Equilibrium

Quarterly Report

Q2 2024

This report is intended for the investment committee members only.

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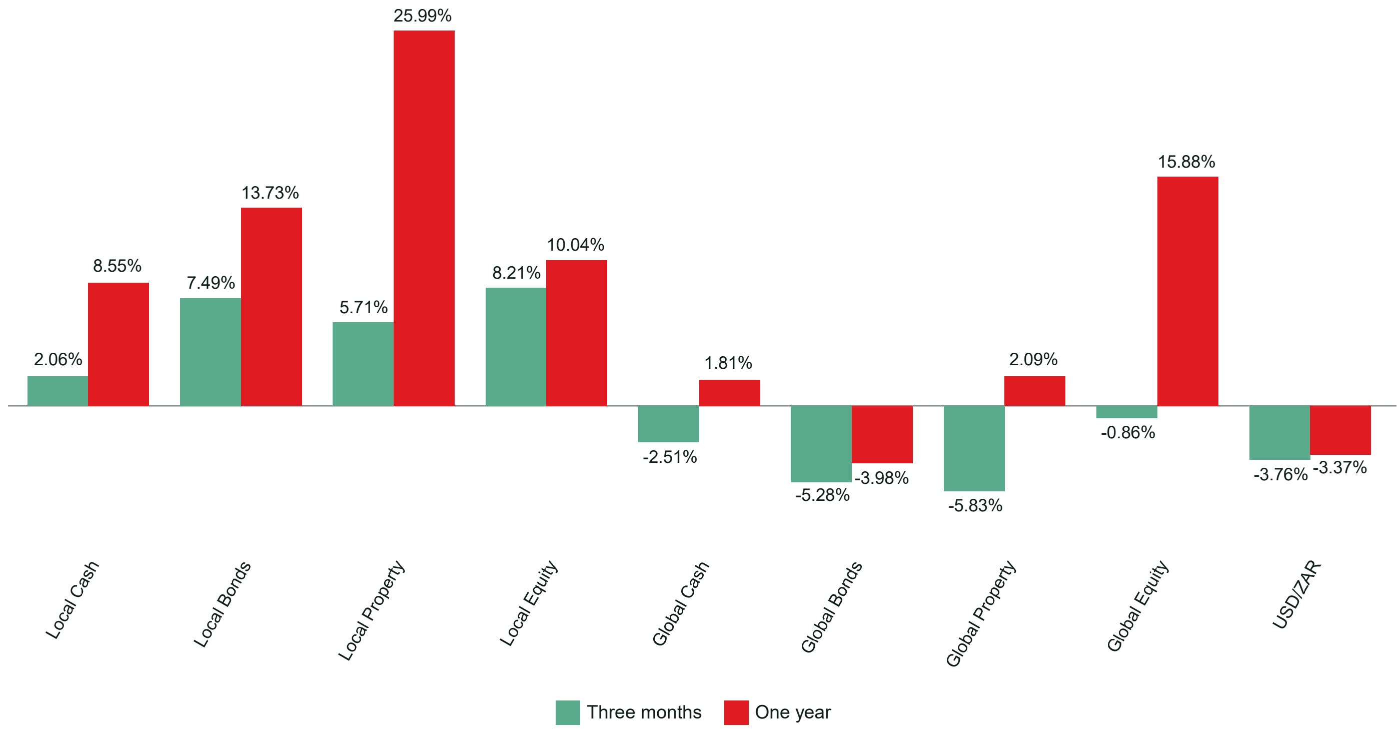
Asset Class Returns



The economic momentum of the first quarter of 2024 continued into the second quarter with the last three months being another positive period for global equity markets. Initially, investors aggressively dialled back expectations for central bank rate cuts, as the US overheating worries that had taken root towards the end of the first quarter, meant strong April data was poorly received by markets. But as the quarter progressed, the worst of these worries abated, and soft-landing hopes revived. But nothing is free in this world and the price of this continued economic growth was sticky inflation. As a result, markets still expect fewer interest rate cuts by Western central banks than they did at the beginning of the year.

Against this resilient backdrop, major global equity indices advanced in the second quarter of 2024. The MSCI All Countries World index (ACWI) delivered a positive return of 2.9% in US dollar (USD) terms and -0.9% in rand terms, due to the offsetting effects of a strengthening rand. This was mainly driven by US tech euphoria, as companies exposed to artificial intelligence continued to outperform other areas of the market. The S&P500 Index reached yet another all-time high, up 4.2% for the quarter and 24% over the past twelve months.

Moves by the Chinese authorities to support the real estate sector provided a boost to Chinese equity markets, with the MSCI China Index up 7.1% over the quarter in USD terms. However, this momentum faded somewhat in June amid ongoing challenges in the property sector and weaker domestic demand. The weight of Asian markets in the broader emerging market universe also meant that, despite lacklustre returns in Latin America, emerging market equities (MSCI Emerging Markets Index) outperformed their developed market counterparts to deliver quarterly returns of 5% in USD terms and 1.3% in rand terms.

Conversely, global fixed income investors had to endure another quarter of negative returns with the FTSE World Government Bond Index (WGBI) delivering negative returns of 1.6% in USD terms and 5.3% in rand terms as a strengthening rand exacerbated negative returns. Global property (FTSE EPRA Nareit) ended the quarter down 2.3% in USD terms and -5.8% in rand terms, delivering negative returns for the second quarter in a row. Global cash (ICE BofA) returned 1.3% over the quarter in USD terms with the strengthening rand detracting from returns for a rand return of -2.5%.

South African equities closed the second quarter of the year in positive territory. April started on a strong note as optimism over corporate earnings lifted domestic equities. In May, national elections took centre stage and the market-friendly outcome helped lift domestic equities higher. The FTSE/JSE Capped SWIX All Share Index closed the quarter 8.2% higher. Most of the heavy lifting was done by the SA-focused financials sector, up 15.9% over the quarter. Industrials and Resources also delivered positive returns of 5.2% and 3.6% respectively over the quarter.

South African bonds, the asset class most sensitive to political risk, was the big winner on the back of the election outcome and formation of a Government of National Unity (GNU). The market responded positively, and bonds managed to record impressive returns in June, which translated into one of the best second quarter returns for the asset class in more than two decades. The FTSE/JSE All Bond Index (ALBI) ended the quarter up 7.5% as yields declined across the spectrum. Bonds in the 12+ years maturity spectrum gained the most, up a significant 9.9%, followed by the seven to 12-year maturities, up 8%.

Local property also performed strongly over the quarter with the FTSE/JSE All Property Index up 5.7% for an annual return of 26%, making it the best performing domestic asset class over the period. It is however worth noting that all the growth occurred during June, driven by improved post-election sentiment with returns in April and May being virtually flat.

The South African Reserve Bank kept the repo rate unchanged at 8.25%, noting inflation risks as balanced. The STeFI Composite Index returned 2.1% during the quarter for a total return of 8.5% over the last 12 months. After a volatile quarter, the rand gained significantly against the USD, strengthening by 3.8%.

Overall, the second quarter built on the successes of the first, with risk assets delivering another set of positive returns for investors. With local elections now behind us and the overheating worries of April now also appearing to be in the past, markets continue to grow more confident that the next move for central banks is to ease monetary policy rather than tighten it.

1.2 Manager returns and comments

Trailing returns as at 30 June 2024

	3m	6m	1y	3y	5y	7y	Commentary
Local Cash							
Fairtree Flexible Income Plus Prescient Fund (B2)	1.84%	4.82%	12.21%	9.22%	8.63%		The fund is currently defensively positioned and has not chased low-spread assets in order to generate short-term returns. The fund's strategy of taking on more risk when iTraxx sells off above 350 bps remains intact. In the interim, the fund continues to replace maturing assets at market levels but remains steadfast in only employing additional capital once risk is more attractively priced.
Momentum Enhanced Yield Fund (D)	2.48%	4.88%	10.07%	7.78%			Performance was elevated by 1-year NCD's and treasury bills that were good performance drivers for the fund, while the main detractor was maturing credit with no option to extend at attractive spreads, exacerbated by the scarcity of yield enhancing credit opportunities.
Prescient Income Provider Fund (A2)	3.42%	4.60%	10.76%	8.42%	7.42%	7.76%	The most notable contributor to performance over the quarter was the duration position of the fund. The running yield remains attractive at 10.62%. Given the SA yield curve, the fund continues to favour floating rate exposure in the 3-year area of the yield curve, with fixed rate exposure concentrated in the 10-year area.
STeFI Composite Index	**2.06%**	**4.17%**	**8.55%**	**6.48%**	**6.06%**	**6.42%**	
(ASISA) South African IB Short Term	**2.32%**	**4.41%**	**9.46%**	**7.25%**	**6.88%**	**7.31%**	
(ASISA) South African MA Income	*3.25%*	*4.14%*	*9.91%*	*7.48%*	*7.07%*	*7.34%*	
Local Bonds							
Momentum SA Flexible Fixed Interest Fund (D)	8.39%	5.79%	14.40%	7.22%			The fund significantly outperformed the ALBI over the quarter, due to the large overweight exposure to the 7 to 12-year sector of the curve, on the back of yields moving sharply lower. The fund's small allocation to listed property and ILB's (1.1% and 2.1% respectively) detracted slightly from returns on a relative basis.
Visio BCI Unconstrained Fixed Interest Fund (C)	5.07%	5.00%	12.03%	8.90%	8.80%	8.78%	The fund's performance was mainly driven by the relatively large exposure to fixed-rate bonds and holding a longer duration position compared with its long-term average, concentrated in the 7 to 12-year sector of the yield curve. The longer duration position also meant that a higher yield above the "target" yield was achieved, resulting in the fund gaining from both a capital and running yield perspective.
FTSE/JSE All Bond Index (ALBI20)	**7.49%**	**5.55%**	**13.73%**	**7.62%**	**7.82%**	**8.68%**	
Local Property							
Sesfikile BCI Property Fund (B2)	6.29%	9.37%	25.52%	11.10%	2.77%	1.45%	Hyprop was the sector's best-performing counter, returning 14.8% and contributing positively to performance. Redefine and Growthpoint also contributed positively, advancing 12% and 10.8% respectively.
FTSE/JSE All Property Index (J803T)	**5.71%**	**9.37%**	**25.99%**	**11.09%**	**0.57%**	**-1.65%**	
FTSE/JSE SA Listed Property Index (J253T)	**5.50%**	**9.55%**	**26.25%**	**11.65%**	**0.90%**	**-0.74%**	
(ASISA) South African RE General	*5.29%*	*8.18%*	*23.19%*	*9.70%*	*0.61%*	*-1.14%*	

	3m	6m	1y	3y	5y	7y	Commentary
Local Equity							
Aylett Equity Prescient Fund (A1)	3.45%	1.88%	8.31%	12.08%	11.87%	11.08%	The fund's South African-driven companies generally contributed, whereas companies with offshore fundamentals generally detracted from performance. Positive contributors to the performance were Anglo American, FirstRand, We Buy Cars, Remgro and Standard Bank. Detractors to performance were Bath & Body Works, Rubis, Aylett Global Fund, Spirit AeroSystems and Berkshire Hathaway. During the quarter, the fund established a position in Dollar General and exited holdings in Wabtec, Italtile and Shell.
BlueAlpha BCI Equity Fund (B)	3.59%	7.61%	12.13%	8.73%			The fund's position into Banks was a key contributor led by the overweight positions in Capitec and FirstRand. Overweight positions in Shoprite and Mr Price also benefited the fund. By not holding MTN, Bidcorp, and Anheuser, the fund was able to add to relative performance.
Fairtree Equity Prescient Fund (A2)	10.41%	9.27%	12.73%	11.65%	15.89%	14.76%	The fund's performance was positively impacted by positions in FirstRand and Sanlam, while Gold Fields, Sasol and British American Tobacco detracted. Exposure to local consumer-facing counters, with a preference for high quality names, has been gradually increased.
Foord Equity Fund (B2)	8.21%	8.30%	13.12%	13.10%	10.45%	6.62%	A combination of effective sector and security selection boosted performance during the quarter. An underweight position to resources contributed positively to returns while the underweight position to financials detracted. The underweight position to gold miners was positive, while the exposure to physical gold detracted due to flat gold prices during the quarter.
Momentum Core Equity Fund (C)	8.24%	4.39%	10.45%	9.10%	8.65%	8.98%	The value strategy was the biggest contributor to performance during the quarter, while quality marginally outperformed, and the trending strategy detracted from performance relative to the Capped SWIX. Relative positioning meant that BHP's bid for Anglo American was the main detractor across the strategies, detracting 0.6% over the quarter.
FTSE/JSE Capped SWIX All Share Index (J433T)	**8.21%**	**5.72%**	**10.04%**	**10.12%**	**8.74%**	**7.53%**	
FTSE/JSE SWIX All Share Index (J403T)	**8.19%**	**5.84%**	**9.81%**	**8.78%**	**8.05%**	**7.55%**	
(ASISA) South African EQ General	*7.37%*	*5.48%*	*9.75%*	*9.43%*	*8.66%*	*7.50%*	
Global Cash							
Coronation Glbl Strategic USD Income (ZAR) FF (P)	-2.51%	1.82%	3.04%	11.30%	8.05%	7.44%	The bulk of transactions over the quarter related to the recycling of existing exposures that had drifted into modestly expensive territory, replaced by new issues perceived to be better priced. In addition, as base rates sold off, the fund added interest rate risk to better position for the advent of monetary policy cutting cycles, especially in the US.
ICE BofA US 3-Month Treasury Bill Index*	**-2.51%**	**2.20%**	**1.81%**	**11.86%**	**7.56%**	**6.92%**	
(ASISA) Global IB Short Term	*-3.56%*	*-1.00%*	*-0.65%*	*7.82%*	*5.31%*	*4.96%*	
Global Bonds							
1nvest Global Government Bond Index FF (B1)	-5.85%	-5.08%	-5.30%	0.22%	1.29%		
FTSE World Government Bond Index (WGBI)	**-5.28%**	**-4.35%**	**-3.98%**	**1.04%**	**1.92%**	**3.52%**	
FTSE Group-of-Seven (G7) Government Bond Index	**-5.61%**	**-4.85%**	**-4.89%**	**0.89%**	**1.82%**	**3.41%**	
Global Equity							
10X Total World Stock Tracker FF (W)	-1.39%	9.99%	14.00%	13.33%	15.77%		

	3m	6m	1y	3y	5y	7y	Commentary
Coronation Glbl Em Mkts Flexible (ZAR) Fund (P)	-3.01%	4.91%	7.32%	-3.86%	3.87%	5.60%	The fund's negative performance over the quarter was mainly driven by a few significant detractors that fully offset the positive contributors. The biggest detractor was Assai, a cash and carry retailer in Brazil, which returned -40%, which had a -1.2% impact on relative performance. The second largest detractor was Airbus, which returned -27% and cost the fund -1.1% of relative performance.
Satrix MSCI World Index Fund (B2)	-1.02%	11.27%	15.50%	15.49%	17.20%	15.65%	
MSCI ACWI Gross Total Return	**-0.86%**	**11.12%**	**15.88%**	**14.99%**	**17.17%**	**15.94%**	
MSCI World Index Gross Total Return	**-1.09%**	**11.58%**	**16.68%**	**16.56%**	**18.26%**	**16.87%**	
MSCI Emerging Markets Index	**1.16%**	**7.24%**	**9.16%**	**3.47%**	**8.96%**	**8.98%**	
(ASISA) Global EQ General	*-1.95%*	*8.04%*	*12.04%*	*10.03%*	*13.47%*	*12.16%*	
Flexible Property Composite							
Catalyst SCI Flexible Property Fund (C)	1.37%	2.74%	14.17%	8.11%	2.72%		From a tactical asset allocation perspective, the underweight position to SA property and overweight global position detracted from performance relative to the benchmark, thought the fund still outperformed its benchmark over the quarter. Main detractors from performance were underweight positions in Growthpoint and overweight positions in Cellnex, Region Group, Rexford and InterRent, which underperformed.
Flexible Property Composite	**1.08%**	**4.23%**	**16.99%**	**8.76%**	**2.39%**	**1.83%**	

**The US LIBOR benchmark has been replaced by the ICE BoAML 3-month US Treasury Bill Index G0O1 effective 1 December 2021. The ICE US Transition Benchmark includes the US LIBOR till 30 November 2021 and the ICE BoAML 3-month US Treasury Bill Index G0O1 thereafter.*

2. Portfolio performance

2.1 Executive summary

- Globally, the broader market rally in equities continued on the same momentum as the previous quarter, mainly driven by revived hopes of a soft landing in USD terms. However, global bonds and global property were under pressure, and this was further exacerbated by a strengthening in the rand against the US dollar. Locally, equities, bonds and property experienced a significant rally owing to positive investor sentiment on the outcome of the South African elections. At an asset class level: global equity, property, bonds and cash delivered rand returns in the quarter of -0.86%, -5.83%, -5.28% and -2.51% respectively. Locally: equity, property, bonds and cash returned 8.21%, 5.71%, 7.49% and 2.06% respectively.

- The Income portfolio outperformed its benchmark but underperformed the peer group over the quarter owing to the residual effects of the side-pocketing and write down of the Mi-Plan IP Enhanced Income Fund assets.

- All the multi-asset class portfolios delivered strong positive returns in the quarter and outperformed their respective benchmarks following a strong rally from local asset classes. Performance relative to peers delivered mixed results across the multi-asset class portfolios with only the Conservative and Unconstrained portfolios outperforming during the quarter.

- Tactical asset allocation (TAA) detracted from performance over the last 12 months in all the multi-asset class portfolios with the effect being marginal in the Unconstrained portfolio. From a TAA perspective, the underweight position to local cash was one of the main contributors to performance while the underweight position in global equity was a detractor across all the multi-asset class portfolios. Manager selection was also a detractor from performance across all the multi-asset class portfolios barring the Conservative portfolio where manager selection contributed marginally. The significant contributors to performance were our local equity managers, indicating the bullish nature of our local markets, most notably during the month of June. BlueAlpha BCI Equity Fund, our quality manager, alongside Fairtree and Foord, our macro managers, were the largest contributors to performance. On the other hand, Catalyst SCI Global Property Fund faced headwinds alongside the Coronation Global Emerging Markets Flexible Fund due to their overweight position in China and lastly, Visio BCI Unconstrained Fixed Interest Fund, which was conservatively positioned in SA bonds.

- All the multi-asset class portfolios delivered reasonable returns over their respective time horizons with the Income, Conservative and Stable portfolios outperforming their respective benchmarks; while the relatively more aggressive portfolios, the Moderate, Balanced, Growth and Unconstrained portfolios, came under pressure. This was primarily due to the continued below-average longer-term returns from local property and local equity as well as the sell-off in global asset classes in 2022. The degree of underperformance has improved most notably following last year's rally in global equity that has continued into 2024 coupled with the recent rally in local asset classes following the outcome of the South African elections.

- Performance relative to peers was encouraging with all the portfolios outperforming over their respective time horizons, barring the Unconstrained portfolio and the Income portfolio due to the Mi-Plan IP Enhanced Income Fund impairment.

2.2 Equilibrium Income Portfolio

Data as at:	30 June 2024	**Investment horizon:**	One year
Benchmark:	STeFI Composite over rolling 1-year periods	**Launch date:**	30 June 2017
Peer group:	(ASISA) South African MA Income	**Returns start date:**	30 June 2007

2.2.1 Returns

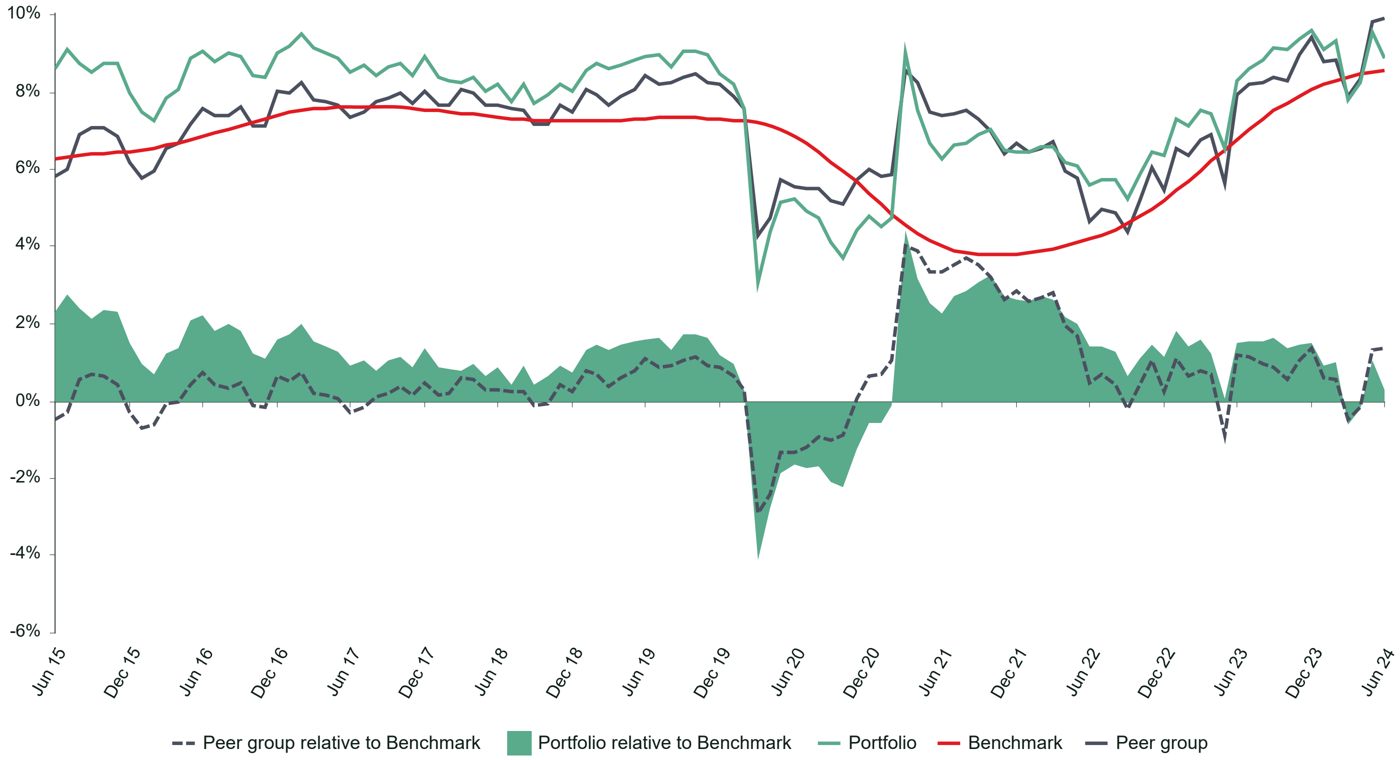
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**2.49%**	**3.21%**	**8.86%**	**7.56%**	**6.83%**	**7.32%**	**7.74%**	**7.32%**	**84**
Benchmark	2.06%	4.17%	8.55%	6.48%	6.06%	6.42%	6.57%	6.42%	
Peer group	*3.25%*	*4.14%*	*9.91%*	*7.48%*	*7.07%*	*7.34%*	*7.21%*	*7.34%*	

SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.
Returns for all periods greater than 1y are annualised.

- The portfolio outperformed the benchmark but lagged the peer group during the quarter and over the 1-year time horizon. This was due to the suspension of interest accrual and the subsequent impairment of non-performing credit instruments in the Mi-Plan Enhanced Income Fund.

Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	109	
Periods of outperformance	**95**	*84*
Realised probability of outperformance	**87%**	*77%*
Maximum outperformance	**4.44%**	*4.01%*
Maximum underperformance	**-4.11%**	*-2.90%*

- Over the period, the portfolio outperformed its benchmark during 87% of the rolling 1-year periods. This compares favourably with the peer group, which outperformed during 77% of the 1-year periods.

Portfolio relative to benchmark

- The underperformance relative to benchmark in March 2024 was due the suspension of interest accrual and the subsequent impairment of non-performing credit instruments in the Mi-Plan IP Enhanced Income Fund. The portfolio has since shown a rebound for the quarter ended 30 June 2024.

2.2.2 Risk

Rolling 1-year absolute drawdown over 10 years

- Over the period, both the portfolio and the peer group never experienced a rolling 1-year capital loss.

Rolling investment horizon absolute drawdown over 10 years

- Over the total period to June 2024, the portfolio was impacted by the marginal property exposure during the COVID-19 sell off and more recently due the exposure to non-performing credit instruments in the Mi-Plan IP Enhanced Income Fund.

2.3 Equilibrium Conservative Portfolio

Data as at:	30 June 2024	**Investment horizon:**	Three years
Benchmark:	CPI + 2% over rolling 3-year periods	**Launch date:**	30 June 2017
Peer group:	(ASISA) South African MA Low Equity	**Returns start date:**	30 June 2007

2.3.1 Returns

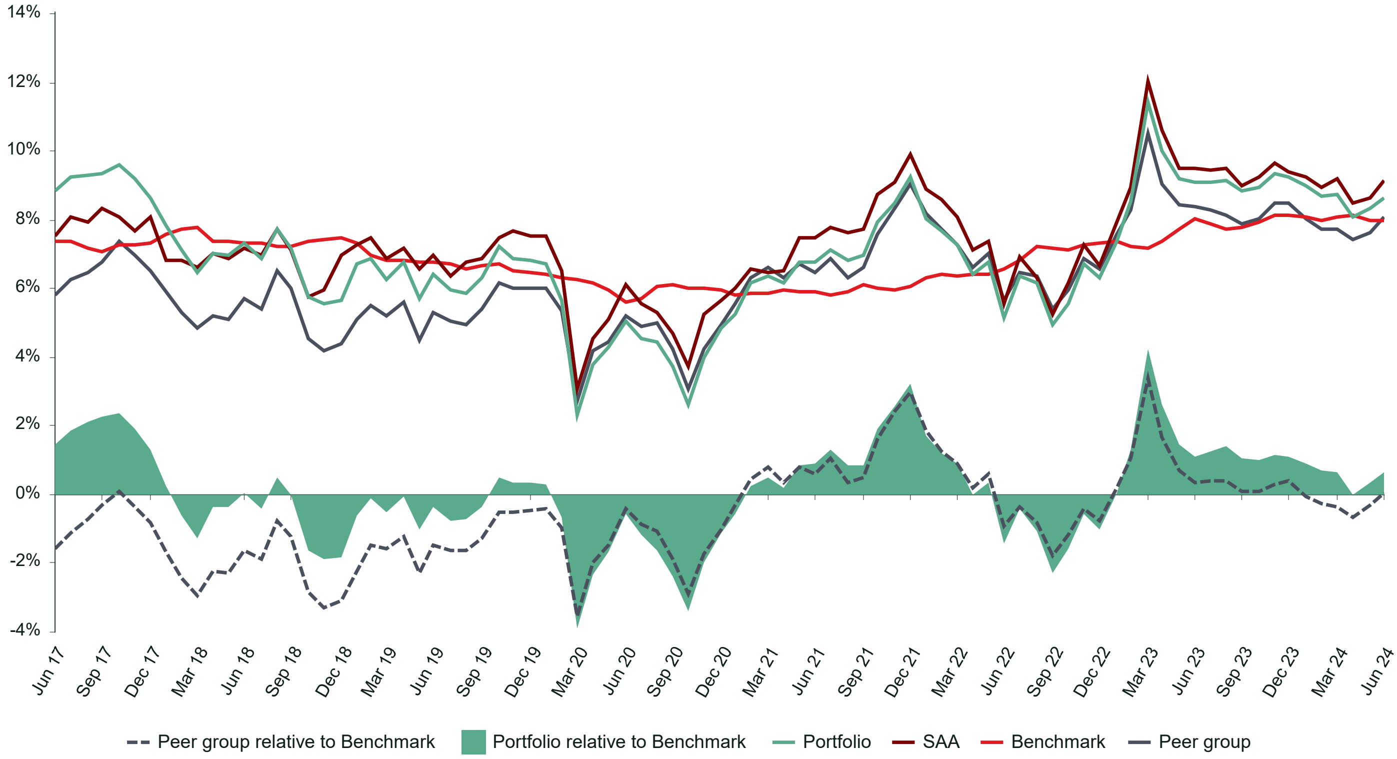
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**3.40%**	**5.20%**	**11.04%**	**8.64%**	**7.79%**	**7.61%**	**7.98%**	**7.61%**	**84**
Benchmark	1.71%	3.28%	7.20%	8.00%	7.03%	6.86%	7.02%	6.86%	
SAA	3.81%	5.69%	11.59%	9.14%	8.35%	8.33%	8.09%	8.33%	
Peer group	*3.31%*	*4.68%*	*9.87%*	*8.06%*	*7.63%*	*7.22%*	*6.80%*	*7.22%*	

SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.
Returns for all periods greater than 1y are annualised.

- The portfolio outperformed its benchmark by 0.64% p.a. over the 3-year period. It also outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.58% over the last 12 months, net of all investment related fees.

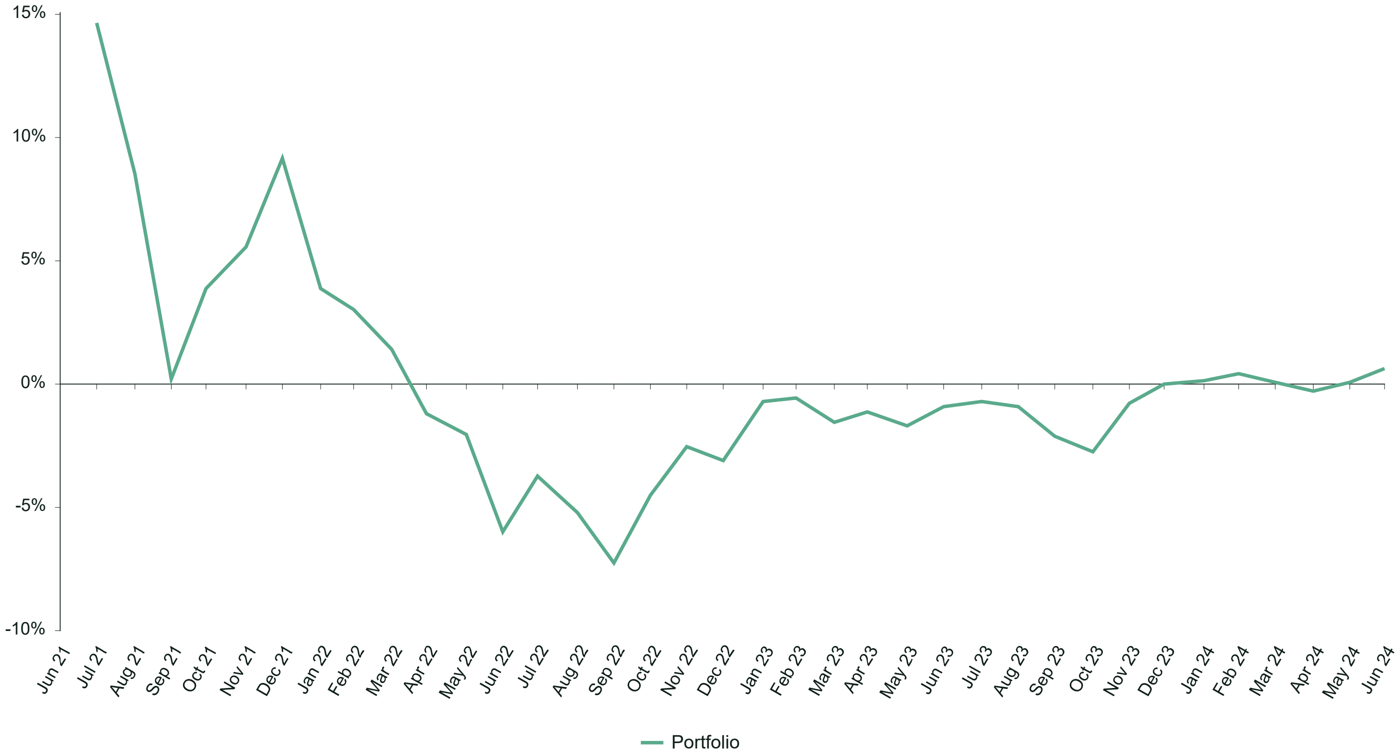
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	85	
Periods of outperformance	**46**	*30*
Realised probability of outperformance	**54%**	*35%*
Maximum outperformance	**4.24%**	*3.38%*
Maximum underperformance	**-3.91%**	*-3.54%*

- Over the period, the portfolio outperformed its benchmark on 54% of the total rolling 3-year periods. This compares favourably with the peer group, which only managed to outperform on 35% of the rolling 3-year periods.

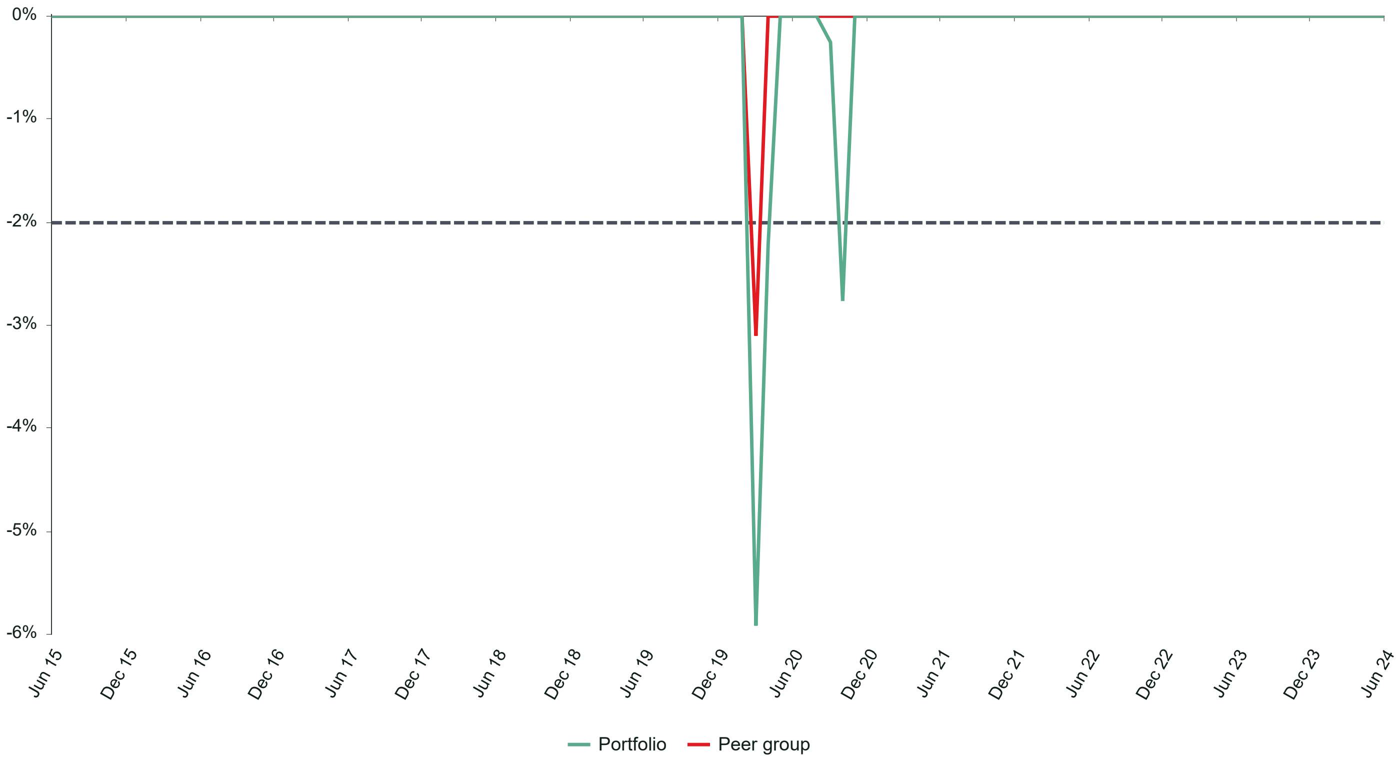
Portfolio relative to benchmark



- Strong portfolio returns in 2021 were supported by the market recovery post the COVID-19 sell off. This was followed by a global market sell off in 2022, which led to underperformance relative to the benchmark. The portfolio recovered those losses in 2023 to outperform over the targeted 3-year time horizon. As at the end of June 2024, the portfolio remained slightly ahead of its benchmark.

2.3.2 Risk

Rolling 1-year absolute drawdown over 10 years



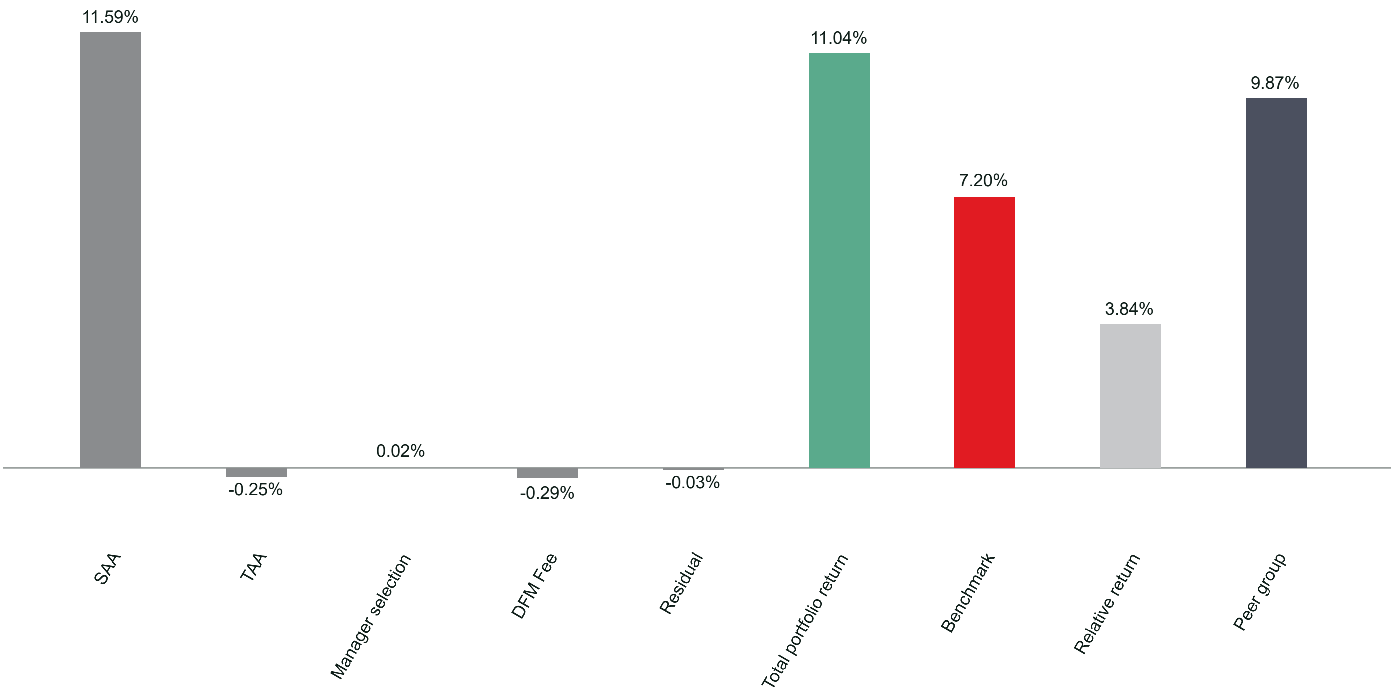
- The portfolio breached the acceptable drawdown level of 2% twice.

Rolling investment horizon absolute drawdown over 10 years

- Even though there have been times of underperformance relative to the benchmark, the portfolio is currently ahead of its benchmark and by a greater extent than the peer group.

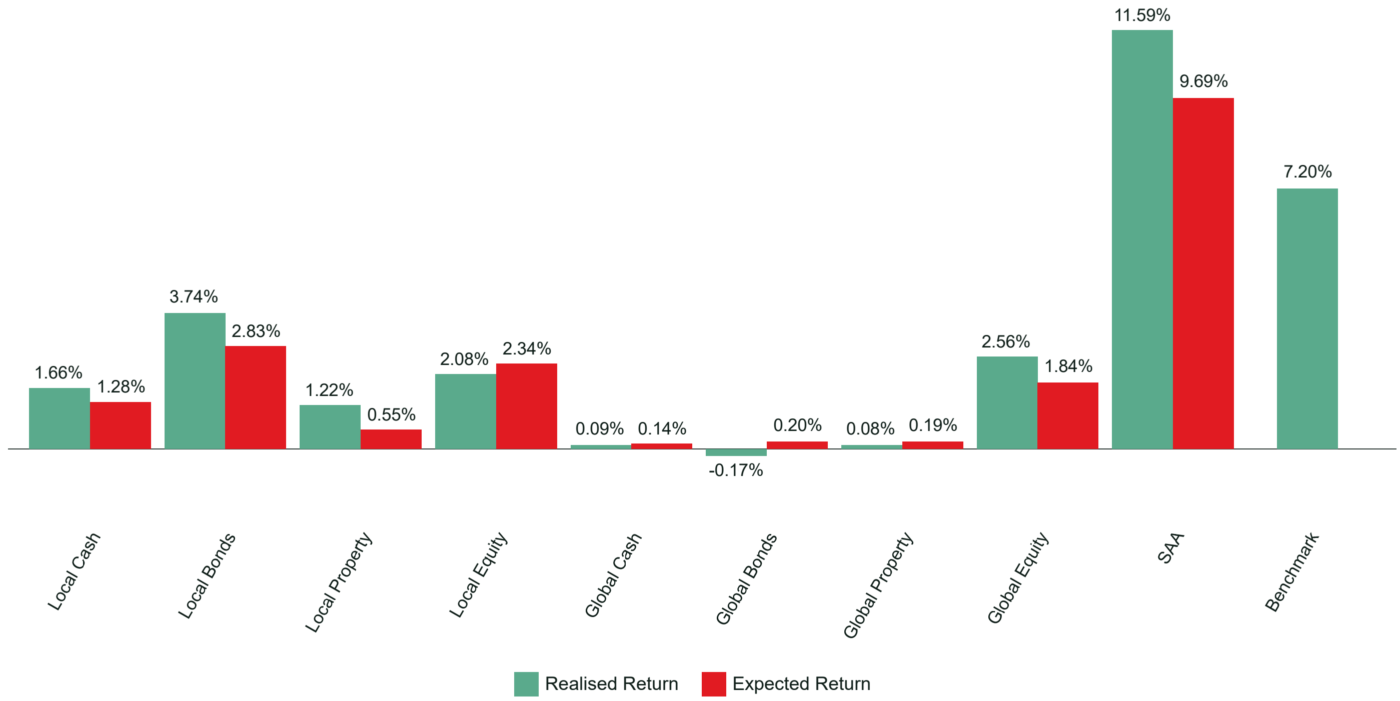
2.3.3 Performance attribution

Total return attribution over 12 months



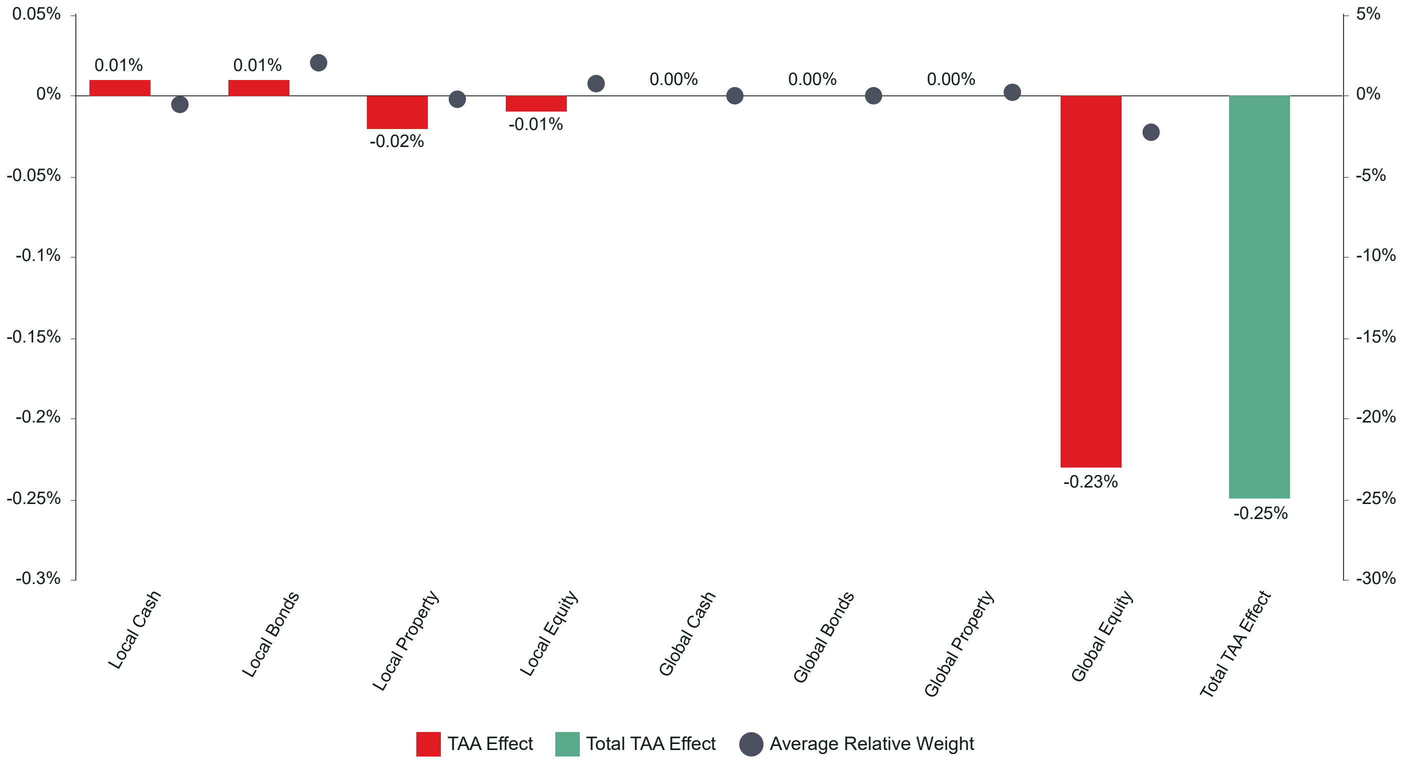
- Tactical asset allocation selection detracted from the strategic asset allocation (SAA) return while the manager selection effect was marginal over the last 12 months.

Strategic asset allocation effects over 12 months



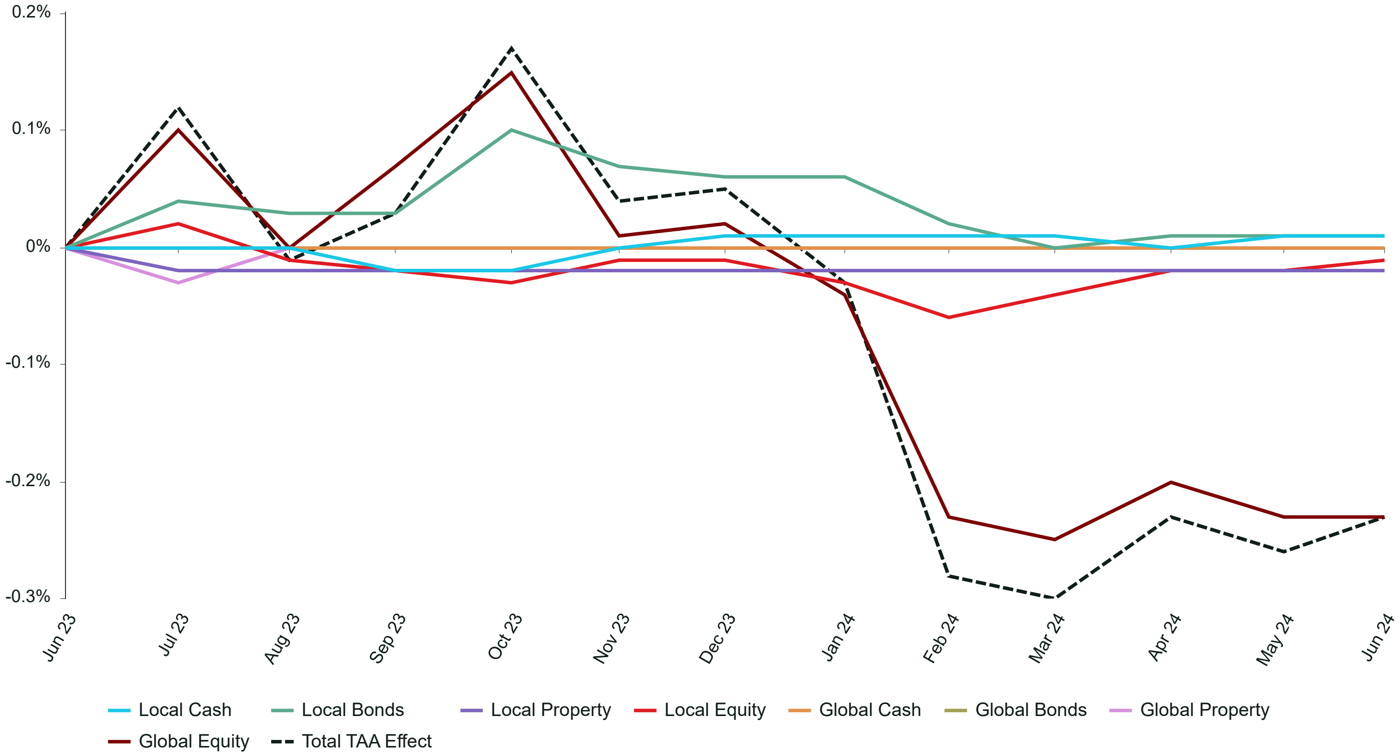
- The graph above illustrates the weighted realised return from each asset class over the period considered relative to our long-term forward-looking expectations.
- Global equity continues to outperform long term expectations due to a strong market while local bonds and local property also outperformed our long-term expectations due to positive investor sentiment following the outcome of the South African elections.

Tactical asset allocation effects over 12 months



- The underweight position to global equity was the largest detractor from performance over the last 12 months.

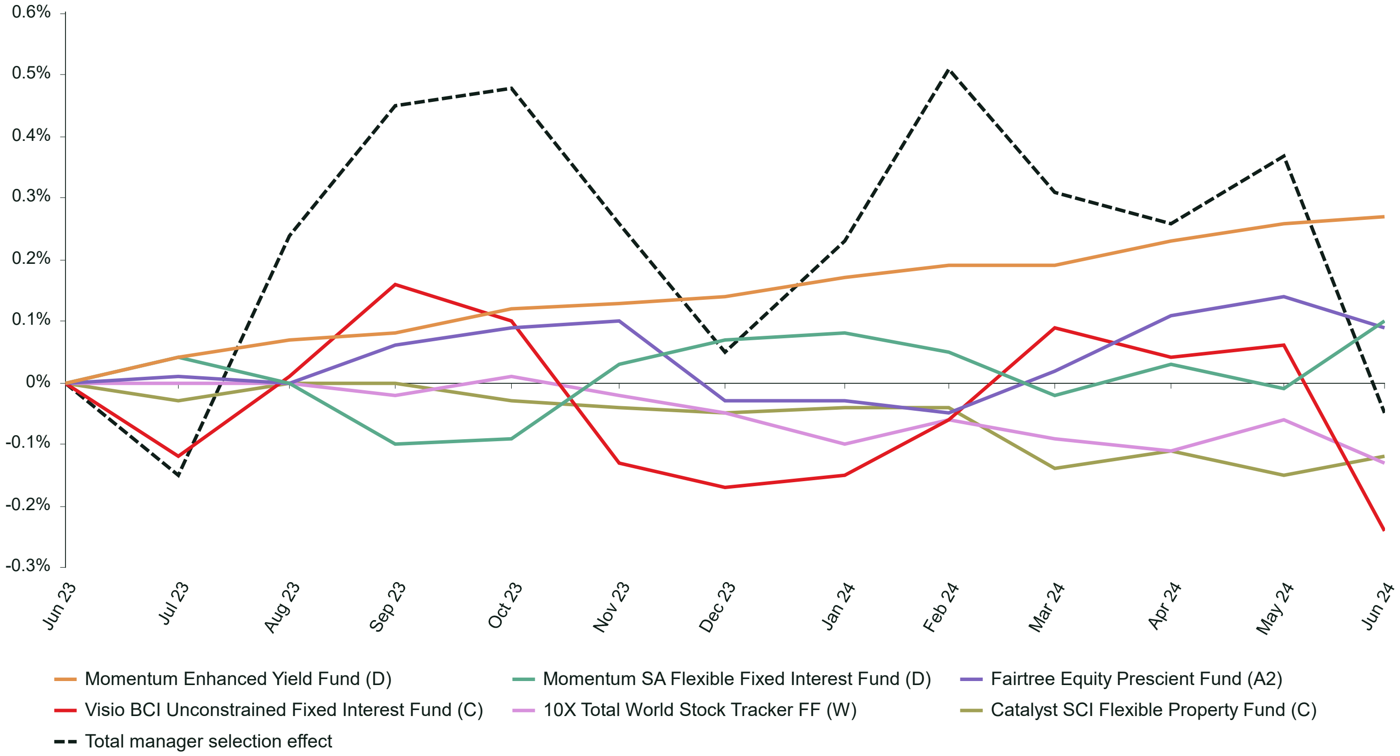
Cumulative tactical asset allocation effects over 12 months



- The above graph illustrates the progression of the tactical asset allocation for all asset classes and in aggregate over the previous 12 months.

Manager selection effects over 12 months

Cumulative manager selection effects over 12 months



2.4 Equilibrium Stable Portfolio

Data as at:	30 June 2024	**Investment horizon:**	Four years
Benchmark:	CPI + 3% over rolling 4-year periods	**Launch date:**	30 June 2017
Peer group:	(ASISA) South African MA Medium Equity	**Returns start date:**	30 June 2007

2.4.1 Returns

Trailing returns

	3m	6m	1y	2y	4y	6y	10y	SL	Mths SL
Portfolio	**3.45%**	**5.69%**	**11.46%**	**13.00%**	**10.94%**	**8.28%**	**8.18%**	**8.02%**	**84**
Benchmark	1.94%	3.76%	8.20%	8.75%	8.81%	7.94%	8.02%	7.86%	
SAA	3.95%	6.12%	12.02%	13.62%	11.37%	8.68%	8.37%	8.71%	
Peer group	*3.59%*	*5.24%*	*9.83%*	*11.58%*	*9.07%*	*7.48%*	*6.92%*	*7.39%*	

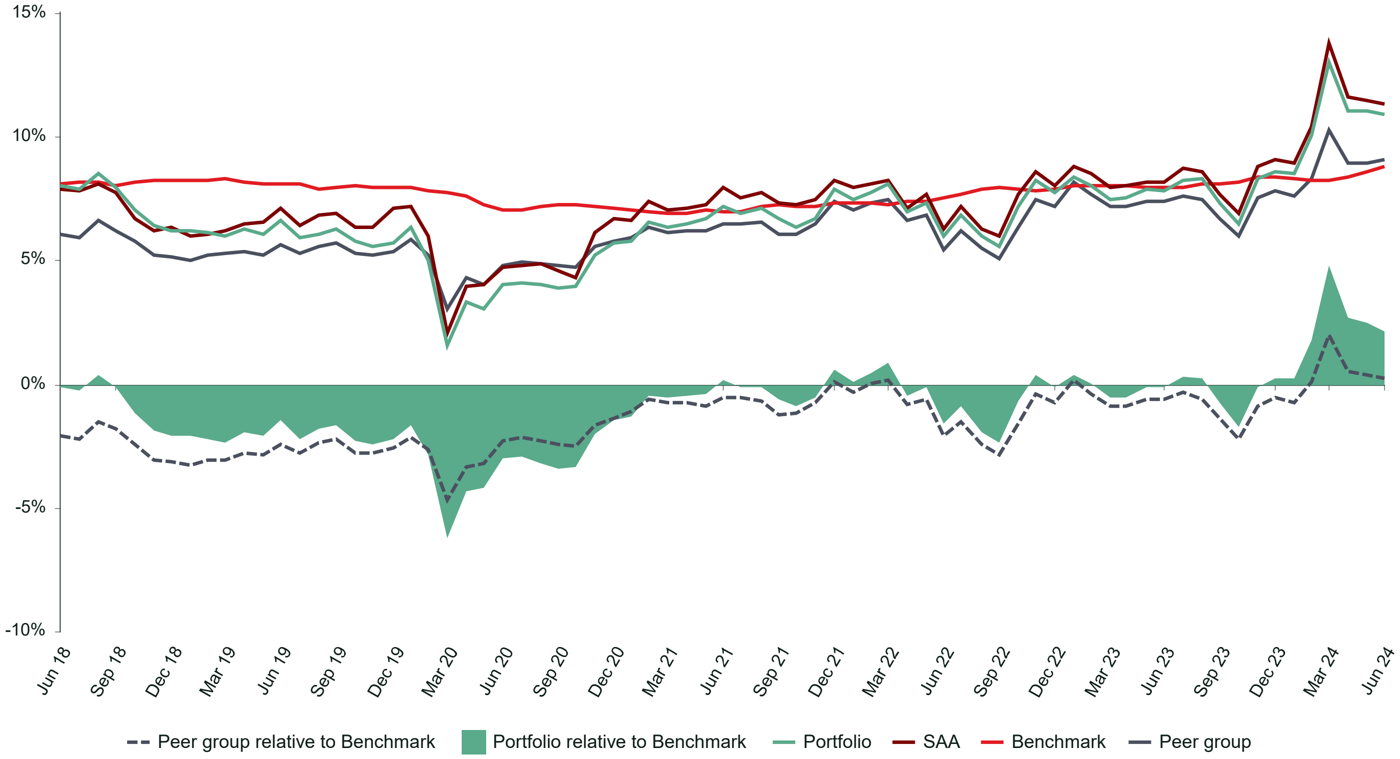
SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.

Returns for all periods greater than 1y are annualised.

Peer group returns until 31 May 2021 are for the ASISA SA MA Low Equity peer group. From 1 June 2021, Peer group returns are for the ASISA SA MA Medium Equity peer group due to a change in the portfolio's strategic asset allocation.

- The portfolio outperformed its benchmark by 2.1% p.a. over the 4-year period. It also outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.56% over the last 12 months, net of all investment related fees.

Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	73	
Periods of outperformance	**18**	*9*
Realised probability of outperformance	**25%**	*12%*
Maximum outperformance	**4.80%**	*2.04%*
Maximum underperformance	**-6.19%**	*-4.69%*

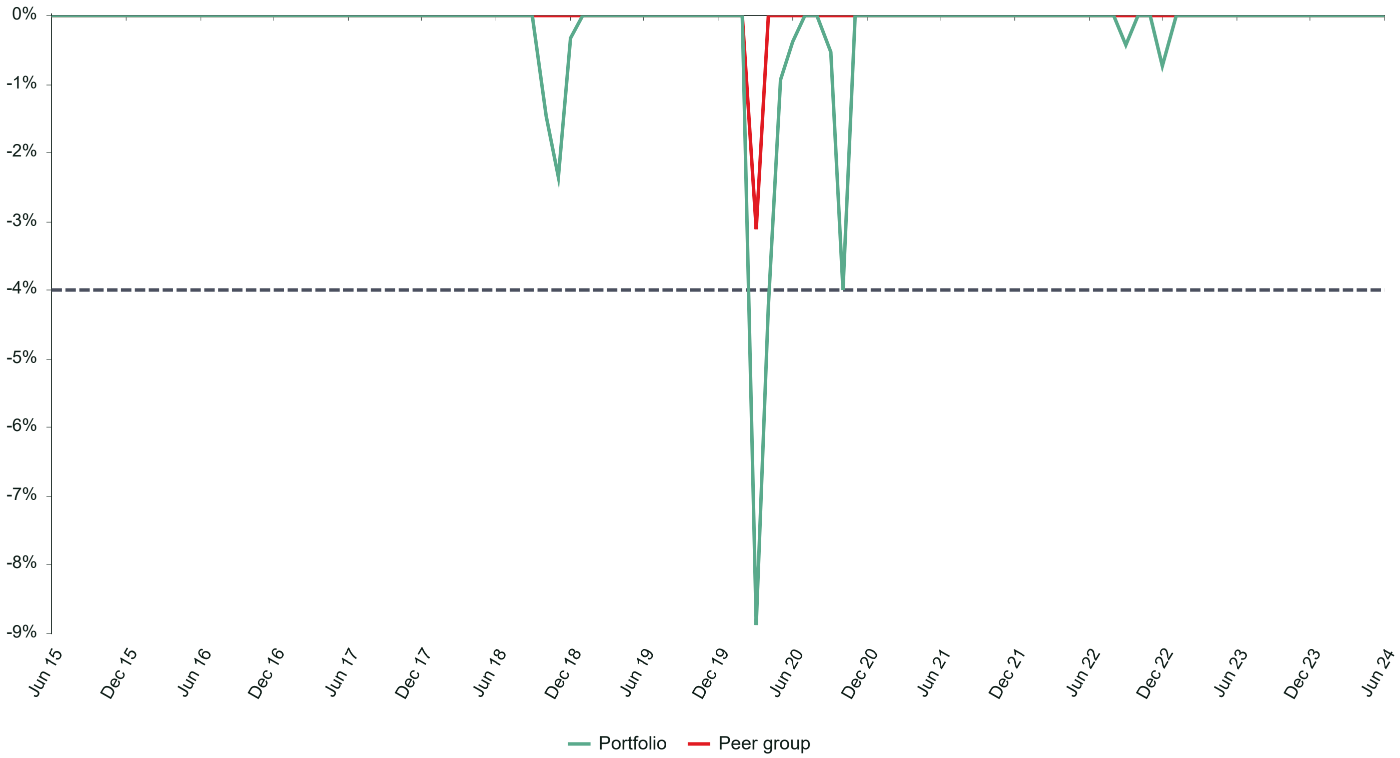
- Over the period, the portfolio outperformed its benchmark on 25% of the total rolling 4-year periods. This compares favourably with the peer group, which only managed to outperform on 12% of the rolling 4-year periods.

Portfolio relative to benchmark

- Strong portfolio returns in 2021 were supported by the market recovery post the COVID-19 sell off. This was followed by a global market sell off in 2022 after which the portfolio recovered those losses in 2023. As at June 2024, the portfolio remains ahead of its benchmark.

2.4.2 Risk

Rolling 1-year absolute drawdown over 10 years



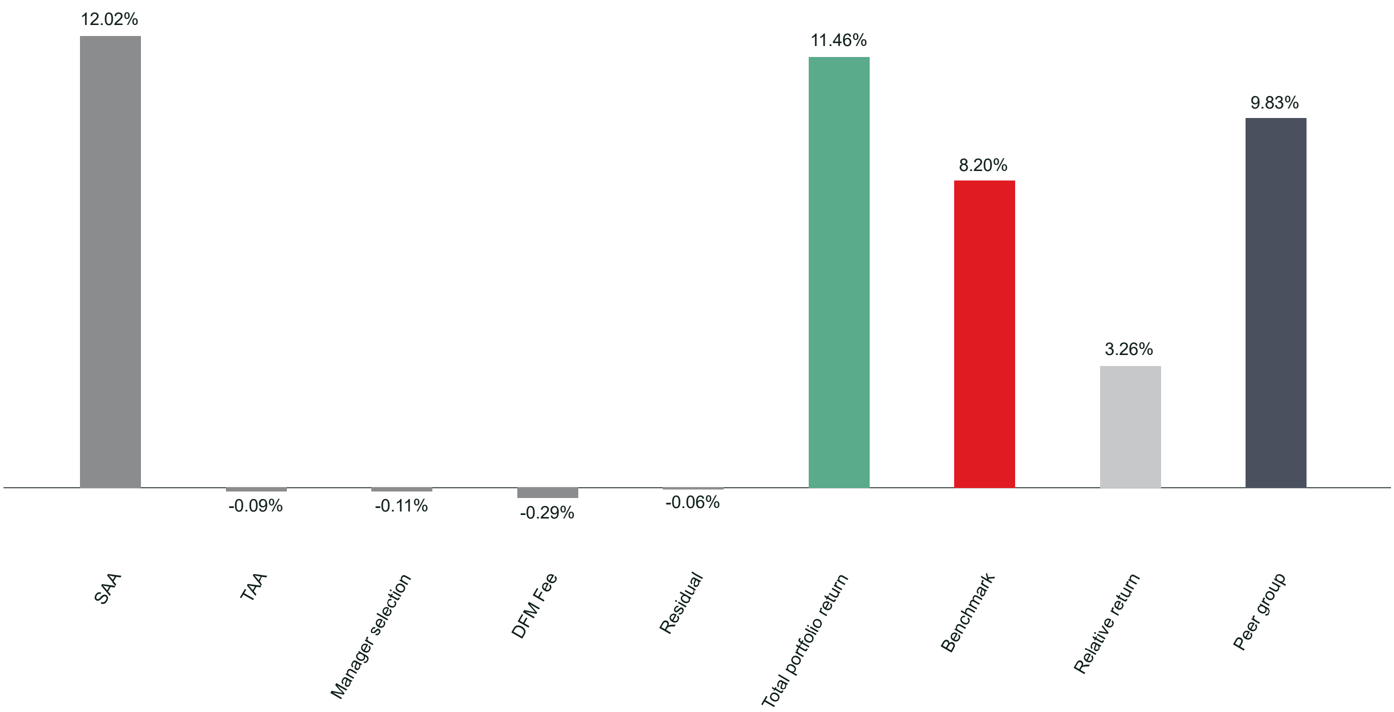
- The portfolio breached the acceptable drawdown level of 4% twice.

Rolling investment horizon absolute drawdown over 10 years

- Even though there have been times of underperformance relative to the benchmark, the underperformance was mostly to a lesser extent than the peer group.

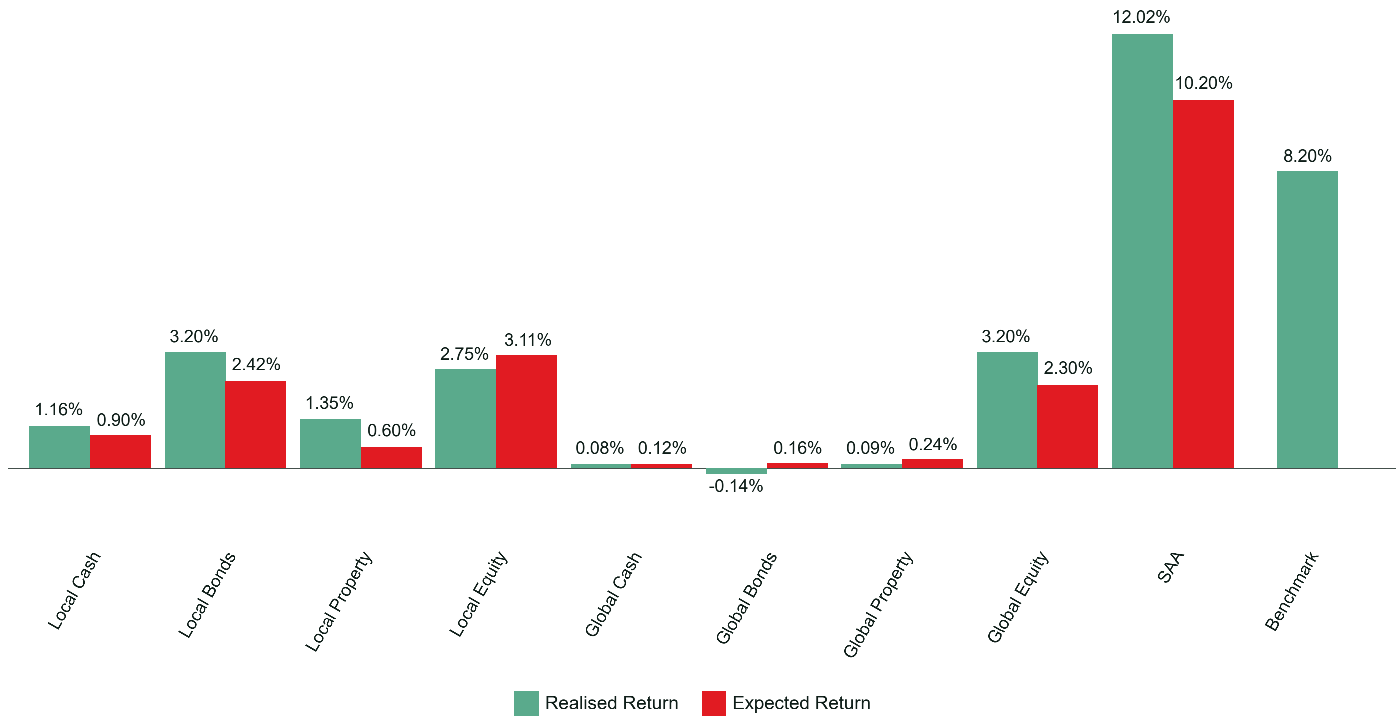
2.4.3 Performance attribution

Total return attribution over 12 months



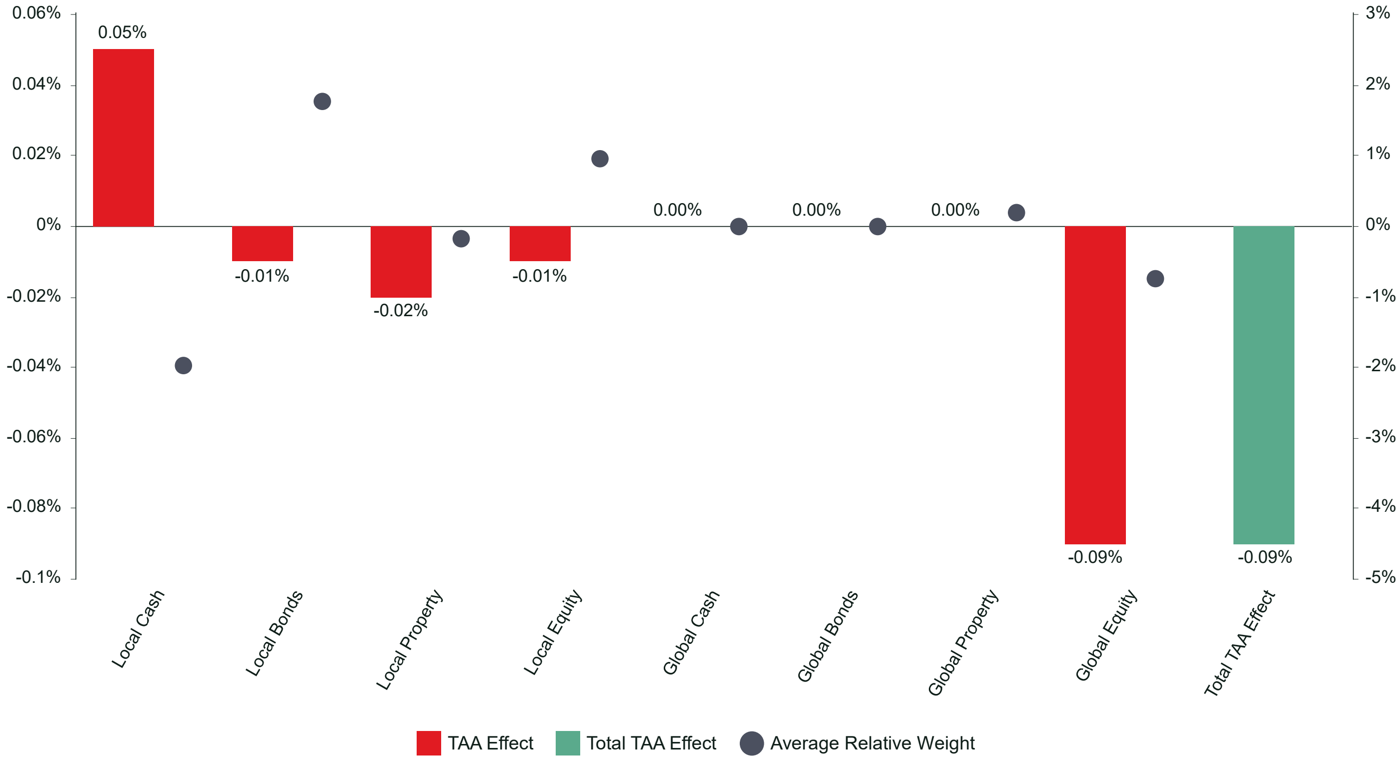
- Both tactical asset allocation and manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



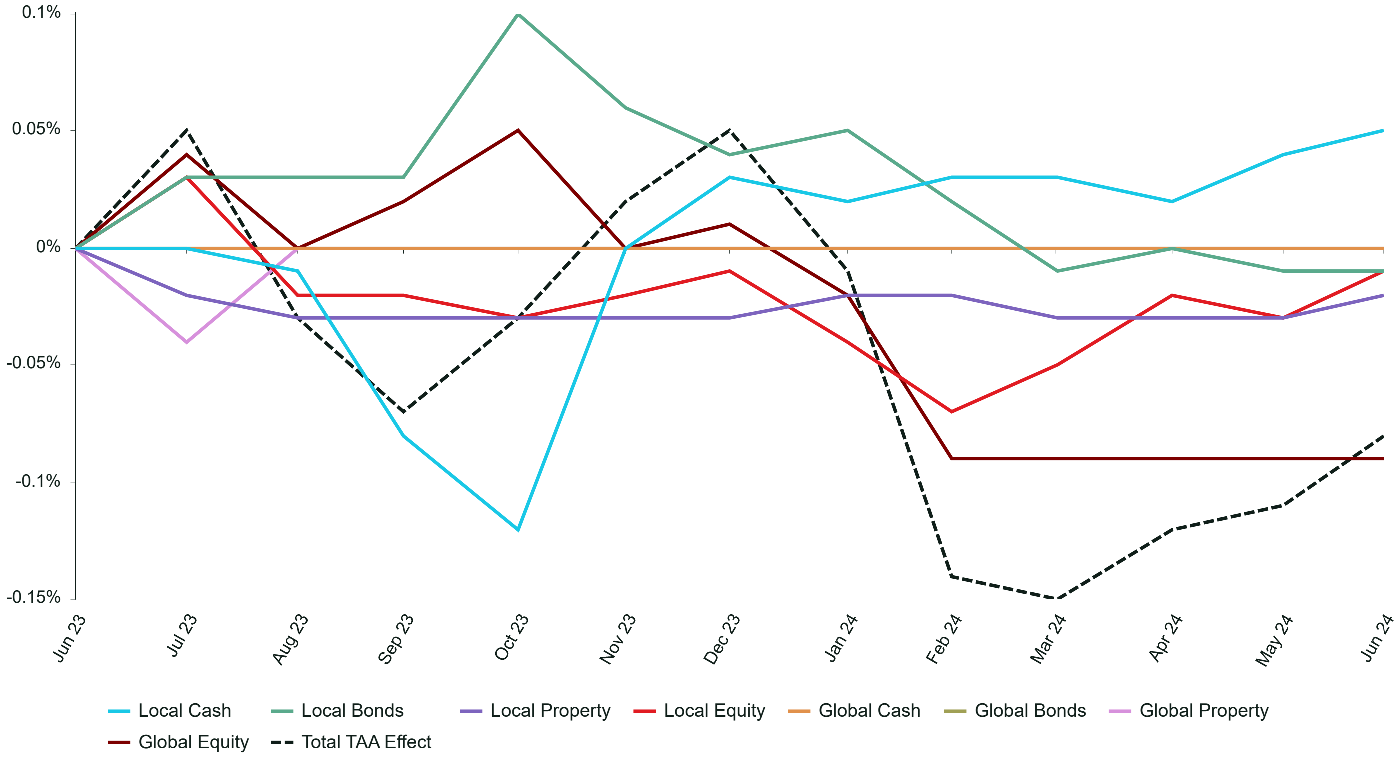
- Global equity continues to outperform long term expectations due to a strong market while local bonds and local property also outperformed our long-term expectations due to positive investor sentiment following the outcome of the South African elections.

Tactical asset allocation effects over 12 months



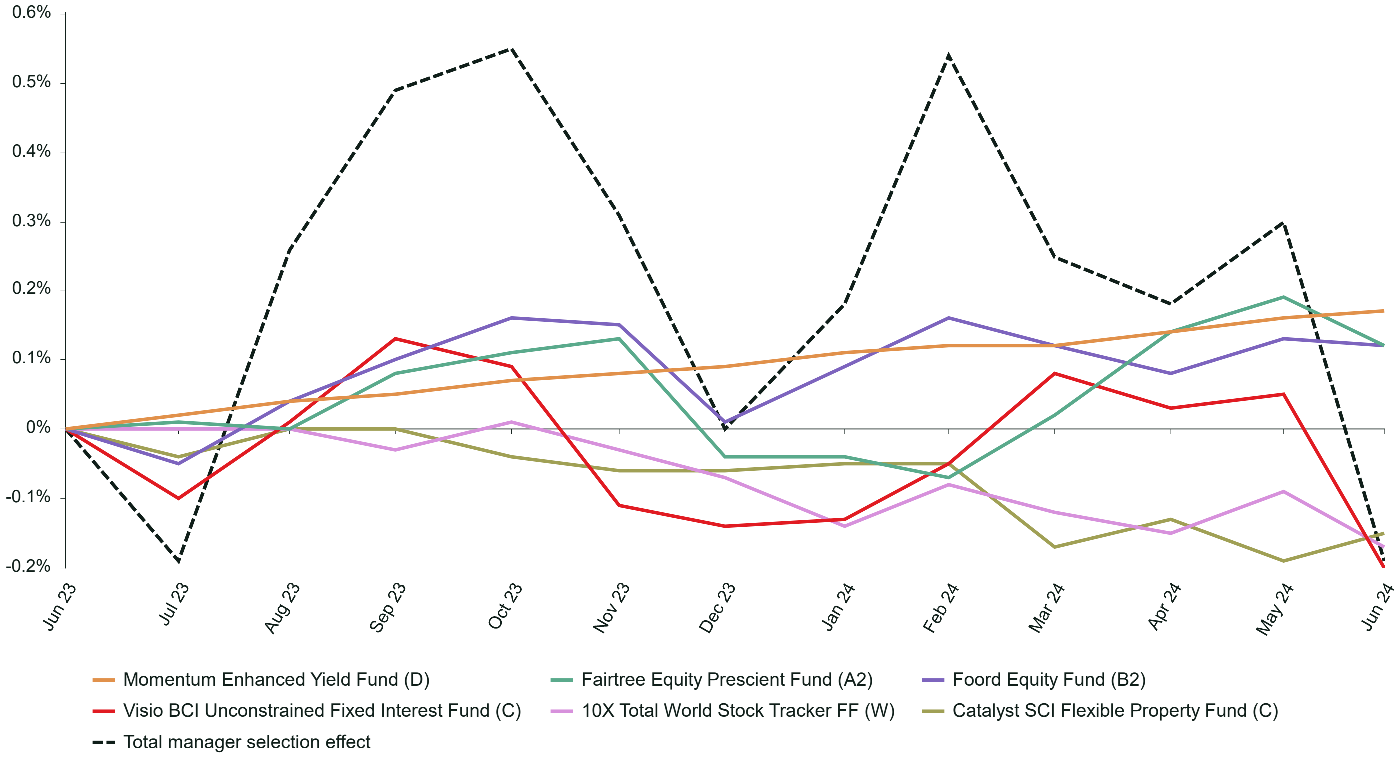
- The underweight position to local cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

Cumulative tactical asset allocation effects over 12 months



Manager selection effects over 12 months

Cumulative manager selection effects over 12 months



2.5 Equilibrium Moderate Portfolio

Data as at:	30 June 2024	**Investment horizon:**	Five years
Benchmark:	CPI + 4% over rolling 5-year periods	**Launch date:**	30 June 2017
Peer group:	(ASISA) South African MA Medium Equity	**Returns start date:**	30 June 2007

2.5.1 Returns

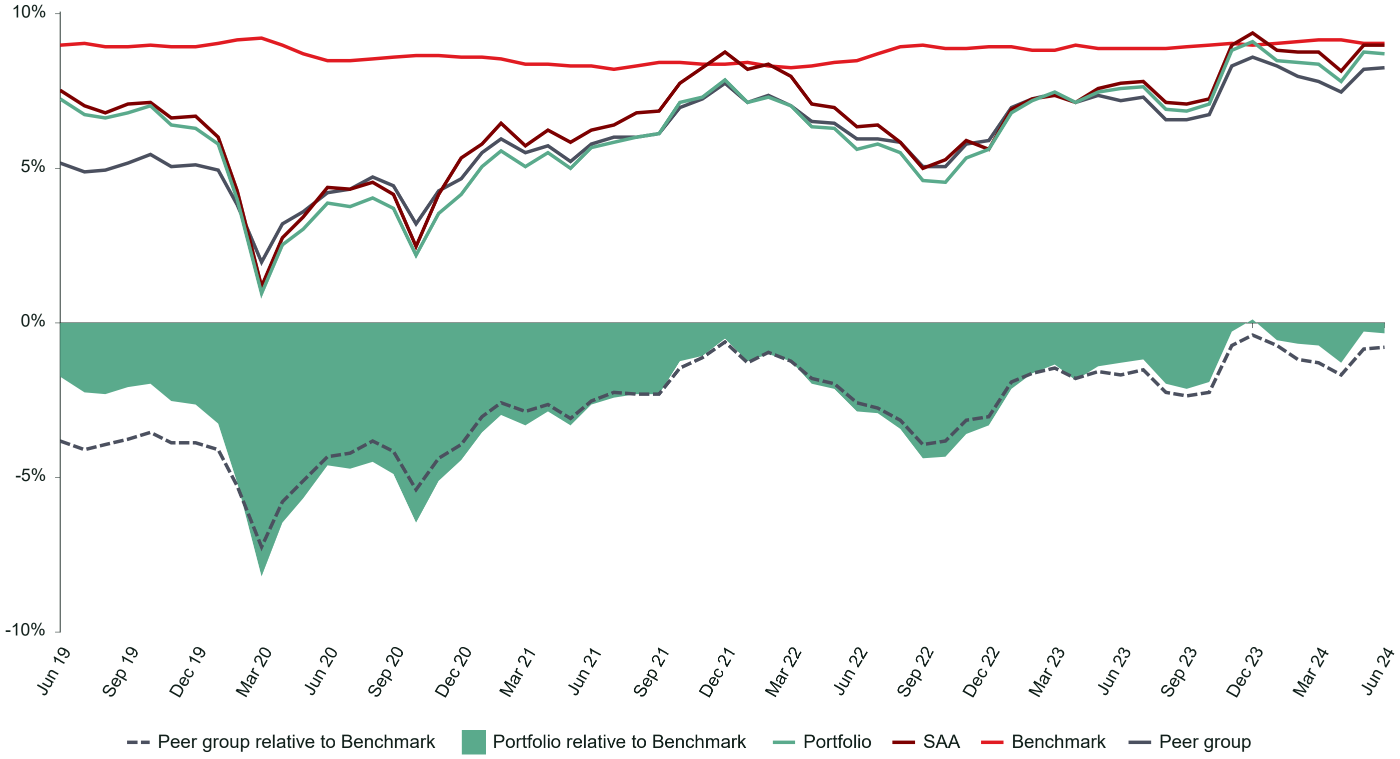
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**3.50%**	**5.74%**	**11.49%**	**9.51%**	**8.70%**	**7.81%**	**7.99%**	**7.81%**	**84**
Benchmark	2.18%	4.25%	9.20%	10.01%	9.04%	8.86%	9.02%	8.86%	
SAA	3.99%	6.29%	12.14%	10.10%	9.00%	8.48%	8.26%	8.48%	
Peer group	*3.59%*	*5.24%*	*9.83%*	*8.57%*	*8.28%*	*7.52%*	*6.72%*	*7.52%*	

SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.
Returns for all periods greater than 1y are annualised.

- The portfolio underperformed its benchmark by 0.34% p.a. over the 5-year period. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.65% over the last 12 months, net of all investment related fees.

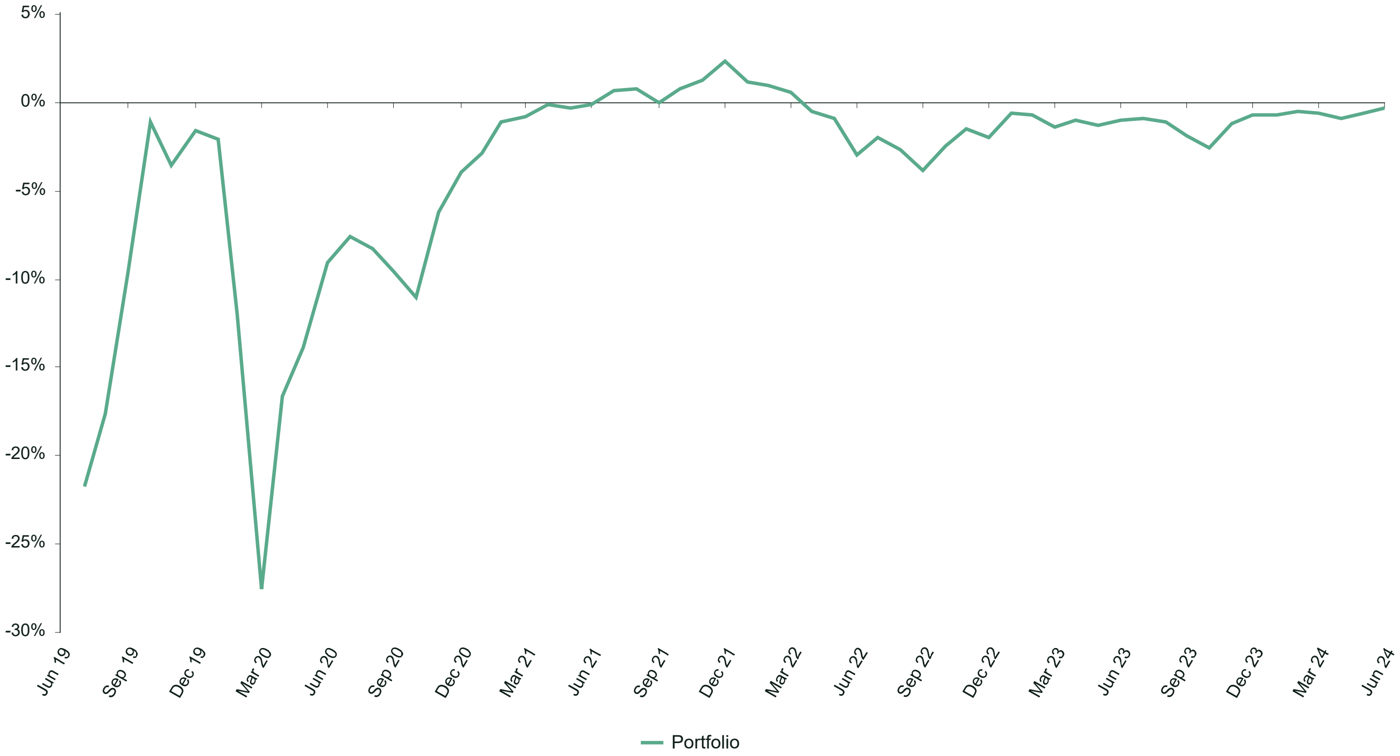
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	61	
Periods of outperformance	**1**	*0*
Realised probability of outperformance	**2%**	*0%*
Maximum outperformance	**0.11%**	*-*
Maximum underperformance	**-8.23%**	*-7.23%*

- Over the period, the portfolio outperformed its benchmark on 2% of the total rolling 5-year periods. This compares favourably with the peer group, which never outperformed over the rolling 5-year periods.

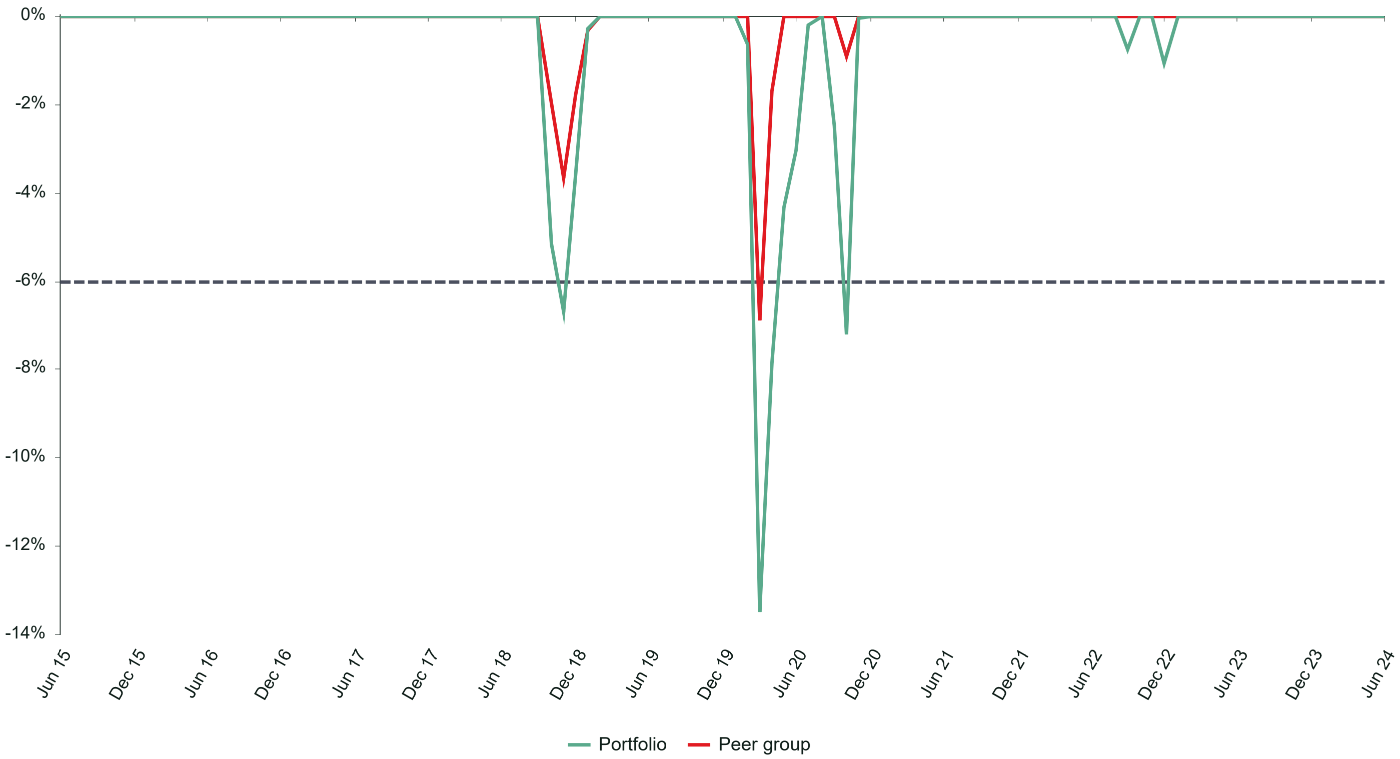
Portfolio relative to benchmark



- The portfolio underperformed its benchmark during the COVID-19 and 2022 drawdowns but the margin of long-term underperformance has reduced on the back of outperformance over the last 12 months.

2.5.2 Risk

Rolling 1-year absolute drawdown over 10 years



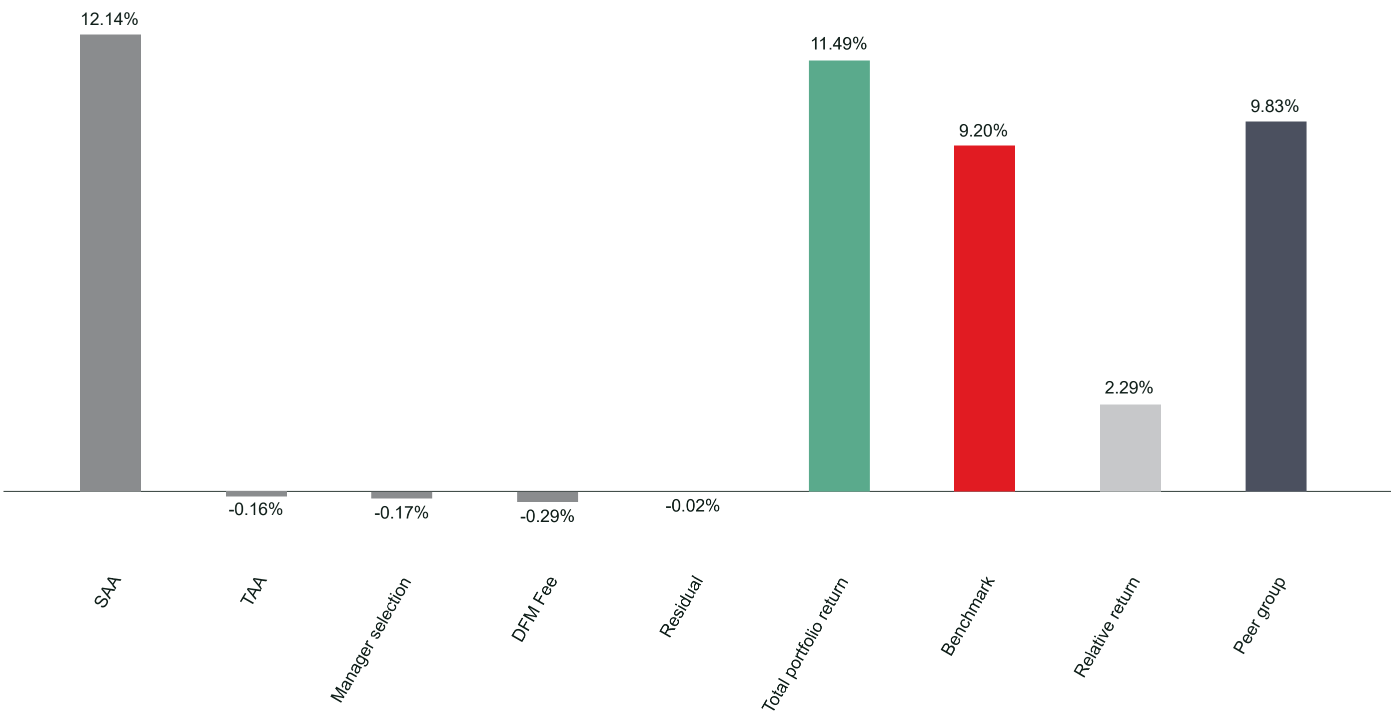
- The portfolio breached the acceptable drawdown level of 6% three times.

Rolling investment horizon absolute drawdown over 10 years

- The portfolio slightly underperformed its benchmark over rolling 5 years but remains ahead of the peer group. Medium to higher risk South African multi asset portfolios have found it difficult to outperform their respective CPI + targets predominantly due to growth asset classes underperforming their respective long-term expectations.

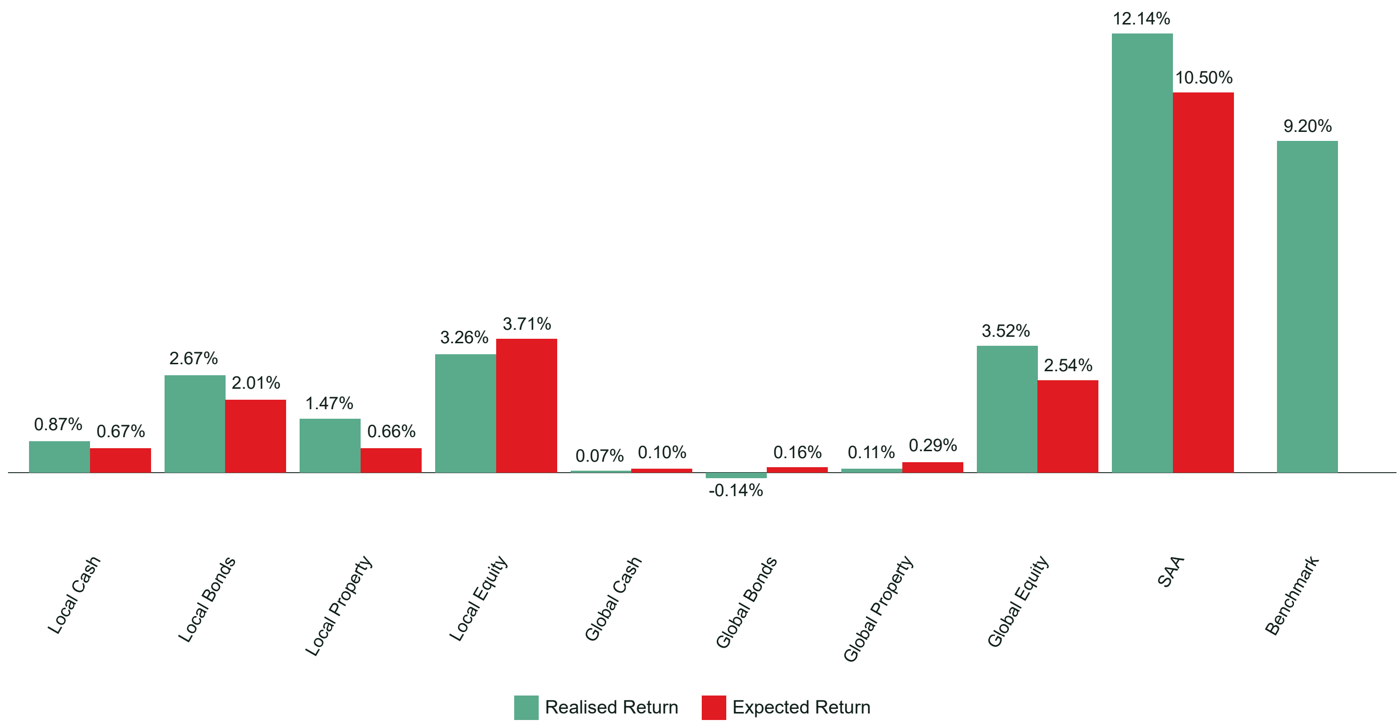
2.5.3 Performance attribution

Total return attribution over 12 months



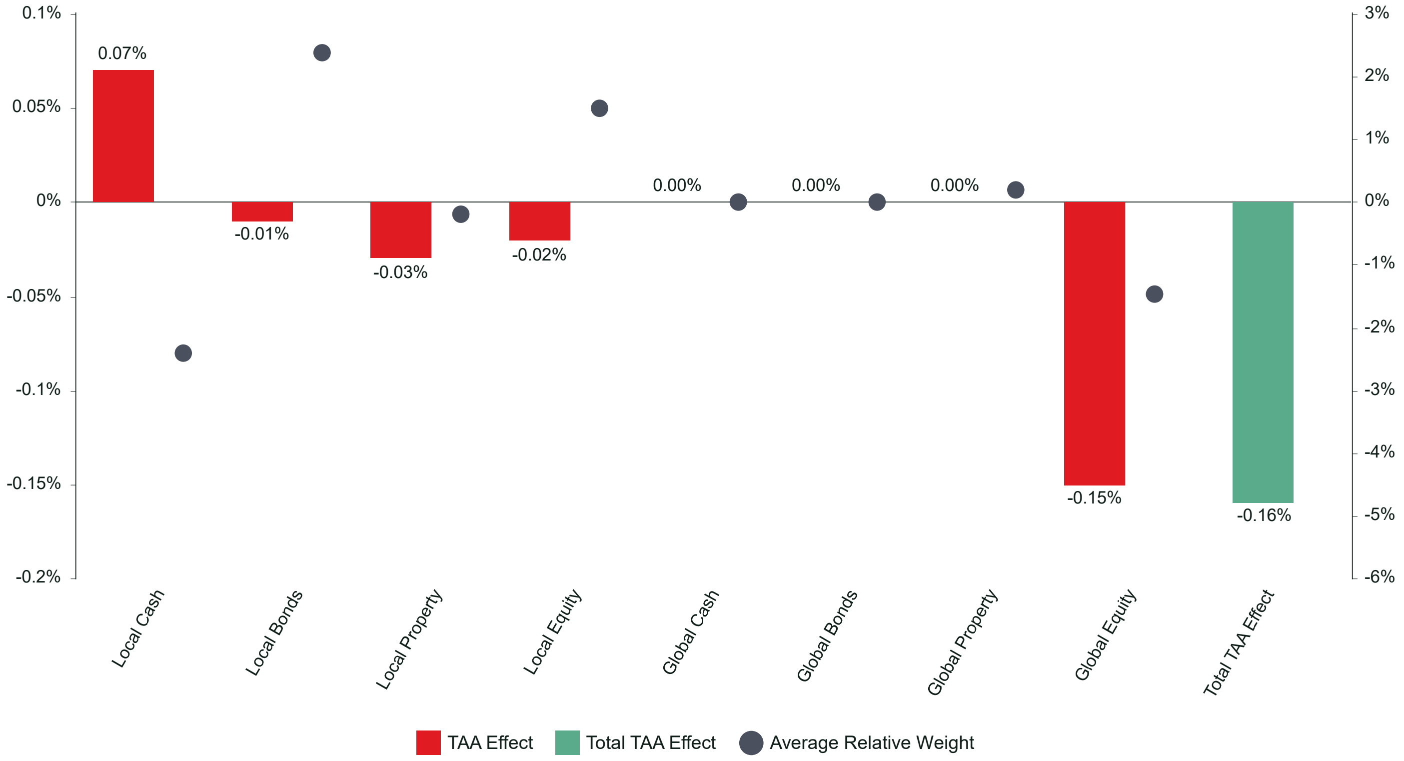
- Both tactical asset allocation and manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



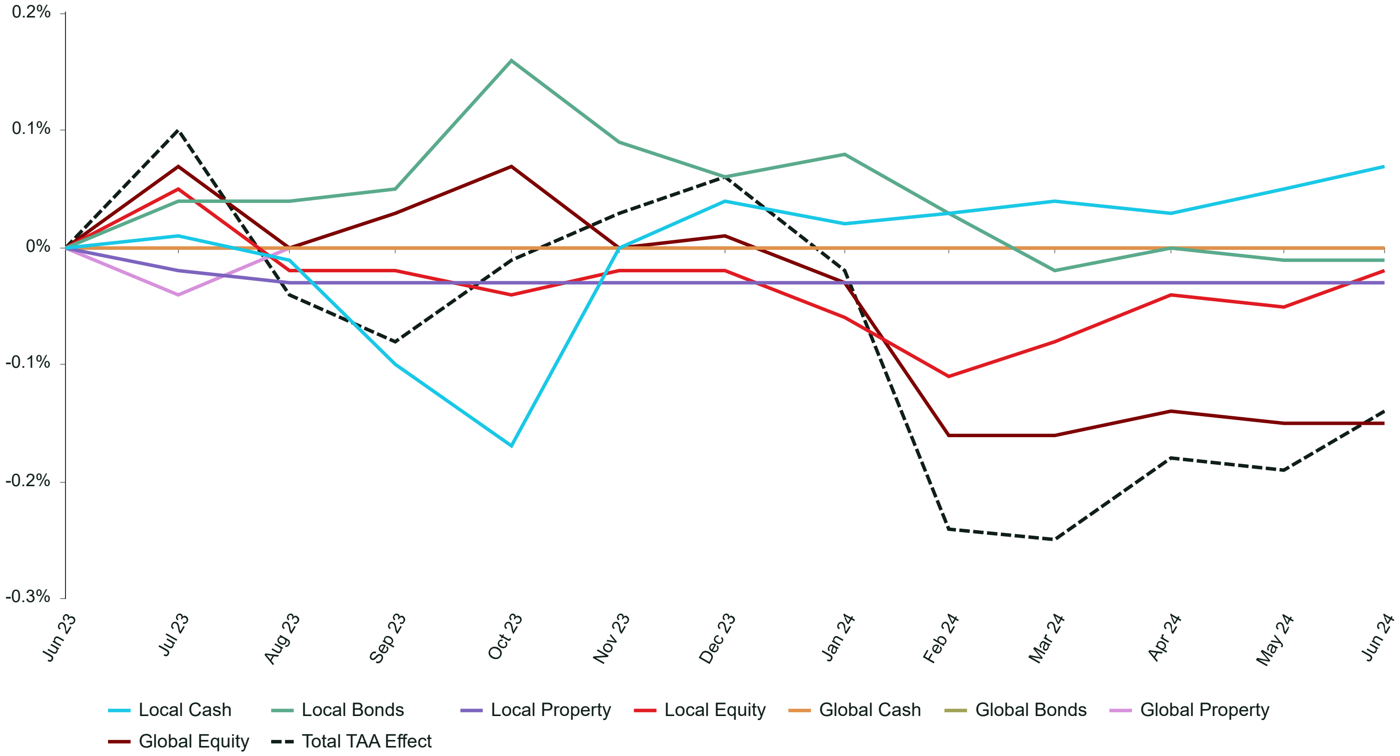
- Global equity continues to outperform long term expectations due to a strong market while local bonds and local property also outperformed our long-term expectations due to positive investor sentiment following the outcome of the South African elections.

Tactical asset allocation effects over 12 months



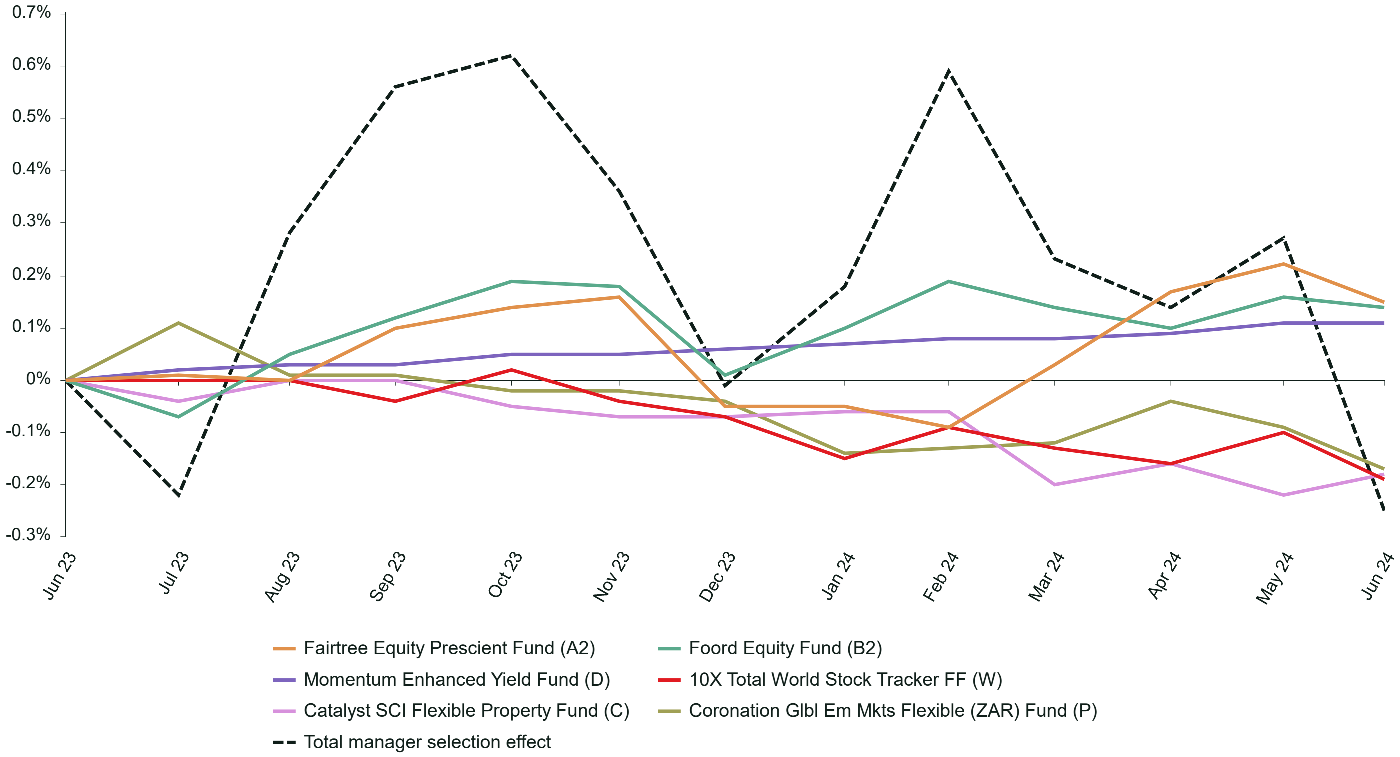
- The underweight position to local cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

Cumulative tactical asset allocation effects over 12 months



Manager selection effects over 12 months

Cumulative manager selection effects over 12 months



2.6 Equilibrium Balanced Portfolio

Data as at:	30 June 2024	**Investment horizon:**	Six years
Benchmark:	CPI + 5% over rolling 6-year periods	**Launch date:**	30 June 2017
Peer group:	(ASISA) South African MA High Equity	**Returns start date:**	30 June 2007

2.6.1 Returns

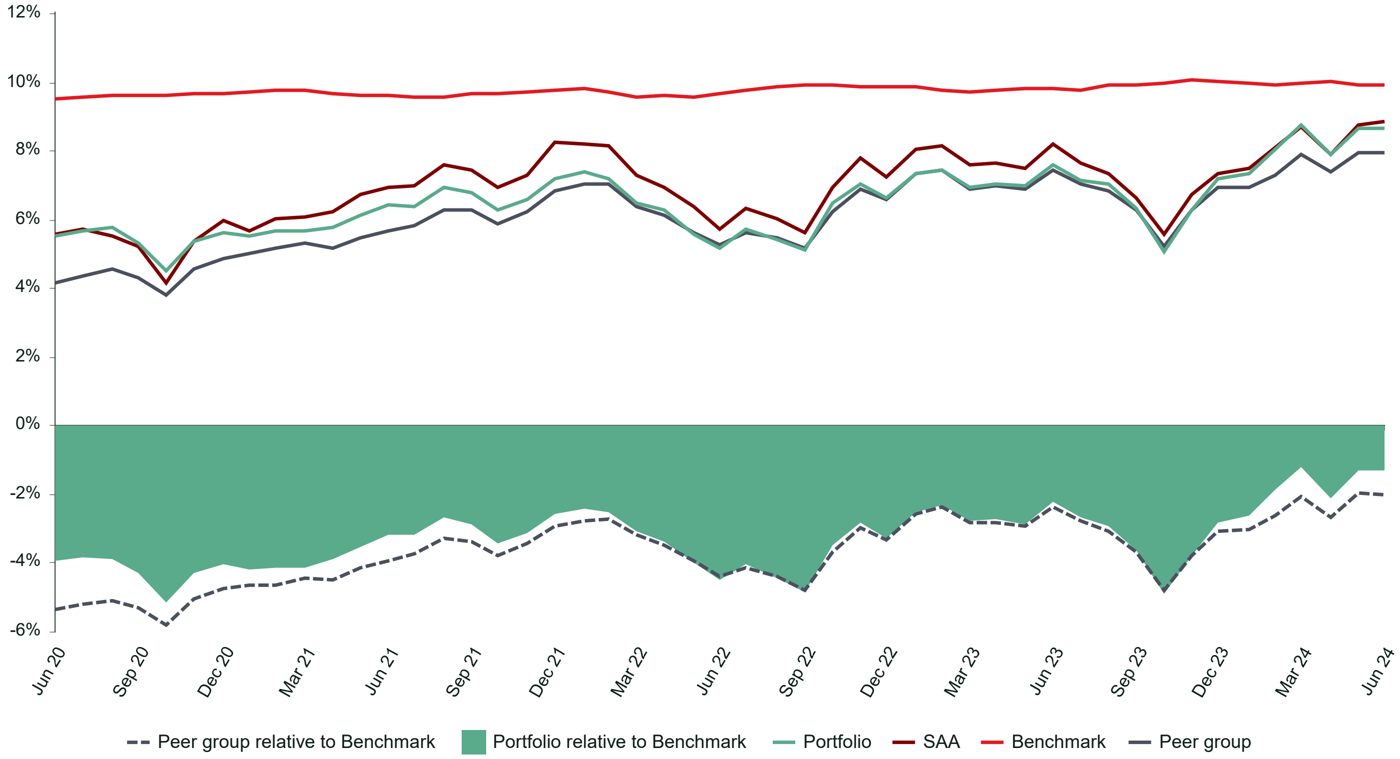
Trailing returns

	3m	6m	1y	2y	4y	6y	10y	SL	Mths SL
Portfolio	**3.60%**	**5.93%**	**11.75%**	**14.08%**	**12.49%**	**8.64%**	**8.27%**	**8.19%**	**84**
Benchmark	2.41%	4.72%	10.21%	10.76%	10.81%	9.94%	10.02%	9.86%	
SAA	4.01%	6.68%	12.61%	14.88%	13.26%	8.84%	8.60%	8.85%	
Peer group	*3.80%*	*5.50%*	*10.31%*	*12.46%*	*11.14%*	*7.95%*	*6.89%*	*7.85%*	

SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.
Returns for all periods greater than 1y are annualised.

- The portfolio underperformed its benchmark by 1.3% p.a. over the 6-year period. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.86% over the last 12 months, net of all investment related fees.

Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	49	
Periods of outperformance	**0**	*0*
Realised probability of outperformance	**0%**	*0%*
Maximum outperformance	**-**	-
Maximum underperformance	**-5.12%**	*-5.79%*

- Over the period, neither the portfolio nor the peer group outperformed the benchmark over the rolling 6-year periods.

Portfolio relative to benchmark

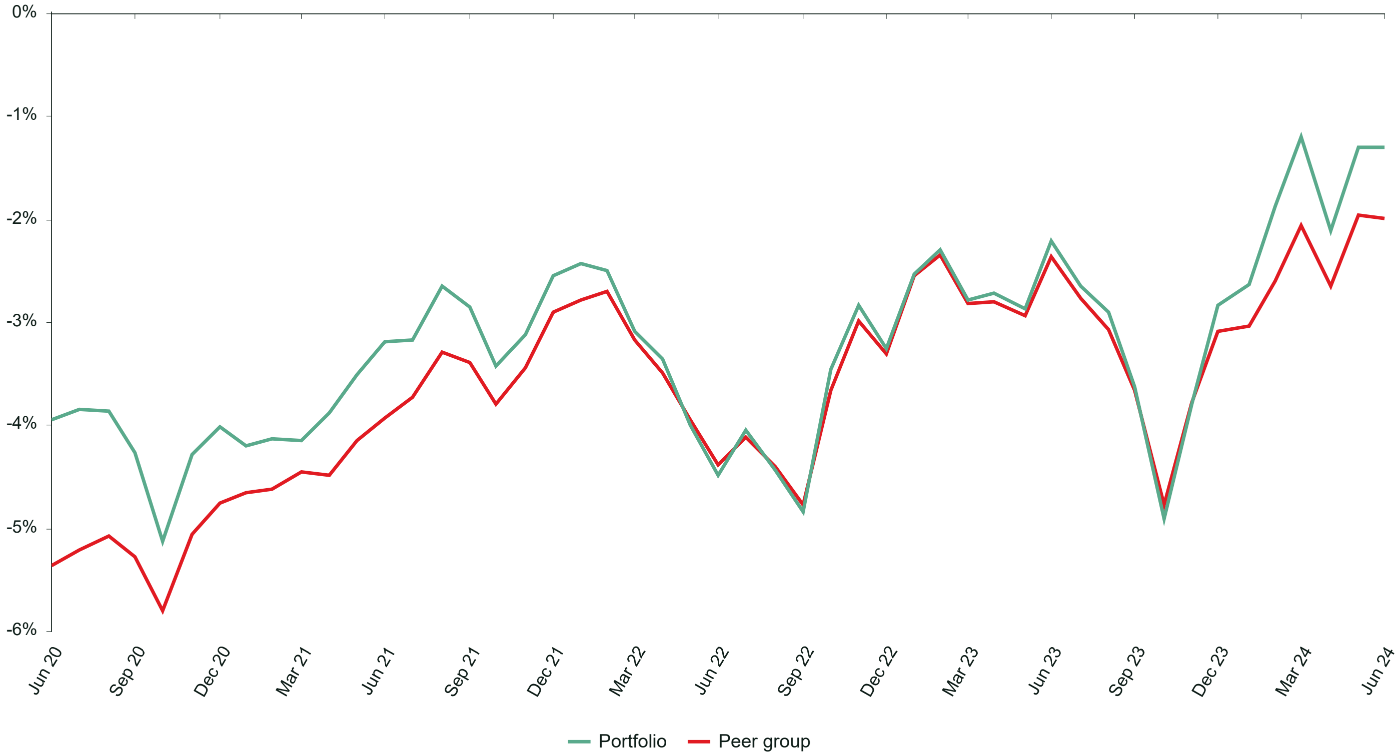
- Over the measurement period, the portfolio's annualised returns relative to its goal were mainly below its target due to the weak returns from growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark, however this reversed owing to the sell-off in 2022 as market volatility remained. The recovery towards the end of the measurement period has seen a trend reversal and a reduction in shortfall, with the portfolio drawing closer to its benchmark.

2.6.2 Risk

Rolling 1-year absolute drawdown over 10 years

- The portfolio breached the acceptable drawdown level of 8% twice.

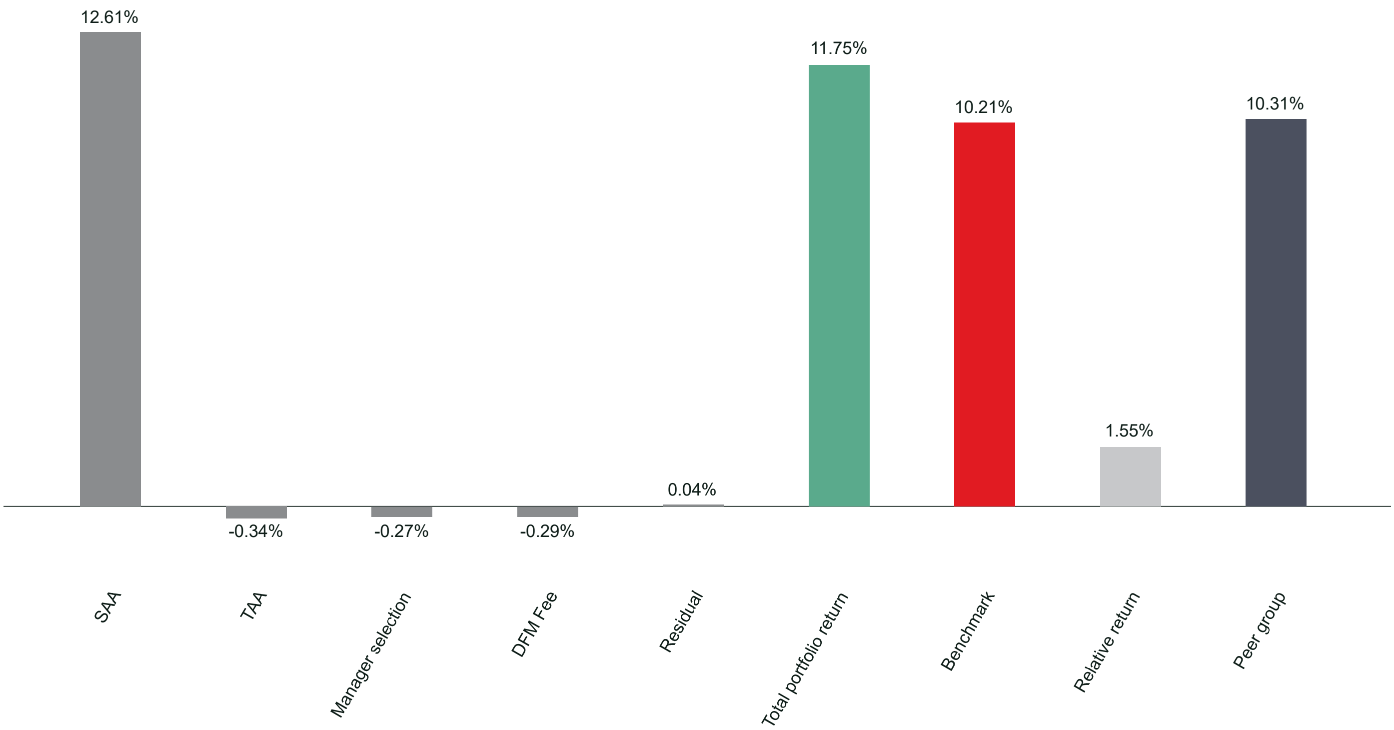
Rolling investment horizon absolute drawdown over 10 years



- The portfolio underperformed its benchmark but performed marginally better than peers. Medium and high-risk South African multi asset portfolios have found it difficult to outperform their respective CPI + targets predominantly due to growth asset classes underperforming long-term expectations.

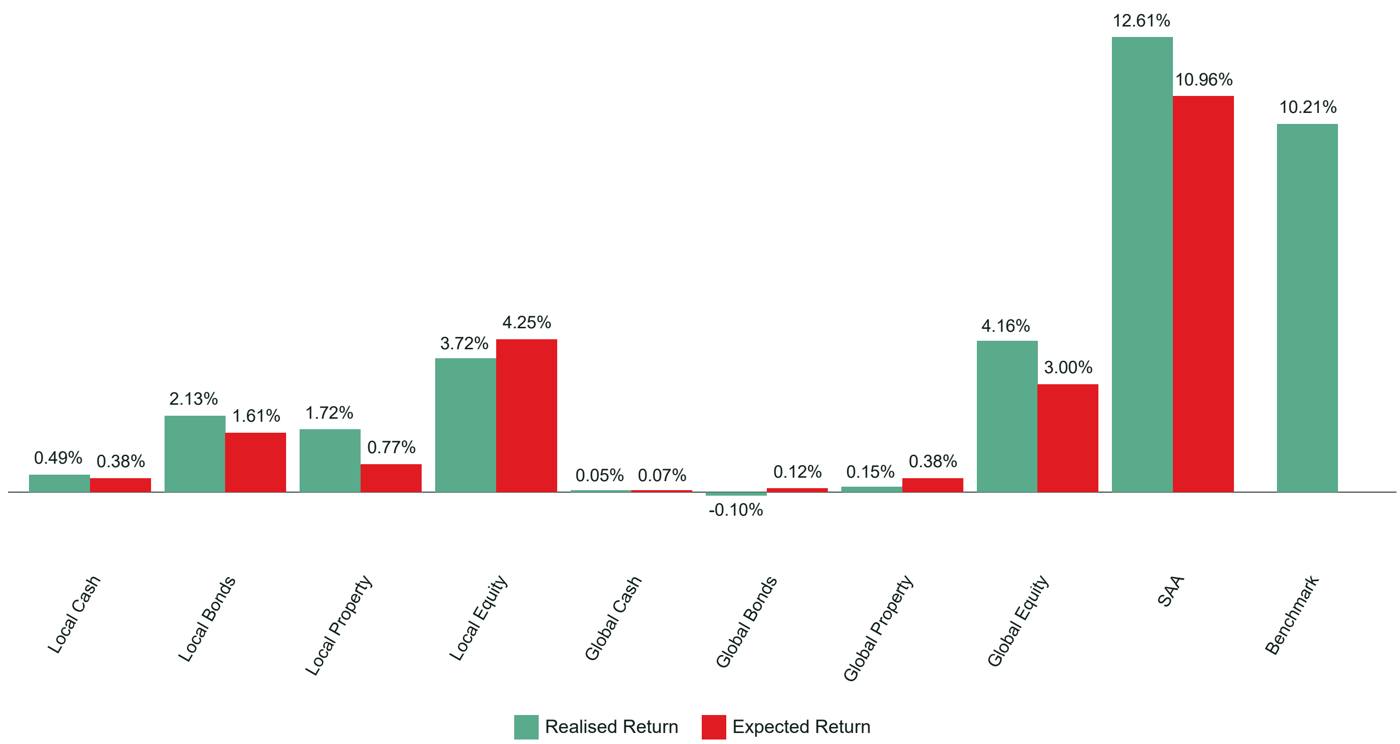
2.6.3 Performance attribution

Total return attribution over 12 months



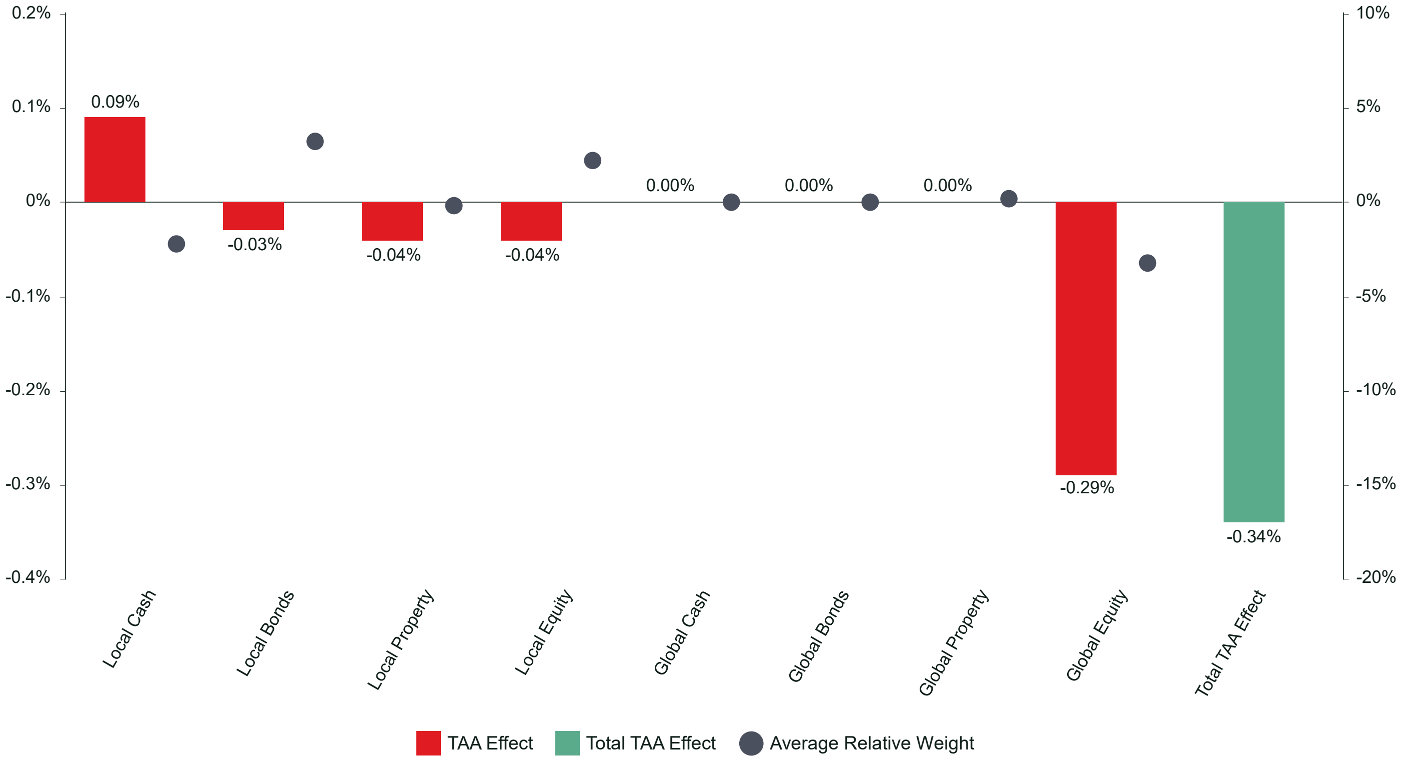
- Both tactical asset allocation and manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



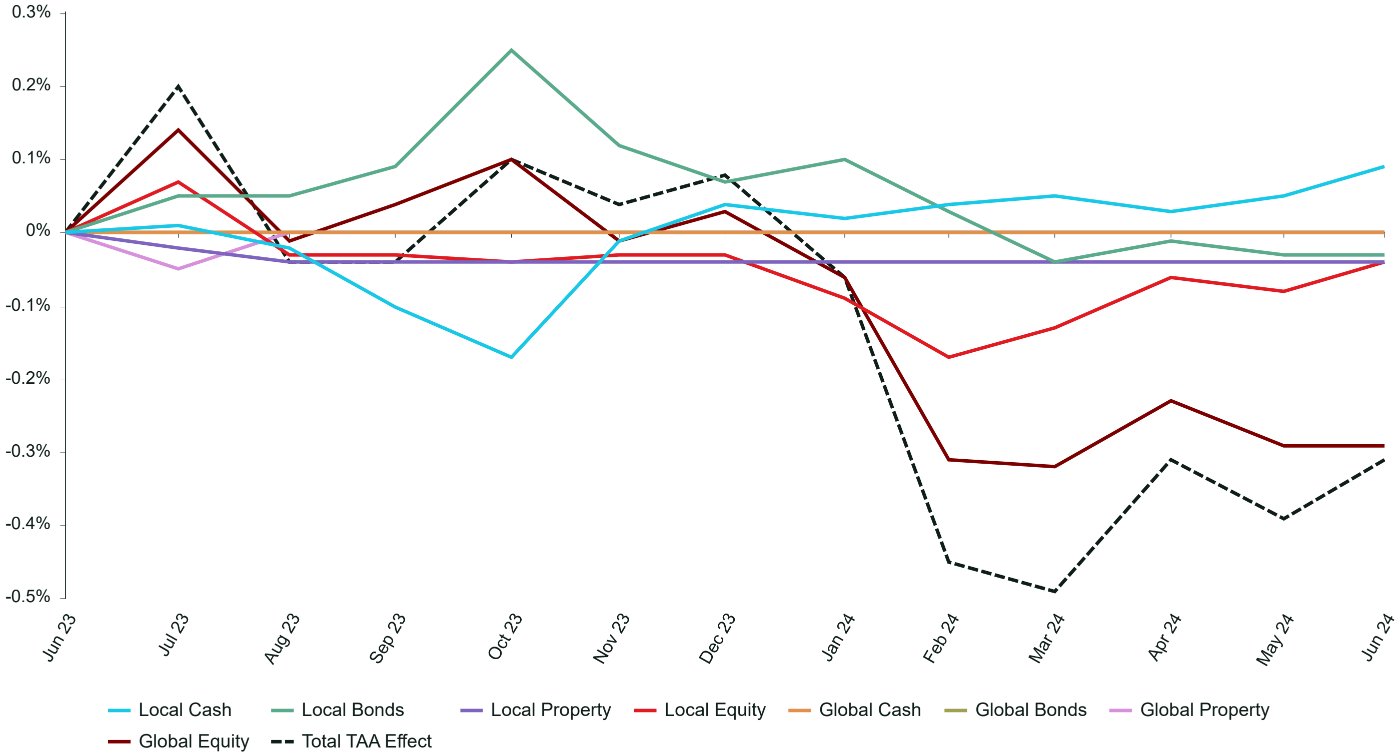
- Global equity continues to outperform long term expectations due to a strong market while local bonds and local property also outperformed our long-term expectations due to positive investor sentiment following the outcome of the South African elections.

Tactical asset allocation effects over 12 months



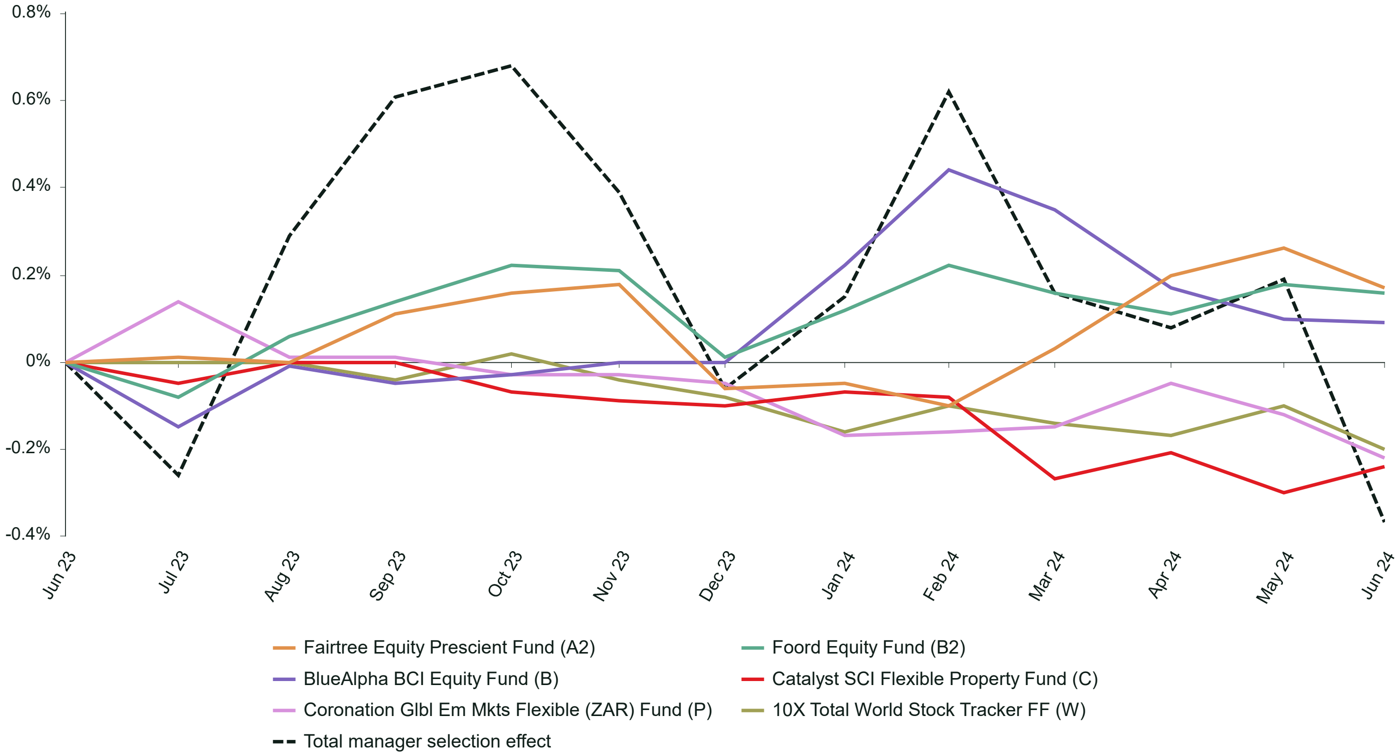
- The underweight position to local cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

Cumulative tactical asset allocation effects over 12 months



Manager selection effects over 12 months

Cumulative manager selection effects over 12 months



2.7 Equilibrium Growth Portfolio

Data as at:	30 June 2024	**Investment horizon:**	Seven years
Benchmark:	CPI + 6% over rolling 7-year periods	**Launch date:**	30 June 2017
Peer group:	(ASISA) South African MA High Equity	**Returns start date:**	30 June 2007

2.7.1 Returns

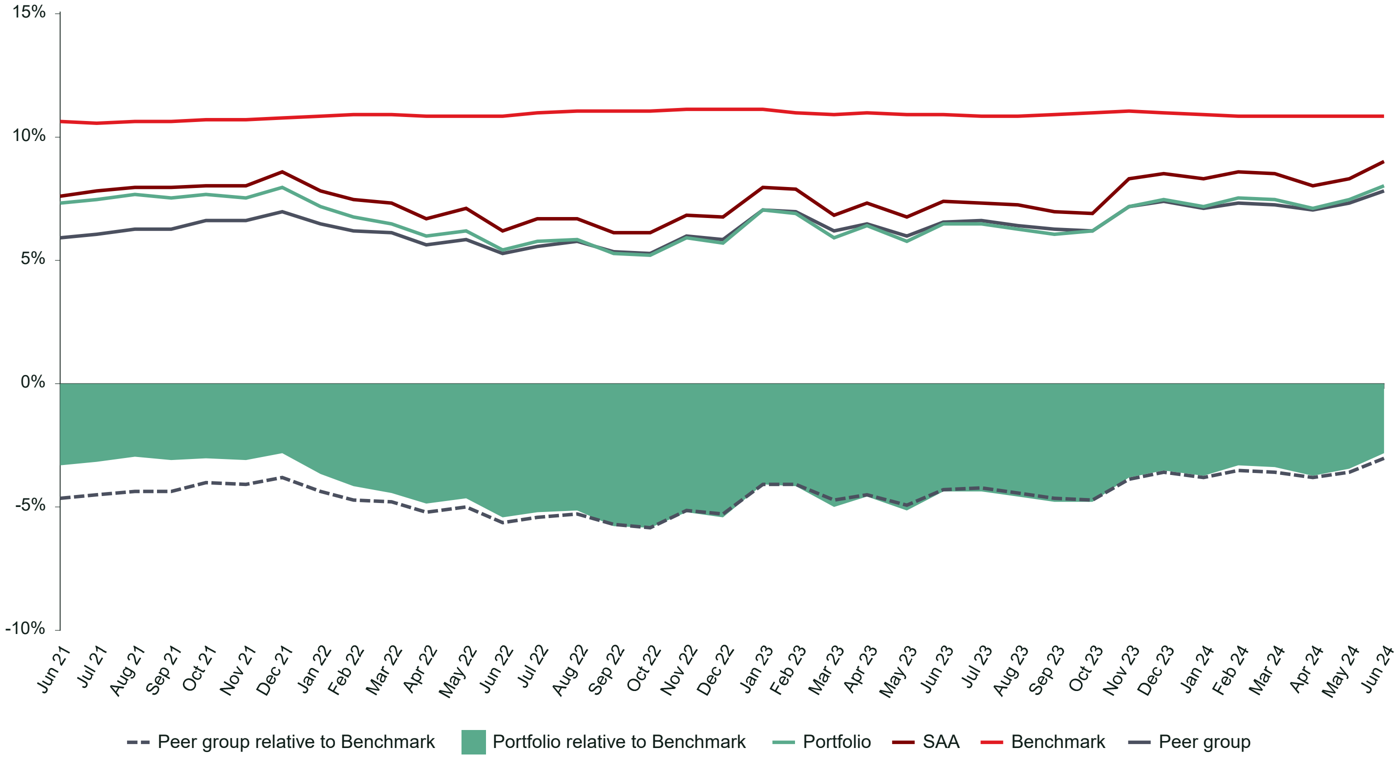
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**3.53%**	**6.02%**	**11.91%**	**9.96%**	**9.19%**	**8.03%**	**8.10%**	**8.03%**	**84**
Benchmark	2.65%	5.20%	11.21%	12.01%	11.04%	10.86%	11.02%	10.86%	
SAA	3.86%	7.02%	13.00%	11.19%	9.82%	9.01%	8.69%	9.01%	
Peer group	*3.80%*	*5.50%*	*10.31%*	*9.15%*	*8.92%*	*7.85%*	*6.89%*	*7.85%*	

SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.
Returns for all periods greater than 1y are annualised.

- The portfolio underperformed its benchmark by 2.83% p.a. over the 7-year period. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.09% over the last 12 months, net of all investment related fees.

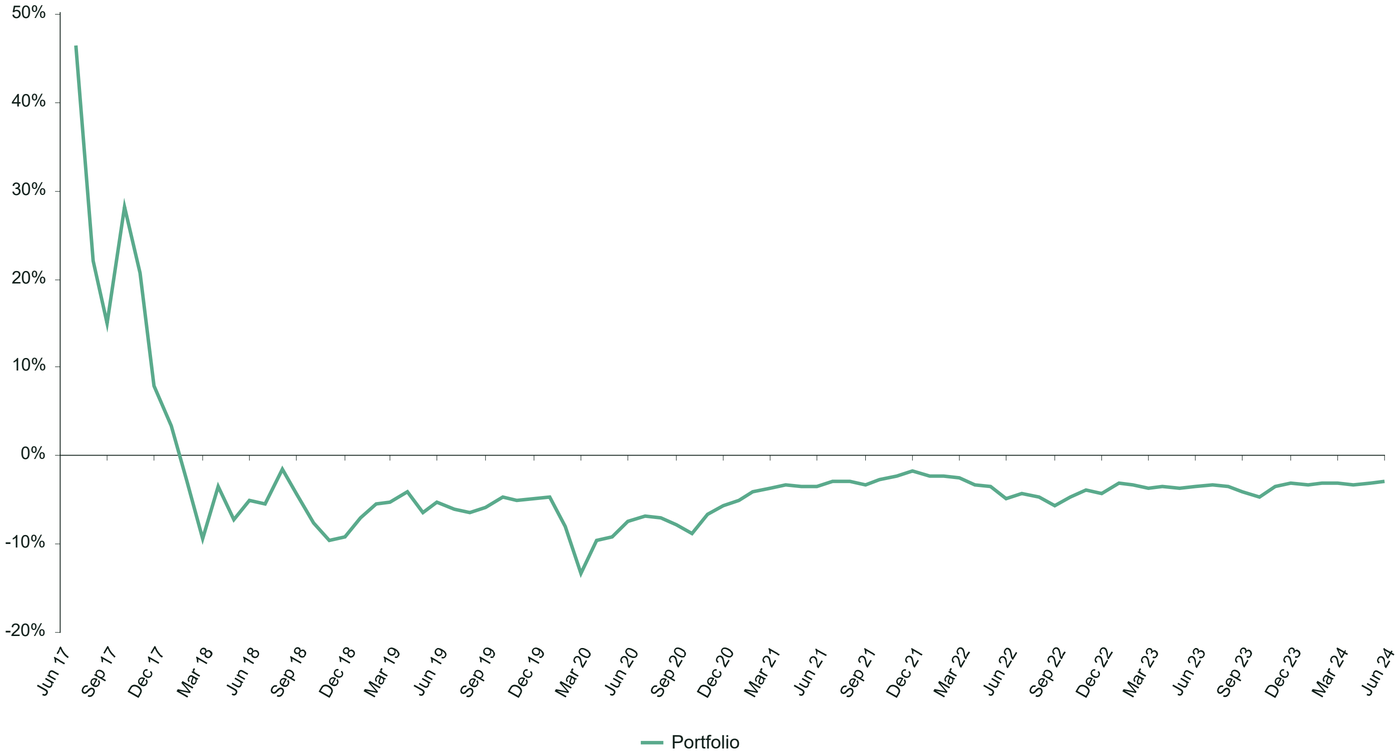
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	37	
Periods of outperformance	**0**	*0*
Realised probability of outperformance	**0%**	*0%*
Maximum outperformance	**-**	-
Maximum underperformance	**-5.86%**	*-5.82%*

- Over the period, neither the portfolio nor the peer group outperformed the benchmark over the rolling 7-year periods.

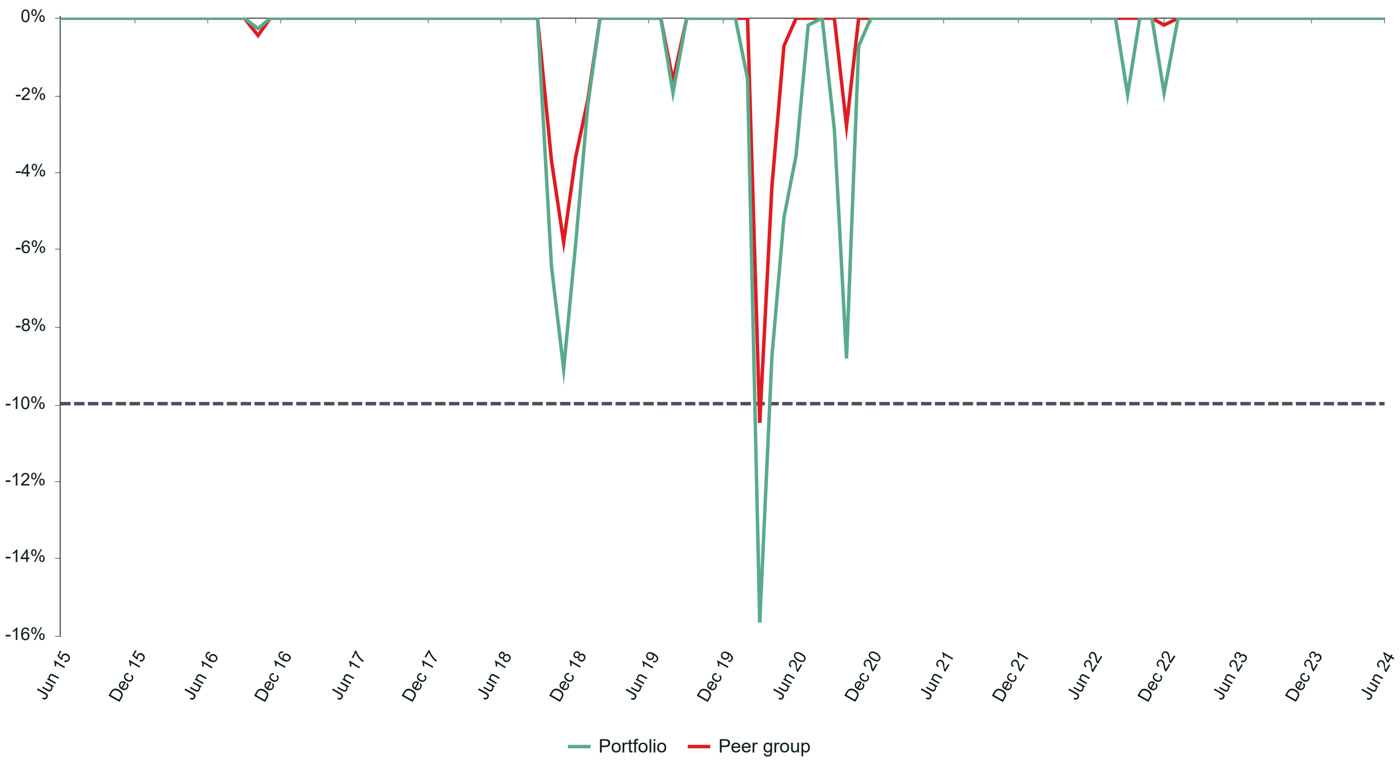
Portfolio relative to benchmark



- Over the measurement period, the portfolio's annualised returns relative to its goal were mainly below its target due to the weak returns from growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark, however this reversed owing to the sell-off in 2022 as market volatility remained. The recovery towards the end of the measurement period has seen a trend reversal and a reduction in shortfall, with the portfolio drawing closer to its benchmark.

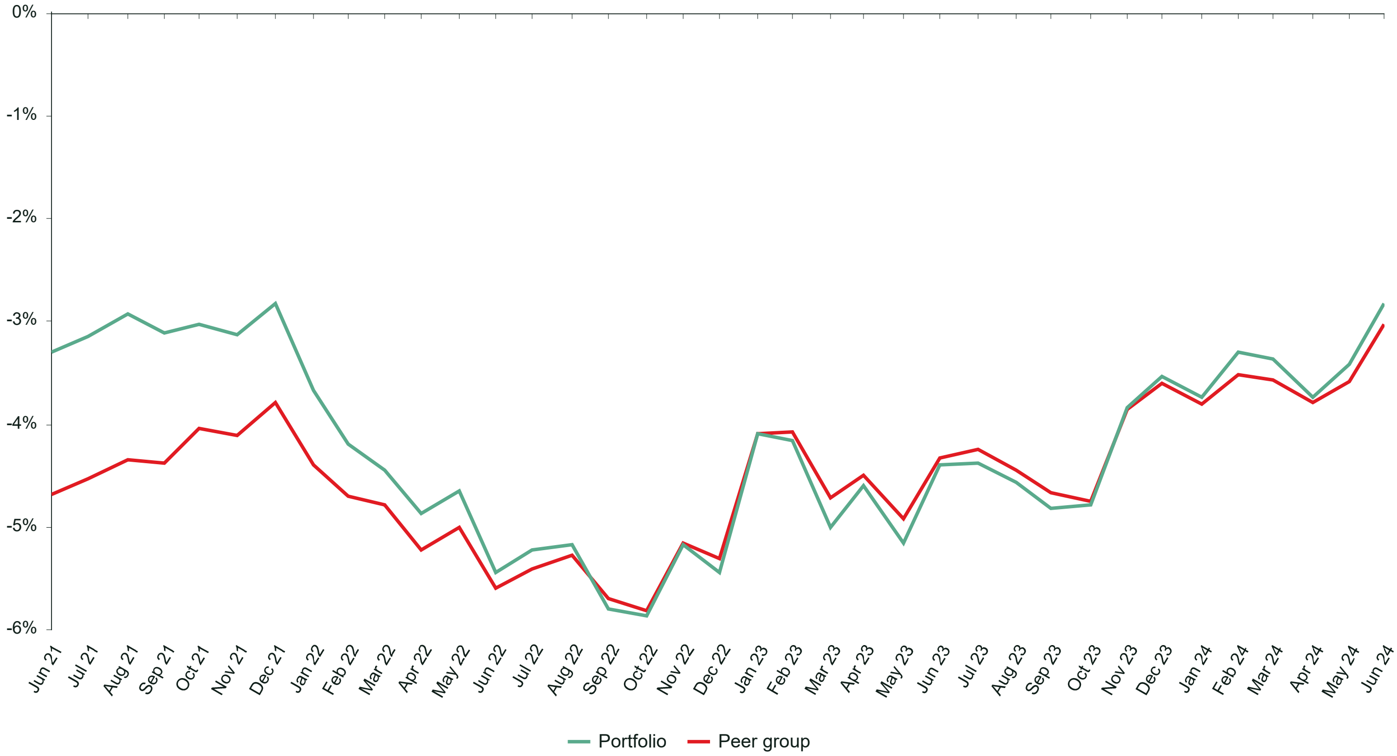
2.7.2 Risk

Rolling 1-year absolute drawdown over 10 years



- The portfolio breached the acceptable drawdown level of 10% once.

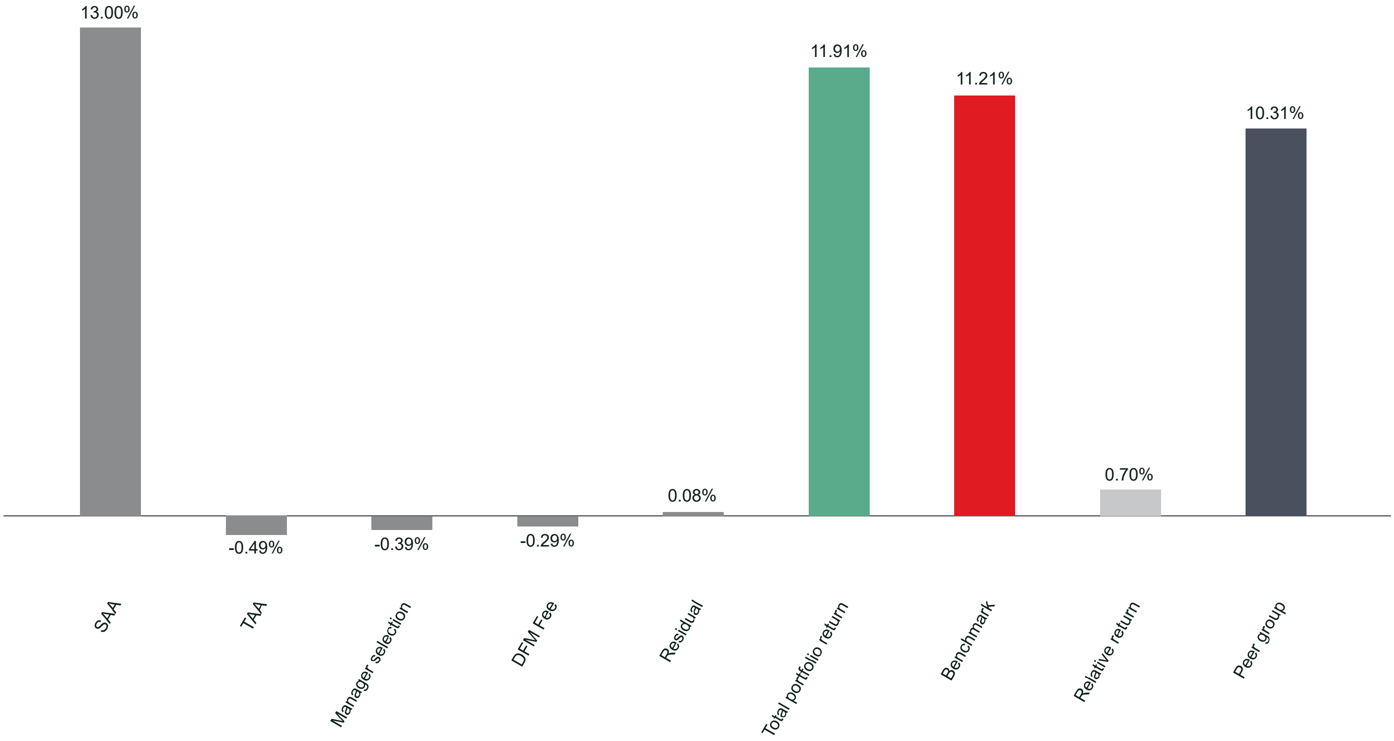
Rolling investment horizon absolute drawdown over 10 years



- The portfolio underperformed its benchmark but performed better than peers. Medium and high-risk South African multi asset portfolios have found it difficult to outperform their respective CPI + targets predominantly due to growth asset classes underperforming our long-term expectations.

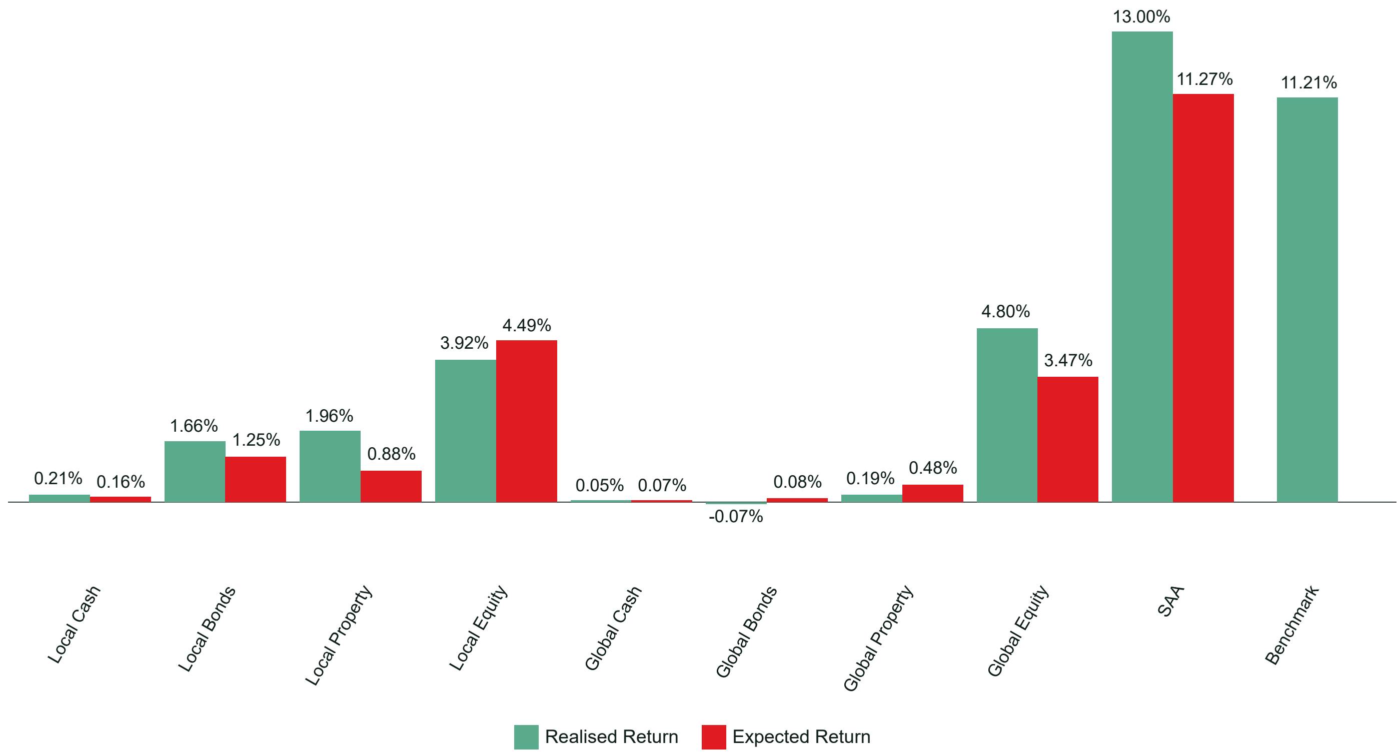
2.7.3 Performance attribution

Total return attribution over 12 months



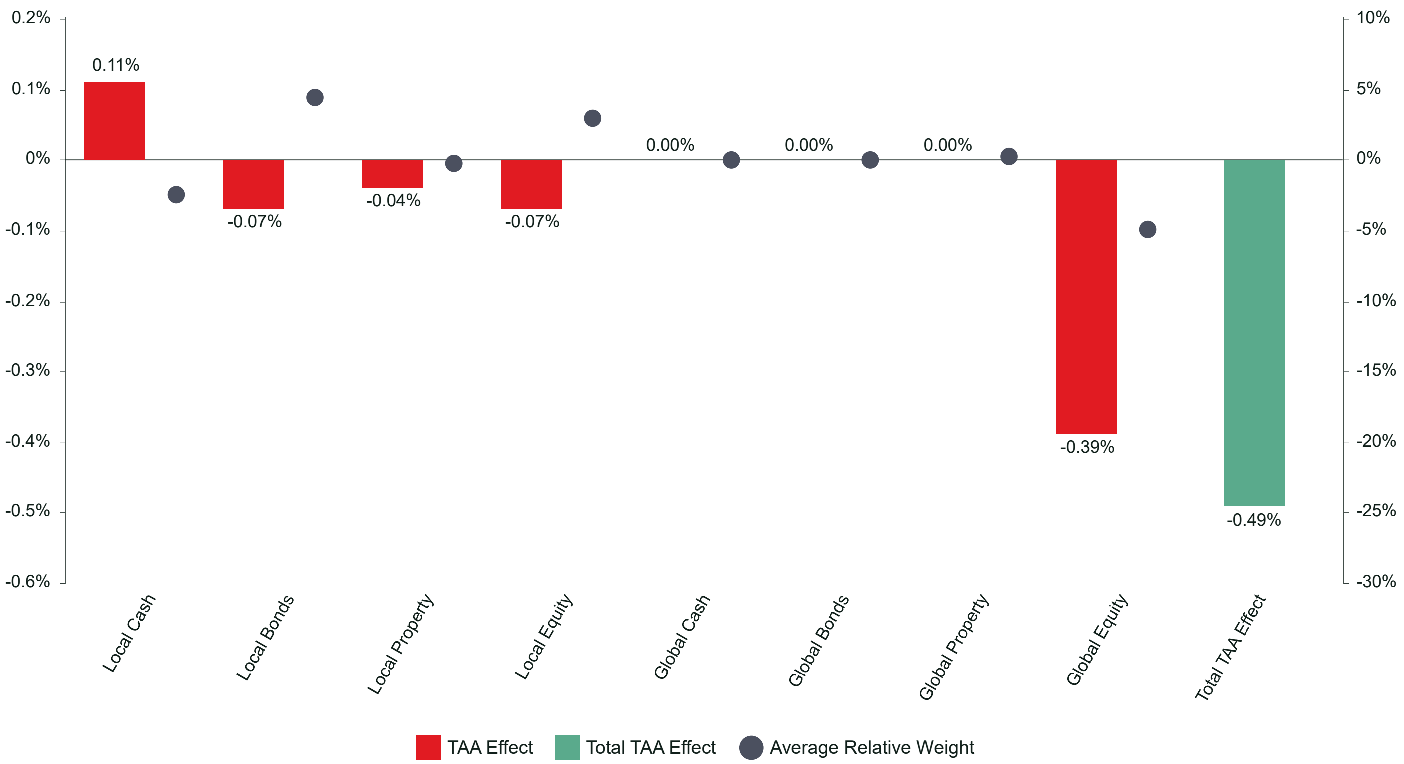
- Both tactical asset allocation and manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



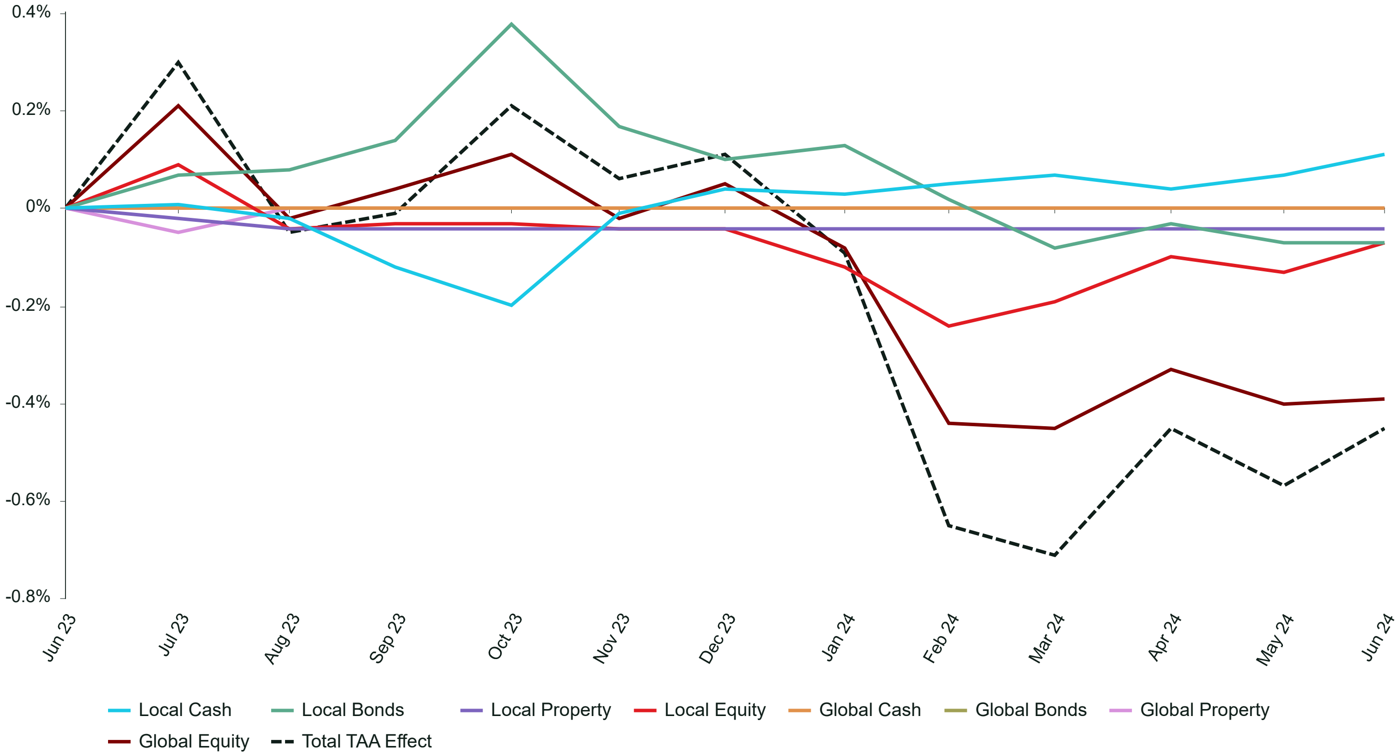
- Global equity continues to outperform long term expectations due to a strong market while local bonds and local property also outperformed our long-term expectations due to positive investor sentiment following the outcome of the South African elections.

Tactical asset allocation effects over 12 months



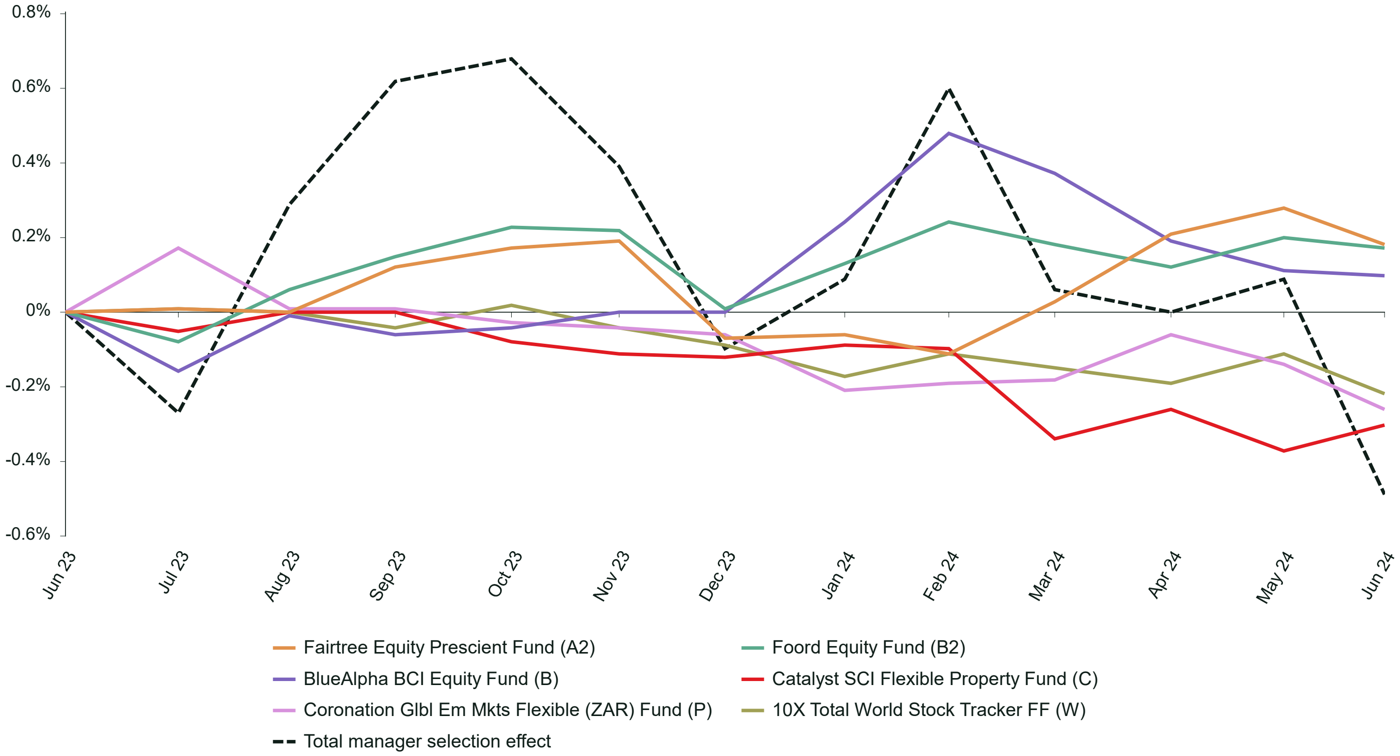
- The underweight position to local cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

Cumulative tactical asset allocation effects over 12 months



Manager selection effects over 12 months

Cumulative manager selection effects over 12 months



2.8 Equilibrium Unconstrained Portfolio

Data as at: 30 June 2024
Benchmark: CPI + 6% over rolling 7-year periods
Peer group: (ASISA) Wwide MA Flexible

Investment horizon: Seven years
Launch date: 30 June 2017
Returns start date: 30 June 2007

2.8.1 Returns

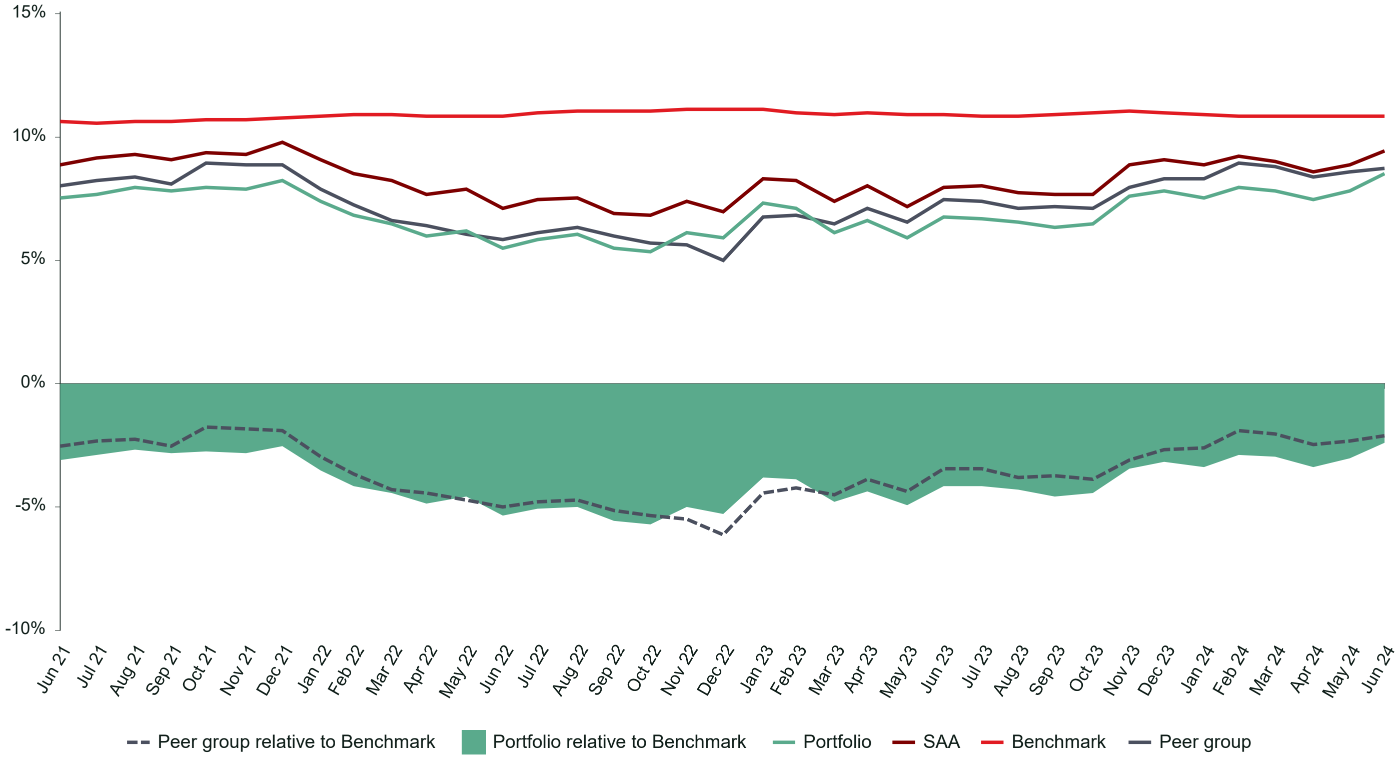
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**3.57%**	**6.31%**	**12.21%**	**10.07%**	**9.66%**	**8.49%**	**8.28%**	**8.49%**	**84**
Benchmark	2.65%	5.20%	11.21%	12.01%	11.04%	10.86%	11.02%	10.86%	
SAA	3.86%	7.02%	13.00%	11.09%	10.24%	9.47%	9.53%	9.47%	
Peer group	*0.60%*	*6.19%*	*10.60%*	*8.82%*	*9.87%*	*8.76%*	*8.28%*	*8.76%*	

SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.
Returns for all periods greater than 1y are annualised.

- The portfolio underperformed its benchmark by 2.37% p.a. over the 7-year period. It also underperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.79% over the last 12 months, net of all investment related fees.

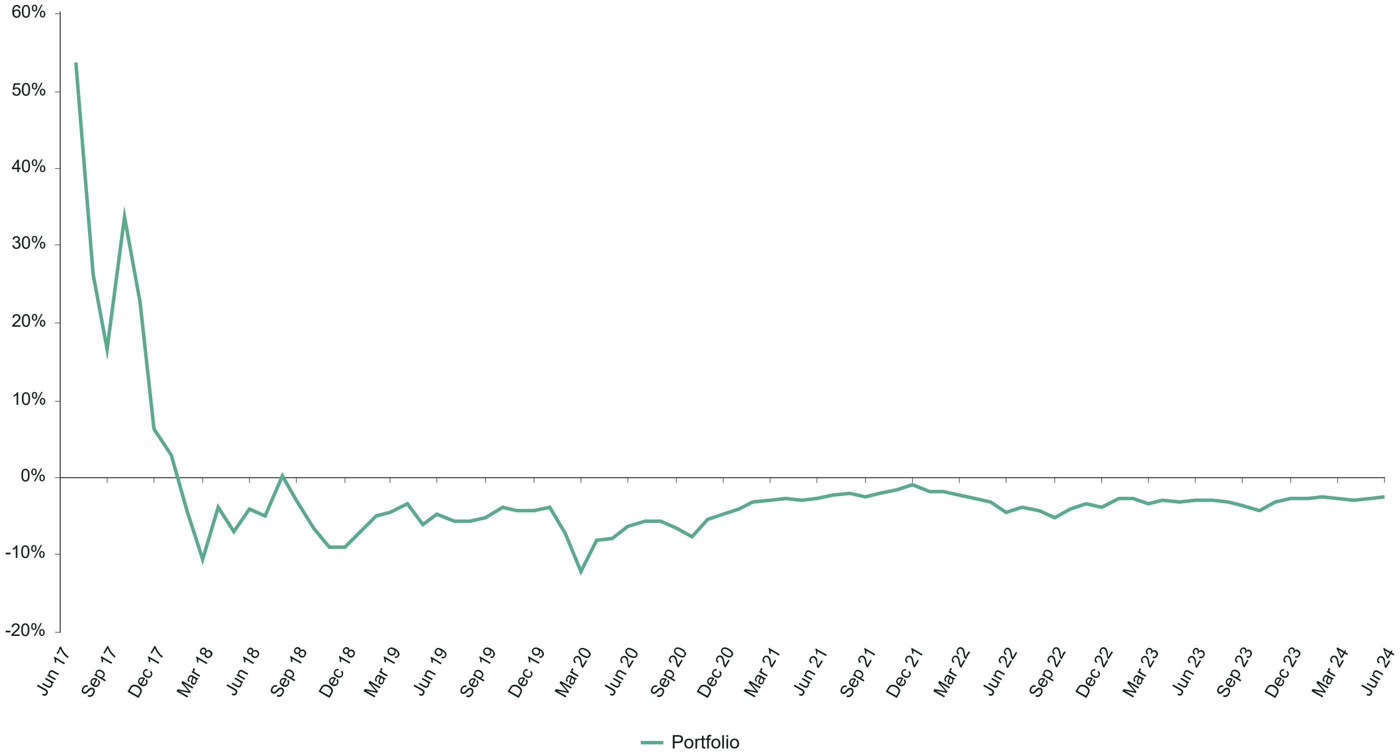
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	37	
Periods of outperformance	**0**	*0*
Realised probability of outperformance	**0%**	*0%*
Maximum outperformance	**-**	-
Maximum underperformance	**-5.73%**	*-6.12%*

- Over the period, neither the portfolio nor the peer group outperformed the benchmark over the rolling 7-year periods.

Portfolio relative to benchmark



- Over the measurement period, the portfolio's annualised returns relative to its goal were mainly below its target due to the weak returns from growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark, however this reversed owing to the sell-off in 2022 as market volatility remained. The recovery towards the end of the measurement period has seen a trend reversal and reduction in shortfall, with the portfolio drawing closer to its benchmark.

2.8.2 Risk

Rolling 1-year absolute drawdown over 10 years

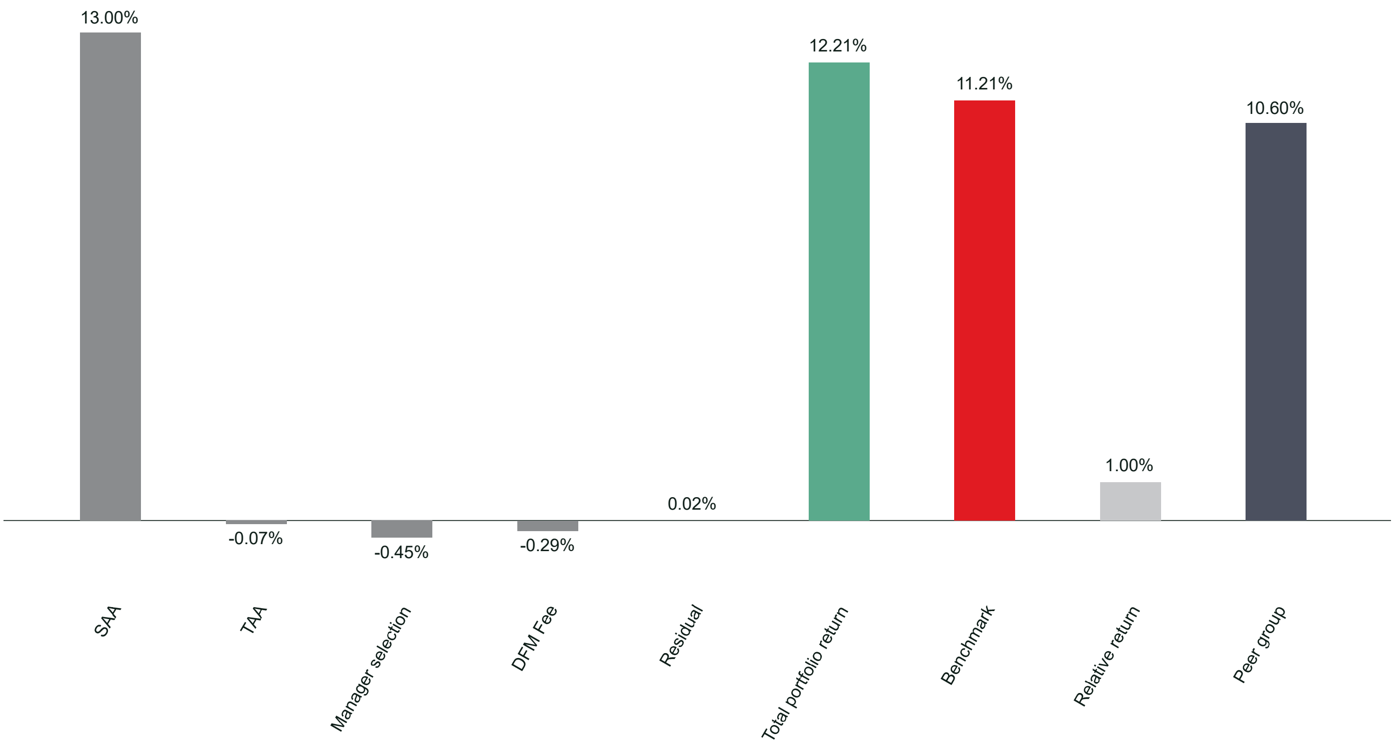
- The portfolio breached the acceptable drawdown level of 10% once.

Rolling investment horizon absolute drawdown over 10 years

- The portfolio underperformed its benchmark on a rolling basis as medium and high-risk South African multi asset portfolios have found it difficult to outperform their respective CPI + targets predominantly due growth asset classes underperforming long-term expectations.

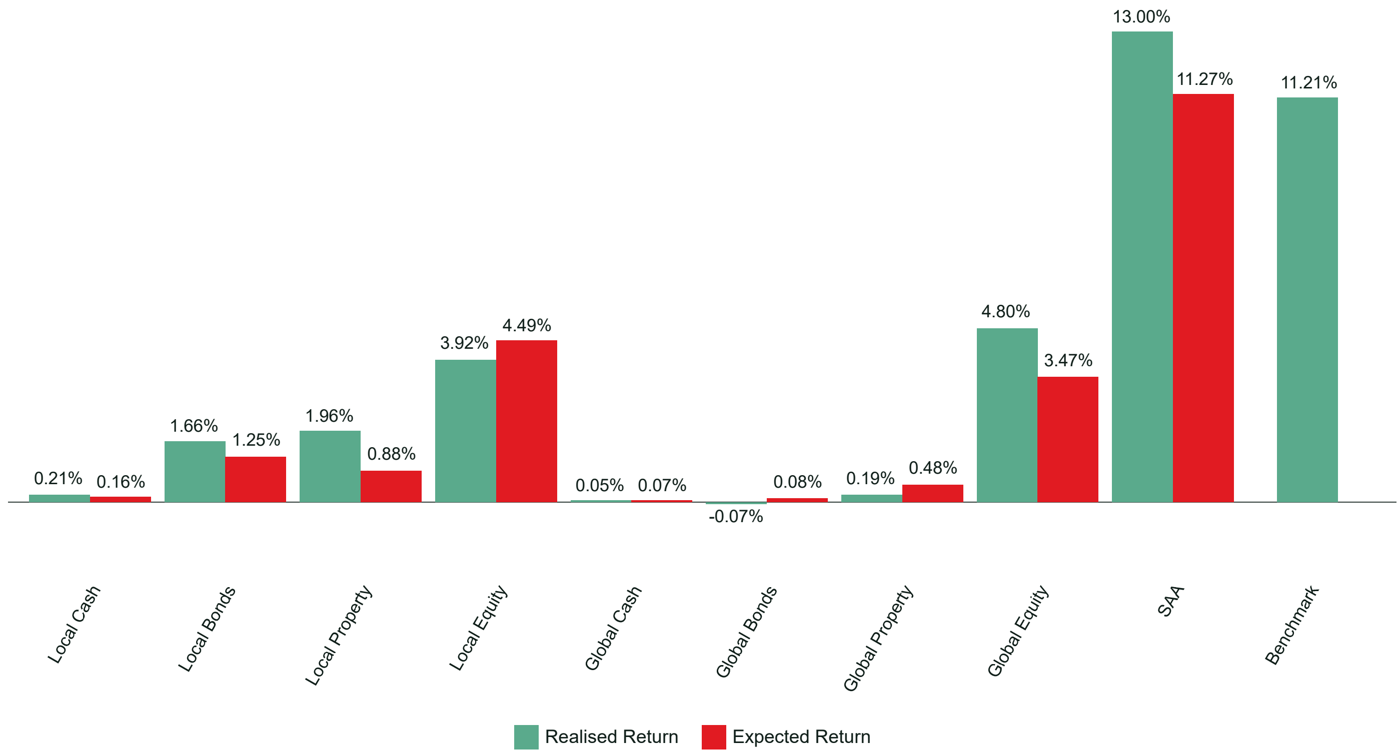
2.8.3 Performance attribution

Total return attribution over 12 months



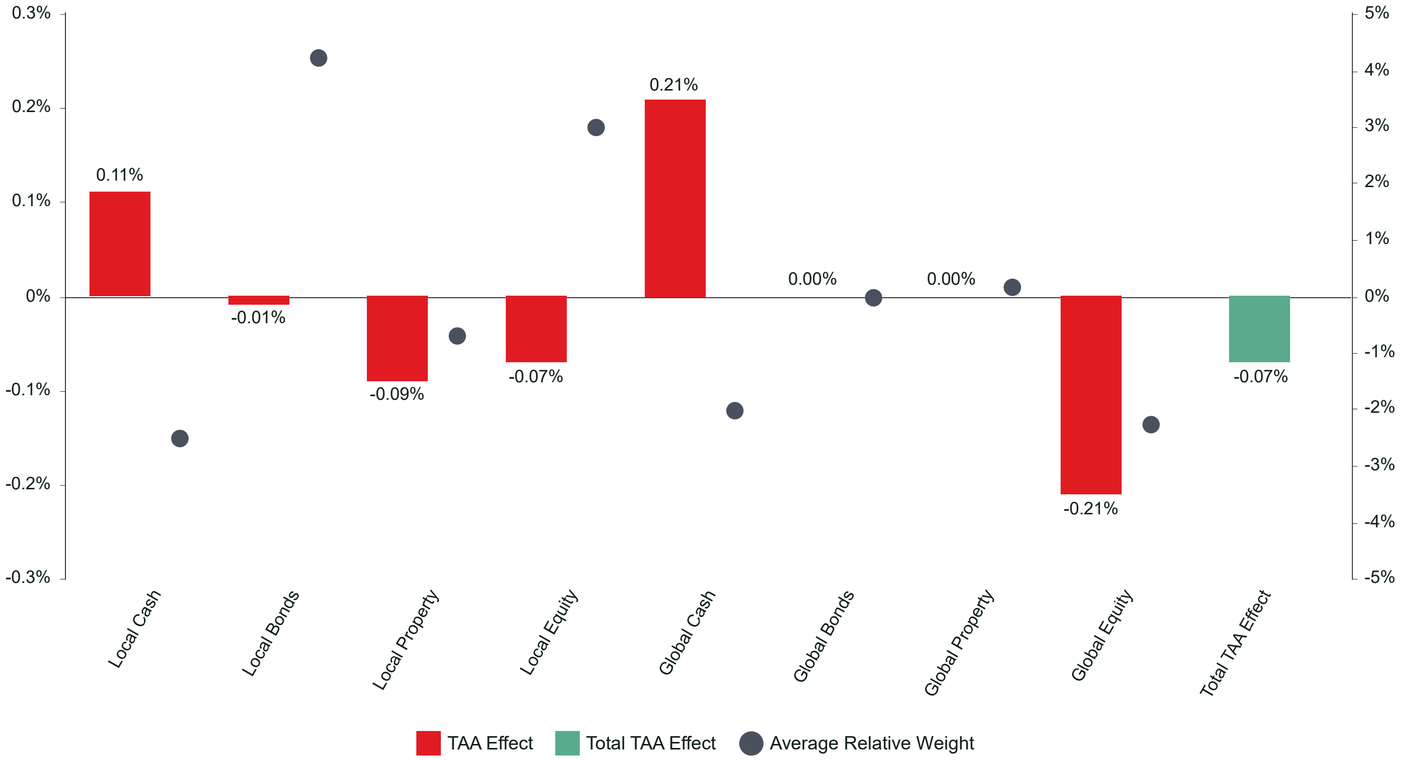
- Manager selection detracted from the strategic asset allocation (SAA) return while the tactical asset allocation effect was marginal over the last 12 months.

Strategic asset allocation effects over 12 months



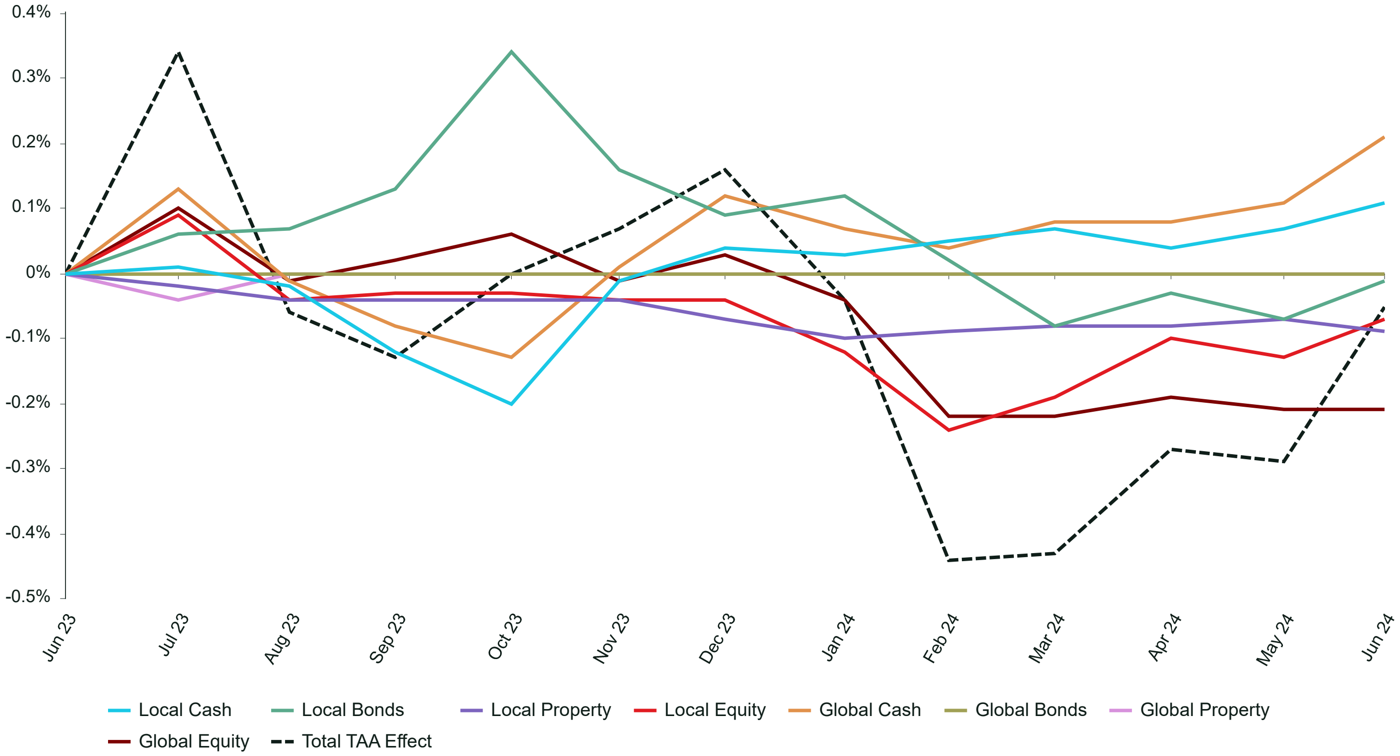
- Global equity continues to outperform long term expectations due to a strong market while local bonds and local property also outperformed our long-term expectations due to positive investor sentiment following the outcome of the South African elections.

Tactical asset allocation effects over 12 months



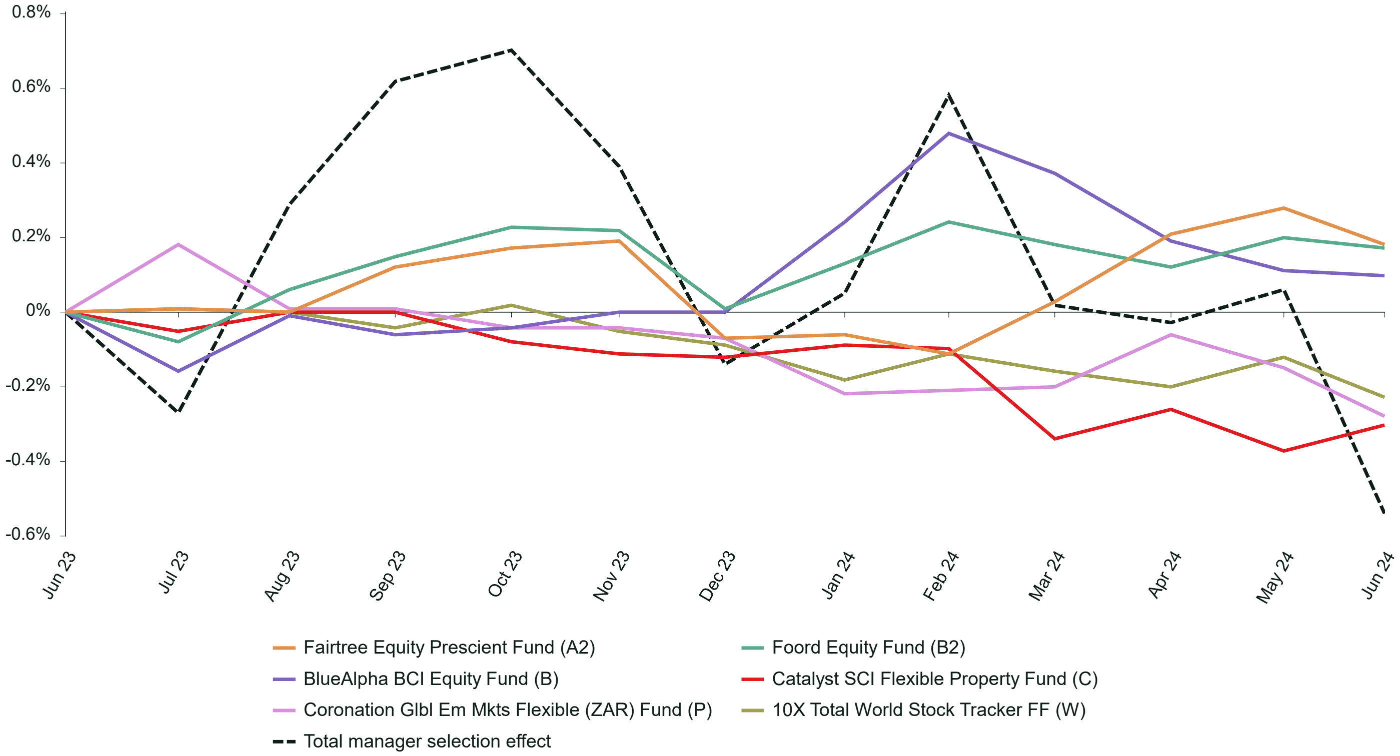
- The underweight position to global cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

Cumulative tactical asset allocation effects over 12 months



Manager selection effects over 12 months

Cumulative manager selection effects over 12 months



3. Risk and return expectations

3.1 Value-at-Risk and realistic expected real returns

Portfolio	Value-at-Risk over 12mths with 95% likelihood	Expected real return over investment horizon with 70% likelihood
Equilibrium Conservative	0.10%	1.07%
Equilibrium Stable	-3.08%	1.95%
Equilibrium Moderate	-4.61%	2.90%
Equilibrium Balanced	-6.71%	3.55%
Equilibrium Growth	-8.21%	4.19%
Equilibrium Unconstrained	-8.21%	4.19%

3.2 Forward looking probabilities of achieving stated benchmarks

Portfolio	Current
Equilibrium Conservative	62.77%
Equilibrium Stable	60.38%
Equilibrium Moderate	62.13%
Equilibrium Balanced	61.94%
Equilibrium Growth	46.57%
Equilibrium Unconstrained	46.57%

4. Current positioning & changes/recommendations

4.1 Asset class house views

Asset Class	Q1 2024	Q2 2024
Local		
Local Bonds	Neutral	Neutral
Local Property	Neutral	Neutral
Local Equity	Neutral to Overweight	Neutral to Overweight
Global		
Global Cash	Neutral	Neutral
Global Bonds	Neutral	Neutral
Global Property	Neutral	Neutral
Global Equity	Neutral	Neutral

4.2 House view summary

The table below summarises our views on the one-year outlook for key economic variables and asset class returns.

	Weighting bias
Growth (Q3 2024 – Q2 2025)	Logistics constraints weigh down what would have been a more positive growth outlook given a recovery in the energy availability factor on Eskom's fleet. While leadership changes have seen early signs of efficiency gains at Transnet, port and rail inefficiencies are likely to remain a drag on growth.
Inflation1 (end of period)	Headline inflation should continue moderating in the coming quarters. Lingering risks stemming from a weaker exchange rate, administered prices and geopolitically-driven higher global oil prices, nonetheless, continue to pose an upside threat to the inflation trajectory.
Currency2 (end of period)	Election uncertainty negated the positive effects of dollar weakening and a recovery in the country's terms-of-trade on the rand. A revival in risk appetite in line with global monetary easing should lead to some rand strength in the coming quarters.
Interest rates3 (end of period)	Risks to capital flows, fiscal spending pressures and persistent upside threats to inflation should keep central bank rhetoric hawkish and monetary policy restrictive in the coming months. In our view, risks are biased toward a later and/or shallower interest rate cutting cycle.
Cash4	The prospective SA real cash yield has been rising from a low level in line with policy rate increases and has stabilised around 0.7 standard deviations above its historical average. Cash is now cheaper than equities after recent sharp rate rises.
Government bonds5	SA bond yields are attractive against their own history in real terms, as well as relative to those in developed markets (DMs) and emerging markets (EMs), with part of the high real yield differential due to a high fiscal risk premium.
Inflation-linked bonds (ILBs)	Break-even widening and above-average monthly accruals in 2024 in line with a rising expected inflation trend should fundamentally support ILBs this year.
Listed property6	Vacancies, rental income and reversion rates have been improving from a low base in the SA listed property sector. However, future property returns are constrained by a recent strong performance.
Equities7	The SA equity market is not geographically highly exposed to SA factors. Although SA earnings have matched the rest of the world (ex US) since 2007, this has not been reflected in share prices. SA equities still trade at huge valuation discounts to the rest of the world and its own history.
Global equities8	Global equity performance after the first Fed rate cut has historically only been strong when there was no recession. However, expensive (US) valuation remains the big constraint for future global equity returns.
Global bonds9	Slowing US growth into 2025 should underpin bonds due to the associated improved rate cut expectations. Absolute global bond valuations remain expensive, but the relative valuation of US bonds to equities are now very cheap versus history.
Global cash	After the sharp increase in policy rates since the early part of 2022, US cash exposure remains appealing against other asset classes. However, some expected rand strength could subtract from one-year rand returns on all global asset classes, including cash.

[1] Based on bottom-up models using the COICOP classification of underlying inflation categories
[2] We start with our view on the US dollar (driven by our views on global risk appetite, quantitative easing differentials, growth differentials and interest rate/balance sheet differentials). We then determine our view on SA's current account balance (driven by expected changes in net export prices and volumes, as well as changes in net income and dividend payments). Finally, we take a view on the net impact of the change in net foreign capital inflows. Inflation differentials are not a driver of a one-year view on the rand.
[3] Based on our view of projected headline and core inflation, inflation expectations and growth
[4] Based on the current one-year NCD rate
[5] Based on our fair value exit yield for the ten-year SA government bond benchmark, as derived from US real yields, as well as SA's country risk premium, inflation and a net supply premium
[6] Based on our property FFO exit yield forecast, our 10-year bond yield forecast and a view on the exit yield spread of property versus bonds
[7] Based on our earnings and dividend estimates, as well as the implied one-year change in market rating needed to revert to the long-term average over five years
[8] A blend of expected returns from developed markets and emerging markets. Based on our earnings and dividend estimates, as well as the implied one-year change in market rating needed to revert to the long-term average over five years
[9] A blend of expected returns from different developed market sovereign 10-year bonds, accounting for expected currency movements

What we expect will happen in the year ahead…					
Growth	**Inflation**	**Currency**	**Interest rates**	**Cash**	**Government bonds**
Logistics constraints weigh down what would have been a more positive growth outlook given an increase in renewables energy and a recovery in the energy availability factor as previous maintenance carried out now benefits Eskom's fleet. While leadership changes have seen tentative signs of efficiency gains at Transnet, port and rail inefficiencies are likely to remain a drag on growth in the near term.	Headline inflation should continue moderating in the coming quarters. While lingering risks stemming from a weaker exchange rate, administered prices and geopolitically-driven higher global oil prices continue to pose an upside threat to the inflation trajectory, rental and wage inflation are likely to remain contained in an environment of subdued demand, limiting second-round or persistent inflation pressures.	Recent favourable rand moves have left the local unit at a less stretched valuation on a real effective exchange rate basis. This shift was largely driven by dollar weakness and a recovery in the country's terms-of-trade, but this move was partly negated by election uncertainty. A revival in risk appetite in the coming quarters, as a consequence of global monetary easing, should nevertheless lead to some renewed rand strength in the coming quarters.	With the US Federal Reserve keeping interest rates high for longer, this poses a risk to capital flows to emerging markets. In addition to this, the SA Reserve Bank remains cautious on persistent upside threats to inflation and fiscal spending pressures which argue for a restrictive monetary policy stance in the coming months despite a favourable outlook on inflation.	The prospective SA real cash yield has been rising from a low level in line with policy rate increases and has stabilised around 0.7 standard deviations above its historical average. Cash has been the most expensive asset class versus bonds and equities since aggressive policy rate cuts in 2020 but is now cheaper than equities after recent sharp rate rises.	SA real bond yields are attractive against their own history, as well as relative to those in DMs and EMs, with part of the high real yield differential due to a high fiscal risk premium. Current SA yield spreads are very attractive against historical averages. SA bonds have consistently been cheaper than local equities and cash since 2013 and is now the cheapest in 21 years.
ILBs	**Listed property**	**Equities**	**Global equities**	**Global bonds**	**Global cash**
Break-even widening and some above-average monthly accruals in 2024 in line with the rising expected inflation trend should fundamentally support ILBs in the near term. But sharp break-even tightening and mostly lower-than-average accruals in 2025 as inflation falls should be less favourable for ILBs from later this year.	Vacancies are improving across all property sectors, but still-high Office vacancies are keeping the overall sector average high. Rental growth is recovering, with net operating income and earnings growth reverting to pre-pandemic levels. There is also improvement in reversions, mainly from the Retail and Industrial sectors. However, future property returns are constrained by a recent strong performance.	The SA equity market is not geographically highly exposed to SA factors. Although SA earnings have matched the rest of the world (ex US) since 2007, this has not been reflected in share prices. As such, SA equities still trade at huge valuation discounts to the rest of the world and its own history. Assuming a conservative 13% earnings growth in the next year, the SA equity market is now 0.9 standard deviations cheap against the average since 1999.	Slowing US growth into 2025 should underpin equities due to the associated improved rate cut expectations, but could be less supportive for equities if profit fears emerge. Global equity performance after the first Fed rate cut has historically only been strong when there was no recession. Expensive (US) valuation remains the big constraint for future global equity returns. The relative valuation of US equities to bonds is increasingly expensive versus history.	US bond yields have consistently been positively correlated with US growth news in recent years. Slowing US growth into 2025 should underpin bonds due to the associated improved rate cut expectations. Absolute global bond valuations remain expensive, but the relative valuation of US bonds to equities are now very cheap versus history. US bonds are now trading at a discount to US equities, a rarity this century.	After the sharp increase in policy rates since the early part of 2022, US cash exposure remains appealing against other asset classes. However, some expected rand strength could subtract from one-year rand returns on all global asset classes, including cash.

4.3 Changes to the global equity building block allocations

A review of our global equity building block allocations was conducted and a decision made to replace the **10X Total World Stock Tracker Feeder Fund** with the **Curate Momentum GF Global Sustainable Equity Feeder Fund**.

The rationale for the replacement was driven by the tracking error risk noting that the 10X fund is a tracker fund with the benchmark of the fund being the FTSE Global All Cap Index. On a cumulative basis, this tracking error has resulted in a significant underperformance relative to the MSCI ACWI benchmark, as shown below:

	3m	6m	1y	3y	5y
10X Total World Stock Tracker FF (W)	-1.39%	9.99%	14.00%	13.33%	15.77%
MSCI ACWI Gross Total Return	**-0.86%**	**11.12%**	**15.88%**	**14.99%**	**17.17%**

Rationale for the inclusion of the Curate Momentum GF Global Sustainable Equity Feeder Fund

The fund blends active management with passive-like pricing with a responsible investing approach by investing in high quality, attractively valued businesses.

Key considerations:

- Seeks to deliver stable long-term outperformance of the MSCI World
- Actively managed using a systematic, multi-factor and data driven approach to selecting stocks
- Sub-advised by Robeco, an ESG (environment, social and governance) and quantitative investment specialist, and a global leading fund manager in systematic strategies
- Offers diversification and a balanced style exposure through its multi-factor exposure to sustainability, value, momentum and quality
- The historic track record displays the ability to generate consistent alpha with competitive fees relative to other systematic and active strategies.

Fee impact

We believe that the superior strategy and the expected improved longer-term outperformance relative to the benchmark, will negate the slightly higher overall TIC experience of using this fund. This is expected to range between 0.15% to 0.30% higher than the 10X fund, depending on the fee classes of both funds being used across the various platforms. These classes and the fees are shown below:

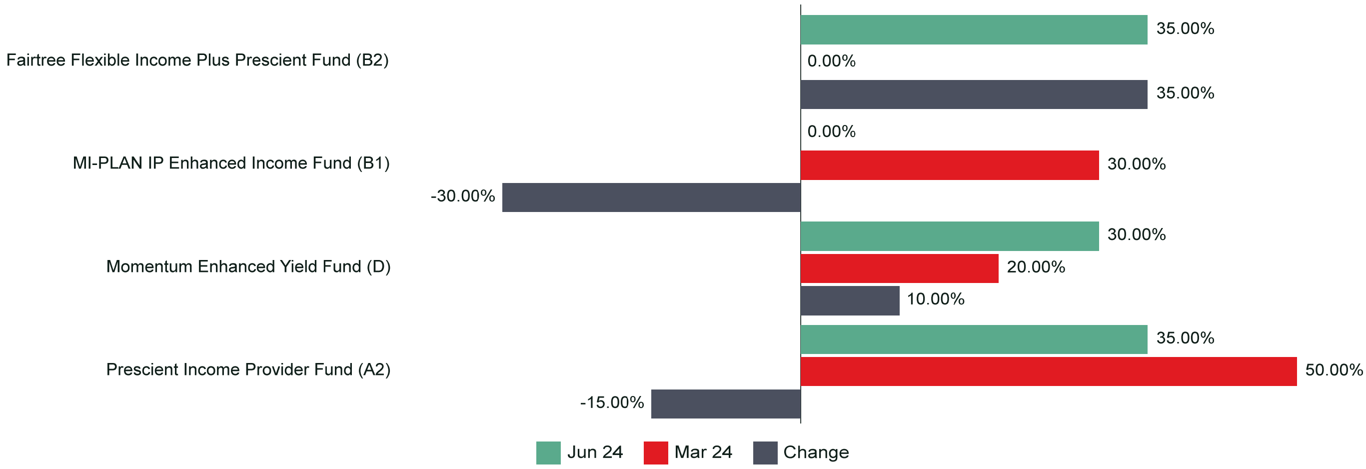
	AMF*	TIC*
Curate Momentum GF Global Sustainable Equity Feeder Fund (C)	0.23%	**0.72%**
Curate Momentum GF Global Sustainable Equity Feeder Fund (E)	0.12%	**0.53%**
10X Total World Stock Tracker Feeder Fund	0.29%	**0.40%**
10X Total World Stock Tracker Feeder Fund (W)	0.25%	**0.36%**

The E class of the Curate fund is a restricted fee class and is only available to us via the Momentum Wealth and select other platforms. Where this class was not available due to the platforms' criteria to load new funds or ability to restrict a fee class in the portfolios, the C class was used. Where the fund was not available, we continue to use the current global equity building block funds, including the 10X fund.

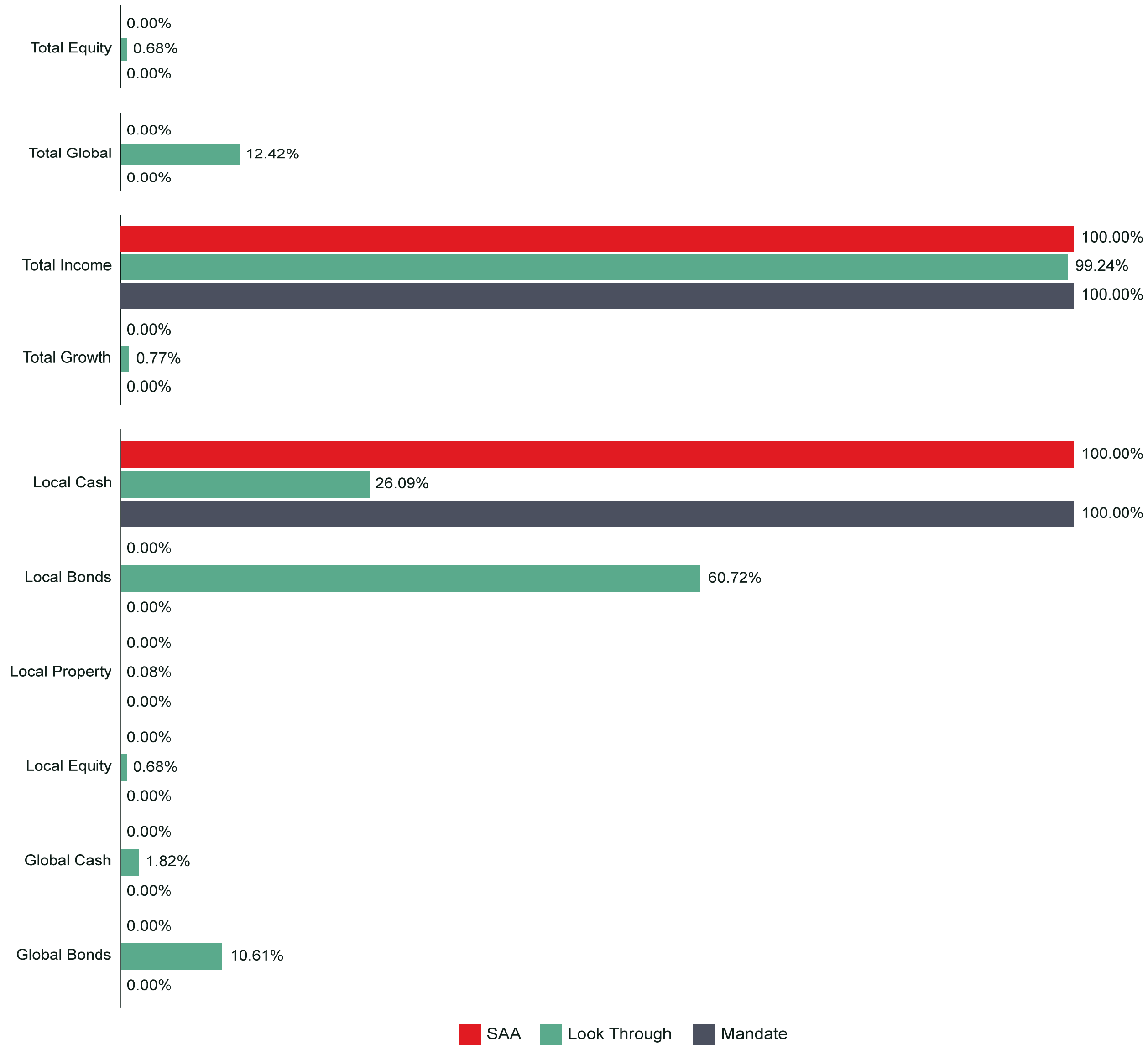
**All fees include VAT.*

4.4 Equilibrium Income Portfolio

4.4.1 Building block allocation



4.4.2 Asset allocation

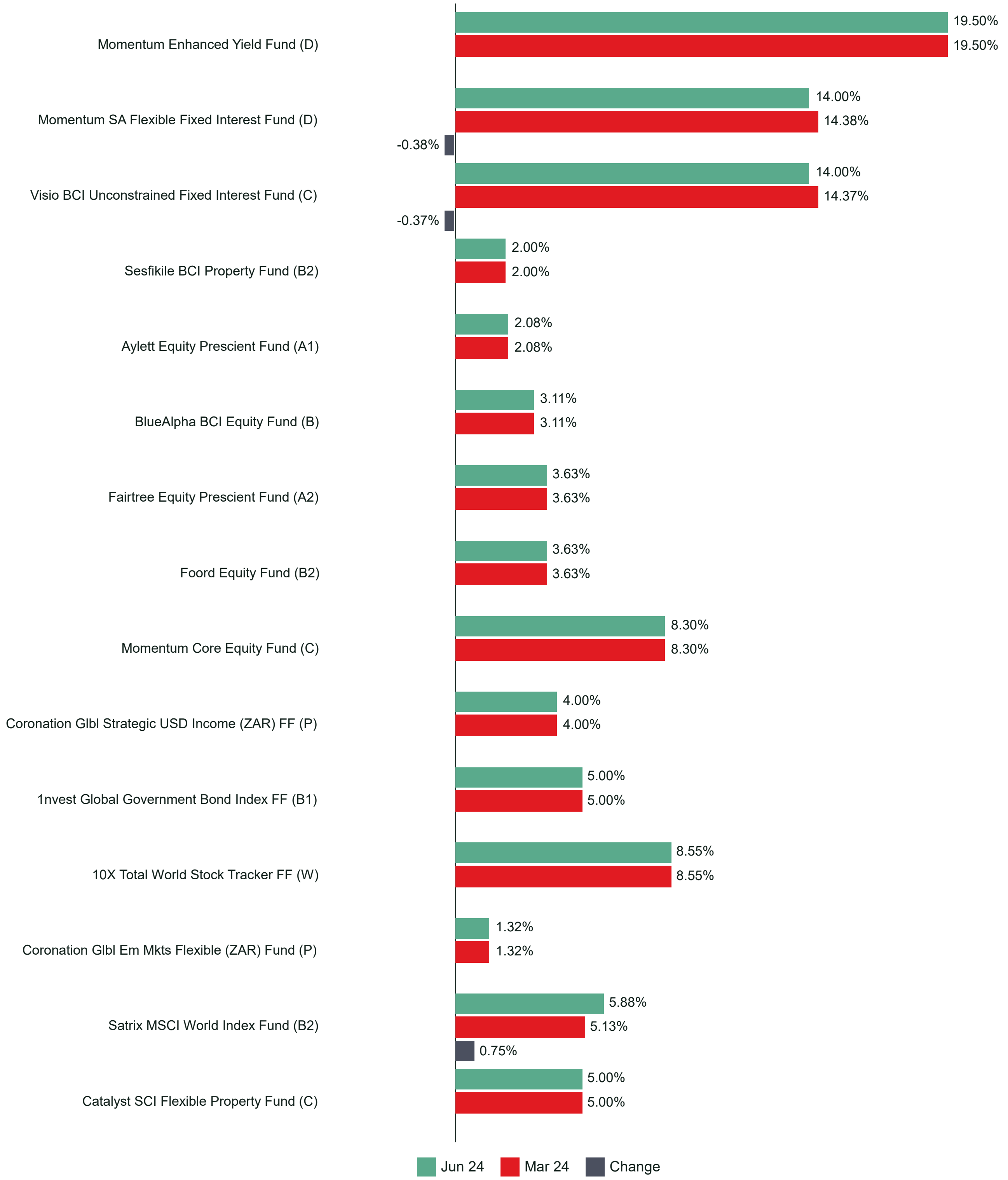


4.4.3 Portfolio changes/recommendations

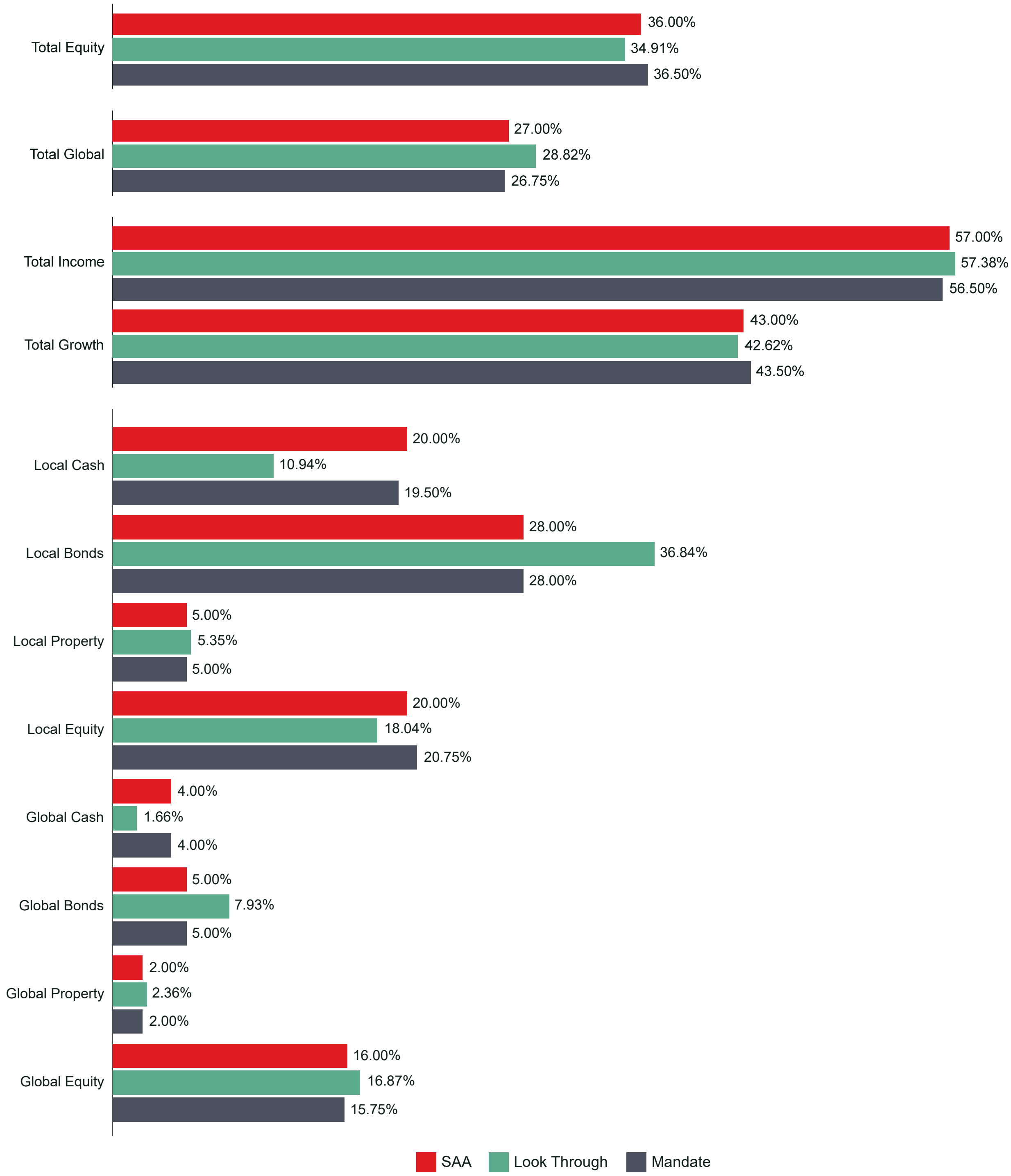
- No changes made. Rebalanced the portfolio back to ideal allocations.

4.5 Equilibrium Conservative Portfolio

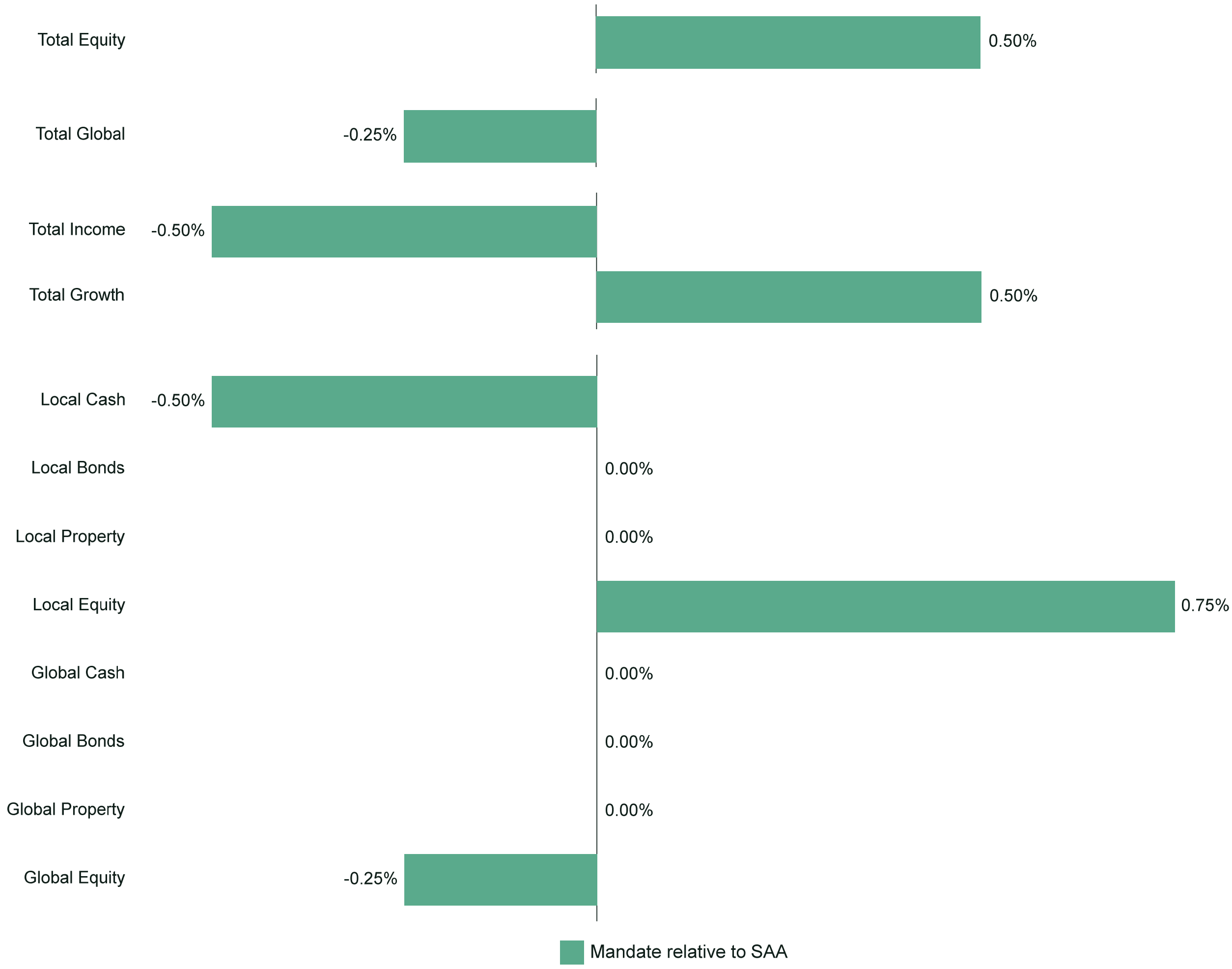
4.5.1 Building block allocation



4.5.2 Asset allocation



4.5.3 Asset allocation – Mandate relative to SAA



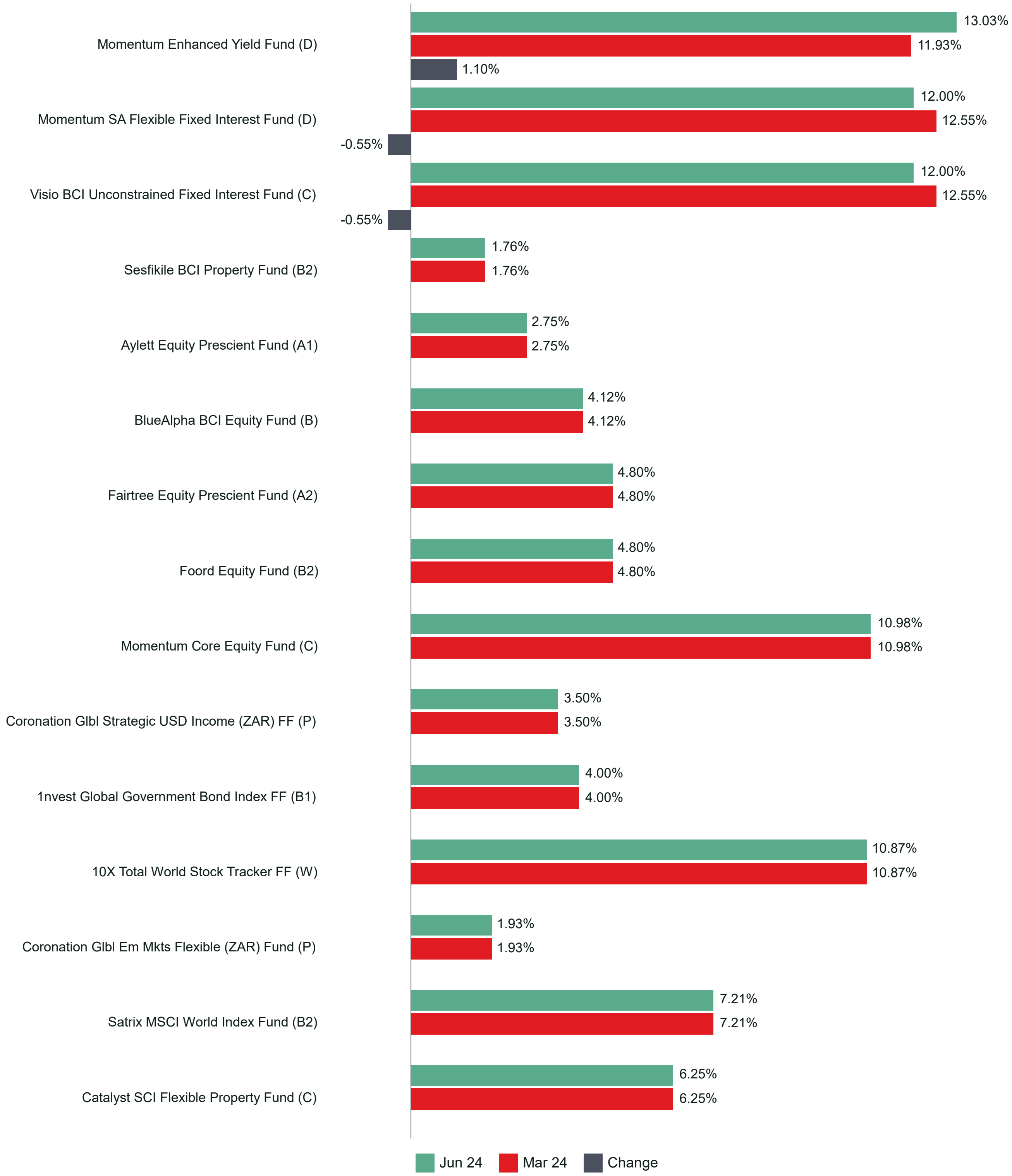
4.5.4 Portfolio changes/recommendations

Considering our asset class views, the current positioning of the portfolio and the changes discussed in section 4.3., we made the following changes:

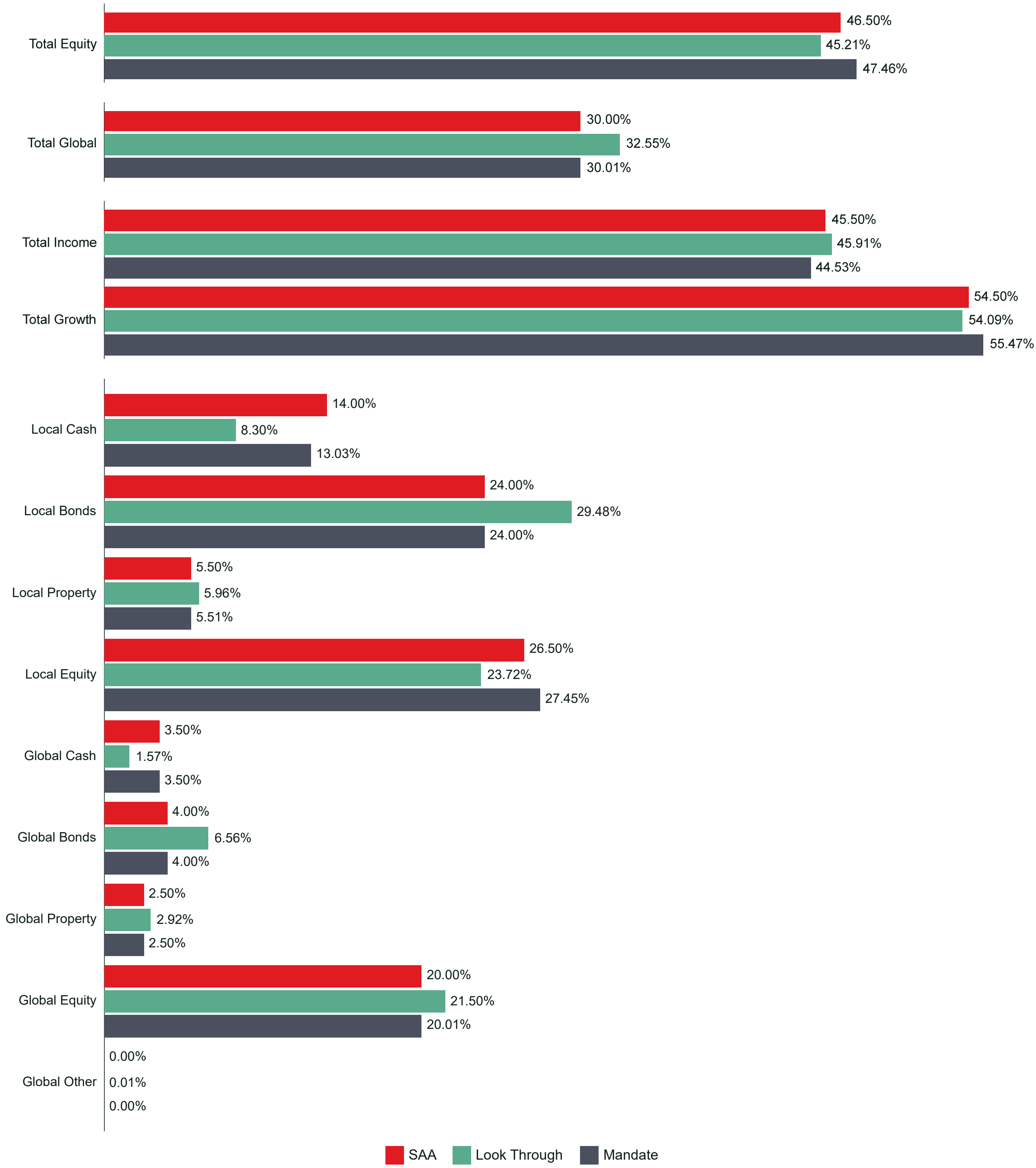
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.08%	**2.08%**	0.00%
10X Total World Stock Tracker Feeder Fund (W)	8.55%	**0.00%**	-8.55%
1NVEST Global Government Bond Index Feeder Fund (B1)	5.00%	**5.00%**	0.00%
Fairtree Equity Prescient Fund (A2)	3.63%	**3.63%**	0.00%
Foord Equity Fund (B2)	3.63%	**3.63%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	14.00%	**14.00%**	0.00%
Momentum Core Equity Fund (C)	8.30%	**8.30%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	14.00%	**14.00%**	0.00%
BlueAlpha BCI Equity Fund (B)	3.11%	**3.11%**	0.00%
Catalyst SCI Flexible Property Fund (C)	5.00%	**5.00%**	0.00%
Satrix MSCI World Index Fund (B2)	5.88%	**5.88%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	1.32%	**1.32%**	0.00%
Curate Momentum Enhanced Yield Fund (D)	19.50%	**19.50%**	0.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	4.00%	**4.00%**	0.00%
Curate Momentum Global Sustainable Equity Feeder Fund (E)	0.00%	**8.55%**	8.55%
Sesfikile BCI Property Fund (B2)	2.00%	**2.00%**	0.00%
	100.00%	100.00%	0.00%

4.6 Equilibrium Stable Portfolio

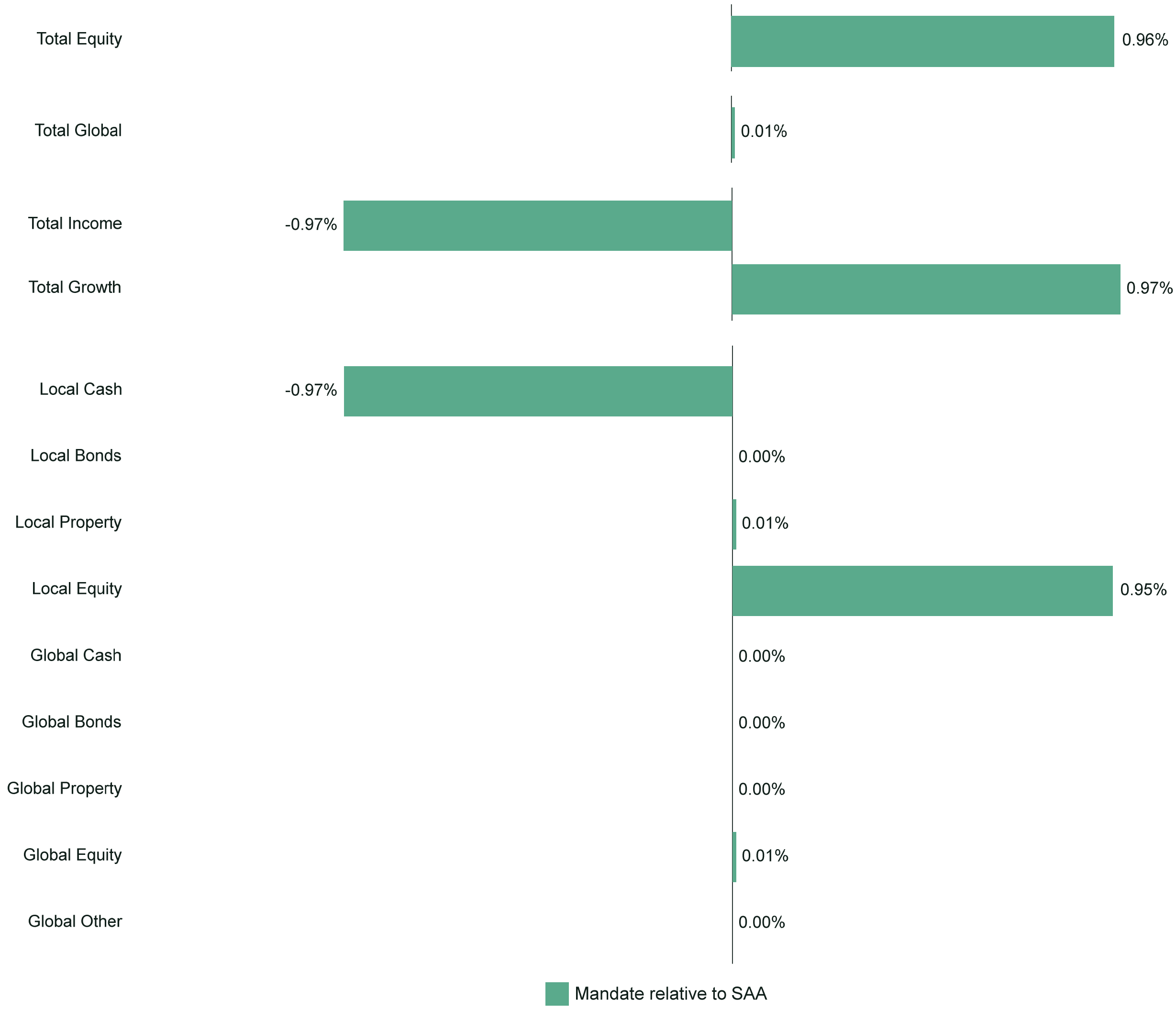
4.6.1 Building block allocation



4.6.2 Asset allocation



4.6.3 Asset allocation – Mandate relative to SAA



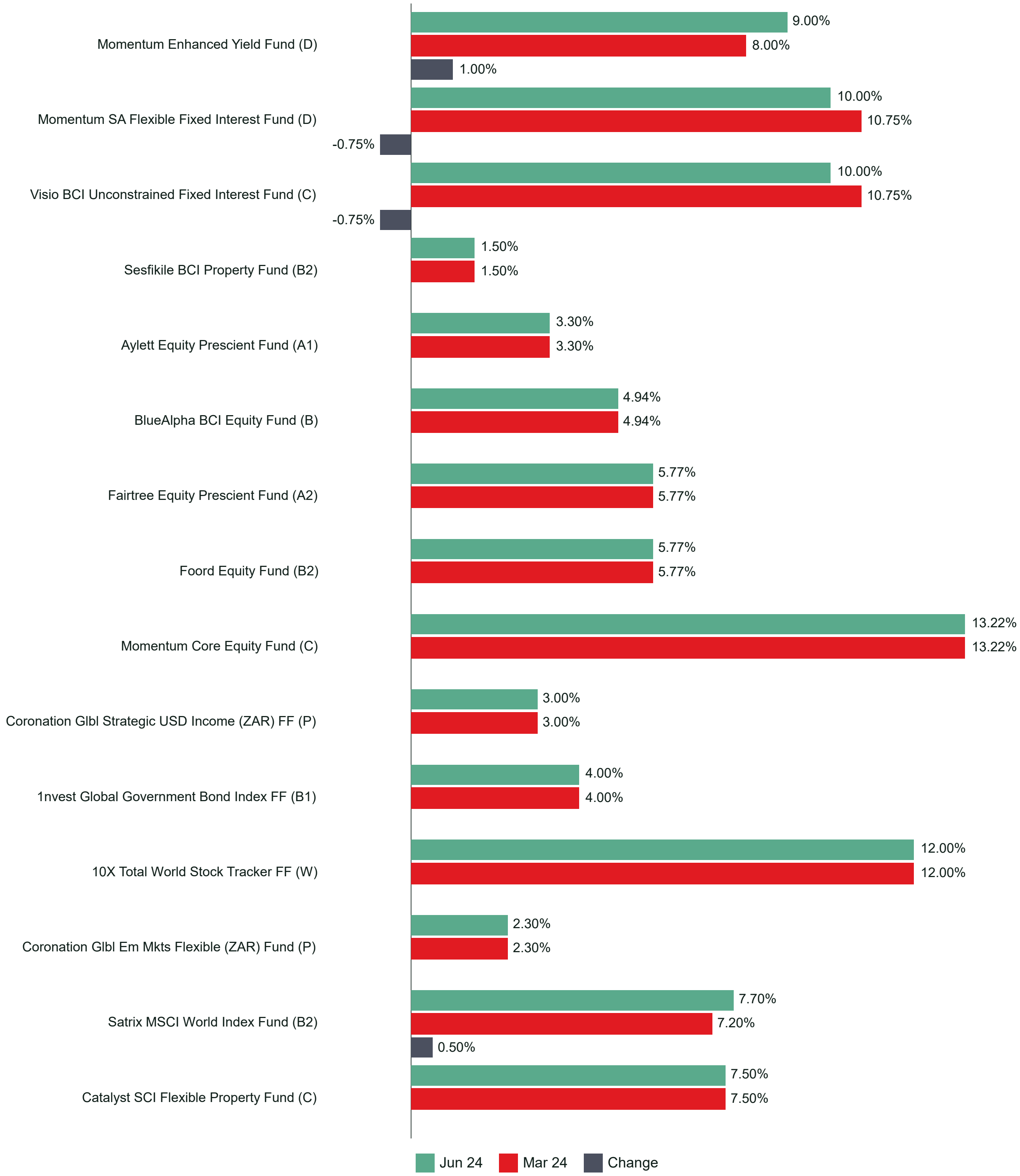
4.6.4 Portfolio changes/recommendations

Considering our asset class views, the current positioning of the portfolio and the changes discussed in section 4.3., we made the following changes:

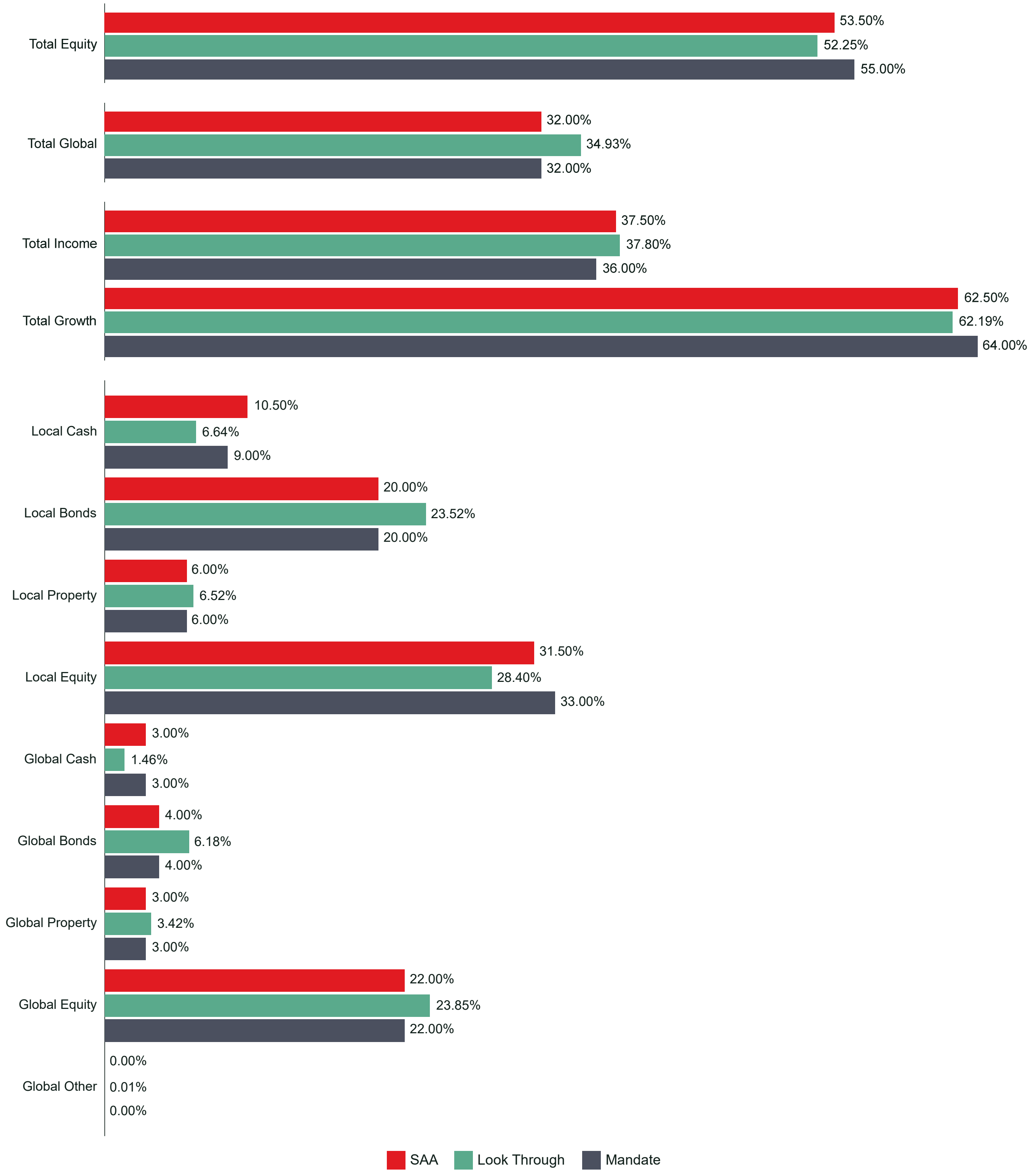
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.75%	**2.75%**	0.00%
Satrix MSCI World Index Fund (B2)	7.21%	**7.21%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	1.93%	**1.93%**	0.00%
10X Total World Stock Tracker Feeder Fund (W)	10.87%	**0.00%**	-10.87%
1NVEST Global Government Bond Index Feeder Fund (B1)	4.00%	**4.00%**	0.00%
Fairtree Equity Prescient Fund (A2)	4.80%	**4.80%**	0.00%
Foord Equity Fund (B2)	4.80%	**4.80%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	12.00%	**12.00%**	0.00%
Momentum Core Equity Fund (C)	10.98%	**10.98%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	12.00%	**12.00%**	0.00%
BlueAlpha BCI Equity Fund (B)	4.12%	**4.12%**	0.00%
Catalyst SCI Flexible Property Fund (C)	6.25%	**6.25%**	0.00%
Curate Momentum Enhanced Yield Fund (D)	13.03%	**13.03%**	0.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	3.50%	**3.50%**	0.00%
Curate Momentum Global Sustainable Equity Feeder Fund (E)	0.00%	**10.87%**	10.87%
Sesfikile BCI Property Fund (B2)	1.76%	**1.76%**	0.00%
	100.00%	100.00%	0.00%

4.7 Equilibrium Moderate Portfolio

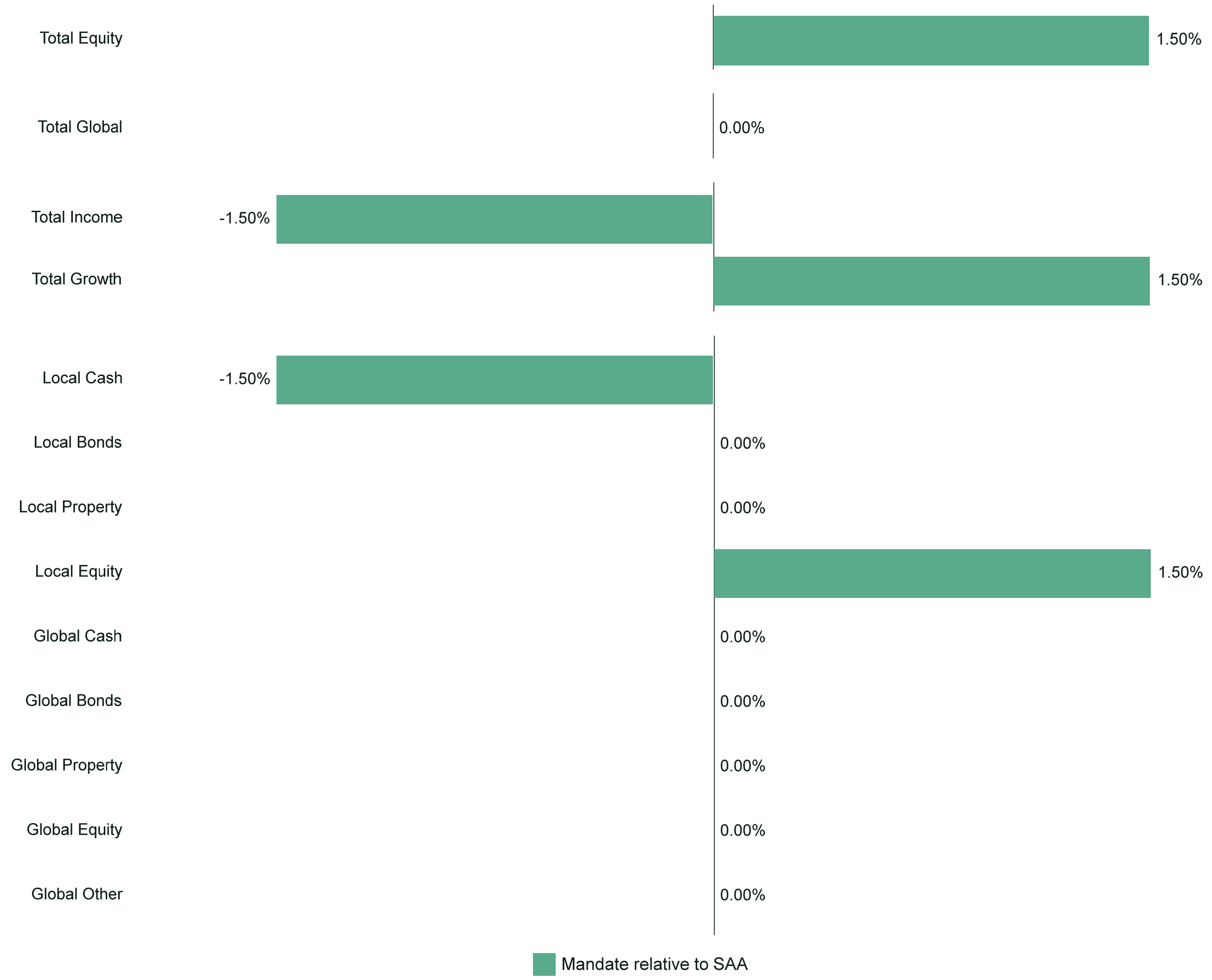
4.7.1 Building block allocation



4.7.2 Asset allocation



4.7.3 Asset allocation – Mandate relative to SAA



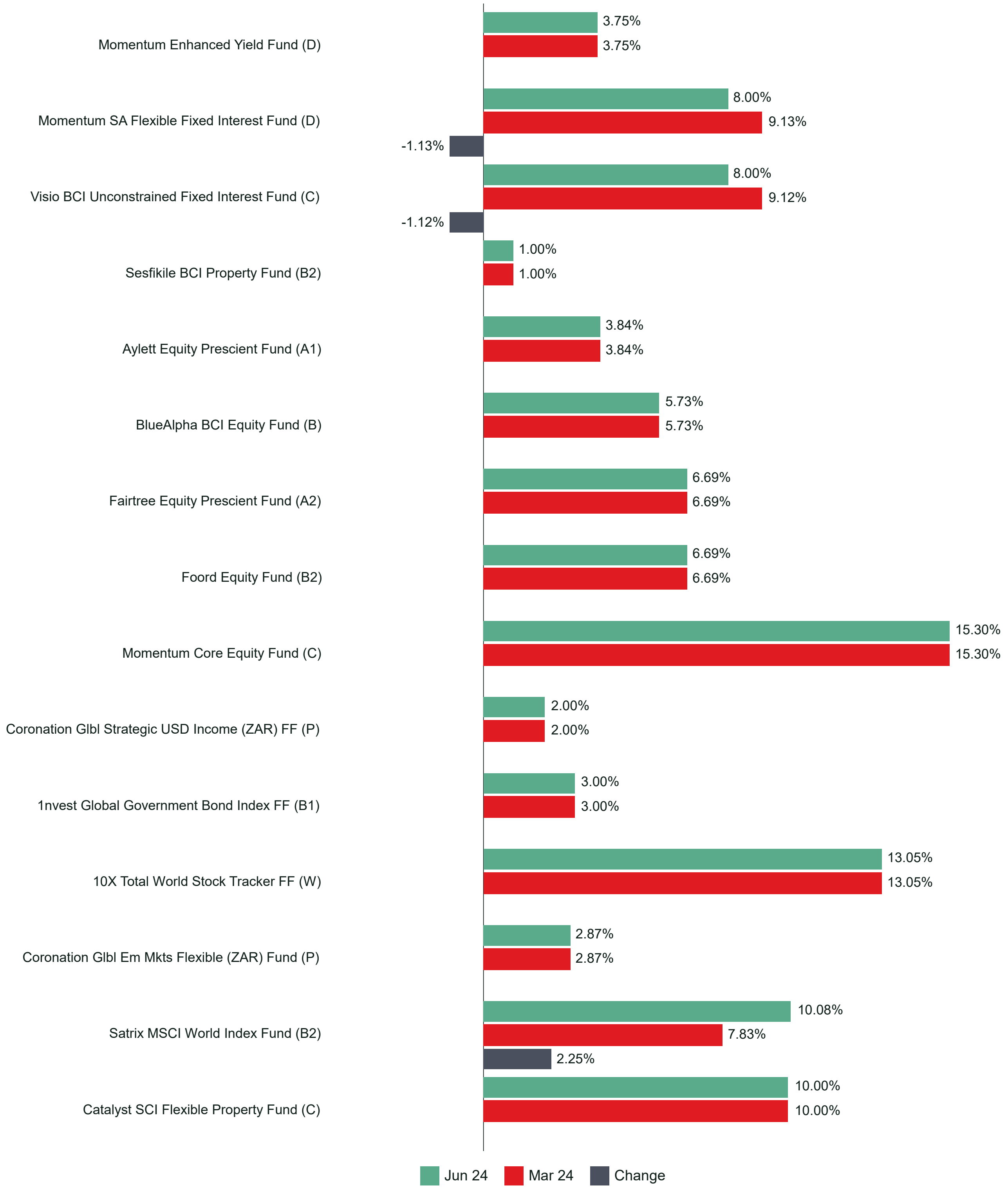
4.7.4 Portfolio changes/recommendations

Considering our asset class views, the current positioning of the portfolio and the changes discussed in section 4.3., we made the following changes:

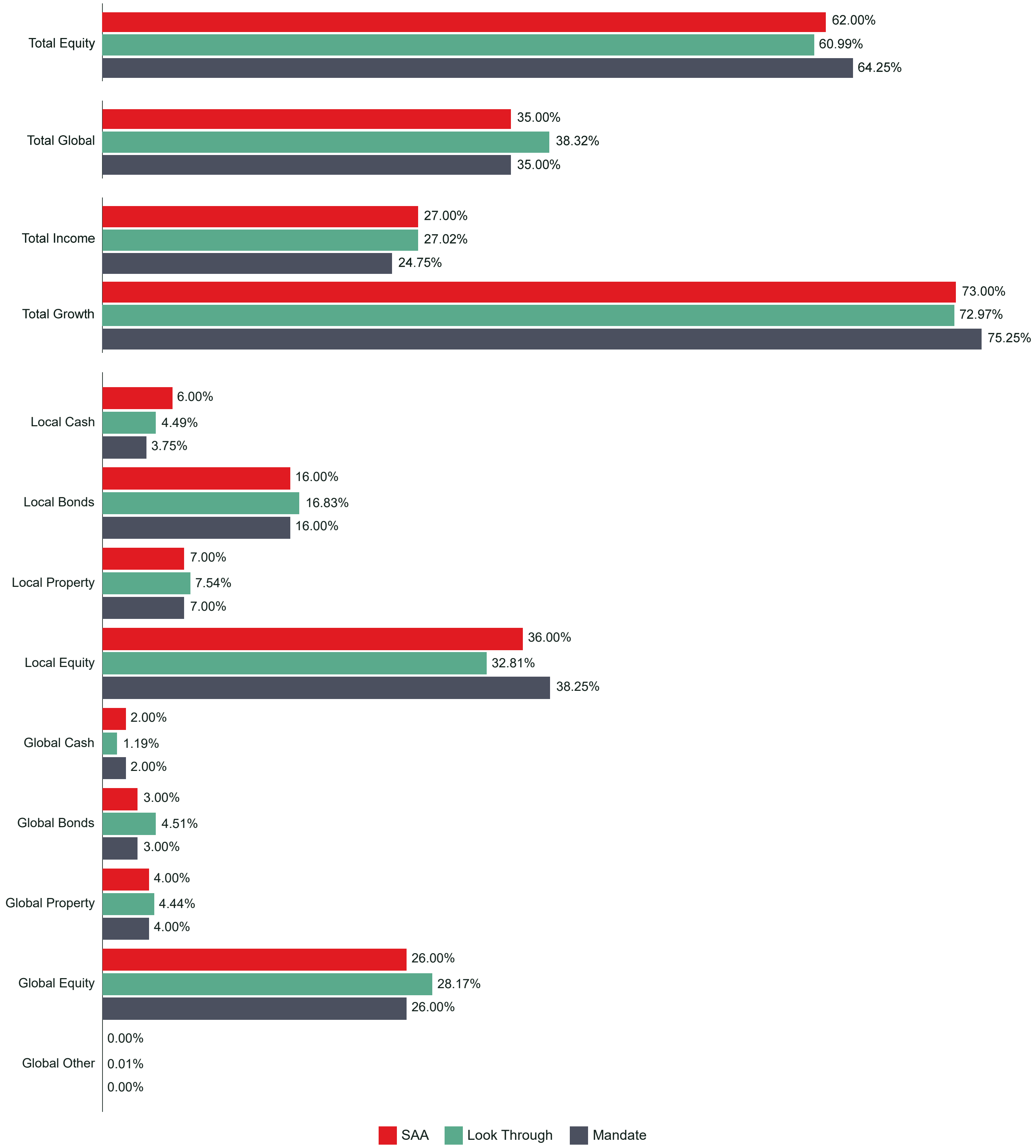
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	3.30%	**3.30%**	0.00%
Satrix MSCI World Index Fund (B2)	7.70%	**7.70%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.30%	**2.30%**	0.00%
10X Total World Stock Tracker Feeder Fund (W)	12.00%	**0.00%**	-12.00%
Fairtree Equity Prescient Fund (A2)	5.77%	**5.77%**	0.00%
Foord Equity Fund (B2)	5.77%	**5.77%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	10.00%	**10.00%**	0.00%
Momentum Core Equity Fund (C)	13.22%	**13.22%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	10.00%	**10.00%**	0.00%
BlueAlpha BCI Equity Fund (B)	4.94%	**4.94%**	0.00%
Catalyst SCI Flexible Property Fund (C)	7.50%	**7.50%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	4.00%	**4.00%**	0.00%
Curate Momentum Enhanced Yield Fund (D)	9.00%	**9.00%**	0.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	3.00%	**3.00%**	0.00%
Curate Momentum Global Sustainable Equity Feeder Fund (E)	0.00%	**12.00%**	12.00%
Sesfikile BCI Property Fund (B2)	1.50%	**1.50%**	0.00%
	100.00%	100.00%	0.00%

4.8 Equilibrium Balanced Portfolio

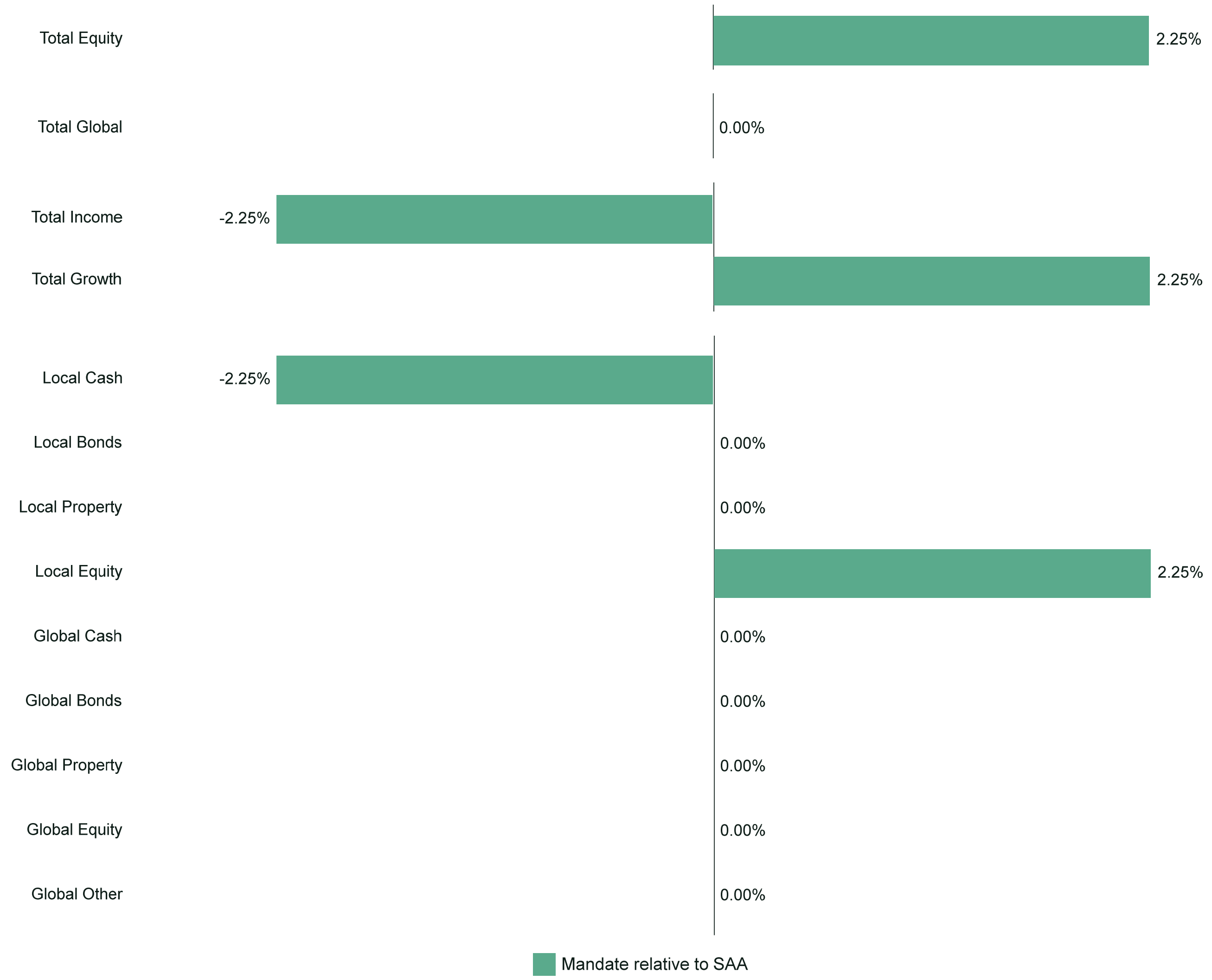
4.8.1 Building block allocation



4.8.2 Asset allocation



4.8.3 Asset allocation – Mandate relative to SAA



4.8.4 Portfolio changes/recommendations

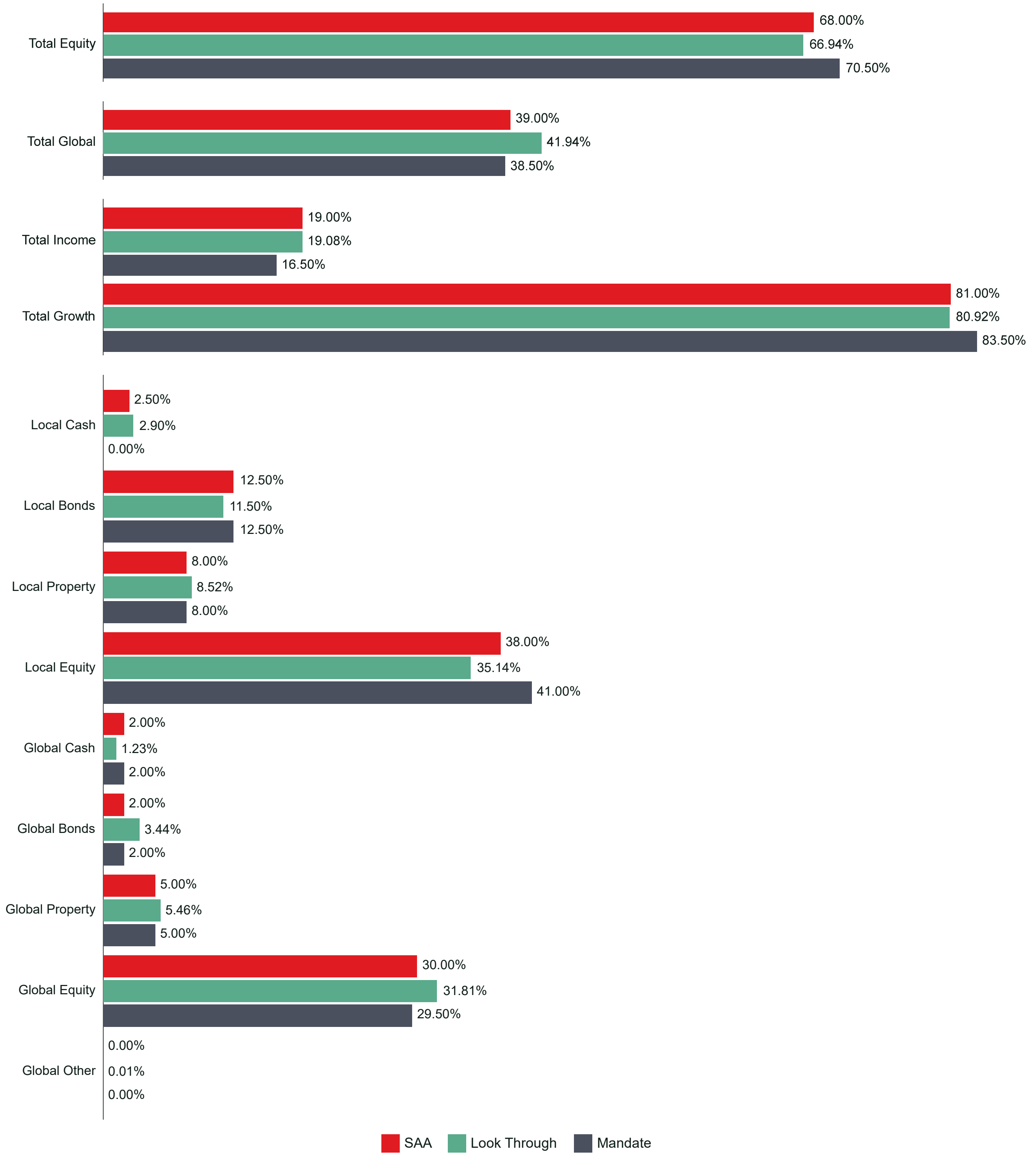
Considering our asset class views, the current positioning of the portfolio and the changes discussed in section 4.3., we made the following changes:

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	3.84%	**3.84%**	0.00%
Satrix MSCI World Index Fund (B2)	10.08%	**10.08%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.87%	**2.87%**	0.00%
10X Total World Stock Tracker Feeder Fund (W)	13.05%	**0.00%**	-13.05%
Fairtree Equity Prescient Fund (A2)	6.69%	**6.69%**	0.00%
Foord Equity Fund (B2)	6.69%	**6.69%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	8.00%	**8.00%**	0.00%
Momentum Core Equity Fund (C)	15.30%	**15.30%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	8.00%	**8.00%**	0.00%
BlueAlpha BCI Equity Fund (B)	5.73%	**5.73%**	0.00%
Catalyst SCI Flexible Property Fund (C)	10.00%	**10.00%**	0.00%
Curate Momentum Enhanced Yield Fund (D)	3.75%	**3.75%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	3.00%	**3.00%**	0.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	2.00%	**2.00%**	0.00%
Curate Momentum Global Sustainable Equity Feeder Fund (E)	0.00%	**13.05%**	13.05%
Sesfikile BCI Property Fund (B2)	1.00%	**1.00%**	0.00%
	100.00%	100.00%	0.00%

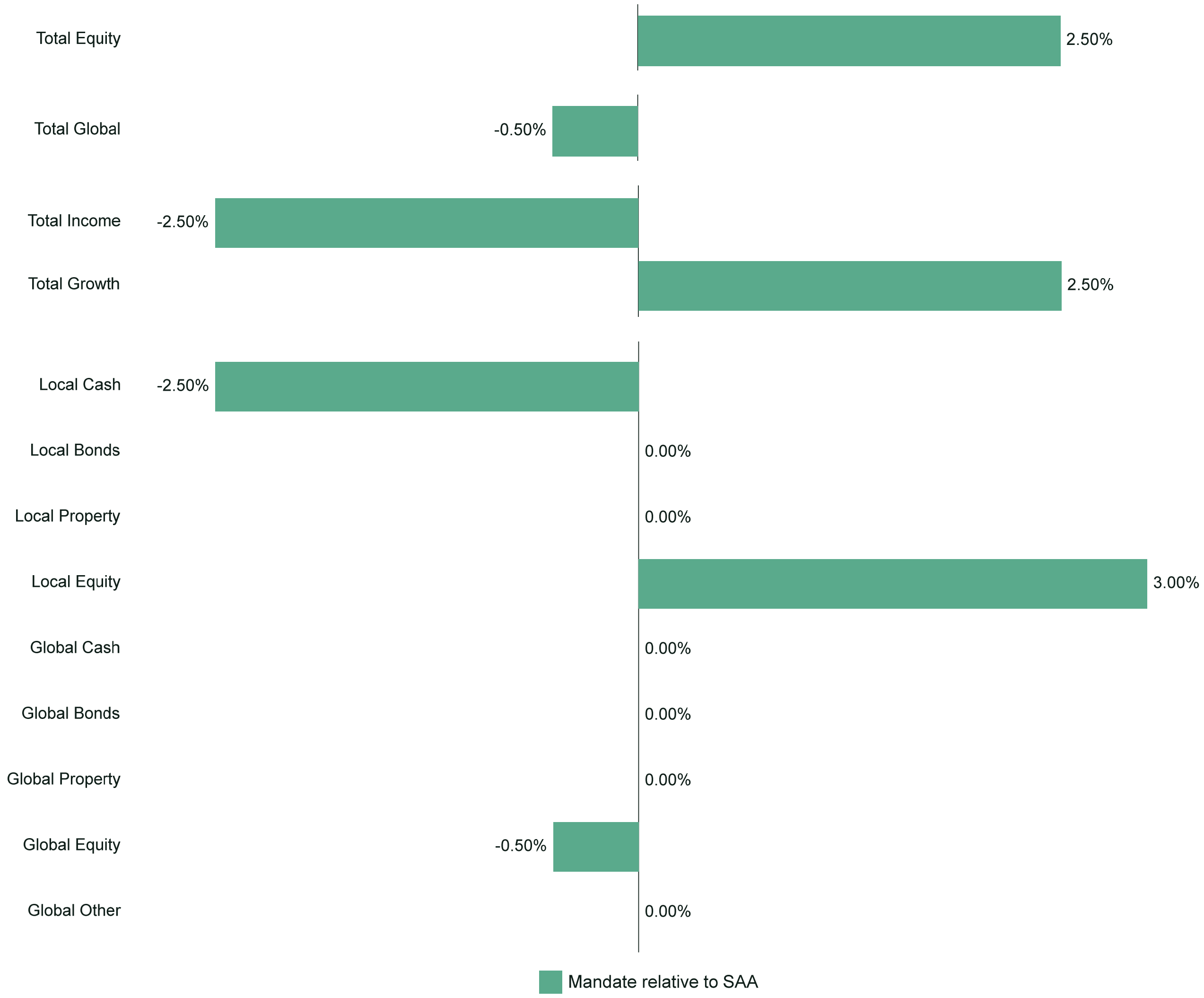
4.9 Equilibrium Growth Portfolio

4.9.1 Building block allocation

4.9.2 Asset allocation



4.9.3 Asset allocation – Mandate relative to SAA



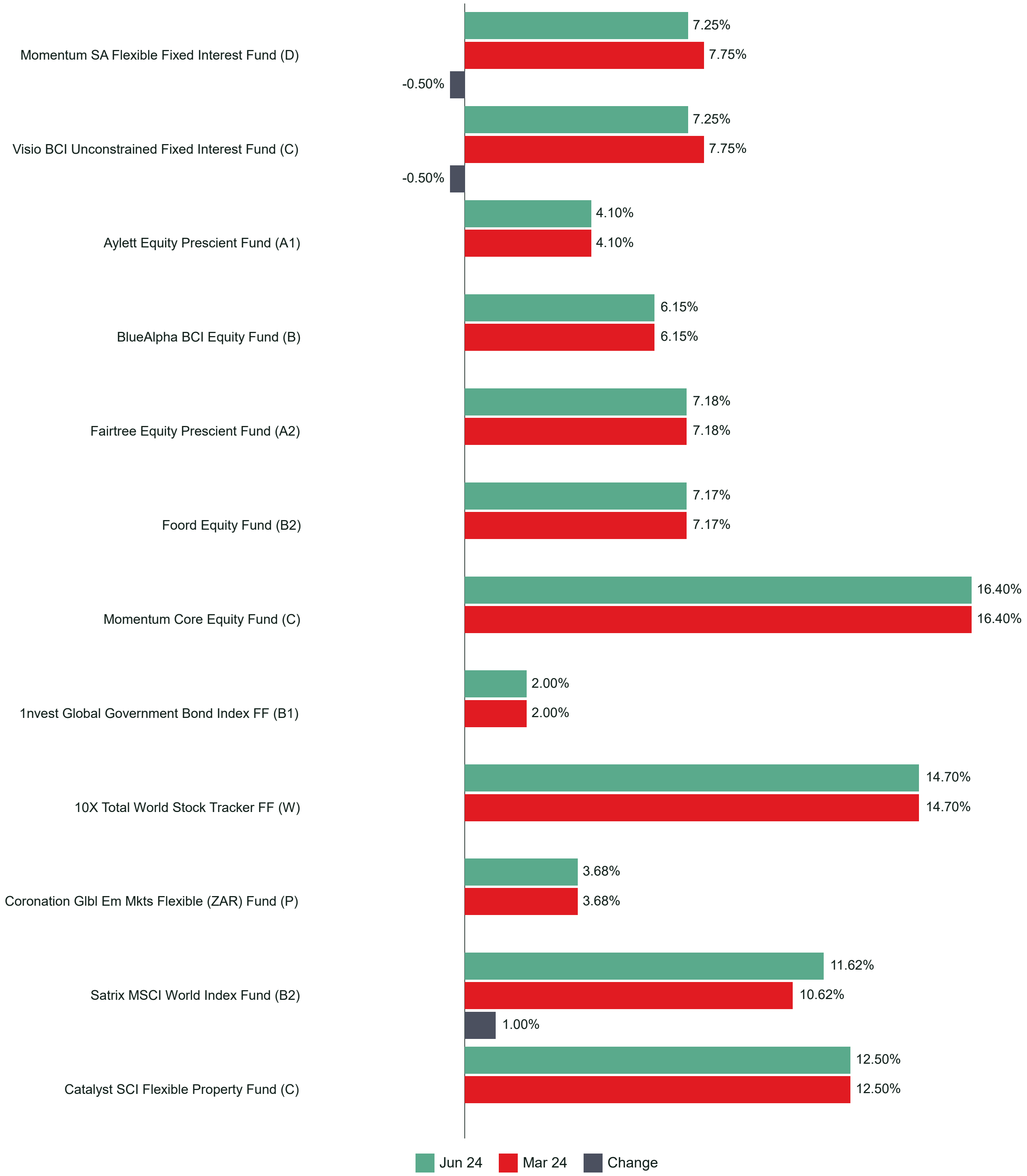
4.9.4 Portfolio changes/recommendations

Considering our asset class views, the current positioning of the portfolio and the changes discussed in section 4.3., we made the following changes:

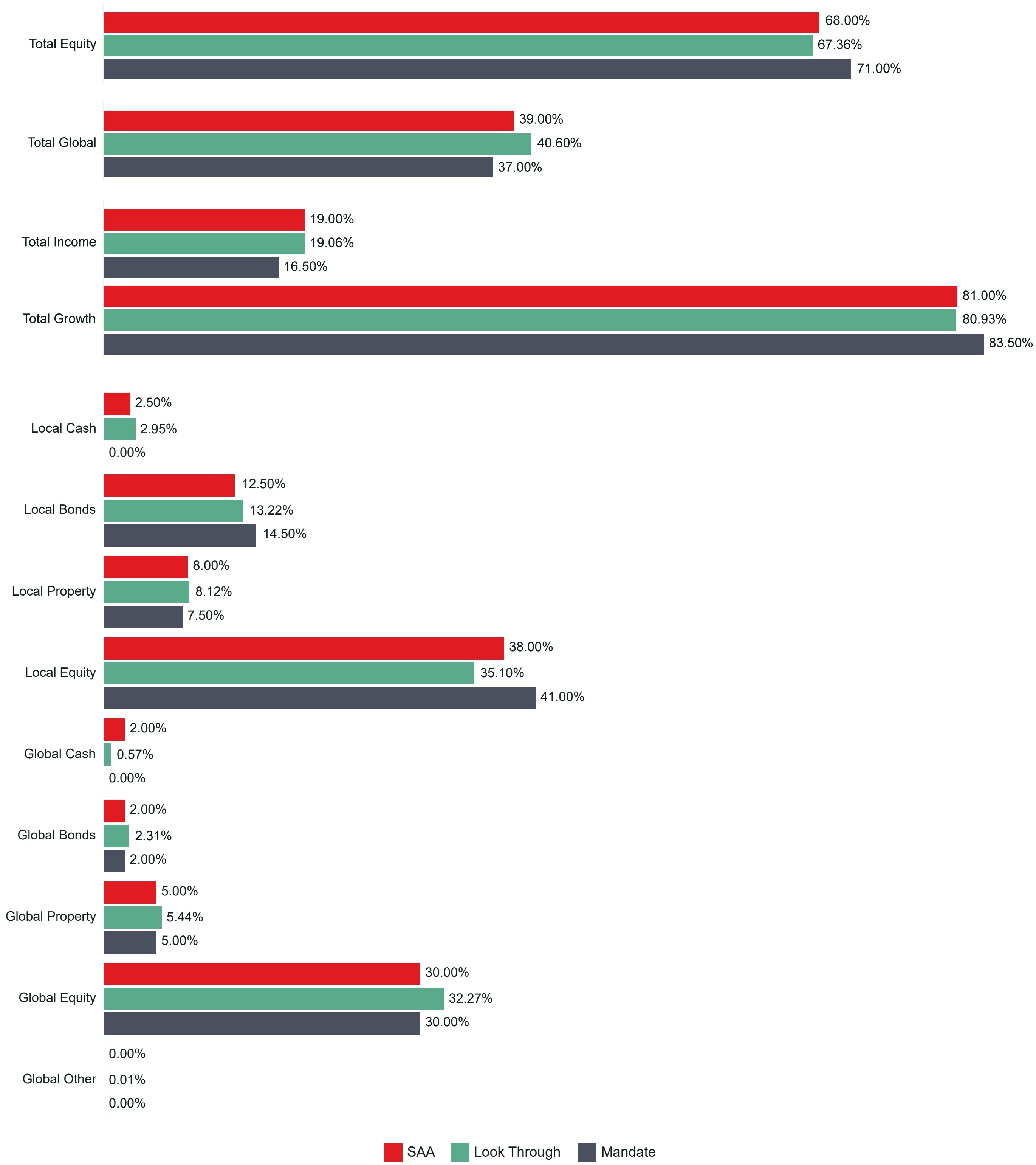
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.10%	**4.10%**	0.00%
Satrix MSCI World Index Fund (B2)	11.64%	**11.64%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.46%	**3.46%**	0.00%
10X Total World Stock Tracker Feeder Fund (W)	14.40%	**0.00%**	-14.40%
Fairtree Equity Prescient Fund (A2)	7.17%	**7.17%**	0.00%
Foord Equity Fund (B2)	7.17%	**7.17%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	6.25%	**6.25%**	0.00%
Momentum Core Equity Fund (C)	16.40%	**16.40%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	6.25%	**6.25%**	0.00%
BlueAlpha BCI Equity Fund (B)	6.16%	**6.16%**	0.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	2.00%	**2.00%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	2.00%	**2.00%**	0.00%
Catalyst SCI Flexible Property Fund (C)	12.50%	**12.50%**	0.00%
Curate Momentum Global Sustainable Equity Feeder Fund (E)	0.00%	**14.40%**	14.40%
Sesfikile BCI Property Fund (B2)	0.50%	**0.50%**	0.00%
	100.00%	100.00%	0.00%

4.10 Equilibrium Unconstrained Portfolio

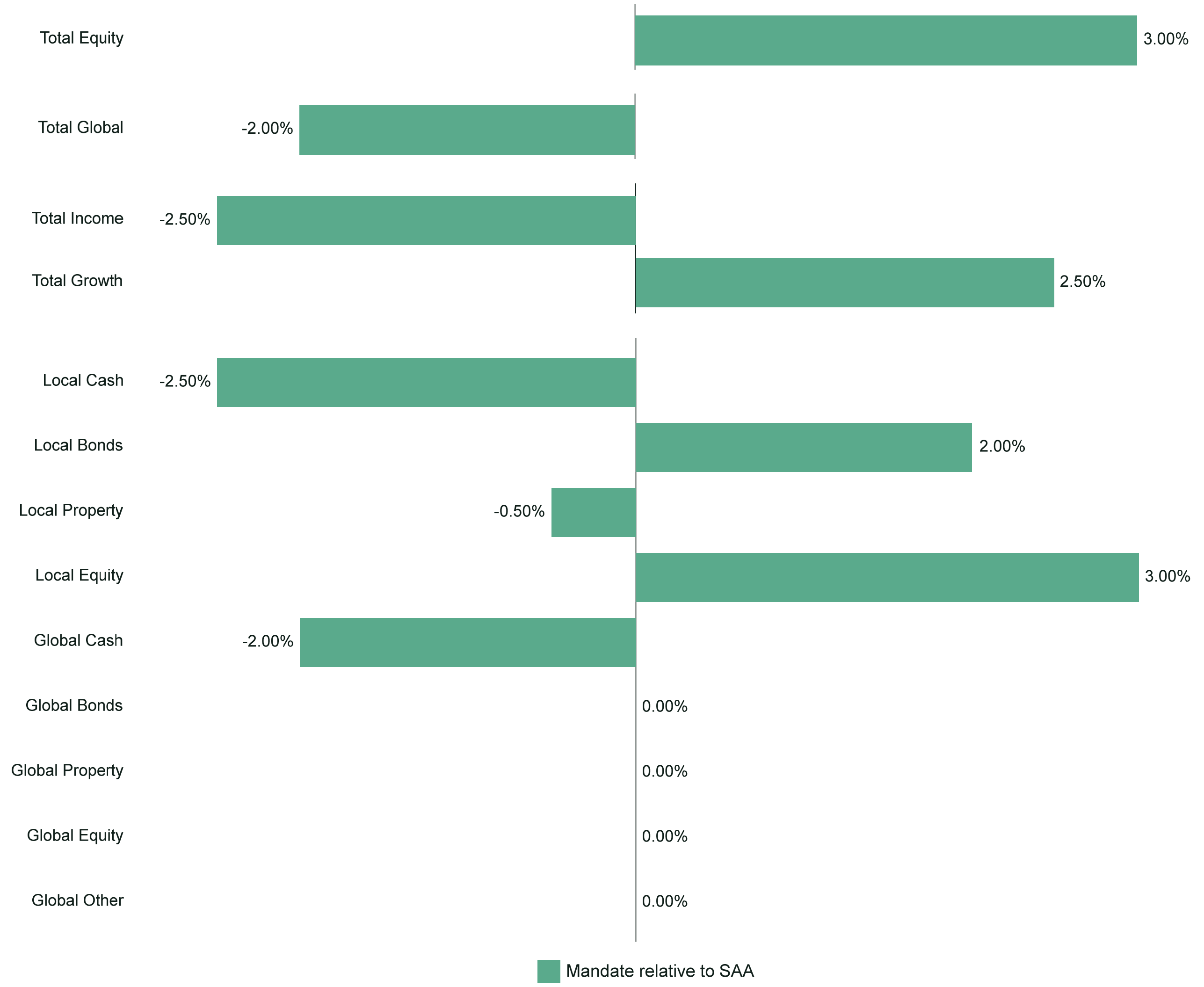
4.10.1 Building block allocation



4.10.2 Asset allocation



4.10.3 Asset allocation – Mandate relative to SAA



4.10.4 Portfolio changes/recommendations

Considering our asset class views, the current positioning of the portfolio and the changes discussed in section 4.3., we made the following changes:

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.10%	**4.10%**	0.00%
Satrix MSCI World Index Fund (B2)	11.62%	**11.62%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.68%	**3.68%**	0.00%
10X Total World Stock Tracker Feeder Fund (W)	14.70%	**0.00%**	-14.70%
Fairtree Equity Prescient Fund (A2)	7.18%	**7.18%**	0.00%
Foord Equity Fund (B2)	7.17%	**7.17%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	7.25%	**7.25%**	0.00%
Momentum Core Equity Fund (C)	16.40%	**16.40%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	7.25%	**7.25%**	0.00%
BlueAlpha BCI Equity Fund (B)	6.15%	**6.15%**	0.00%
Catalyst SCI Flexible Property Fund (C)	12.50%	**12.50%**	0.00%
Curate Momentum Enhanced Yield Fund (D)	0.00%	**0.00%**	0.00%
Curate Momentum Global Sustainable Equity Feeder Fund (E)	0.00%	**14.70%**	14.70%
1NVEST Global Government Bond Index Feeder Fund (B1)	2.00%	**2.00%**	0.00%
	100.00%	100.00%	0.00%

5. Appendices

5.1 Glossary

- **Asset allocation**
  The allocation in percentage terms to each major asset class we optimise for (Local and Global Cash, Local and Global Bonds, Local and Global Property and Local and Global Equity).
  Total growth Total allocation to Local and Global Property and Equity.
  Total income Total allocation to Local and Global Cash and Bonds.
- **Strategic asset allocation (SAA)**
  The optimised long-term benchmark asset allocation of the portfolio. It can be interpreted as the long-term average asset allocation that is expected to most efficiently deliver on a portfolio's risk and return objectives. The actual asset allocation may deviate from the SAA at any given point in time in order to express shorter term views on asset classes or as a result of market movements. The long-term SAA is optimised to deliver on predefined Value at Risk (VaR) targets measured over 12-month periods with a 95% likelihood. As the risk profile of portfolios increase, so will the VaR targets.
- **Tactical asset allocation (TAA)**
  Deliberate deviations from the strategic asset allocation based on a shorter-term views on asset classes.
- **Absolute asset allocation**
  The actual allocation to each asset class in the portfolio.
- **Relative asset allocation**
  The actual allocation to each asset class minus the strategic allocation to that asset class.
- **Value-at-Risk**
  Value-at-risk (VaR) is a statistical measure which quantifies the risk of loss within a portfolio over a specific time frame. More simply, it is an estimate of the maximum loss one can expect from a specific portfolio over a set time period (in our case 12 months) with a given likelihood (in our case 95%). This is best understood by way of an example: For a portfolio with a -2.0% VaR target, this implies that there is a 95% likelihood that the worst return the portfolio is expected to deliver over any 12-month rolling period is -2.0%.
- **Rolling returns (ann.)**
  The historic average annualised return over an x-year time period. The rolling returns provide an indication of the **consistency** of the portfolio in meeting its return objective over the relevant investment horizon.
- **Rolling 1-year absolute drawdown**
  The portfolio's negative returns over historic 12-month periods. This shows the ability of the portfolio to protect capital over any historic 12-month period.
- **Rolling x-year absolute drawdown (ann.) relative to benchmark**
  The historic average annualised return of the portfolio relative to its benchmark over an x-year time period. The rolling drawdowns show the extent to which the portfolio has underperformed its benchmark over the relevant investment horizon.
- **Asset class indices**
  The below widely published indices/benchmarks are used to measure the performance of the building block funds within each asset class.

Asset class	Index/benchmark short name	Index/benchmark full name	Comments
Local Cash	STeFI	Short-term fixed interest	Includes instruments with a maturity of up to 1 year.
Local Bonds	ALBI	FTSE/JSE All Bond Index	
Local Property	ALPI	FTSE/JSE All Property Index	Caps the largest stock at 15% of the index. Includes dual-listed companies.
Local Equity	Capped SWIX	FTSE/JSE Capped Shareholder Weighted All Share Index	Caps the largest stock at 10% of the index.
Global Cash	ICE BofA	ICE BofA US 3-Month Treasury Bill Index	
Global Bonds	WGBI	FTSE World Government Bond Index	
Global Property	EPRA Nareit	FTSE EPRA Nareit Developed Index	Includes developed and emerging market listed property.
Global Equity	MSCI ACWI	Morgan Stanley Capital All Country World Index	Includes developed and emerging market equities.

5.2 Disclaimers

These portfolios are administered and managed by Equilibrium Investment Management (Pty) Ltd (Equilibrium), an authorised financial services provider (FSP32726) and a part of Momentum Metropolitan Holdings Limited (Reg 1904/002186/06), rated B-BBEE level 1.

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Sources: Momentum Investments and Morningstar.

Base report generated: 29 July 2024