



High Dividend Portfolio - Quarterly

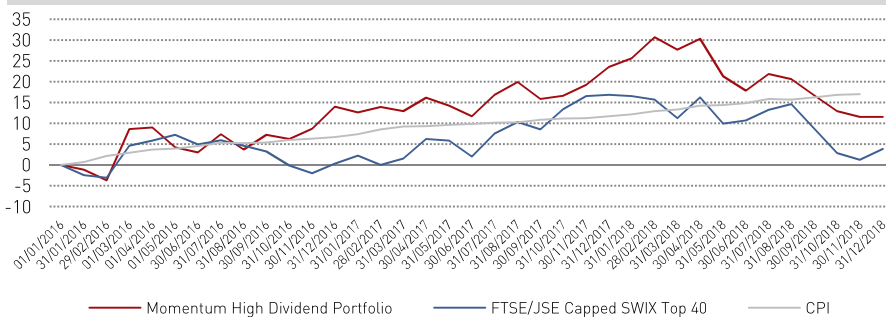
Investment Objective

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.

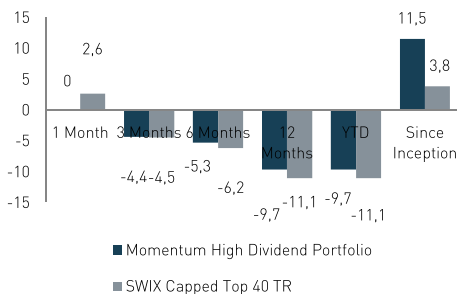
Investment Profile

- 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



Cumulative Performance



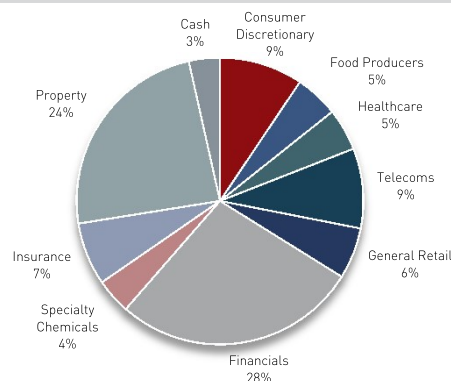
Cumulative Performance

	Portfolio	Benchmark
1 Month	0,0%	2,6%
3 Months	-4,4%	-4,5%
6 Months	-5,3%	-6,2%
12 Months	-9,7%	-11,1%
YTD	-9,7%	-11,1%
Since Inception	11,5%	3,8%

Top 5 Holdings

British American Tobacco (BTI)	9,41%
Vodacom (VOD)	9,02%
Old Mutual (OMU)	7,07%
Emira (EMI)	6,83%
Firststrand (FSR)	6,04%
TOTAL	38,37%

Sector Allocation



December 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%

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

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 Woolworths position and introduced Old mutual in to the portfolio. The portfolio decreased by 4.4% for the quarter with the last month of the quarter flat. Losses were attributable to our positions in Arrowhead, AECL and Investec.

Life Healthcare, ABSA and Vodacom held up over the quarter. For the past 12 months the portfolio has decreased 9.7% with the JSE Swix Capped Top 40 Total Return Index down 11.1%.