



International Portfolio - Quarterly

Investment Objective

This is a high conviction international portfolio focused on maximising risk adjusted returns to the investors over the medium to long-term by investing in global listed equities. The returns of this portfolio are based on the ability of world equity markets indices to deliver returns in excess of inflation and the ability of the portfolio manager and our research team to identify and take positions in undervalued securities.

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 high risk tolerance.
- Investors who understand that there are investment cycles that cause share prices to fluctuate.

September 2020

Risk profile



Investment information

Inception date
1 June 2016

Investment manager
Momentum Securities

Stockbroker/custodian
Momentum Securities

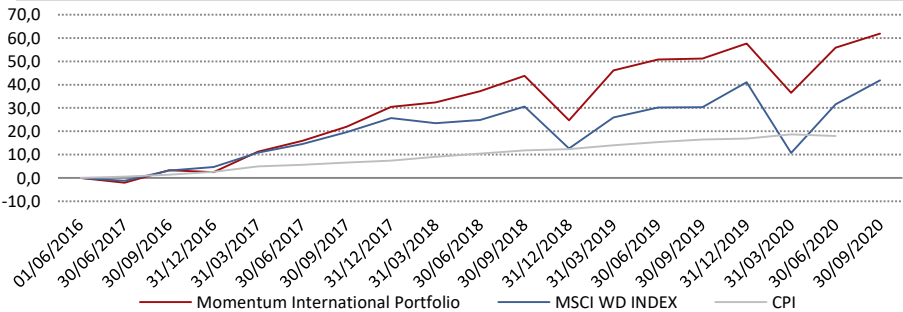
Management fee
Max 1.25% (annual)

Minimum lump sum
\$80 000

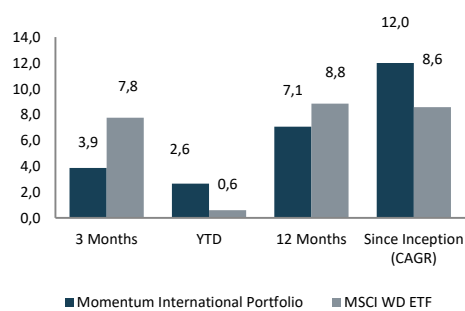
Redemption periods
3 business days

Benchmark
MSCI World Index (USD)

Cumulative Performance (USD)



Cumulative Performance (USD)



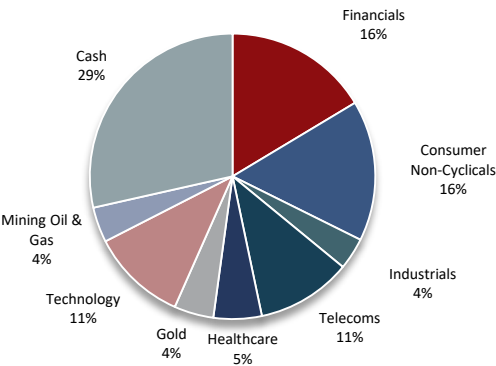
Cumulative Performance (USD)

	Portfolio	Benchmark
3 Month	3,9%	7,8%
YTD	2,6%	0,6%
12 Months	7,1%	8,8%
Since Inception (CAGR)	12,0%	8,6%

Top 5 Holdings

Mastercard (MA)	6,71%
Nestle (NESN)	6,32%
Amazon (AMZN)	5,84%
Comcast (CMCSA)	5,60%
KDDI Corp (KDDIY)	5,16%
TOTAL	29,63%

Sector Allocation



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Economic Overview

In quarter three, Central Banks and governments continued the support of their economies and financial markets. This support saw a sharp improvement in their economies which have now lifted from their lows. While global economic growth is expected to continue to improve in the second half of 2020, overall global economic growth will be negative for 2020. In SA we expect a rebound in economic growth in the second half of the year, but see economic growth contracting by more than 8% for 2020.

Further stimulus packages, from global Central Banks, are anticipated this year which will shore up both consumers and asset markets. The rate of change of these stimulus' packages, however, will slow and so too will their impact on financial markets.

Market Overview

Over the third quarter global equity markets returned 8%; and the SA equity market 0.7%. The US dollar weakened over the third quarter as the US Fed provided more than enough US dollar liquidity to global financial markets.

Over the third quarter 2020, we saw the following performance in the SA financial markets: the rand appreciated by 2.4% relative to the US dollar, the All Share Index returned 0.7%, the All Bond Index returned 1.5% and cash returned 1.2%.

In the short-term, we expect some consolidation in financial markets followed by some weakness in these markets, as the extent of the stimulus declines. This will see greater volatility in currency and financial markets which is likely to see a weaker rand.

In the short-term, we recommend adopting a cautious approach to financial markets.

Sector performance was as follows; the Resources Index +6%; the Financials Index -1.6%; the Industrial Index -2.3%; and the Listed Property Index -14.1%. The best performing SA equity sub-sectors over the quarter were the Oil & Gas Producers and Support Services sectors, up 39.4% and 24% respectively, (all returns are in SA rands).

Portfolio Activity

During the third quarter we increased our exposure to KDDI Corporation and we reduced our holding in Hong Kong Exchanges and Clearing, as well as in Amazon. The portfolio increased by 3,9% for the quarter with the last month of the quarter posting a 3,5% loss.

Positive contributions were attributable to Mastercard, Comcast, Amazon and Polyus PJSC. Losses were attributable to KDDI Corporation, Cisco, Citigroup and Chevron Corporation. For the past 12 months the portfolio has increased 7,1% with the benchmark, the MSCI World Index, increasing by 8,8%.