

Balanced Portfolio - Quarterly

momentum
Securities



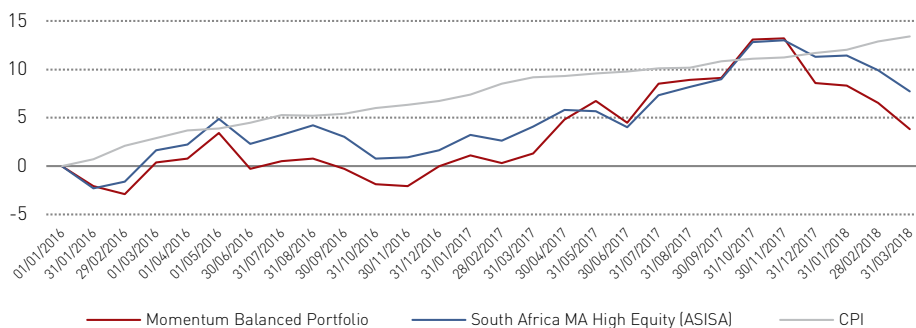
Investment Objective

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 a certain measure of capital protection. The portfolio follows an actively managed multi-asset investment strategy that incorporates 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 average South African balanced portfolio collective investment scheme's return on investment.

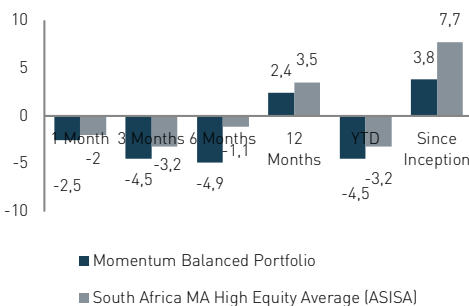
Investment Profile

- Investors who have a longer investment term (in excess of 5 years).
- Value-based investors with a high risk tolerance.
- The individual is comfortable with inherent volatility of equities.
- Main objective: Capital growth.

Cumulative Performance



Cumulative Performance



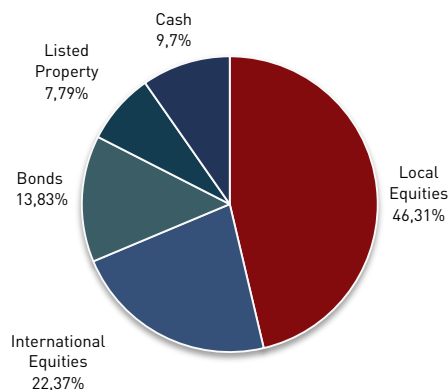
Cumulative Performance

	Portfolio	Benchmark
1 Month	-2,5%	-2,0%
3 Months	-4,5%	-3,2%
6 Months	-4,9%	-1,1%
12 Months	2,4%	3,5%
YTD	-4,5%	-3,2%
Since Inception	3,8%	7,7%

Top 5 Holdings

NewFunds Govi (NFGOVI)	13,83%
Naspers (NPN)	7,88%
British American Tobacco (BTI)	6,75%
Sygnia Itrix Eurostoxx50 (SYGEU)	5,31%
Sygnia ITRIX RF/ETF (SYGJP)	4,96%
TOTAL	38,73%

Sector Allocation



March 2018

Risk profile



Investment information

Inception date

1 January 2016

Investment manager

Momentum Securities

Stockbroker/custodian

Momentum Securities

Management fee

Bespoke Max 1.25% (annual)

Minimum lump sum

R 250 000

Redemption periods

3 business days

Benchmark

South Africa MA High Equity Average Return

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.

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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 Naspers weighting. In line with our core local equity view we removed Nampak and reduced our holdings in Standard Bank and Aspen. We also introduced Bidcorp, Richemont, KAP and Mas Real estate. On the international side we reduced our US exposure while introducing emerging market and US Dollar exposure. We further reduced our government bond exposure.

The portfolio decreased 4.5% for the quarter with the last month showing a decline of 2.5, performance was weighed on by British American Tobacco and Naspers as well as our international exposure which was impacted by a strengthening Rand. For the past 12 months the portfolio has increased 2.4% with the All Share index up 6.57%.