

# Equilibrium Global Cautious Portfolio

month ended 29 November 2024



## Managed portfolio details

|                                                                            |                                                                |                                                            |
|----------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------|
| Investment manager: <b>Equilibrium Investment Management</b>               | Platform availability: <b>Momentum Wealth</b>                  | Reporting currency: <b>ZAR</b>                             |
| Inception date: <b>01 January 2019</b>                                     | Investment timeframe: <b>3 years +</b>                         | Investment manager fee: <b>0.25%</b>                       |
| Investment target: <b>Global Cash<sup>1</sup> +2.5% + ZAR/USD movement</b> | Peer group: <b>Morningstar Cautious Allocation<sup>2</sup></b> | Total investment charges (TIC) <sup>3</sup> : <b>0.62%</b> |

## Investment objective

The portfolio is designed to offer capital preservation with some opportunity for capital appreciation over the medium term through investment in a diversified range of international asset classes and currencies.

## Risk appetite

The portfolio is ideally suited to investors with a low risk tolerance with an investment horizon of 3 years or longer.



## Investment policy

The portfolio will invest primarily in participatory interests of collective investment schemes or other similar schemes whose underlying portfolios provide exposure to a diversified portfolio of investments across a broad range of asset classes, currencies and market sectors, in varying proportions over time. These asset classes include cash, equity, fixed income, money market instruments, property, and commodities. Asset allocation portfolios that provide an exposure to a combination of these asset classes may also qualify for inclusion in the portfolio. All holdings must be approved by the Financial Sector Conduct Authority in South Africa.

## Holdings

| Holding                                            | Asset type             | Weight       |
|----------------------------------------------------|------------------------|--------------|
| <b>Equity</b>                                      |                        | <b>28.0%</b> |
| Robeco Multi-Factor Global Equity <sup>i</sup>     | Global equity          | 11.5%        |
| Morgan Stanley Global Sustain <sup>i</sup>         | Global equity          | 3.7%         |
| Jennison Global Equity Opportunities <sup>i</sup>  | Global equity          | 3.4%         |
| Sands Capital Emerging Markets Growth              | Emerging market equity | 1.8%         |
| Fidelity Emerging Markets                          | Emerging market equity | 1.8%         |
| Hotchkis & Wiley Global Value <sup>i</sup>         | Global equity          | 1.3%         |
| Artisan Global Value <sup>i</sup>                  | Global equity          | 1.2%         |
| Paradise Global SMID Cap <sup>i</sup>              | Global equity          | 1.0%         |
| Granahan US Focused Growth <sup>i</sup>            | US equity              | 0.7%         |
| Contrarius Global Equity <sup>i</sup>              | Global equity          | 0.7%         |
| Rainier International SMID Cap Growth <sup>i</sup> | Global equity          | 0.6%         |
| Morant Wright Fuji Yield <sup>i</sup>              | Japan equity           | 0.3%         |
| <b>Fixed income</b>                                |                        | <b>60.0%</b> |
| iShares Global Government Bond                     | Government bonds       | 20.0%        |
| Dodge & Cox Global Bond                            | Aggregate bonds        | 20.0%        |
| Coronation Global Strategic Income                 | Strategic bonds        | 10.0%        |
| STANLIB Global Bond                                | Aggregate bonds        | 10.0%        |
| <b>Property</b>                                    |                        | <b>1.8%</b>  |
| Catalyst Global Real Estate                        | Listed property        | 1.8%         |
| <b>Commodities</b>                                 |                        | <b>4.0%</b>  |
| Ninety One Global Gold                             | Gold & gold miners     | 4.0%         |
| <b>Cash &amp; money market</b>                     |                        | <b>6.2%</b>  |
| Ninety One US Dollar Money                         | Money market           | 6.2%         |

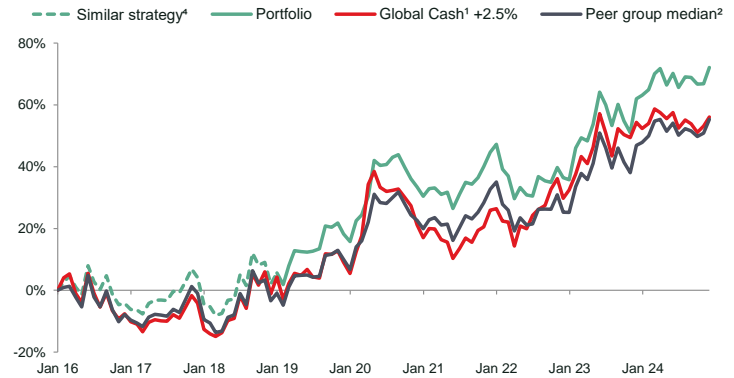
<sup>i</sup> Indirectly held in the Momentum GF Global Equity Fund

## Top 10 underlying security holdings (on a look-through basis)

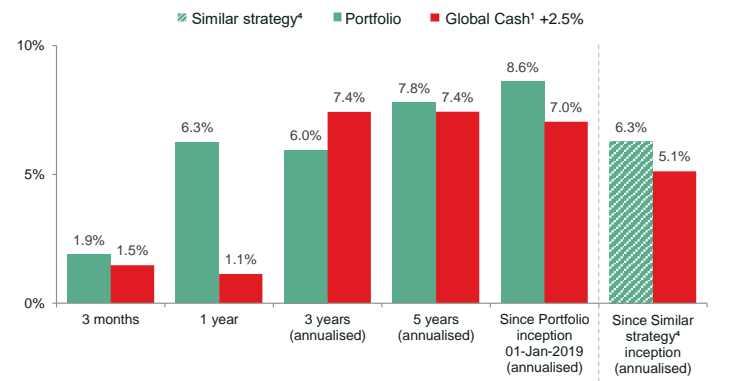
| Underlying holding                                      | Weight |
|---------------------------------------------------------|--------|
| Microsoft Corporation                                   | 0.8%   |
| Apple Inc                                               | 0.7%   |
| NVIDIA Corporation                                      | 0.7%   |
| Alphabet Inc A                                          | 0.4%   |
| Meta Platforms Inc A                                    | 0.4%   |
| Taiwan Semiconductor Manufacturing Co Ltd Sponsored ADR | 0.4%   |
| MercadoLibre Inc                                        | 0.4%   |
| Amazon.com Inc                                          | 0.3%   |
| Progressive Corporation                                 | 0.3%   |
| Tencent Holdings Ltd                                    | 0.2%   |

Data as at 30.09.2024, updated quarterly. The Portfolio is exposed to securities such as stocks and bonds via the underlying collective investment schemes (CISs) in which it invests. The table shows the 10 biggest stock positions the Portfolio is exposed to, and is calculated by aggregating the stocks held by each of the underlying CISs.

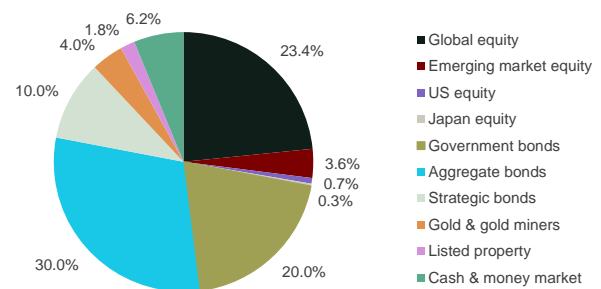
## Cumulative returns



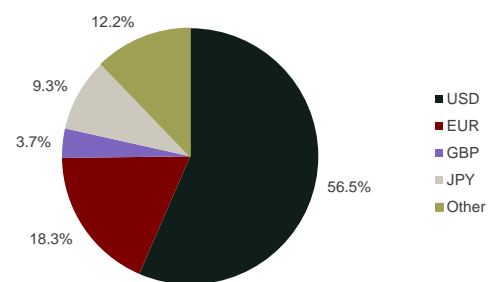
## Portfolio performance



## Strategy allocation<sup>5</sup>



## Currency allocation



Sources: Momentum Global Investment Management, Morningstar. Past performance is not indicative of future returns.

<sup>1</sup> Global Cash comprises two components: i) prior to 01.01.2022 Global Cash was a composite of 50% ICE LIBOR 3M USD; 25% ICE LIBOR 3M EUR; 10% ICE LIBOR 3M GBP; 15% ICE LIBOR 3M JPY; ii) from 01.01.2022 to present Global Cash is a composite of 50% ICE BoA 3M US Treasury Bill Index; 25% ICE BoA 3M German Treasury Bill Index; 10% ICE BoA 3M Sterling Government Bill Index; 15% ICE BofA Japan Treasury Bill Index.

<sup>2</sup> Peer group is Morningstar Global Category: Cautious Allocation. Filtered for: i) share class = Oldest; ii) registered for sale = South Africa; iii) domicile ≠ South Africa; iv) investment area = Global.

<sup>3</sup> This is an estimated TIC based on the weighted average of the collective investment schemes (CIS) in which the Portfolio invests. The TIC has been calculated using the latest available data from Morningstar.

<sup>4</sup> Performance figures prior to the inception date of the Portfolio (shown dotted/striped green) correspond to a similar strategy managed by the same investment team since 01.01.2016. This strategy has the same investment objective and investment restrictions as the Portfolio. The Portfolio's live track record began on 01.01.2019 (shown in solid green).

<sup>5</sup> Strategy allocation figures reflect the classification of the CISs (or similar schemes) held by the Portfolio and look through to the underlying holdings of such schemes.



## ■ Market commentary

---

The upcoming US leadership change heightened global economic and geopolitical uncertainty during the month. President-elect Trump's policy agenda signals a transformative approach, with key appointments hinting at tax cuts, deregulation, protectionism, and tighter immigration controls. While these policies could boost US growth and corporate earnings, they also raise inflation risks, leading to a slower pace of rate cuts from the Fed and strengthening the dollar.

Outside the US, Europe and China appear vulnerable. Tariff threats could weigh on growth, while Europe's fiscal challenges and political stagnation persist. The UK, despite being less exposed to US tariffs, faces similar high-tax, low-growth dynamics. In contrast, US economic resilience seems likely to continue.

Global equities remain on track for a second consecutive year of double-digit returns, far outpacing bonds. Gold is the only major asset class to outperform equities, gaining nearly 30% year-to-date, despite falling -3.7% in November. The 'Trump trade' drove the US equity market higher in November while most markets in Europe and Asia have drifted lower in recent weeks. US equities, driven by megacap tech stocks, rose 5.8% during the month, with the top 10 stocks in the MSCI World index all American, collectively making up 25% of its market cap. Looking ahead, a key question is whether US corporate dominance can persist amid political and economic shifts in 2025. Global emerging markets fell by -3.6% in local terms in November.

Elsewhere, bond markets returned 0.5% over the month as measured by the ICE BofA Global Broad Market index, with US Treasuries and US corporate investment grade returning 0.8% and 0.5% respectively.

Market expectations have shifted since the election, with US equities climbing, the dollar strengthening, and bond yields rising as inflation forecasts increase. Rate cuts from the Fed are now expected to be slower, with only 3-4 reductions anticipated by end-2025. As the "Trump trade" plays out, investors may adopt a wait-and-see approach heading into the new year.

While risks remain – potential policy missteps, geopolitical flare-ups, and market overvaluation in areas like crypto and megacap tech – opportunities persist. The bond market sell-off has improved fixed income valuations, and equity valuations outside the US appear attractive despite economic challenges. We remain cautiously optimistic for 2025, anticipating continued but more volatile equity market gains, driven by a broader set of sectors beyond the tech giants that have dominated in recent years.

Source: Bloomberg Finance LP, Momentum Global Investment Management Limited.

## ■ Risk warnings and important notes

---

This portfolio is administered and managed by Equilibrium Investment Management (Pty) Ltd (Equilibrium) (Reg. No. 2007/018275/07), an authorised financial services provider (FSP32726) in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 (FAIS), and a part of Momentum Metropolitan Holdings Limited (Reg.No. 1904/002186/06), rated B-BBEE level 1.

The information used to prepare this factsheet includes information from third-party sources and is for information purposes only. This factsheet does not constitute any form of advice and should not be used as a basis to make investment decisions or as an offer or a solicitation to purchase any specific product. The information contained herein is based on the underlying collective investment scheme (fund) allocation at the date of publication of this factsheet. Given that past returns may not be indicative of future returns and the value of investments will fluctuate over time, independent professional advice should always be sought before making an investment decision. Although every attempt has been made to ensure the accuracy and reliability of the information provided herein, Equilibrium does not guarantee the accuracy, content, completeness, legality or reliability of the information contained in this factsheet and no warranties and/or representations of any kind, expressed or implied, are given to the nature, standard, accuracy or otherwise of the information provided nor to the suitability or otherwise of the information to your particular circumstances. Under no circumstances shall Equilibrium, Momentum Metropolitan Holdings Limited, its affiliates, directors, officers, employees, representatives or agents (the "Momentum Parties") have any liability to any persons or entities receiving the information made available in this factsheet for any claim, damages, loss or expense, whether caused by the Momentum Parties' negligence or otherwise, including, without limitation, any direct, indirect, special, incidental, punitive or consequential cost, loss or damages, whether in contract or in delict, arising out of or in connection with information made available in this factsheet, whether relating to any actions, transactions, omissions resulting from this information, or relating to any legal proceedings brought against you as a result of this information, and you agree to indemnify the Momentum Parties accordingly.

The launch date is the start date of the portfolio. Returns before this date are back tested using the portfolio's fund holdings and published returns for these as at the date of launch date, which would not reflect Equilibrium's historic asset allocation views, or any changes, which would have been made to the portfolio's holdings over time. From the launch date, returns are based on the published returns for the portfolio's fund holdings and any changes which are made to these. All returns are calculated on a total return basis after the deduction of all fees. Returns for periods exceeding one year are annualised. All returns are quoted in US dollars, unless otherwise stated. Total investment charges (TIC) are the sum of a fund's total expense ratio (TER) and the transaction costs (TC). The portfolio's TIC is an estimated total for the portfolio based on the weighted average of the underlying funds in which the portfolio invests using the latest available data. If a TIC is not available, we may use the TER, which is the TIC excluding transaction costs. Where neither a TIC nor a TER is available, we may use the investment manager's ongoing fee.

The portfolio's asset allocation is based on the weighted average of the underlying funds in which the portfolio invests using the latest available data. The portfolio's asset allocation may differ from time to time due to market movements, changes to the portfolio and the underlying fund data and limitations. The underlying funds will contain exposure to assets that are invested globally, which may present additional risks. The value of an investor's investment and the income arising from it will therefore be subject to exchange rate fluctuations. Foreign securities may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. The portfolio may also invest in funds which do not permit daily dealing. Investments in such funds will only be realisable on their dealing days. It is not possible to assess the proper market price of these investments, other than on the fund's dealing days. Higher risk investments may be subject to sudden and larger falls in value in comparison to other investments. Higher risk investments include, but are not limited to, investments in smaller companies (even in developed markets), investments in emerging markets or single country debt or equity funds and investments in high yield or non-investment grade debt. Individual investor returns may differ as a result of platform and adviser fees, the actual investment date, cash flows and other transactions.

Equilibrium does not provide a guarantee on the value of the portfolio, nor does it guarantee the returns of the underlying funds in the portfolio. The investor acknowledges the inherent risk associated with the portfolio (currency, investment, market and credit risks) and that capital is not guaranteed. Any forecasts and/or commentary included in this factsheet merely reflects the interpretation of the public information and propriety research available to Equilibrium at a particular point in time. A switch transaction between underlying funds within the portfolio may incur capital gains tax (CGT) for the investor, should the product through which the investor buys the portfolio not be CGT exempt. For details on the underlying funds in the portfolio, please refer to the minimum disclosure documents, which are obtainable from the relevant investment managers. The information contained in this factsheet is confidential, privileged and only for the use and benefit of the intended recipient and may not be used, published or redistributed without the prior written consent of Equilibrium, Momentum Metropolitan Holdings Limited or the Momentum Parties. Under no circumstances will Equilibrium, Momentum Metropolitan Holdings Limited or the Momentum Parties be liable for any cost, loss or damages arising out of the unauthorised dissemination of this factsheet or the information contained herein.

## ■ Contact information

---

**Equilibrium Investment Management (Pty) Ltd**  
268 West Avenue, Centurion, 0157  
PO Box 7400, Centurion, 0046  
**T** +27 (0)12 671 8911  
**F** +27 (0)12 684 5869  
**Email** info@eqinvest.co.za  
**Web** www.eqinvest.co.za