momentum
securities

High Dividend Portfolio - Quarterly

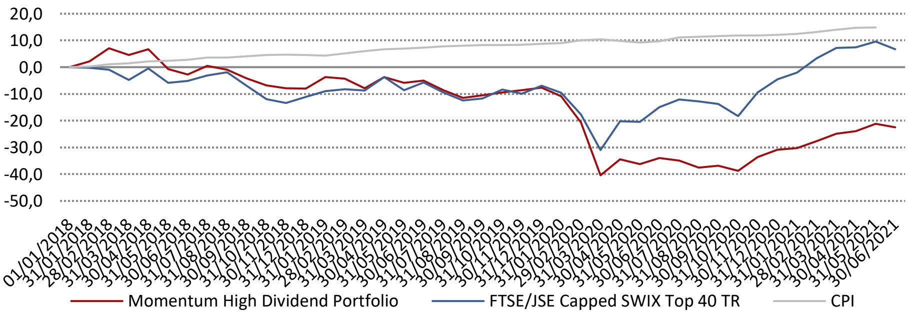
Investment Objective

This is an income focused portfolio, investing in local, high value shares, paying higher and sustainable dividends. This portfolio is generally less volatile. It aims to provide the investor with an attractive dividend yield over the long-term, whilst striking a balance between capital growth and return on investment.

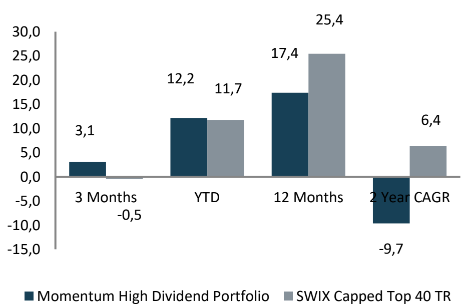
Investment Profile

- 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



Performance



Performance

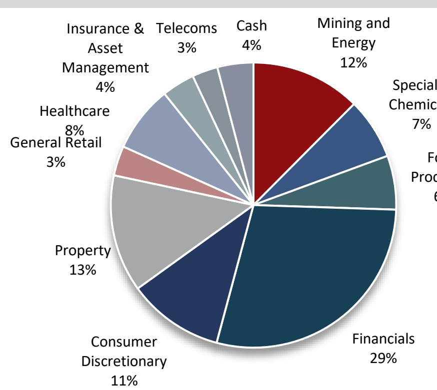
	Portfolio	Benchmark
3 Months	3,1%	-0,5%
YTD	12,2%	11,7%
12 Months	17,4%	25,4%
2 Year CAGR	-9,7%	6,4%

Returns for periods longer than 12 months have been annualised.

Top 5 Holdings

British American Tobacco (BTI)	10,88%
Standard Bank (SBK)	10,31%
AECI (AFE)	6,95%
AVI (AVI)	6,12%
Emira (EMI)	5,38%
TOTAL	**39,64%**

Sector Allocation



June 2021

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%

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Momentum Securities is an authorized financial services and registered credit provider and a subsidiary of Momentum Metropolitan Holdings Ltd. Reg no 1974/000041/07.
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Economic Overview

The developed markets have continued to provide its economies with liquidity (Dollars and Euros) in addition to keeping their interest rates low to support economic recoveries. As the US recovery has progressed and the economy unlocked, we have seen US consumer demand pick up and inflation increase. These loose monetary conditions have been favourable for financial markets, however, we are now seeing rising inflation which has raised concerns that the Fed will need to tighten monetary conditions next year.

In the short-term, the US' second quarter earnings reporting season will see a strong year on year bounce in US company earnings, which is likely to support the US equity market. US equity valuations are however expensive and with tightening monetary conditions we expect one year returns to be below average.

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 recover in 2021. Further out, the proposed US fiscal expenditure package will be positive for commodity demand. The expected deficit in Platinum Group Metals will be positive for South Africa's terms of trade and the Rand. We remain positive on SA equity.

Market Overview

The global cyclical recovery continued over the second quarter of 2021 as many developed markets started reopening post large-scale vaccine rollouts. Many emerging markets have since had to re-enter lockdowns as the Delta variant of Covid-19 proliferated. Peak economic data points, concerns around the sustainability of higher growth and inflation as well as short covering saw the US Government bonds rally around 20 basis points, and furthermore saw growth stocks outperforming cyclical recovery stocks.

During the second quarter, developed market equities returned 7.7% and emerging market equities returned 5%. SA equities ended the quarter flat as pressure on the commodity and technology sectors, down 10.9% and 15% respectively, were offset by the performance of the SA Property and Consumer Discretionary sectors, which were up 12.1% and 20.1% respectively. Over the past year, SA equity is up 37.7%, in Dollar terms, marginally outperforming Global Equity by 0.70%.

Over the past quarter oil and gas prices rose substantially, up 18.5% and 91.5% respectively, as OPEC+ could not agree on supply agreements. Platinum and Rhodium retraced 7.2% and 24% respectively due to lower demand from car production as global chip shortages resulted in halts to vehicle manufacturing. Over the next quarter we expect global car production to start normalising and we remain constructive on the outlook for Platinum Group Metals given deficits in these markets.

Over the second quarter SA Bonds returned 6.9% and SA cash returned 0.9%. The Rand has appreciated by 21.5% to the US Dollar over the past twelve months, making it one of the best performing currencies globally. The Rand is now close to fair value based on real effective exchange rate models.

Portfolio Activity

During the second quarter we bought Investec Limited. We sold out of Mr Price and Ninety One, and increased our exposure Standard Bank.

The portfolio increased by 3,1% for the quarter with the last month of the quarter down 1,7%.
Positive contributions were attributable mainly to Nedbank, Emira, Investec Limited and Growthpoint. Losses were attributable mainly to Impala Platinum, AECI, AVI and Multichoice. For the past 12 months the portfolio has increased 17,4% with the JSE Capped SWIX total return up 25,4%.