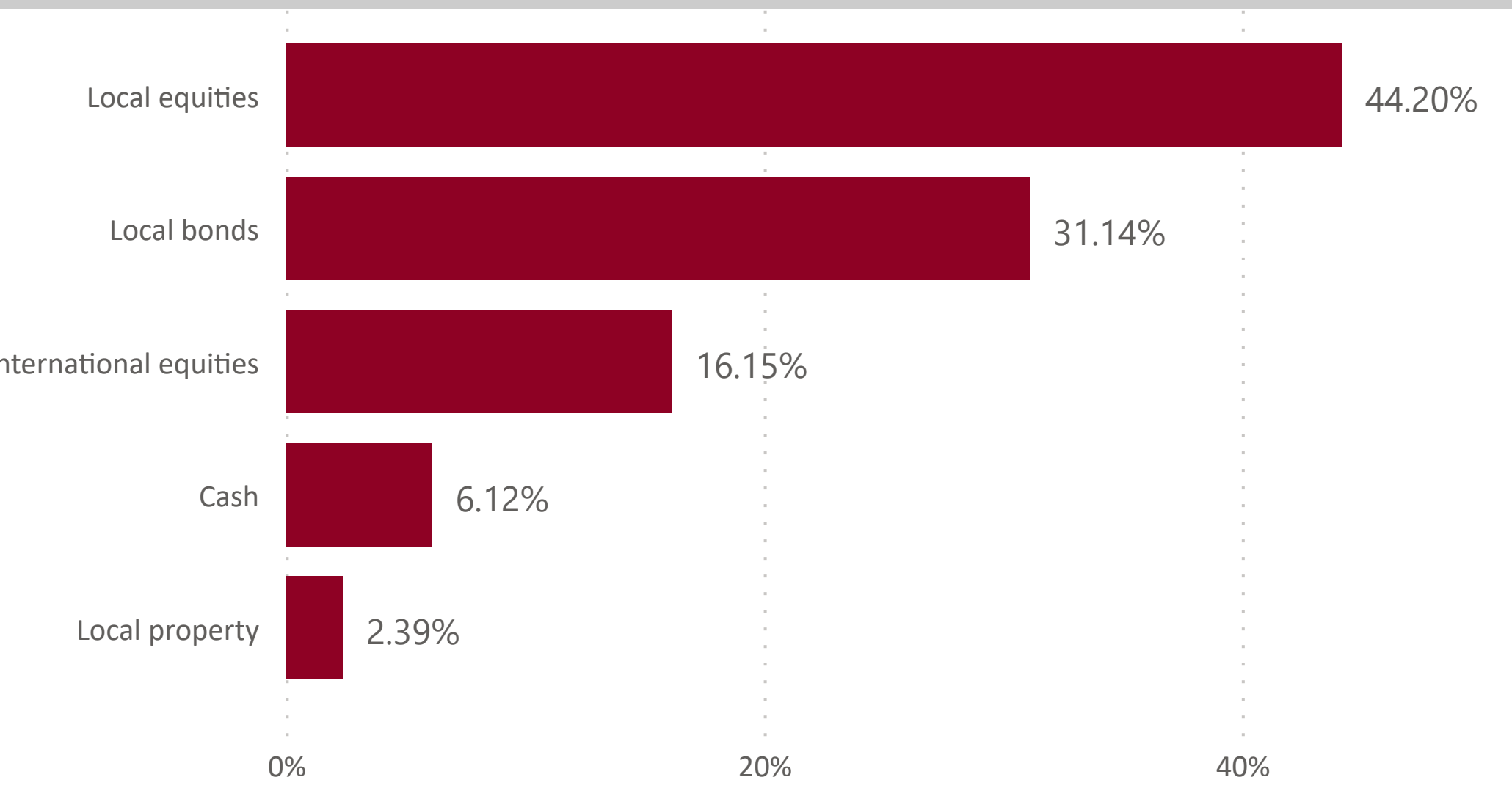
Investment Objective

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

Satrix Govi ETF	STXGVI	31.14%
Satrix World ETF	STXWDM	8.36%
SYGUS	SYGUS	7.79%
Cash	CASH	6.12%
Tiger Brands	TBS	5.16%
Nedbank	NED	3.66%
AVI Limited	AVI	3.55%
MTN Group	MTN	3.02%
British American	BTI	2.88%
Sasol	SOL	2.83%

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	0.8%	5.1%	8.0%	5.1%	5.6%	8.3%	6.7%	6.2%	5.6%
Balanced Portfolio	2.4%	3.3%	13.1%	3.3%	8.6%	8.3%	7.4%	5.6%	4.8%

Returns for periods longer than 12 months have been annualised.

June 2023

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

Unusually, we have had a pause in the Fed hiking cycle, which given the resilience of the US economy is now likely to start again this month. US inflation is now declining but is likely to remain above the Fed’s required level of 2% as service and rental inflation remains sticky. The Fed Fund rate could therefore remain higher for longer with the resultant negative impact on US growth.

The Chinese economy has run out of momentum, and growth while still high, is forecast to be lower at 5% this year. Slower growth and less property expansion in China will see some downward pressure on commodity prices.

In SA we have seen several economic and political headwinds which have impacted investor sentiment and seen the rand weakened and the equity market pullback. Foreigners were net sellers of SA equity in June. Current load-shedding, high interest rates, low consumer confidence and a slowing global economy will remain a headwind to equity performance. There will no doubt be opportunities to add to equity in what is expected to be choppy markets in this quarter.

Market Overview

During the second quarter, the SA equity market was off -0,1% with the Industrial index up 3,4%, driven by heavy weights Naspers and Richemont which were up 3,2% and 13,1% respectively. Financials were up 3,6% driven by Firststrand which finished the quarter +13,5% higher. Resources were down -6.5% in the second quarter on the back of lower commodity prices.

The price of copper (proxy for commodity prices in general) finished the quarter -8,9% lower at \$3,74/lbs which drove the diversified miners lower. PGM miners were lower on the back of a lower PGM basket price which was driven down by a significantly lower Rhodium price. The property sector was down -2,2%. Small-caps retuned -0,9% and Mid-caps -1,5% in the first quarter of 2023.

Portfolio Activity

During the third quarter we bought Capitec Bank, Anglo American Platinum, Investec Plc, and Tiger Brands. We sold Glencore. The portfolio increased by 2.40% for the quarter with the last month of the quarter up 4.51%.

Positive contributions were attributable mainly to Sygnia ITRIX MSCI US, Satrix World ETF, Capitec Bank, Firststrand, and MTN Group. Losses were attributable to Impala Platinum, Anglo American Platinum, Tiger Brands, Emira, and Growthpoint. For the past 12 months the portfolio has increased 13.1% with the benchmark, the ASISA SA Medium equity, up 8.0%.