

Balanced Portfolio - Quarterly

momentum
Securities



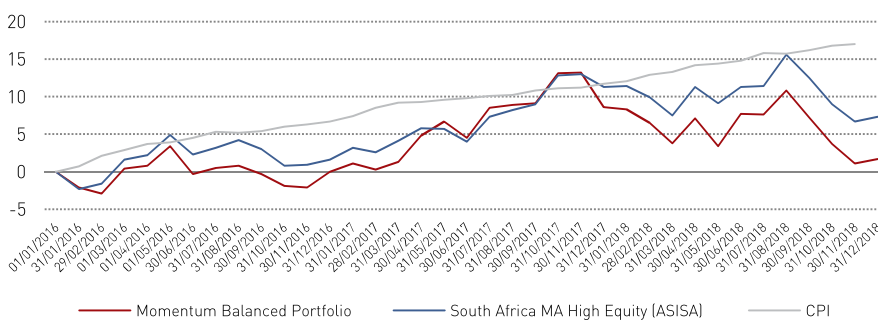
Investment Objective

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.

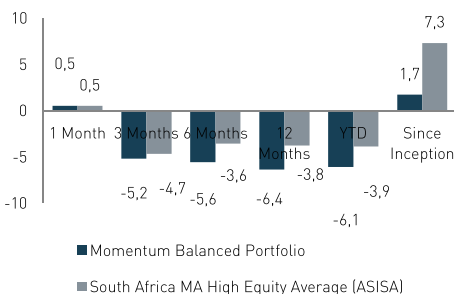
Investment Profile

- 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



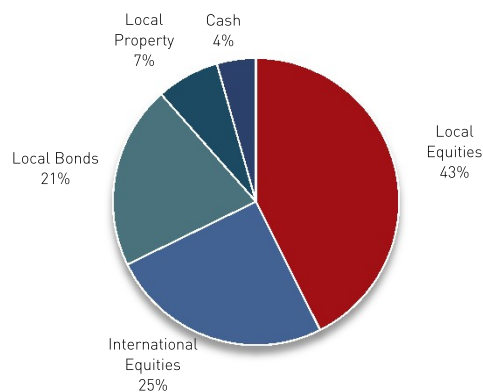
Cumulative Performance

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

Top 5 Holdings

NewFunds Govi (NFGOVI)	20,68%
Naspers (NPN)	9,00%
Sygnia Itrix Eurostoxx50 (SYGEU)	5,45%
NEWUSD (NEWUSD)	5,39%
Sygnia Itrix Japan (SYGJP)	5,23%
TOTAL	45,75%

Sector Allocation



December 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
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. 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 2019, the tailwinds of low interest rates and tax cuts will no longer assist the US economy and US company earnings. We are now in the late-cycle growth period in the US economy, and growth is also shifting down a gear in both Europe and China.

Higher US interest rates and slower earnings growth will act as headwinds to the US economy and financial markets.

Political uncertainty in Europe, the overhang of a trade war between China and the US and the current US government shutdown have negatively impacted global investor sentiment. This has seen a sharp decline in developed markets in the last quarter of 2018. While global equity markets are oversold in the short-term and likely to rebound from their current

oversold condition, slower global growth is likely to remain a headwind to their returns in 2019. Commodity prices are also expected to come under some pressure as global growth slows.

In South Africa, in 2018, we saw a weaker rand, higher interest rates and heightened political uncertainty which translated into weak investor sentiment and a weaker SA equity market. In 2019 SA economic growth is forecast to improve, and with the completion of the election in the first half of the year, should see an improvement in political sentiment. These factors, together with improved SA equity valuations should see domestic SA stocks' performance improve in 2019.

Market Overview

Over the last 12 months, ended 31 December 2018, we saw the following performance in the SA financial markets: the rand was 16% weaker relative to the US dollar, the Top 40 index's total return was -8.31%, the All Bond index returned 7.74% and cash returned 7.29%.

Over the last year, the best performing major equity sector

was the Resources sector up 17.77%; the Financials sector was down 4.09% and the Industrial sector was down 17.87%.

The SA equity market is starting to look attractive on a valuation basis.

Portfolio Activity

During the fourth quarter we sold out of our Woolies position and introduced Old Mutual in to the portfolio. The portfolio decreased by 5.2% for the quarter with the last month of the quarter posting a 0.5% gain. Losses were attributable to our positions in British American Tobacco, Anheuser Busch and Sasol. Absa Group and KAP held up well over the quarter.

For the past 12 months the portfolio has decreased 6.4% with the ASISA MA High Equity Median manager down 3.8%.