

Focused Core Equity Portfolio - Quarterly

Investment Objective

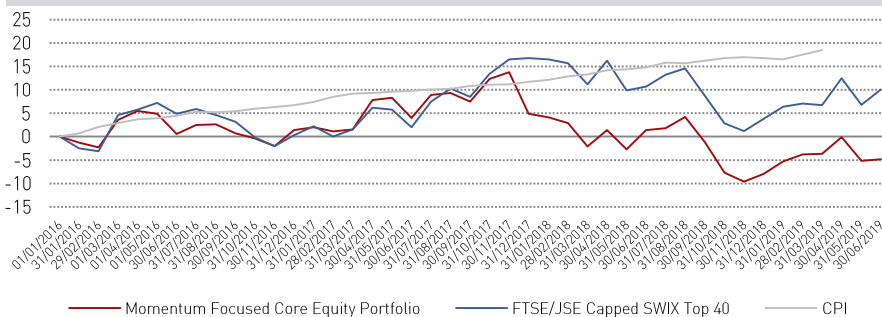
This is a sub-set of the core equity portfolio aimed at smaller value accounts. Therefore, this is a high conviction portfolio focused on maximising risk adjusted returns to the investors over the medium to long-term by investing in JSE listed shares. The returns of this portfolio are based on the ability of the JSE All Share Index to deliver returns in excess of inflation and the ability of the portfolio manager to identify undervalued securities within this asset class. The portfolio offers the same capital growth as the Core Equity Portfolio, with a narrower selection of instruments.

Investment Profile

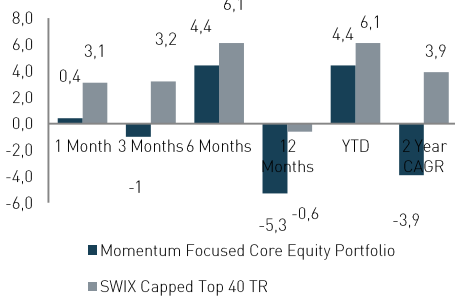
- Investors who have a longer investment term and want the highest possible risk adjusted return on their invested capital.
- Value-based investors with a high risk tolerance.
- Investors who understand that there are investment cycles that cause share prices to fluctuate.



Cumulative Performance



Cumulative Performance



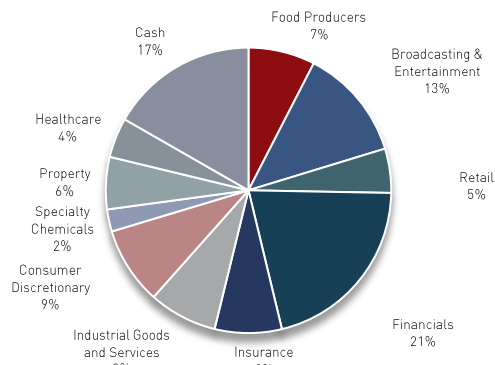
Cumulative Performance

	Portfolio	Benchmark
1 Month	0,4%	3,1%
3 Months	-1,0%	3,2%
6 Months	4,4%	6,1%
12 Months	-5,3%	-0,6%
YTD	4,4%	6,1%
2 Year CAGR	-3,9%	3,9%

Top 5 Holdings

Reinet (RNI)	13,24%
Naspers (NPN)	11,70%
Anheuser Busch (ANH)	8,82%
Old Mutual (OMU)	5,10%
Dischem (DCP)	5,03%
TOTAL	43,89%

Sector Allocation



June 2019

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

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 and sold our holding in Glencore. The portfolio posted a loss of 1% for the quarter with the last month of the quarter posting a 0.4% gain. Losses were attributable to our positions in Sasol, Kap, Tiger Brands and Pioneer Food Group. Positive contributions were attributable to Absa Bank, Fortress B, Discovery and Standard Bank.

For the past 12 months the portfolio decreased 5,3%, and the benchmark JSE SWIX Capped Top 40 Total Return index posted a negative return of 0,6%