momentum
securities

High Dividend Portfolio - Quarterly

Investment Objective

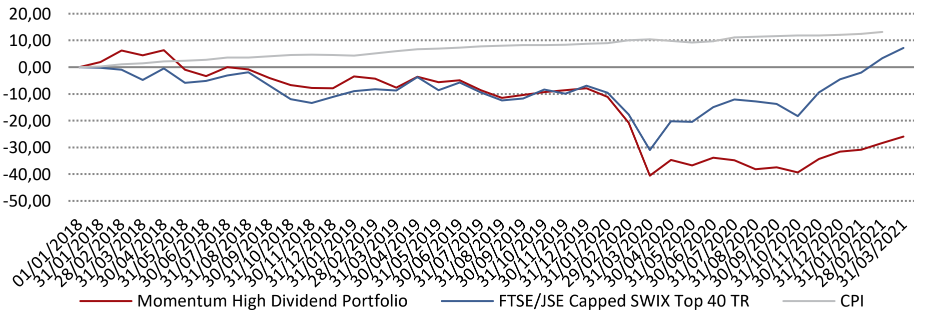
This is an income focused portfolio, investing in local, high value shares, paying higher and sustainable dividends. This portfolio is generally less volatile. It aims to provide the investor with an attractive dividend yield over the long-term, whilst striking a balance between capital growth and return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

Investment Profile

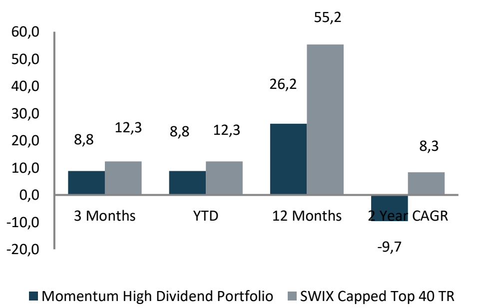
- Retired individuals or individuals close to retirement.
- Individuals requiring a certain level of investment return from their discretionary investment.
- Value-based investors who have a moderate to high risk tolerance, and understand that investment cycles cause asset prices to fluctuate.
- Main objective: To strike a balance between capital growth and return on investments.

March 2021

Cumulative Performance



Performance



Performance

	Portfolio	Benchmark
3 Months	8,8%	12,3%
YTD	8,8%	12,3%
12 Months	26,2%	55,2%
2 Year CAGR	-9,7%	8,3%

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

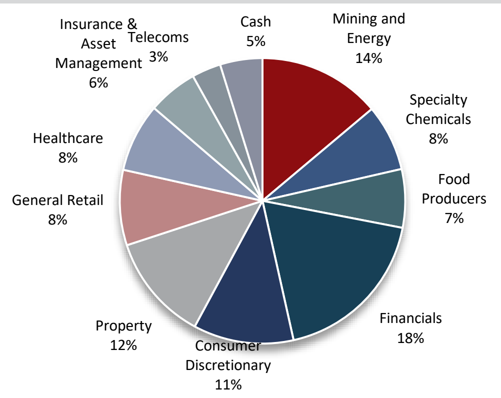
Redemption periods
3 business days

Benchmark
Capped SWIX Top 40 TR Index Target
CPI Plus 4%

Top 5 Holdings

British American Tobacco (BTI)	11,37%
AECI (AFE)	7,54%
AVI (AVI)	6,62%
Impala Platinum (IMP)	6,13%
Standard Bank (SBK)	4,93%
TOTAL	**36,59%**

Sector Allocation



Economic Overview

Fiscal packages and low interest rates have continued to support global economies, which have rebounded strongly as these economies to various degrees have been unlocked. The unlocking process still has a lot further to run and is unlikely to be a smooth process. Easy financial conditions have continued to be a prop for equity markets; however, inflation concerns have risen on the back of cost base effects and improved demand. We are likely to see a pick-up in global consumer price inflation which we see as being transitory and related to the rebound in economies. Global economies still remain some way off their pre-pandemic levels of activity.

We expect the SA economy to lag the global recovery due to a slower vaccine rollout, although the pace of economic growth in SA is still expected to recover in 2021. The US fiscal expenditure package will be positive for both US and global economic growth as well as commodity prices, however, this expenditure is only likely to occur towards the end of the year.

Equity markets have continued to be pushed up to heady levels in the US and valuations are overextended. Stimulus packages and Central Bank actions may continue to support equity markets, but we feel that the US equity market is fully priced, and caution is now warranted.

Market Overview

While the riskier asset classes enjoyed an improving growth picture during the first quarter of 2021, global bond markets showed concern over potentially tighter monetary policy. As a result, global bond returns (-5,8% in dollars) were particularly poor in the quarter, falling short of the positive dollar returns provided by SA equities (+12,3%), developed market (DM) equities (+5%) for emerging market (EM) equities (+2,3%).

During the quarter, South Africa (SA) and Europe were the best-performing EM and DM equity markets respectively, outperforming by significant margins. SA equities also provided the highest returns among the local asset classes in the first quarter of this year (+13,1% in rand terms), far outpacing returns from Listed Property (+6,4%), Inflation-Linked Bonds (+4,6%), Cash (0,9%) and particularly Nominal Bonds (-1,7%).

Within SA Equity, SA Resources returned +18.7% over the first quarter of 2021, SA Industrials +13% and SA Financials +3.80%. SA Small Caps outperformed the overall SA Equity market over this period, returning 21.20%.

On the commodity front, we have seen the Copper price improve by +13.10%, while Iron Ore price was up marginally, +1.50%. We expect base metal prices to peak and normalise over the next 6 months. Platinum Group Metals (PGM) prices have moved up sharply: Platinum +10.8%, Palladium +7.3%% and Rhodium +70%. Gold was down 10%.

Portfolio Activity

During the first quarter we bought Spar and Impala Platinum and we sold out of our NEWUSD holding. We further decreased our exposure to Exxaro. The portfolio increased by 8,8% for the quarter with the last month of the quarter up 3,8%.

Positive contributions were attributable mainly to Impala Platinum, AECI, Exxaro and Emira. Losses were attributable to Spar, Adcock Ingram and Multichoice. For the past 12 months the portfolio has increased 26,2% with the JSE SWIX Capped Top 40 Total Return up 55,2%.