

# Balanced Portfolio - Quarterly



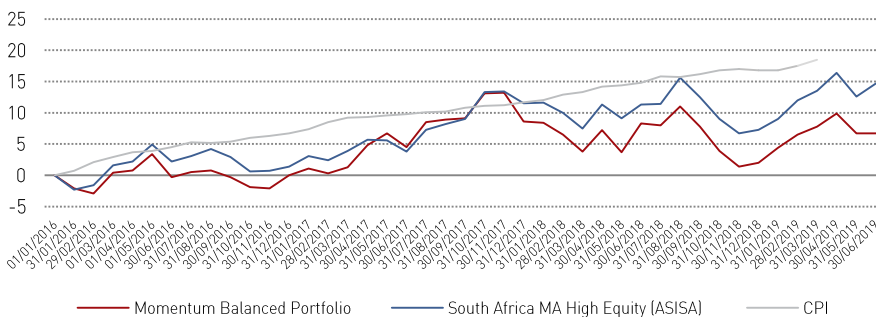
## Investment Objective

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 diversification into multiple asset classes. The portfolio follows an actively managed multi-asset investment strategy that may incorporate 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 median managed South African MA high equity collective investment scheme's return on investment.

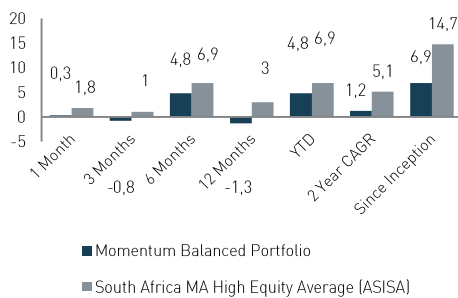
## Investment Profile

- 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



## Performance



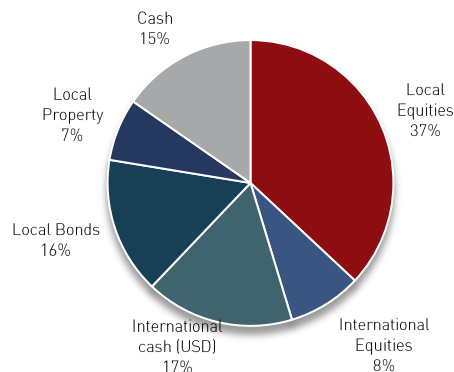
## Performance

	Portfolio	Benchmark
1 Month	0,3%	1,8%
3 Months	-0,8%	1,0%
6 Months	4,8%	6,9%
12 Months	-1,3%	3,0%
YTD	4,8%	6,9%
2 Year CAGR	1,2%	5,1%
Since Inception	6,9%	14,7%

## Top 5 Holdings

NEWUSD (NEWUSD)	16,80%
NewFunds Govi (NFGGOVI)	15,48%
Naspers (NPN)	6,87%
British American Tobacco (BTI)	6,59%
Sygnia Itrix US (SYGUS)	5,15%
<b>TOTAL</b>	<b>50,89%</b>

## Sector Allocation



June 2019

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**

Capped SWIX Top 40 TR Index  
Target 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.

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## Economic Overview

The US FED reversed their December rising interest rate view in January 2019, and are now talking about a cut in the Fed Funds rate. US manufacturing is slowing and US economic growth is expected to follow suit. Global growth is also slowing, and is yet to feel the full impact of higher trade tariffs. There are also a number of macro and geopolitical headwinds that will also impact global economic growth. Yet the equity markets have risen sharply without waiting to see what the overall impact of these factors will be on the global economy and markets.

We are now in the late-cycle growth period in the US economy, and growth has shifted down a gear in both Europe and China. In addition, to the above, we see downward revisions to US company earnings in 2019, which may turn out to be negative this year.

Chinese economic growth is slowing and believed to be growing at below the official figures. With Eurozone growth slowing and negative interest rates we see a stronger US dollar. Commodity prices are also expected to remain under some pressure as global growth slows and the US dollar strengthens. The oil price seems to be the exception, with geopolitical issues and oil supply cuts from OPEC underpinning the USD oil price.

We expect the South Africa rand to consolidate and range trade this year. SA economic growth remains under pressure, in line with the South African consumer who has seen disposable income deteriorating over the last year.

Post the May SA election we have seen a marginal improvement in investor sentiment towards South Africa, with stocks only rallying in line with global stocks on the US Fed's decision to move to cutting US interest rates.

## Market Overview

Over the second quarter, ended 30 June 2019, we saw the following performance in the SA financial markets: the rand ended at the same level relative to the US dollar (after weakening over 5% to mid-June and then recovering), the Top 40 index's total return was up 4.61%, the All Bond index returned 3.70% and cash returned 1.80%.

Over the quarter the Resources index was up 2.41%; the Financials sector was up 7.02%; the Industrial sector was up 4.45%; the listed property sector was up 4.52%; the Mid Cap index was up 1.45% and the Small Cap index was up 1.84%.

## Portfolio Activity

During the first quarter we introduced Adcock Ingram to the portfolio as well US dollar denominated cash and sold our holdings in Glencore and in The Global Government Bond ETF. The portfolio posted a loss of 0,8% for the quarter with the last month of the quarter posting a 0,3% gain. Losses were attributable to our positions in Sasol, Kap, British American

Tobacco and Pioneer Food Group. Positive contributions were attributable to Absa Bank, Fortress B, Discovery and Woolworths. For the past 12 months the portfolio decreased 1,3%, and the benchmark Asisa MA High Equity Median manager posted a 3,0% gain.