momentum
securities

International Portfolio - Quarterly

Investment Objective

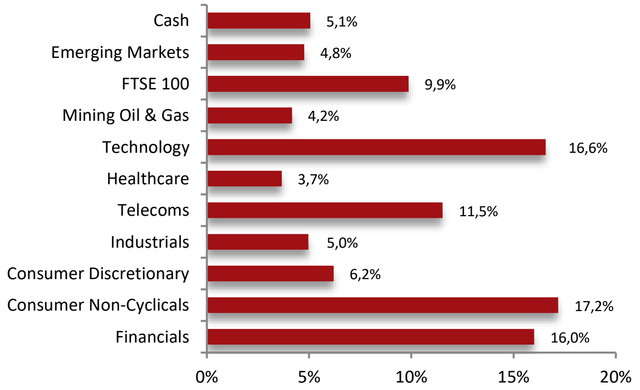
This is a high conviction international portfolio focused on maximising risk adjusted returns to the investors over the medium to long-term by investing in global listed equities. The returns of this portfolio are based on the ability of world equity markets indices to deliver returns in excess of inflation 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 2021

Sector Allocation



Top 10 Holdings

iShares FTSE 100 ETF (ISF)	9,87%	Mastercard (MA)	4,78%
Comcast (CMCSA)	5,81%	iShares Edge MSCI EM Value (EMVL)	4,77%
KDDI Corp. (KDDIY)	5,72%	Impala Platinum ADR (IMP)	4,16%
Citigroup (C)	5,46%	Broadcom (AVGO)	4,01%
Amazon (AMZN)	5,39%	British American Tobacco (BATS)	3,81%

Performance

	3 Months	6 Months	12 Months	YTD	2 Year	3 Year	4 Year	5 Year	Since Inception
Global Portfolio	-5,8%	-2,5%	12,9%	3,3%	9,9%	8,3%	10,6%	12,1%	11,8%
Benchmark	-0,4%	6,9%	27,0%	11,8%	17,4%	11,2%	10,7%	11,7%	11,4%

Returns for periods longer than 12 months have been annualised.

Risk profile

HIGH

Investment information

Inception date
1 June 2016

Investment manager
Momentum Securities

Stockbroker/custodian
Momentum Securities

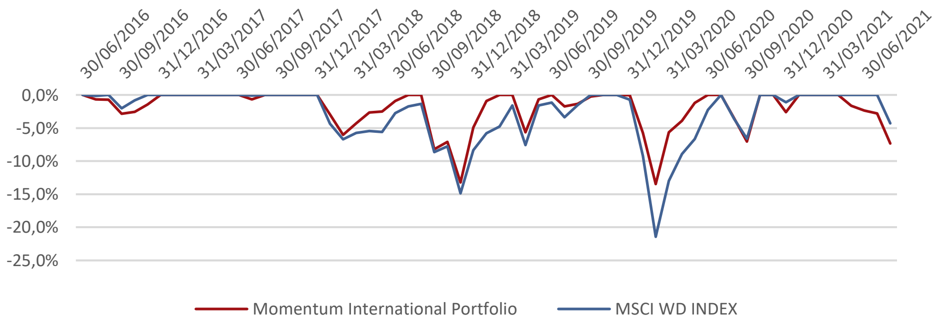
Management fee
Max 1.25% (annual)

Minimum lump sum
$80 000

Redemption periods
3 business days

Benchmark
MSCI World Index (USD)

Drawdown



	PORTFOLIO	BENCHMARK
Max Drawdown	-13,5%	-21,4%
Best Month	9,6%	12,7%
Worst Month	-8,2%	-13,5%
Gain/Loss Ratio	1,91	2,56

Glossary

Max Drawdown - Measures largest peak-to-trough decline before a new peak is achieved

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Economic Overview

Although the recent pick-up in inflation has been seen, by many, as transitory the US Fed has turned more hawkish and has started indicating that they will reduce Quantitative Easing (QE). Low interest rates and liquidity (QE) has supported US financial markets. The US recovery has progressed as the economy unlocked and we have now seen US consumer demand pick up, product shortages and inflation increase.

As QE is reduced there will be less support for financial markets, and this together with high US equity valuations will be a headwind to US equity returns. We now expect one year US equity returns to be below average. We have also seen a slowdown in Chinese manufacturing which has weighed on industrial metal prices. This will impact commodity producing economies growth.

The SA economy is likely to lag the global recovery due to a slower vaccine rollout and unlocking of the economy, however, the pace of economic growth in SA is expected to improve in Q4 2021. In the short-term slower growth in China will impact the prices received for SA commodity exports, we however, remain positive on Platinum Group Metals given the projected future deficits. Overall we remain positive on SA equity on a valuation basis.

Market Overview

The third quarter of 2021 saw global risk asset prices peaking and retreating sharply over the month of September. Inflation concerns which have been driven by supply chain bottlenecks coupled with wage and energy price increases, have caused concern around the implications for Central Bank stimulus and interest rates. The unfolding collapse of the largest property development company in China, Evergrande, has brought to the fore concerns around potential contagion effects in the Chinese and global financial system.

During the third quarter global equity markets retreated a modest -1% in USD, emerging market equities retreated -8% in USD and SA Equity -0.80% in ZAR. In the SA equity market, we saw small-cap and mid-cap equities rallying 11.7% and 7.2% respectively, outperforming large caps by a significant margin. The resources sector in SA came under pressure over the quarter, retreating -3.6% having been impacted by the collapse of iron ore prices by over 50% during the quarter. The industrial sector also came under pressure as Naspers and Prosus retreated on the back of negative investor sentiment caused by a raft of regulation introduced in China which impacted the valuations of Tencent. Health care and telcos were the best performing sub-sectors over the quarter while precious metals and basic materials were the laggards.

SA Bonds returned a modest 0.40%, underperforming SA cash by 0.60%. The rand depreciated by -5.1% to the US dollar over the past quarter.

Portfolio Activity

During the third quarter we bought Booking Holdings, JP Morgan, Alphabet, Deere & Co., and AIA. We sold out of the Gold ETF, Polyus, Lockheed Martin, and reduced our exposure to Microsoft.

The portfolio decreased 5,8% for the quarter with the last month of the quarter down 4,7%. For the past 12 months the portfolio increased 12,9% with the MSCI World Index up 27%.