Momentum Portfolio Update 2017/8

Simon Brown JustOneLap.com 28 February 2017

#JSE / @JustOneLap



Disclaimer



The information and opinions stated in this presentation / document / video / webinar are of a general nature, have been prepared solely for information purposes and do not constitute any advice or recommendation to conclude any transaction or enter into any agreement. It is strongly recommended that every recipient seek appropriate professional advice before acting on any information contained herein. Whilst every care has been taken in preparing this document, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or representations. All information contained herein is subject to change after publication at any time without notice. The past performance of any investment product is not an indication of future performance.

The theory

- An investment strategy that aims to capitalize on the continuance of existing trends in the market. The momentum investor believes that large increases in the price of a security will be followed by additional gains and vice versa for declining values.
- London School of Business
 - Elroy Dimson, Paul Marsh and Mike Staunton
- FTSE100, 1900 2009 (Rebalanced monthly)
 - 15.3% return p/a (no costs)
- FTSE100 did 4.2% ex divs





The practical

- We sort stocks by last 12 month total return
- Buy the winners
- Hold for a year
 - March February
- NO gearing
- Funded with R2OOk



02 Jan 13	03 Mar 14	01 Mar 15	Total
R100k	R4Ok	R6Ok	R2OOk



Changes to methodology (2016)

- Merge Top40 and MidCap portfolios
- Use Top100 as benchmark and pool of stocks
- Aim to beat benchmark annually and over 3 year rolling
- Buy top 15 stocks
 - 5 must be from Top40
 - 5 must be from MidCap
 - Next best 5





The returns since inception

	Year ending Dec13	14 Months ending Feb15*	Year ending Feb16	Total return since Jan13
Top40 Momentum**	+12.2%	+30.0%	-5.1%	+38.4%
Top40 Benchmark	+19.2%	+13.7%	-6.6 %	+25.4%
MidCap Momentum**	+42.1%	+44.0%	-15.6%	+72.7%
MidCap Benchmark	+9.4%	+24.2%	-8.5%	+24.4%

just one money lap

* We switched from calendar to tax year in 2014

** All costs and dividends included

2016/7 returns

	Portfolio as at : 28 Feb 2017 15:56												
Instrument		Cost ^[3]		close		ent / Bid Tod		Today's movement (28/02 /2017)			Total movement		
Code	Name	Quantity (Pending)	Unit R	Total R	/MTM R	Price R ^[2]	Total R	Price Change R	% Change	Profit / Loss R	Price Change R	% Change	Profit / loss R ^[4]
<u>ANG</u>	ANGGOLD	81	210.35	17 039	150.14	145.56	11 790	-4.58	-3.1%	-371	-64.79	-30.8% 🔻	-5 248
BAT	BRAIT	110	155.38	17 092	74.38	74.00	8 140	-0.38	-0.5%	-42	-81.38	-52.4% 🎽	-8 952
<u>BTI</u>	BATS	20	868.71	17 374	811.14	817.06	16 341	5.92	+0.7%	118	-51.65	-5.9% 💙	-1 033
<u>COH</u>	CURRO	352	48.83	17 190	48.32	48.36	17 023	0.04	+0.1%	14	-0.47	-1.0% 🎽	-167
<u>GFI</u>	GFIELDS	250	69.42	17 354	41.17	39.21	9 803	-1.96	-4.8%	-490	-30.21	-43.5% 💙	-7 552
<u>JSE</u>	JSE	118	145.29	17 145	162.80	162.85	19 216	0.05	+0.0%	6	17.56	+12.1% 📤	2 072
<u>KAP</u>	KAP	2 821	6.10	17 220	9.29	9.27	26 151	-0.02	-0.2%	-56	3.17	+51.9% 📤	8 930
MND	MONDILTD	60	290.58	17 435	301.14	300.00	18 000	-1.14	-0.4%	-68	9.42	+3.2% 📤	565
NEP	NEPI	97	177.80	17 247	150.70	149.05	14 458	-1.65	-1.1%	-160	-28.75	-16.2% 👗	-2 789
<u>PSG</u>	PSG	96	177.58	17 048	251.20	248.78	23 883	-2.42	-1.0%	-232	71.20	+40.1% 📤	6 835
<u>RES</u>	RESILIENT	142	94.58	13 431	120.30	119.25	16 934	-1.05	-0.9%	-149	24.67	+26.1% 📤	3 503
ROC	ROCKCASTLE	466	37.31	17 387	33.23	32.86	15 313	-0.37	-1.1%	-172	-4.45	-11.9% 🍸	-2 074
<u>SAP</u>	SAPPI	261	66.14	17 261	82.18	81.32	21 225	-0.86	-1.0%	-224	15.18	+23.0% 📤	3 963
<u>SGL</u>	SIBANYE	290	58.29	16 904	27.77	26.44	7 668	-1.33	-4.8%	-386	-31.85	-54.6% 🎽	-9 237
<u>SNH</u>	STEIN NV	201	84.75	17 036	70.90	69.80	14 030	-1.10	-1.6%	-221	-14.95	-17.6% 👗	-3 006
Totals:				254 162.46			239 972.66		-1.0%	-2 434.37		-5.6%	-14 189.80
JSET Cash Balance:						R 6 221.30	Withdraw	funds <u>her</u>	2				
				P	ORTFOL	IO VALUE:	R 246 193.96						
	Available trading funds:												

just one

2016/7 returns



• 1 March 2016 – 28 February 2017

Portfolio as at : 28 Feb 2017 16:18									
Instrument		Cost [3] Prev close /		Current / Bid		Today's movement (28/02/2017)			
Name	Quantity (Pending)	Unit R	Total R	MTM R	Price R ^[2]	Total R	Price Change R	% Change	Profit / Loss R
			0.00			0.00		>	0.00
JSET Cash Balance:							Withdraw fund	ds <u>here</u>	
PORTFOLIO VALUE:						R 244 866.89			
Available trading funds:						R 244 866.89			
		Name Quantity	Name Quantity Unit	NameQuantityUnitTotal(Pending)RR	Name Quantity (Pending) Unit R Total R MTM R Image: Name 0.00 Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Name Image: Nam Image: Name Image: Nam	Name Quantity (Pending) Unit R Total R MTM R 0.00 0.00 0.00	Instrument Cost [3] Prev close / MTM R Current / Bid Name Quantity (Pending) Unit R Total R Price R[2] Total R Image: Current / Bid 0.00 Image: Current / Bid Price R[2] Total R Image: Current / Bid 0.00 Image: Current / Bid Price R[2] Total R Image: Current / Bid 0.00 Image: Current / Bid Price R[2] Total R Image: Current / Bid Image: Current / Bid Image: Current / Bid Price R[2] Total R Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current / Bid Image: Current	Instrument Cost [3] Prev close / MTM R Current / Bid Today's model Name Quantity (Pending) Unit R Total R Price R[2] Total R Price Change R Image: Relation of the second sec	Instrument Cost [3] Prev close / MTM R Current / Bid Today's movement (28) Name Quantity (Pending) Unit R Total R Total R Price Change R % Image: Current / Bid Today's movement (28) Price R[2] Total R Price Change R % Image: Current / Bid Image: Current / Bid Total R Price Change R % Image: Current / Bid Image: Current / Bid Image: Current / Bid % % Image: Current / Bid Image: Current / Bid Image: Current / Bid % % Image: Current / Bid Image: Current / Bid Image: Current / Bid % % Image: Current / Bid Image: Current / Bid Image: Current / Bid % % Image: Current / Bid Image: Current / Bid Image: Current / Bid % % Image: Current / Bid Image: Current / Bid Image: Current / Bid % % Image: Current / Bid Image: Current / Bid Image: Current / Bid % % Image: Current / Bid Image: Current / Bid Image: Current / Bid % % Image: Current / Bid Image: Current / Bid Image: Current / Bid % % Image: Current / Bid Image: Current / Bid

- Momentum portfolio 2016/7 -5.2% (all costs included)
- Top40 +0.7% (no costs)
- MidCap +14.2% (no costs)

Stop loss



- BUT any methodology would have greatly reduced previous years returns
- ONE exception, stop out at 40% down





2017/8 stocks



		Ticker	Prev. p Price	% Change
Ticker	Prev. p Price	% Change KUMBA	7,100 21,450	202.11%
ANGLO	9,967 20,361	104.28% ASSORE	12,250 27,120	121.39%
TIGBRANDS	29,313 41,800	42.60% BARWORLD	6,592 11,586	75.76%
IMPLATS	3,100 4,404	42.06% NORTHAM	3,315 5,422	63.56%
BIDVEST	11,545 15,502	34.27% KAP	600.00 937.00	56.17%
BHPBILL	15,811 20,893	32.14% EXXARO	7,000 10,792	54.17%
NEDBANK	18,600 24,500	31.72% OMNIA	12,028 17,308	43.90%
STANBANK	11,010 14,321	30.07% PSG	17,497 25,143	43.70%
SAPPI	6,325 8,181	29.34% BLUETEL	1,305 1,858	42.38%
SANLAM	5,297 6,777	27.94% IMPLATS	3,100 4,404	42.06%
SHOPRIT	15,710 18,925	20.46% HCI	10,130 14,387	42.02%
FORTRESSA	1,500 1,740	16.00% IMPERIAL	11,772 16,710	41.95%
NASPERS-N	186,000 209,767	12.78% CLICKS	9,170 12,850	40.13%
RMBH	5,771 6,341	9.88% MASSMART	10,717 14,983	39.81%
FIRSTRAND	4,540 4,972	9.52%		
GROWPNT	2,424 2,648	9.24%		

2017/8 stocks

- Top40 best 5
 - AGL, TBS, IMP, BVT, NED
- MidCap best 5
 - KIO, ASR, BAW, NHM, KAP
- Next 5
 - EXX, OMN, PSG, BLU, IPL



Buying the stocks

- I am not buying the 2017/8 stocks
 - Less is more
 - https://justonelap.com/podcast-jse-direct/
 - Episode #246

- Will be buying NFEMOM
 - New methodology from 1 September 2016

https://justonelap.com/etf-understanding-newfunds-momentum-equity-etf/





Review

- Trends / momentum continues longer than expected
- We buy the winners over last 12 month
- Hold for a year
- Merged Top40 and MidCap into Top100

Tax / costs





Questions?

Contact



Simon Brown

www.JustOneLap.com



@JustOneLap

@SimonPB

Disclaimer



The information and opinions stated in this presentation / document / video / webinar are of a general nature, have been prepared solely for information purposes and do not constitute any advice or recommendation to conclude any transaction or enter into any agreement. It is strongly recommended that every recipient seek appropriate professional advice before acting on any information contained herein. Whilst every care has been taken in preparing this document, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or representations. All information contained herein is subject to change after publication at any time without notice. The past performance of any investment product is not an indication of future performance.