

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.

- 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	Percentage
Financials	25.13%
Insurance & Asset Management	11.37%
Food Producers	10.53%
Cash	10.13%
Consumer Discretionary	9.29%
Property	8.17%
Telecoms	6.48%
Specialty Chemicals	5.72%
Mining and Energy	4.19%
Healthcare	3.46%
Retail	2.78%
Resources	2.74%

Cash	CASH	10.13%
Standard Bank	SBK	8.16%
AVI	AVI	7.58%
Nedbank	NED	7.49%
British American	BTI	7.31%
Sanlam	SLM	7.24%
MTN Group	MTN	6.48%
AECI	AFE	5.72%
Emira	EMI	4.76%
Sasol	SOL	4.19%

Portfolio	3 Months	6 Months	12 Months	YTD	2 Year	3 Year	4 Year	5 Year	Since Inception
▲									
Capped Top 40 TR	4.7%	21.9%	5.0%	4.7%	13.1%	25.9%	12.8%	10.9%	9.3%
Dividend Portfolio	-1.4%	10.8%	10.3%	-1.4%	19.9%	22.0%	4.1%	0.7%	3.9%

129 Rivonia Road, The Marc. PO Box 55386 Northlands 2116. South Africa
T +27 (0)11 550 6200. F +27 (0)11 550 6295. momentum.co.za/securities
Momentum Securities is an authorized financial services and registered credit provider and a subsidiary of Momentum Metropolitan Holdings Ltd. Reg no 1974/000041/07.
Momentum Securities is a member of the JSE Ltd. (FSP29547) (NCRCP2518)



March 2023

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%

Disclaimer: Shares are generally medium- to long-term investments. The value of shares may go down as well as up and past performance is not necessarily a guide to the future. Opinions expressed in this document are those held as at the date appearing in this material only. Momentum Securities shall not be liable or responsible for any use of this document or to any other person or entity for any inaccuracy of information contained in this document or any errors or omissions in its content, regardless of the cause of such inaccuracy, error or omission. This document should not be seen as an offer to purchase any specific product and should not be construed as advice or guidance in any form whatsoever.

Economic Overview

In March Regional US bank failures were averted by Fed action with the addition of extra liquidity into the US banking system. The Fed has however, continued to hike its Fed Funds Rate as US service inflation has remained sticky at 6%. Goods inflation has however fallen, and investors have taken heart from this decline pushing up the US equity market. Slower US economic growth and a potential credit contraction have largely been ignored by equity investors and are concerning factors that will come into play in the second half of 2023.

China’s economy has rebounded since it unlocked last year, and consumption has recovered strongly. The Chinese real estate sector is expected to stabilize but not be the strong driver of growth as it was in the past.

The SA rand weakened for the most part of Q1 impacted by load-shedding, low confidence, and a trade deficit. Current, slowing global growth with tighter monetary conditions is a future headwind to equity performance.

Market Overview

During the first quarter, the SA equity market returned 5,2% with the Industrial index up 13,6%. Resources and financials were down -4,7% and -0.3% respectively in the first quarter, while the property sector was down -5,1%.

SA domestic equity valuations are currently attractive relative to their past and relative to EM equity. We see domestic industrials as offering value along with the financial sector.

The financial sector initially rallied in January and February before falling sharply as the news of US regional banks problems hit the wires. The financial index did recover but ended marginally lower for the quarter. At current levels the financial sector offers value.

Over the last 3 months, the Resource Sector underperformed the Swix index. Over the last 12 months the sector was down 13%.

Portfolio Activity

During the third quarter we bought Sanlam, Old Mutual Ltd, Pepkor Holdings, and Truworths. We only sold Exxaro. The portfolio decreased by 1.39% for the quarter with the last month of the quarter down 5.34%.

Positive contributions were attributable mainly to Sanlam, AECL, Standard Bank, Netcare, and Nedbank. Losses were attributable to Impala, Pepcor Holdings Ltd, Sasol, Growthpoint, and British American Tobacco. For the past 12 months the portfolio has increased 10.3% with the benchmark, the FTSE/JSE Capped Top 40 TR, up 5%.