High Dividend Portfolio - Quarterly

momentum
Securities

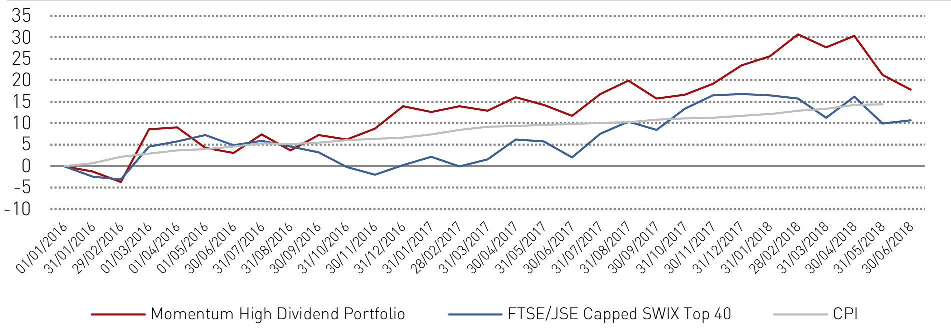
Investment Objective

This is an income focused portfolio, investing in local, high value shares, paying higher and sustainable dividends. This portfolio is generally less volatile, and can provide some downside protection if markets start falling. It aims to provide the investor with an attractive tax-free dividend yield over the long-term, whilst striking a balance between capital growth and return on investment. Performance is measured against the FTSE/JSE Africa Dividend Plus Index.

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.

Cumulative Performance



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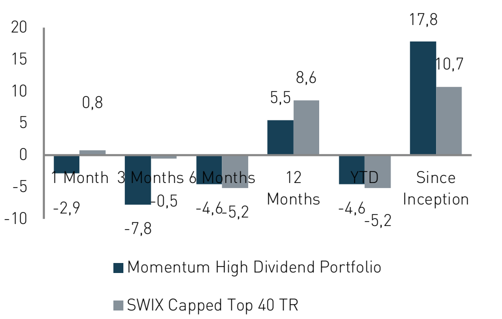


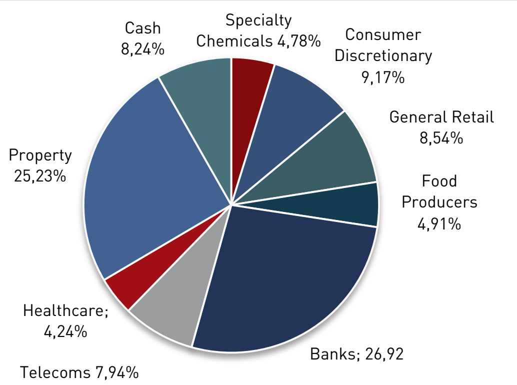
Cumulative Performance

	Portfolio	Benchmark
1 Month	-2,9%	0,8%
3 Months	-7,8%	-0,5%
6 Months	-4,6%	-5,2%
12 Months	5,5%	8,6%
YTD	-4,6%	-5,2%
Since Inception	17,8%	10,7%

Top 5 Holdings

British American Tobacco (BTI)	9,17%
Vodacom (VOD)	7,94%
Growthpoint (GRT)	6,46%
Emira (EMI)	6,26%
Redefine (RDF)	6,12%
TOTAL	**35,95%**

Sector Allocation



June 2018

Risk profile

HIGH

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%

Economic overview

The US economy is forecast to expand at a faster pace this year than last, while the global economy should grow at the same steady pace as it did last year. Headwinds are however now appearing, with rising inflation and short-term interest rates, contracting money supply and less buying support from Central Banks for financial markets.

Rising interest rates, a strong US dollar, global political uncertainty (Turkey and Italy) and trade wars have negatively impacted investor sentiment this year. These factors, in the first half of 2018, have made conditions difficult for Emerging Markets, which have lost about 8% (in USD). Over the next 24 months, global interest rates are forecast to rise and together with tightening money supply, will continue to impact the global economy and investor confidence negatively. Going forward these factors are likely to be headwinds to global financial markets' performance.

In South Africa the positive sentiment following the outcome from the December ANC elective conference has started to wain as there has been little follow through from economic growth. Recently the Rand has weakened and financial markets have been volatile, in line with other Emerging Markets. Going forward SA economic growth is likely to be sluggish and only start to improve next year. Equity markets are looking fully valued given where we are in the earnings cycle, and we remain cautious given the lower than average projected returns.

Market Overview

Over the last 12 months, ended 30 June 2018, we saw the following performance in the SA financial markets: the Rand was 5% weaker relative to the US dollar, the Top 40 index's total return was 16.90%, the All Bond index returned 10.19% and cash returned 7.33%.

Over the last year, the best performing major equity sector was the Resources sector up 44.56% (mainly driven by strong performances from Sasol and the large cap diversified miners, Anglo American and BHP Billiton); the Financials sector was up 16.81% and the Industrial sector was up 8.95%.

Portfolio Activity

During the second quarter we introduced the Investec Property Fund with our cash exposure was reduced by 3% over the period. The portfolio decreased 7.8% for the quarter with the portfolio down 2.9% for the month of June, the weakening Rand contributed to the performance of Rand hedge stocks but weighed on the banks and property continued to take strain. For the past 12 months the portfolio has decreased 3.3% with the JSE Swix Capped Top 40 up 8.6%.