



# Core Equity Portfolio - Quarterly

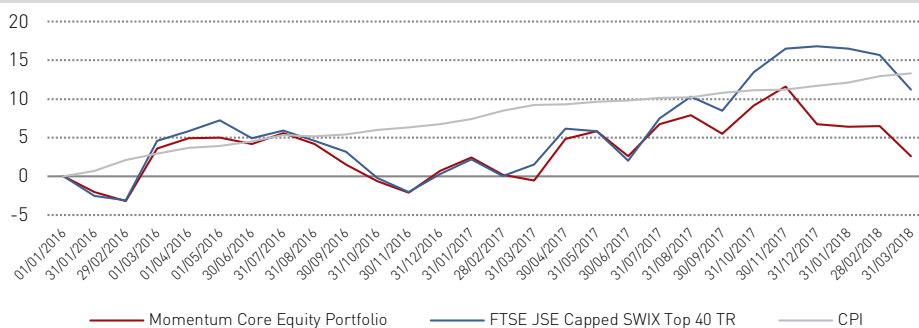
## Investment Objective

This is a high conviction portfolio focused on maximising risk adjusted returns to the investors over the medium to long-term by investing in JSE listed shares. The returns of this portfolio are based on the ability of the JSE All Share index to deliver returns in excess of inflation and the ability of the portfolio manager to identify undervalued securities within this asset class.

## Investment Profile

- Investors who have a longer investment term and want the highest possible risk adjusted return on their invested capital.
- Value-based investors with high risk tolerance.
- Investors who understand that there are investment cycles that cause share prices to fluctuate.

## Cumulative Performance



March 2018

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**

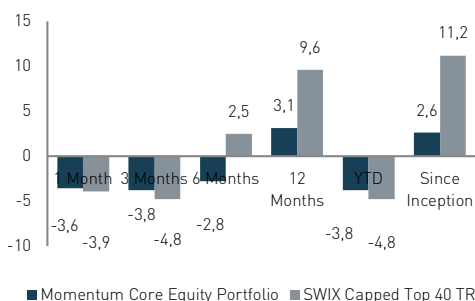
3 business days

**Benchmark**

Capped SWIX Top 40 TR Index

Target CPI Plus 4%

## Cumulative Performance



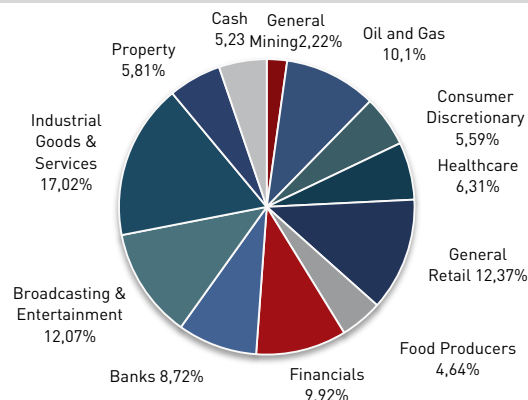
## Cumulative Performance

	Portfolio	Benchmark
1 Month	-3,6%	-3,9%
3 Months	-3,8%	-4,8%
6 Months	-2,8%	2,5%
12 Months	3,1%	9,6%
YTD	-3,8%	-4,8%
Since Inception	2,6%	11,2%

## Top 5 Holdings

Naspers (NPN)	12,07%
Reinet (RNI)	9,92%
Sasol (SOL)	6,60%
Barclays (BGA)	6,19%
Remgro (REM)	5,44%
<b>TOTAL</b>	<b>40,22%</b>

## Sector Allocation



## Economic overview

Over the next year the global economy is forecast to continue to expand. Central banks have however begun reducing their liquidity to financial markets (lowering their bond purchases) and raising interest rates. These two factors will act as a headwind to global growth, which could see some downward revisions to global growth in the latter part of the year. In addition, trade tariff threats from the US have already dented global investor sentiment and have seen global equity markets weaken.

A tighter US labour market will see inflation rise in the US leading to the Fed raising interest rates more aggressively this year. Slowing economic growth in China is likely to have an impact on the demand for commodities and weakening commodity prices. In the latter part of the year, rising US

interest rates and weaker commodity prices are likely to put a cap on Emerging Market (EM) economic growth.

In South Africa (SA), the positive political outcome from the December ANC elective conference has seen the Rand firmer against the US dollar and upward revisions in SA economic growth forecasts. SA's sovereign credit rating was not downgraded in March, which was positive and helped to underpin global investor sentiment towards SA. This saw the local bond market firmer but SA equities suffered as global equity markets weakened on trade tariff threats from the US. Equity markets are likely to remain volatile until the trade tariff position is resolved.

## Market Overview

Over the last 3 months, ended 31 March 2018, we saw the following performance in the SA financial markets: the Rand was 4.28% stronger than the US dollar, the All Share index's was 6.77% weaker. The Financial 15 index decreased by 1.79%, with Resource 10 down 4.37% and the Industrials 25 down 9.24%.

## Portfolio Activity

During the first quarter we added to our Anheuser Busch and Naspers exposure and introduced AECL, KAP and Bidcorp. We reduced our Mediclinic, Standard Bank and Aspen exposure while removing Nampak. We also introduced property with Mas Real Estate and the Investec Property Fund. Our cash exposure decreased substantially over the period as we bought into weakness.

The portfolio decreased 3.8% for the quarter with the primary decline of 3.6% for the month of March, once again impacted by the strengthening Rand which weighed on Rand hedge stocks. For the past 12 months the portfolio has increased 3.1% with the All Share index up 6.57%.