

High Dividend Portfolio - Quarterly

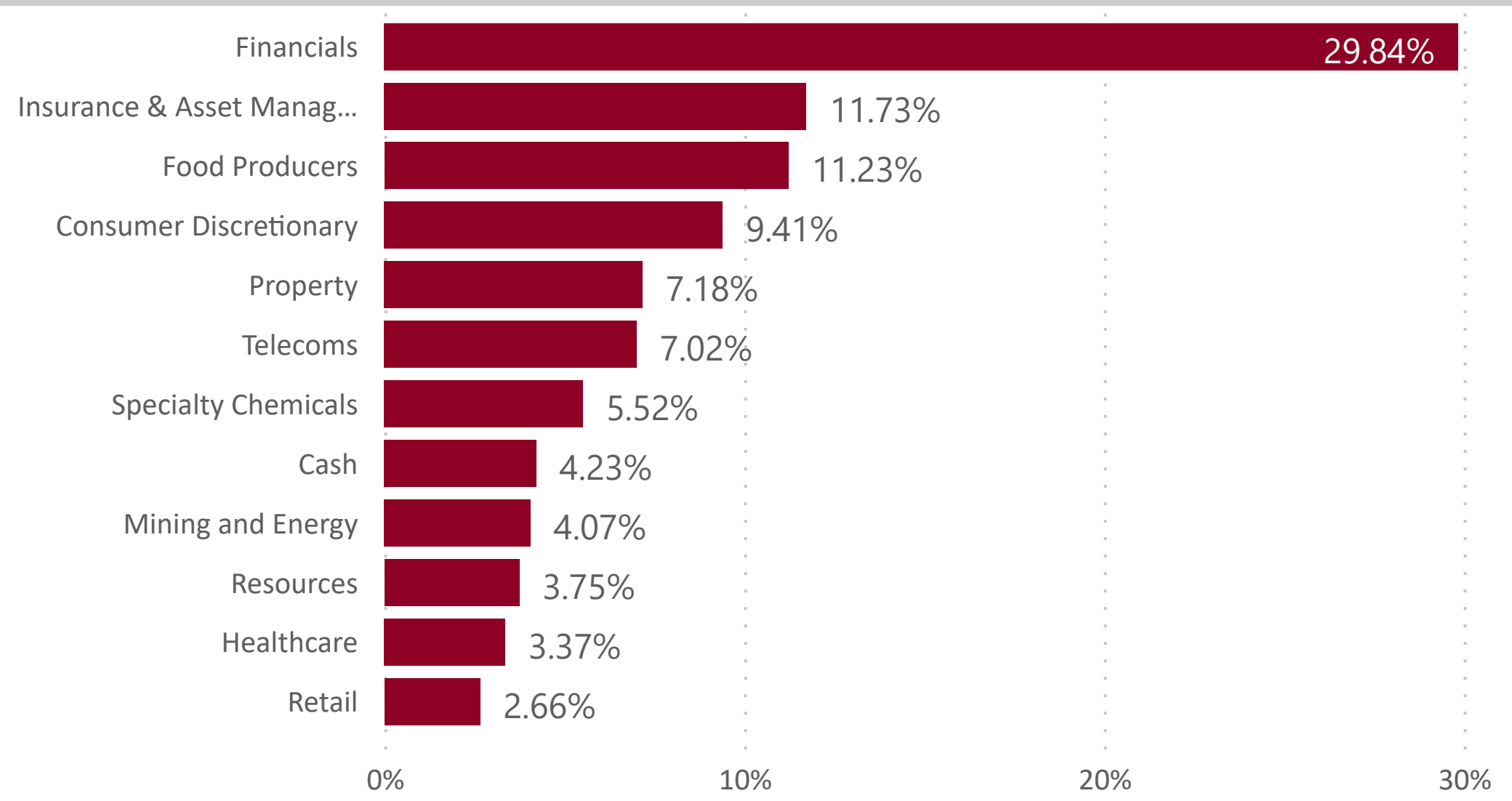
Investment Objective

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.

Sector Allocation



Top 10 Holdings

Standard Bank	SBK	8.38%
Nedbank	NED	7.89%
Sanlam	SLM	7.49%
AVI	AVI	7.35%
British American	BTI	7.31%
MTN Group	MTN	7.02%
AECI	AFE	5.52%
Old Mutual	OMU	4.24%
Cash	CASH	4.23%
Firststrand	FSR	4.21%

Performance

Portfolio	3 Months	6 Months	12 Months	YTD	2 Year	3 Year	4 Year	5 Year	Since Inception
Capped Top 40 TR	0.8%	5.6%	19.3%	5.6%	13.1%	17.4%	11.7%	10.2%	9.1%
Dividend Portfolio	0.1%	-1.3%	10.5%	-1.3%	18.0%	17.9%	3.3%	2.2%	3.7%

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

FTSE/JSE Capped Top 40 TR

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 Firstrand 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 Investec Plc, Anglo American Platinum, Absa, and Tiger Brands. We sold Coronation Fund Managers. The portfolio increased by 0.06% for the quarter with the last month of the quarter up 6.32%.

Positive contributions were attributable mainly to Firstrand, MTN Group, Investec Plc, Truworths, and Nedbank. Losses were attributable to Impala Platinum, Anglo American Platinum, Tiger Brands, Emira, and Growthpoint. For the past 12 months the portfolio has increased 10.5% with the benchmark, the FTSE/JSE Capped Top 40 TR, up 19.3%.