Equilibrium

Quarterly Report

Q3 2024

This report is intended for the investment committee members only.

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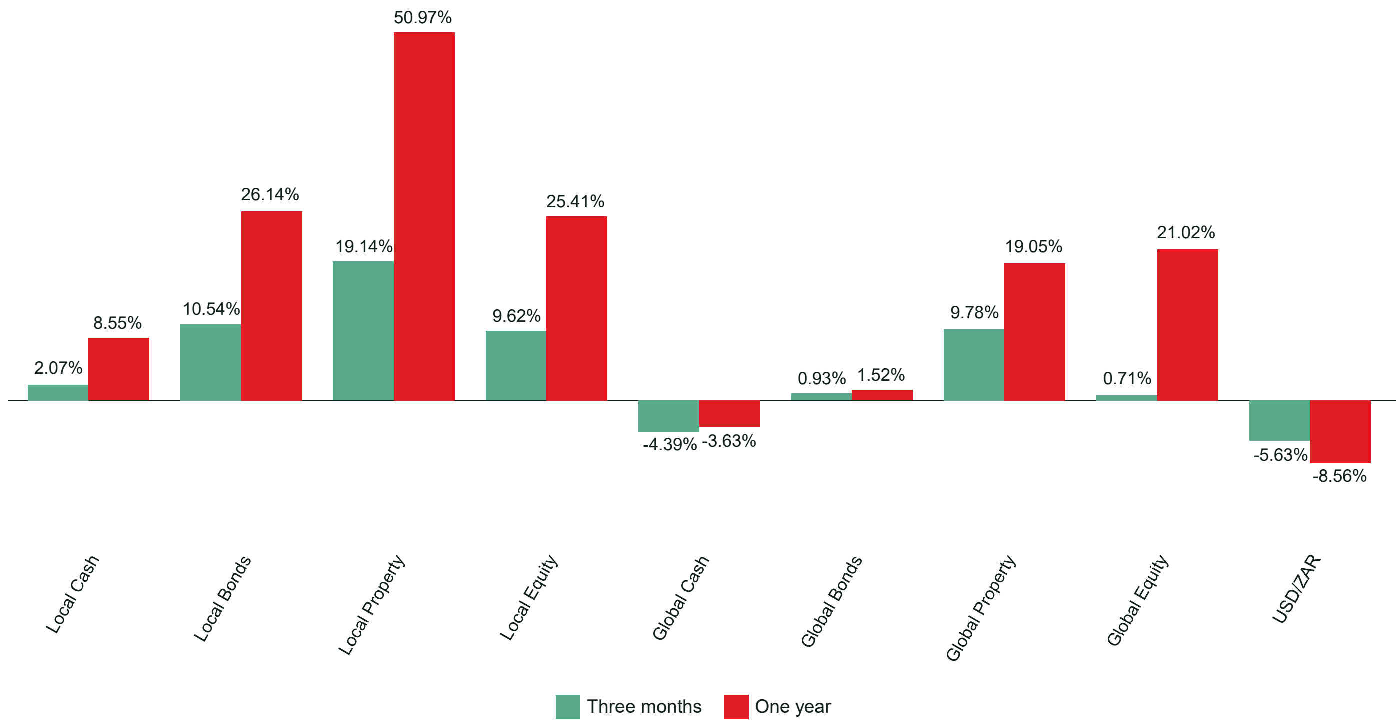
Asset Class Returns



The third quarter of 2024 ended with healthy returns across most major asset classes both locally and globally, despite several bouts of market volatility. Investors were reminded of how fickle markets have become after significant turbulence at the beginning of August, fuelled by a combination of weaker US economic data and an interest rate hike from the Bank of Japan. However, the long-anticipated start of the US Federal Reserve's (Fed) interest rate cutting cycle and new stimulus in China helped soothe investor concerns and supported strong returns by quarter end.

After the Fed's decision to cut interest rates by 0.50%, supported by US economic data that proved more resilient than feared, global equities delivered strong positive returns over the quarter. Encouragingly, there were signs that the long-awaited broadening of positive returns finally started to materialise with parts of the market that had previously suffered from high interest rates, outperforming. The S&P 500 delivered 5.8% in US dollar (USD) terms for the quarter, further contributing to its best year-to-date performance this century, for a return of 35.8% over the past 12 months. Global equities, as measured by the MSCI ACWI, delivered a positive return of 6.6% in USD terms and 0.7% in rand terms over the quarter, due to the offsetting effects of the rand strengthening against the USD.

China unveiled its most substantial stimulus package since the pandemic to boost its ailing economy. This helped the country's equity market post its best quarterly performance since 2009, as the MSCI China Index delivered 23.7% over the quarter in USD terms. This supported emerging market equities (MSCI Emerging Markets Index) as they outperformed their developed market counterparts to deliver a quarterly return of 8.8% in USD terms and 2.7% in rand terms. Both the Brazilian and Indian markets also contributed positively over the quarter, up 7% and 7.3% respectively in USD terms.

Fixed Income markets were also buoyed by the prospect of lower interest rates and falling inflation, with the FTSE World Government Bond Index (WGBI) up 6.9% for the quarter in USD terms and 0.9% in rand terms. Global property (FTSE EPRA Nareit) also reacted positively to the news of falling interest rates, ending the quarter up 15.9% in USD terms and 9.8% in rand terms, for an annual return of 19% in rand terms. Global cash (ICE BofA) returned 1.4% over the quarter in USD terms with the strengthening rand detracting from performance and delivering -4.4% in rand terms, making it the only asset class to deliver negative returns in rand terms for the quarter.

South African equities continued their strong run in September, ending the quarter in positive territory. The FTSE/JSE Capped SWIX All Share Index closed the quarter 9.6% higher, for a return of 25.4% over the past 12 months.

Key drivers over the quarter included the prospect, and subsequent realisation, of policy easing in both the US and South Africa, as well as progress towards the implementation of market-friendly reforms in South Africa (following the formation of the Government of National Unity). Financials and Industrials both delivered significant positive returns over the quarter, up 14.3% and 11.6% respectively. Resources however detracted, delivering negative returns of -1.5% for the quarter with positive returns in both July and September not being enough to offset the significant drop of 10.1% in August.

Following the trend in emerging market regions, South African bonds continued to deliver strong positive returns, helped by falling inflation, the positive election outcome and the South African Reserve Bank (SARB) starting their interest rate-cutting cycle. The FTSE/JSE All Bond Index (ALBI) ended the quarter up 10.5% as yields declined across the spectrum. Bonds in the 12+ years maturity spectrum gained the most, over the quarter, up 14.2%, followed by the 7 to 12-year maturities, up 11% and the 3 to 7-year maturities, up 7.8%.

Local property continued its relentless march upwards, with the FTSE/JSE All Property Index (ALPI) up 19.1% for the quarter and an annual return of 51%, making it the best performing domestic asset class over the period by a considerable margin. Operational performance for the asset class is improving and financial pressures are stabilising, but valuations are now looking stretched.

September saw the SARB cut its key interest rate by 0.25% to 8.0%, as widely expected. The STeFI Composite Index returned 2.1% during the quarter for a return of 8.5% over the last 12 months.

The rand continued its momentum over the quarter, strengthening by 5.6% against the USD, supported by a combination of a weaker USD and a positive shift in sentiment towards the South African economy.

Sources: Morningstar and Momentum Investments

1.2 Manager returns and comments

Trailing returns as at 30 September 2024

	3m	6m	1y	3y	5y	7y	Commentary
Local Cash							
Curate Momentum Enhanced Yield Fund (D)	2.56%	5.11%	10.15%	8.22%	7.36%		The fund added positions from 1-year fixed rate notes (NCD's), T-bills and floating rate credit assets. Fixed rate holdings allow the portfolio yield to be locked in at higher levels in response to the interest rate cuts as maturities are reinvested. The fund's interest rate risk remains underweight to the benchmark.
Fairtree BCI Income Plus Fund (H)	1.38%	3.54%	11.28%	9.36%			No commentary was available at the time of preparing the report.
Prescient Income Provider Fund (A2)	3.81%	7.38%	12.76%	9.05%	7.78%	7.97%	The fund had another strong performance for the quarter, with solid contributions from most of the asset classes in the fund. The Fixed Rate Bond exposure was particularly notable.
STeFI Composite Index	**2.07%**	**4.17%**	**8.55%**	**6.87%**	**6.12%**	**6.45%**	
(ASISA) South African IB Short Term	**2.72%**	**5.10%**	**9.97%**	**7.79%**	**7.02%**	**7.40%**	
(ASISA) South African MA Income	*4.19%*	*7.58%*	*12.72%*	*8.45%*	*7.56%*	*7.62%*	
Local Bonds							
Momentum SA Flexible Fixed Interest Fund (D)	11.25%	20.58%	28.55%	11.02%	8.79%		At quarter end the portfolio had a duration position of 6.15 years, compared to the ALBI of 5.99 year, as duration decreased slightly during the quarter. The overweight positions in the seven to 12-year sector of the curve contributed to performance relative to the ALBI. The allocation to listed property added marginally, while ILB's detracted.
Visio BCI Unconstrained Fixed Interest Fund (C)	7.29%	12.73%	19.33%	10.81%	9.91%	9.47%	The fund outperformed its STeFI x 1.25 benchmark but underperformed the ALBI for the quarter. Performance was mainly driven by a relatively large exposure to fixed-rate bonds compared to its long-term average, holding a longer duration position in the seven to 12-year sector of the yield curve.
FTSE/JSE All Bond Index (ALBI20)	**10.54%**	**18.81%**	**26.14%**	**11.14%**	**9.84%**	**9.67%**	
Local Property							
Sesfikile BCI Property Fund (B2)	19.66%	27.18%	50.63%	15.46%	7.05%	3.08%	Hyprop was the sector's best-performing counter, returning 20.4% and contributing positively to performance. Burnstone also followed suit contributing 16.2%, with Growthpoint falling amongst the worst-performing counters for the period.
FTSE/JSE All Property Index (J803T)	**19.14%**	**25.93%**	**50.97%**	**15.33%**	**5.05%**	**0.22%**	
FTSE/JSE SA Listed Property Index (J253T)	**18.70%**	**25.23%**	**51.34%**	**15.97%**	**5.37%**	**0.91%**	
(ASISA) South African RE General	*17.51%*	*23.72%*	*45.26%*	*13.47%*	*4.77%*	*0.42%*	
Local Equity							
Aylett Equity Prescient Fund (A1)	7.96%	11.68%	17.04%	13.26%	13.92%	11.41%	British American Tobacco, Remgro, St James' Place, Netcare and Southern Sun contributed while Bath & Body Works, Dollar General and Super Group detracted.
BlueAlpha BCI Equity Fund (B)	6.62%	10.44%	25.23%	9.39%			The fund's position into Banks was a key contributor again led by the overweight positions in Capitec (15.8%) and Standard Bank (18.7%). Overweight positions in Mr Price and Sun International also benefited the fund. By not holding MTN, Discovery, and Clicks, the fund missed out on some sizeable gains.

	3m	6m	1y	3y	5y	7y	Commentary
Fairtree Equity Prescient Fund (A2)	10.06%	21.53%	26.79%	16.98%	18.85%	14.98%	The fund's performance was positively impacted by positions in Prosus (+16.24%), Naspers (+17.60%), Mr Price (+34.56%), FirstRand (8.01%) and Standard Bank (+18.71%), while positions in Sasol (-15.97%), African Rainbow Minerals (-16.58%), Anglo American (-1.54%), Glencore (-4.14%) and Super Group (-14.54%) detracted from the performance.
Foord Equity Fund (B2)	14.09%	23.45%	31.10%	15.77%	14.35%	8.10%	Meaningful allocations to Naspers and Prosus added to returns, while the underweight to financials detracted from performance. A sizeable position in construction company WBHO, as well as positions in mid-cap SA Inc. companies also contributed to returns.
Momentum Core Equity Fund (C)	10.36%	19.45%	24.46%	11.71%	11.92%	9.37%	Overweight positions in Nedgroup, MMH, Mr Price Group and OUTsurance contributed positively to performance, while underweight positions in Prosus, Discovery, Pepkor, FirstRand, Remgro and Foschini detracted the most.
FTSE/JSE Capped SWIX All Share Index (J433T)	**9.62%**	**18.62%**	**25.41%**	**12.36%**	**11.92%**	**8.05%**	
FTSE/JSE SWIX All Share Index (J403T)	**9.61%**	**18.58%**	**25.33%**	**11.97%**	**11.02%**	**7.91%**	
(ASISA) South African EQ General	*8.77%*	*16.78%*	*21.80%*	*11.58%*	*11.34%*	*7.89%*	
Global Cash							
Coronation Glbl Strategic USD Income (ZAR) FF (P)	-3.35%	-5.77%	-1.17%	8.11%	5.63%	6.42%	Over the quarter the fund sold expensive credits that had performed strongly, however the period of risk aversion during August did provide good opportunities to replenish aggregate credit exposure through securities seen as better value than had been available for several months. Interest rate risk was also reduced in line with monetary policy expectations and extensive easing cycles being re-priced into the short end of the yield curve.
ICE BofA US 3-Month Treasury Bill Index*	**-4.39%**	**-6.79%**	**-3.63%**	**8.25%**	**4.95%**	**5.73%**	
(ASISA) Global IB Short Term	*-1.62%*	*-5.12%*	*-1.11%*	*5.69%*	*3.79%*	*4.11%*	
Global Bonds							
1nvest Global Government Bond Index FF (B1)	1.40%	-4.54%	0.12%	-0.64%	-0.08%		
FTSE World Government Bond Index (WGBI)	**0.93%**	**-4.40%**	**1.52%**	**0.00%**	**0.47%**	**2.94%**	
FTSE Group-of-Seven (G7) Government Bond Index	**1.07%**	**-4.60%**	**0.89%**	**-0.17%**	**0.30%**	**2.89%**	
Global Equity							
Coronation Glbl Em Mkts Flexible (ZAR) Fund (P)	2.35%	-0.73%	13.39%	-0.77%	3.91%	3.40%	The biggest contributor was Delivery Hero, which returned 60% and contributed 1.6% to alpha. The top Chinese contributor was JD.com, followed by AIA, Naspers, Trip.com and Yum China. The only Chinese detractor was Tencent Music, which cost -0.2% relative performance. Underweight positions (and not owning) Alibaba, Tencent, and Ping An, cost a combined -1.2% alpha.
Curate Momentum Global Sustainable Equity FF (E)**	-2.67%	-2.82%	19.16%				No commentary was available at the time of preparing the report.
Satrix MSCI World Index Fund (B2)	0.34%	-0.68%	20.64%	13.50%	15.42%	14.56%	
MSCI ACWI Gross Total Return	**0.71%**	**-0.16%**	**21.02%**	**13.62%**	**15.63%**	**14.70%**	
MSCI World Index Gross Total Return	**0.47%**	**-0.62%**	**21.64%**	**14.67%**	**16.52%**	**15.63%**	
MSCI Emerging Markets Index	**2.75%**	**3.94%**	**15.71%**	**5.47%**	**8.89%**	**7.73%**	
(ASISA) Global EQ General	*0.15%*	*-1.80%*	*16.10%*	*9.04%*	*12.08%*	*11.07%*	

	3m	6m	1y	3y	5y	7y	Commentary
Flexible Property Composite							
Catalyst SCI Flexible Property Fund (C)	16.02%	17.61%	35.15%	10.79%	5.59%		The main contributors were overweight positions in Hyprop, Vukile & Fortress which outperformed relative to the benchmark. The main detractors were underweight positions in Redefine and Burnstone which also outperformed relative to the benchmark.
Flexible Property Composite							

**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.*

**** Curate Momentum Global Sustainable Equity Fund - returns for the quarter**

We have included the monthly returns below for the quarter for the Curate Momentum Global Sustainable Equity Fund, and as a comparison, the Satrix and 10X funds, the indices and peer group, for the period July to September.

	July	August	September	*3-month return*	*2-month return*
Curate Momentum Global Sus Eqty FF E	**-2.17%**	**0.08%**	**-0.59%**	***-2.67%***	***-0.51%***
10X Total World Stock Tracker Feeder FdW	1.58%	-0.21%	-0.89%	*0.46%*	*-1.10%*
Satrix MSCI World Index B2	1.36%	0.17%	-1.18%	*0.34%*	*-1.01%*
MSCI ACWI Gross Total Return	**1.31%**	**0.06%**	**-0.65%**	***0.71%***	***-0.59%***
MSCI World Index Gross Total Return	**1.45%**	**0.16%**	**-1.13%**	***0.47%***	***-0.97%***
MSCI Emerging Markets Index	**0.04%**	**-0.84%**	**3.58%**	***2.75%***	***2.71%***
(ASISA) Global EQ General	*-0.03%*	*-0.01%*	*0.19%*	*0.15%*	*0.18%*

The investments in the Curate Momentum Global Sustainable Equity Fund were made from the middle of August so investors would not have experienced the 3-month negative return, but only a part of August and the September returns (depending on when the rebalances were done on the various platforms). The fund manager is currently investigating the negative July return.

2. Portfolio performance

2.1 Executive summary

- The third quarter of 2024 ended with healthy returns across most major asset classes both locally and globally, despite several bouts of market volatility. Locally, the post-election rally continued with a relatively higher degree of momentum. From a global perspective, investors were reminded how fickle markets have become after significant turbulence at the beginning of August, fuelled by a combination of weaker US economic data and an interest rate hike from the Bank of Japan. However, the long-anticipated start of the US Federal Reserve's (FED) rate cutting cycle and new stimulus in China helped soothe investor concerns and supported strong returns into quarter end. At an asset class level: global equity, property, bonds and cash delivered rand returns in the quarter of 0.71%, 9.78%, 0.93% and -4.39% respectively. Locally: equity, property, bonds and cash returned 9.62%, 19.14%, 10.54% and 2.07% 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.

- Relative to their respective benchmarks, all the multi-asset class portfolios delivered strong positive returns in the quarter following a strong rally from local asset classes. Performance relative to peers delivered encouraging results across the multi-asset class portfolios with all the portfolios outperforming during the quarter.

- During the last 12 months, tactical asset allocation (TAA) contributed to performance in the Stable, Moderate and Unconstrained portfolios (the effect was marginal in the Stable and Moderate portfolios) while detracting in the Conservative, Balanced and Growth portfolios (the effect was marginal in the Balanced portfolio). From a TAA perspective, the underweight position to local cash was one of the largest contributors to performance while the underweight position in global equity was a detractor. Manager selection was a detractor from performance across the multi-asset class portfolios. The significant contributors to performance, for a consequent quarter, were our local equity managers, Fairtree Equity Prescient and Foord Equity, due to their macro investment approach as well as Momentum SA Flexible Interest following a strong local bond rally. On the other hand, the detractors from a manager selection perspective were Visio BCI Unconstrained Fixed Interest (conservative duration position), Aylett Equity (stock selection impact) and Coronation Global Emerging Markets (benchmark agnostic positioning).

- All the portfolios delivered reasonable returns over their respective time horizons with the Income, Conservative, Stable and Moderate portfolios outperforming their respective benchmarks; while the relatively more aggressive portfolios, the Balanced, Growth and Unconstrained portfolios, remained under pressure. Pleasingly, in these portfolios, the degree of underperformance has improved most notably following last year's rally in global equity 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 Income portfolio due to the Mi-Plan IP Enhanced Income Fund impairment, although the degree of underperformance has reduced.

- Relative to the previous quarter, TAA positioning remains unchanged: a neutral to overweight position in local equity and neutral positions in the remaining asset classes.

2.2 Equilibrium Income Portfolio

Data as at:	30 September 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

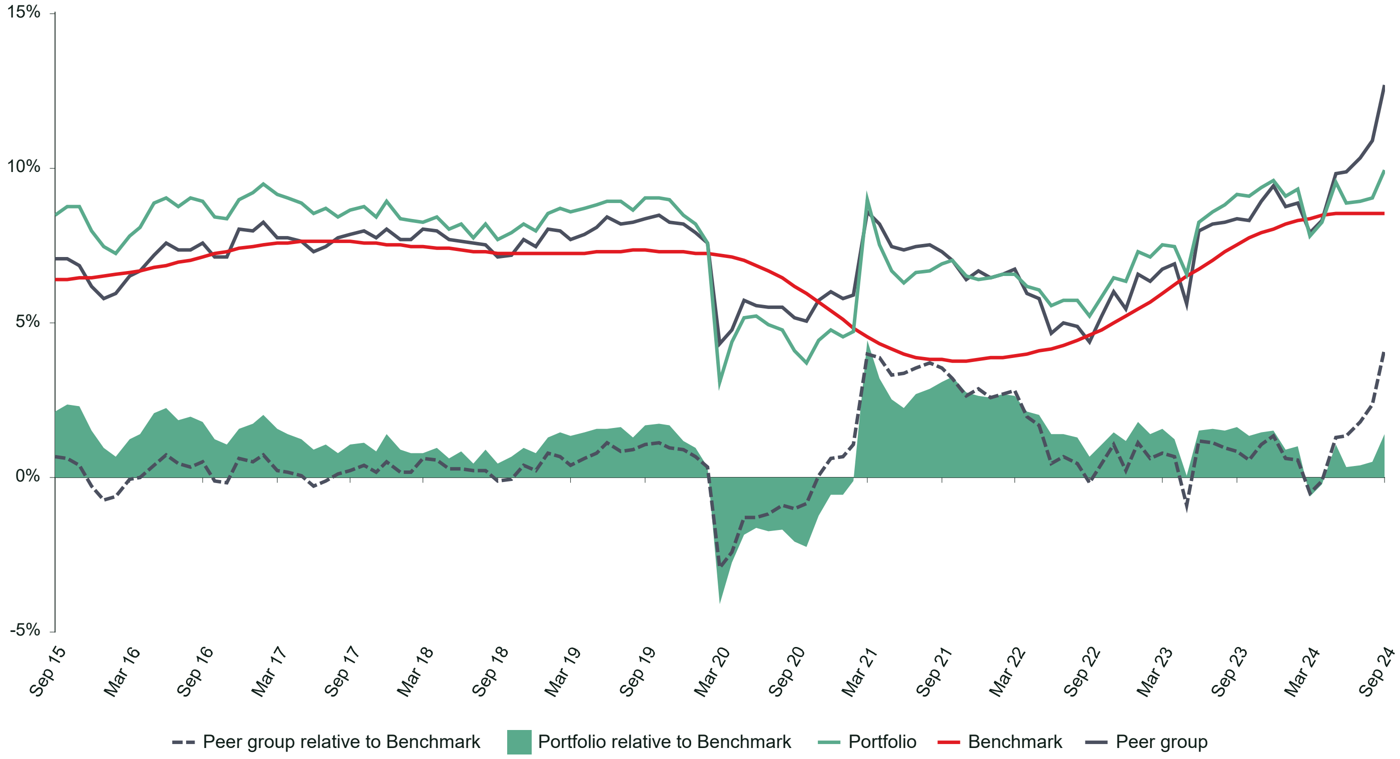
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**3.10%**	**5.66%**	**9.94%**	**8.09%**	**7.04%**	**7.42%**	**7.80%**	**7.51%**	**87**
Benchmark	2.07%	4.17%	8.55%	6.87%	6.12%	6.45%	6.63%	6.49%	
Peer group	*4.19%*	*7.58%*	*12.72%*	*8.45%*	*7.56%*	*7.62%*	*7.58%*	*7.69%*	

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.

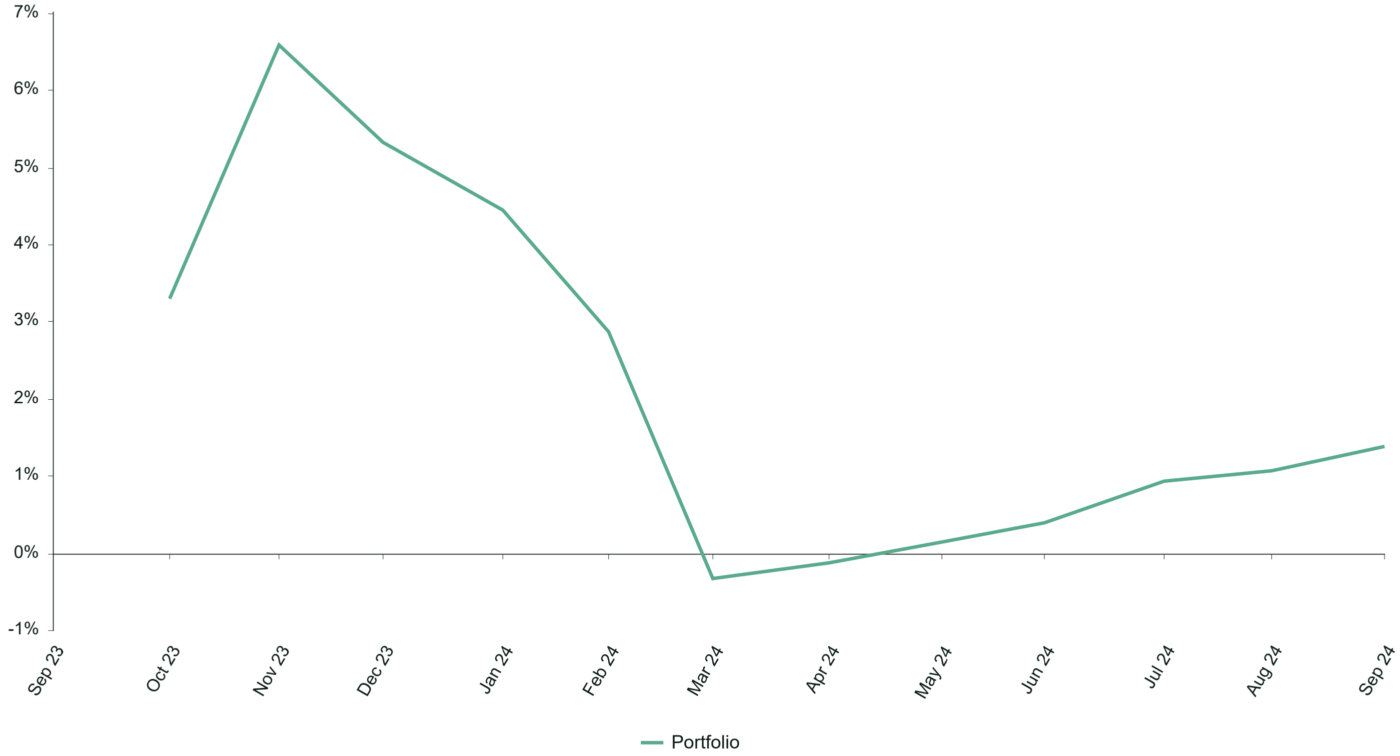
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	109	
Periods of outperformance	**95**	*86*
Realised probability of outperformance	**87%**	*79%*
Maximum outperformance	**4.44%**	*4.17%*
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 79% of the 1-year periods.

Portfolio relative to benchmark



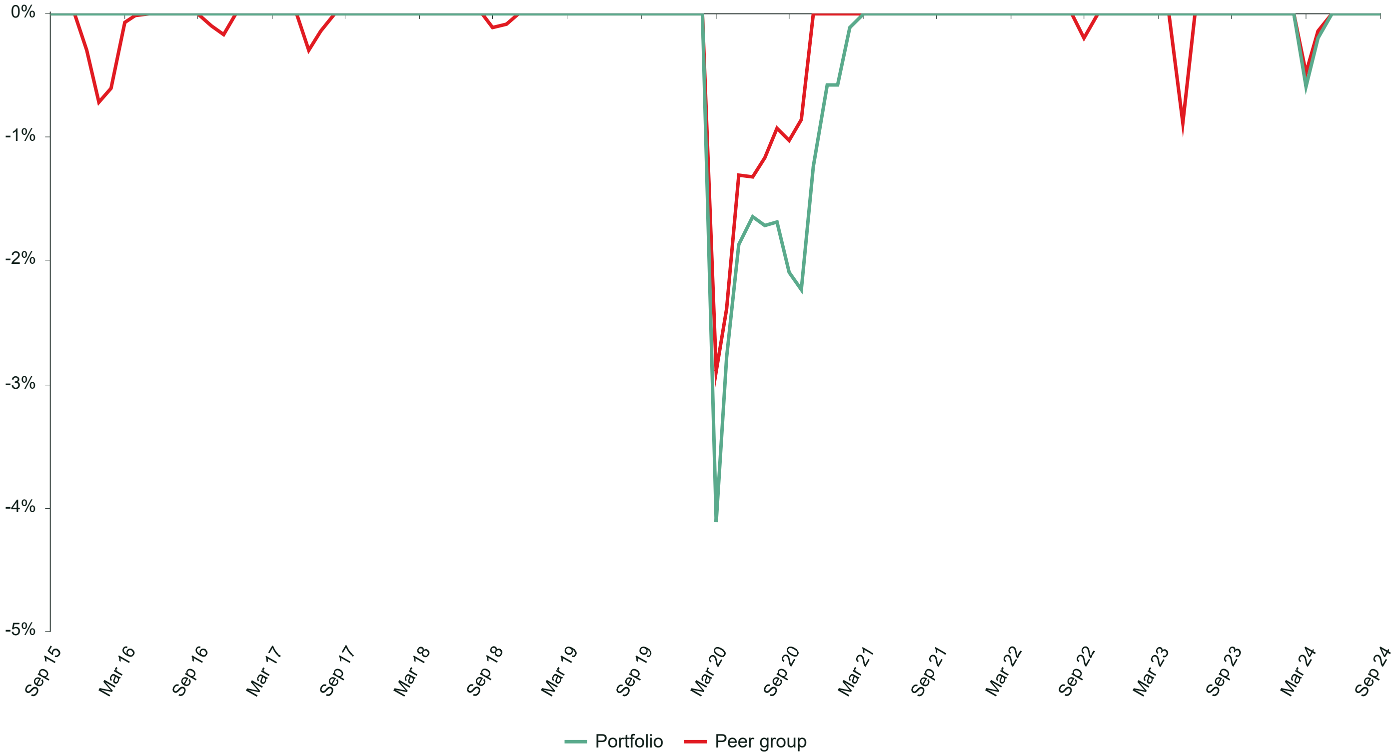
- The underperformance relative to benchmark in March 2024 was due the suspension of interest accrual and the subsequent impairment of non-performing credit instruments in the Mi-Plan IP Enhanced Income Fund. The portfolio has since shown a strong rebound to the end of the period.

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, 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 September 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

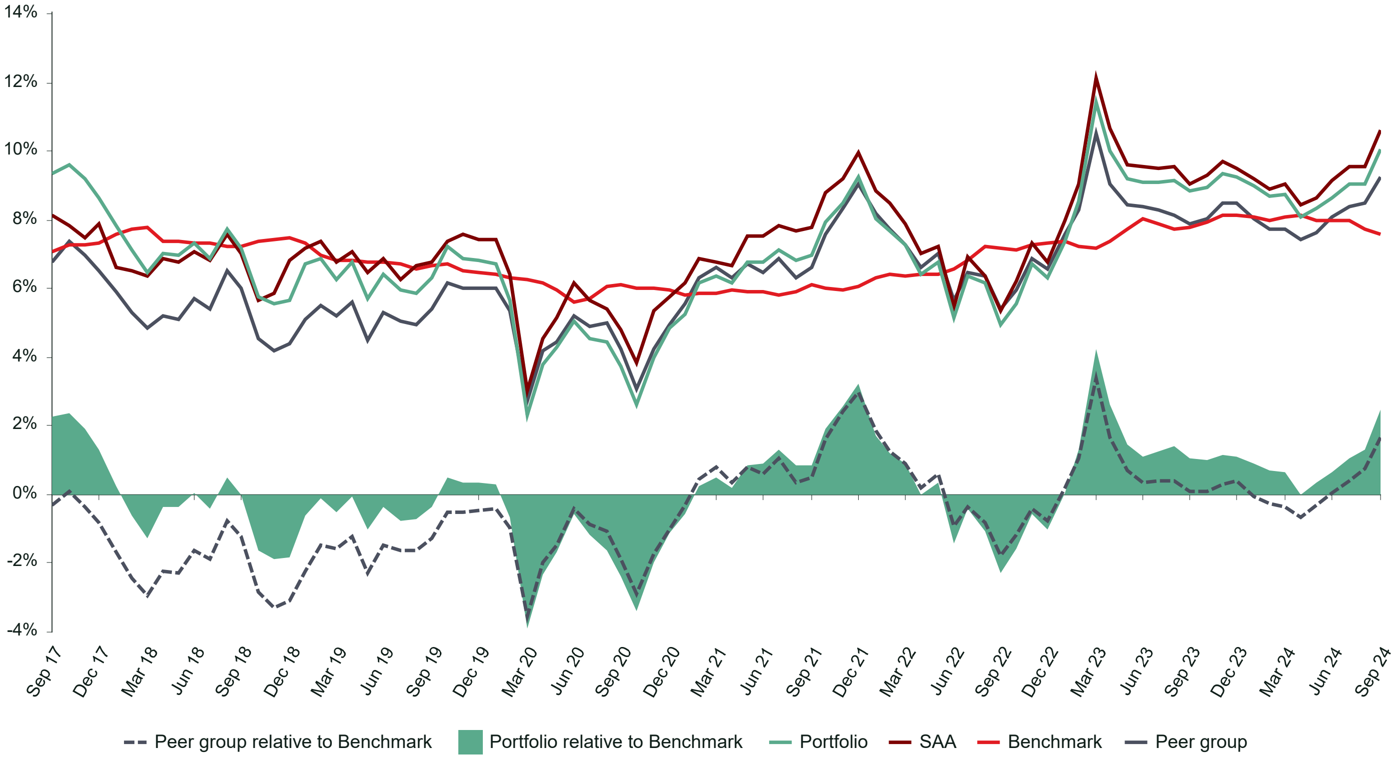
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**6.39%**	**10.01%**	**19.17%**	**10.08%**	**8.90%**	**8.00%**	**8.41%**	**8.26%**	**87**
Benchmark	1.09%	2.82%	6.41%	7.60%	6.95%	6.86%	6.93%	6.78%	
SAA	6.34%	10.39%	20.18%	10.60%	9.51%	8.72%	8.54%	8.99%	
Peer group	*5.46%*	*8.95%*	*16.37%*	*9.27%*	*8.53%*	*7.47%*	*7.26%*	*7.74%*	

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 2.48% 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 1.01% over the last 12 months, net of all investment related fees.

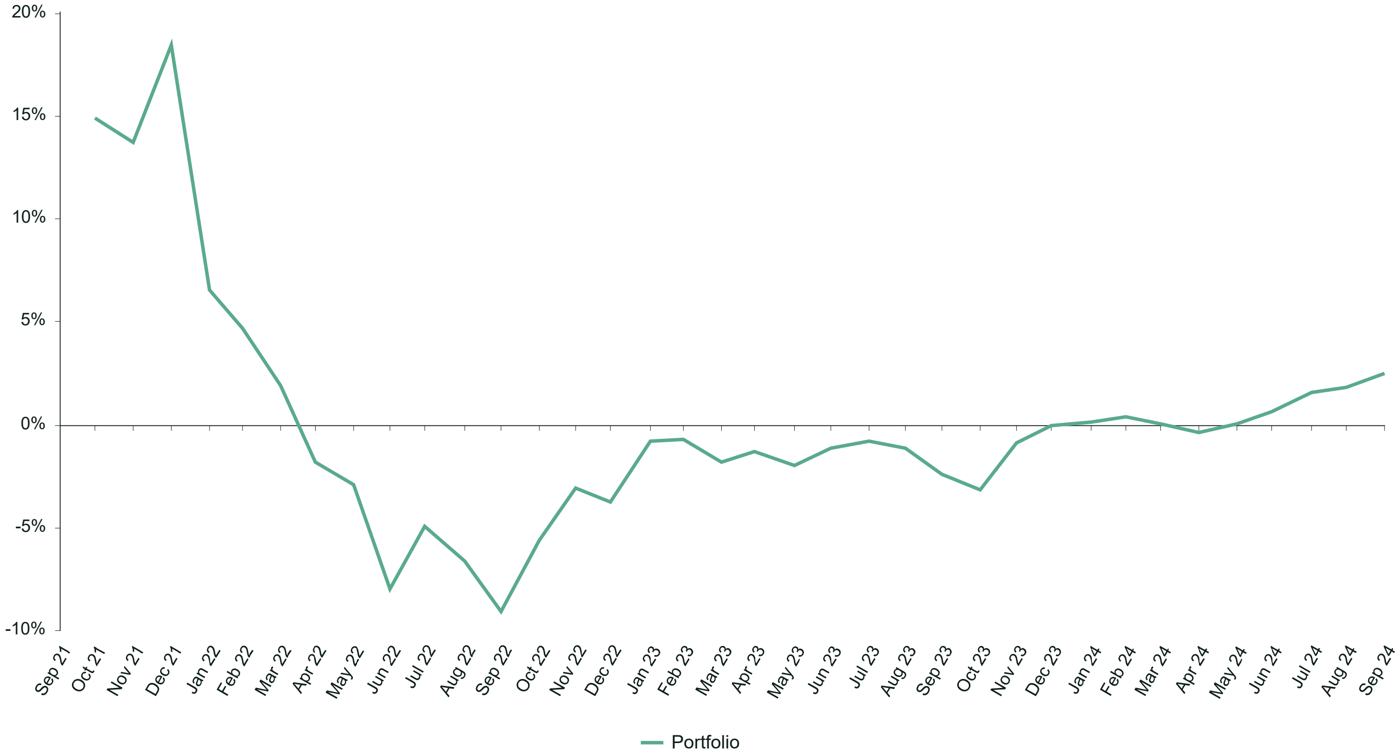
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	85	
Periods of outperformance	**46**	*33*
Realised probability of outperformance	**54%**	*39%*
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 39% of the rolling 3-year periods.

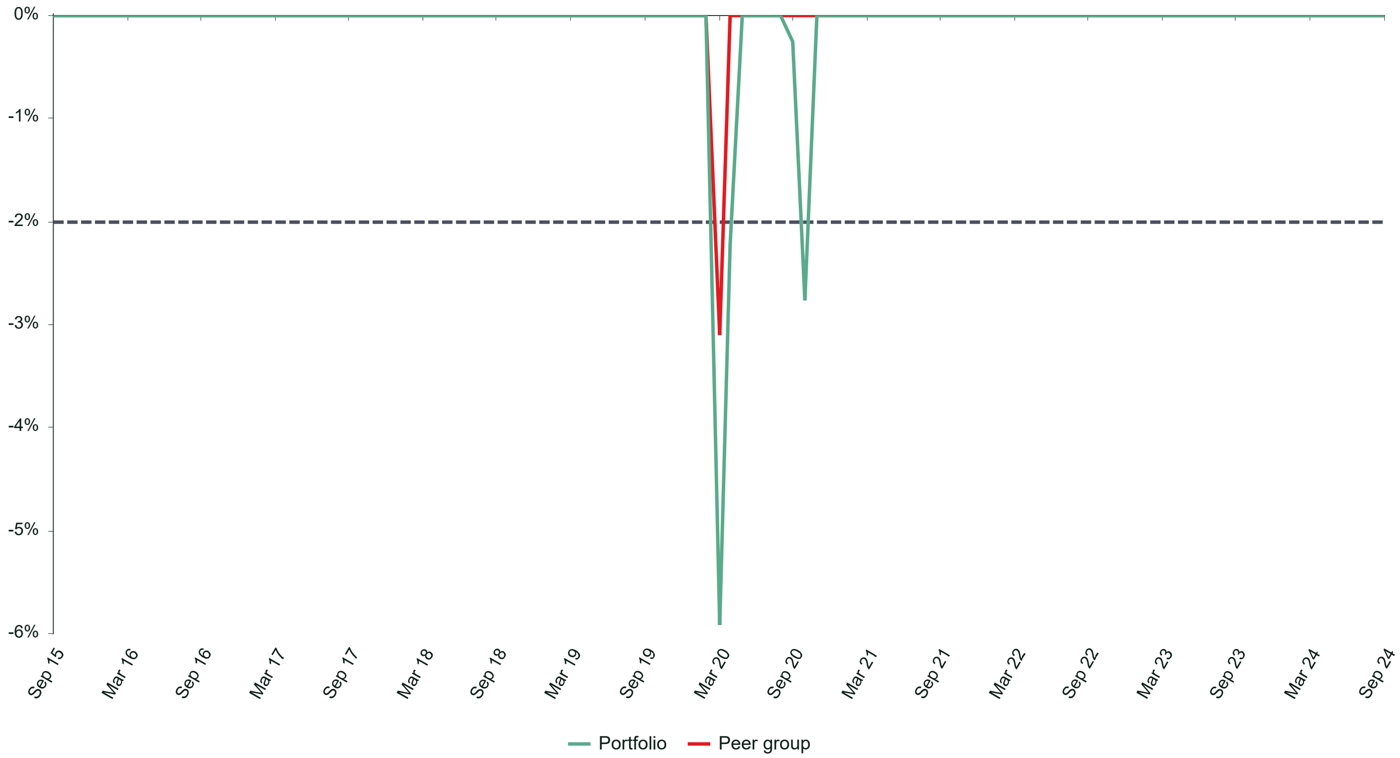
Portfolio relative to benchmark



- 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 end the period ahead of its benchmark.

2.3.2 Risk

Rolling 1-year absolute drawdown over 10 years



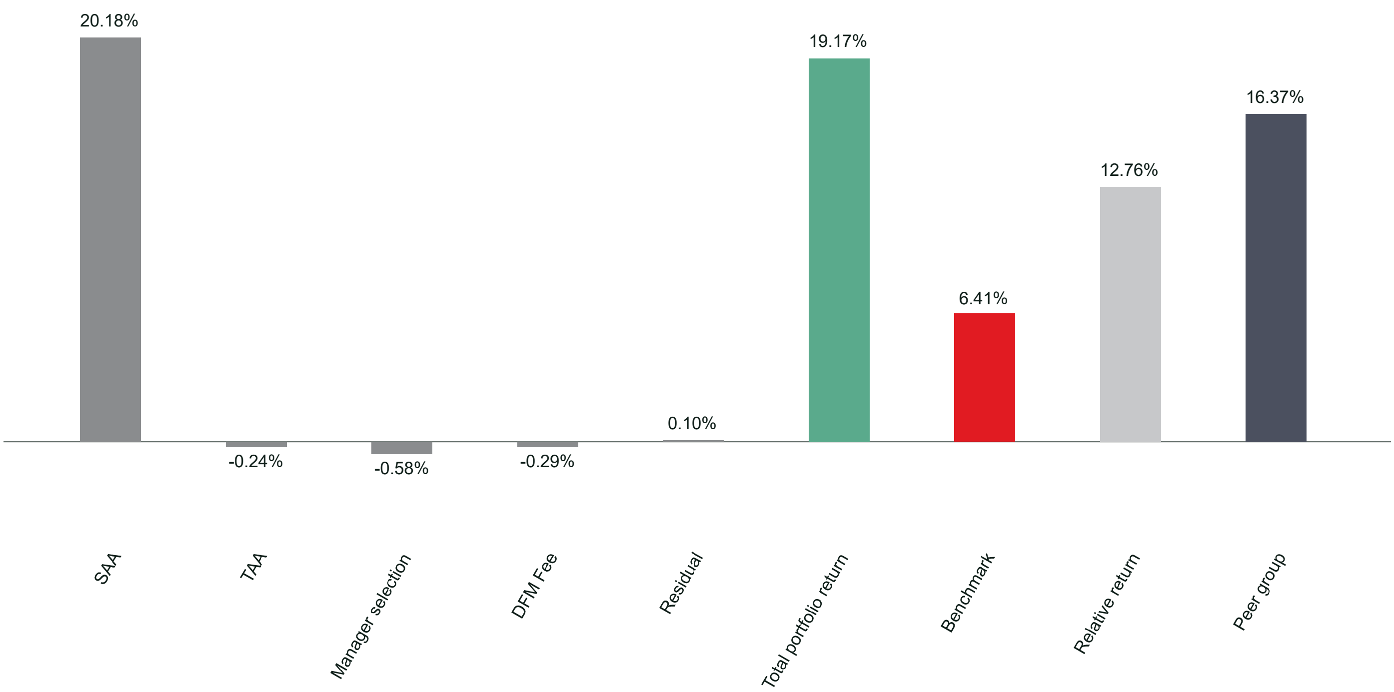
- The portfolio breached the acceptable drawdown level of 2% twice.

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 by a greater extent than the peer group.

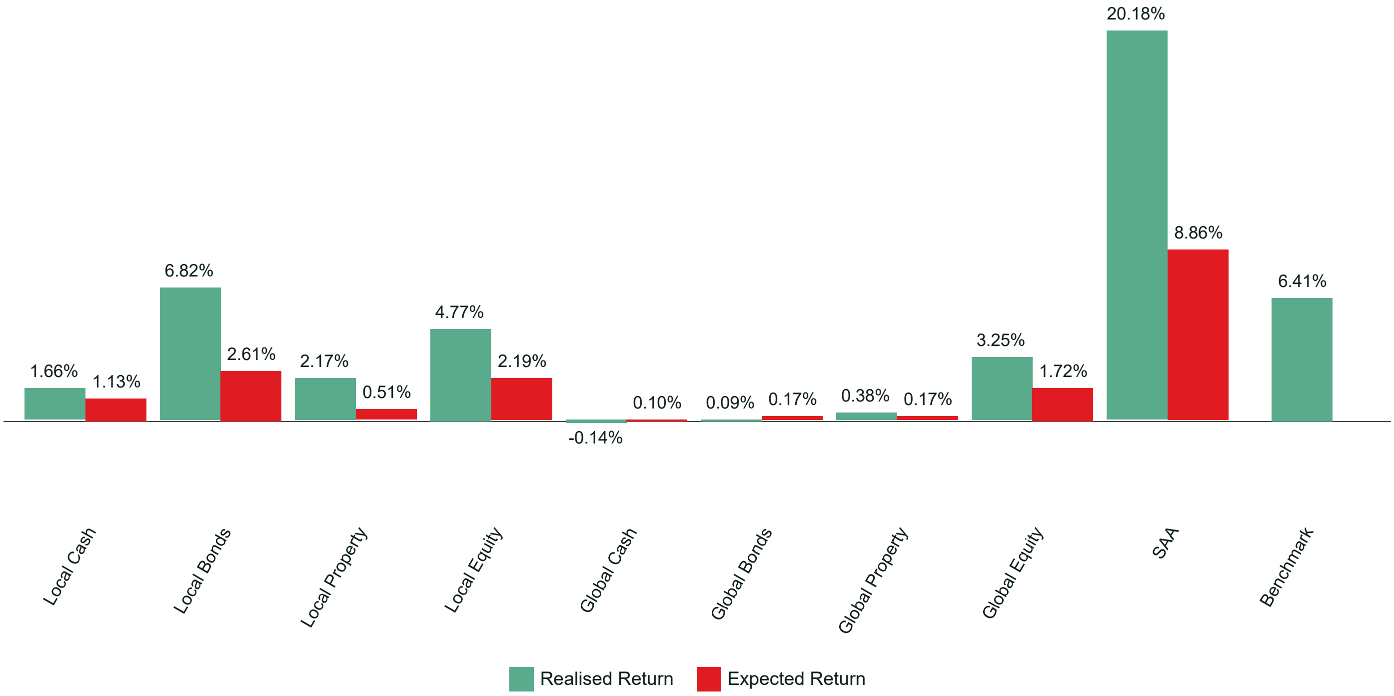
2.3.3 Performance attribution

Total return attribution over 12 months



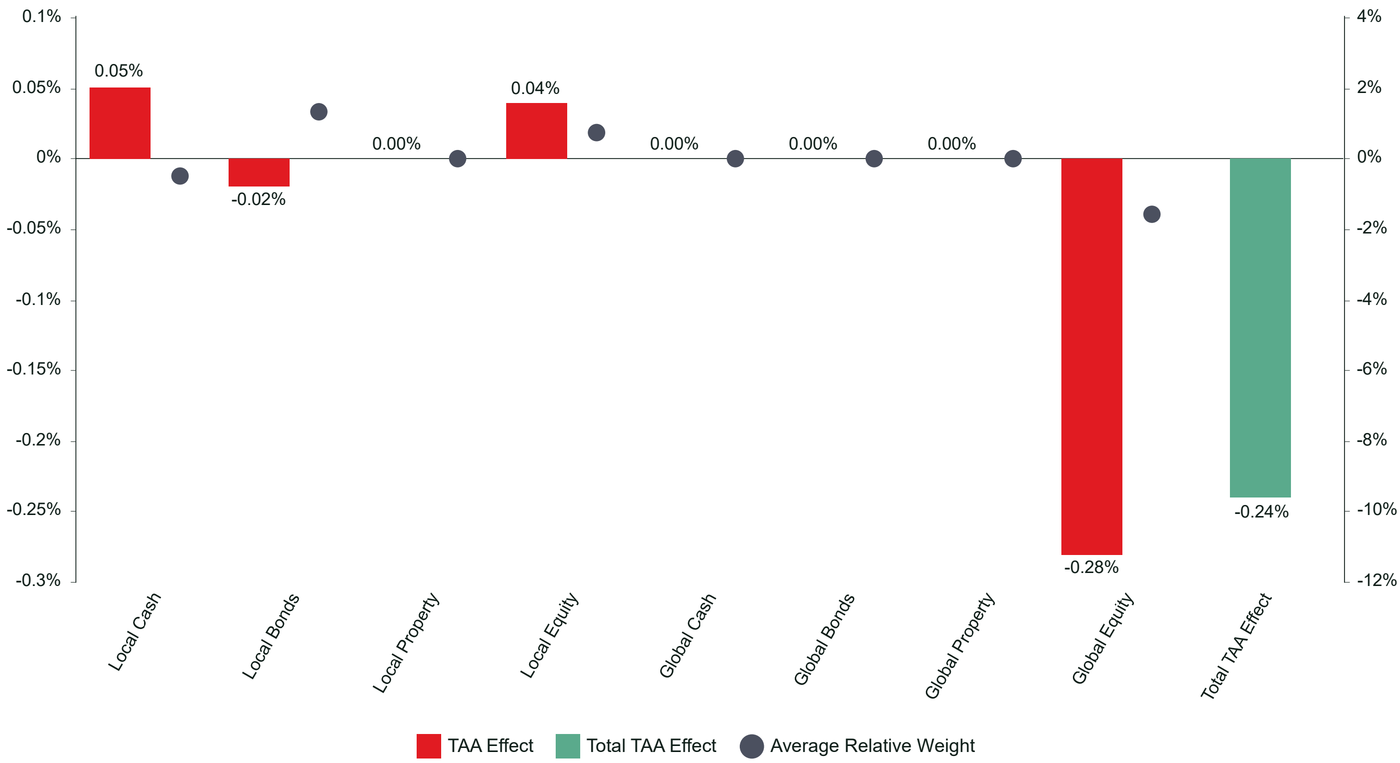
- Both tactical asset allocation (TAA) and manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



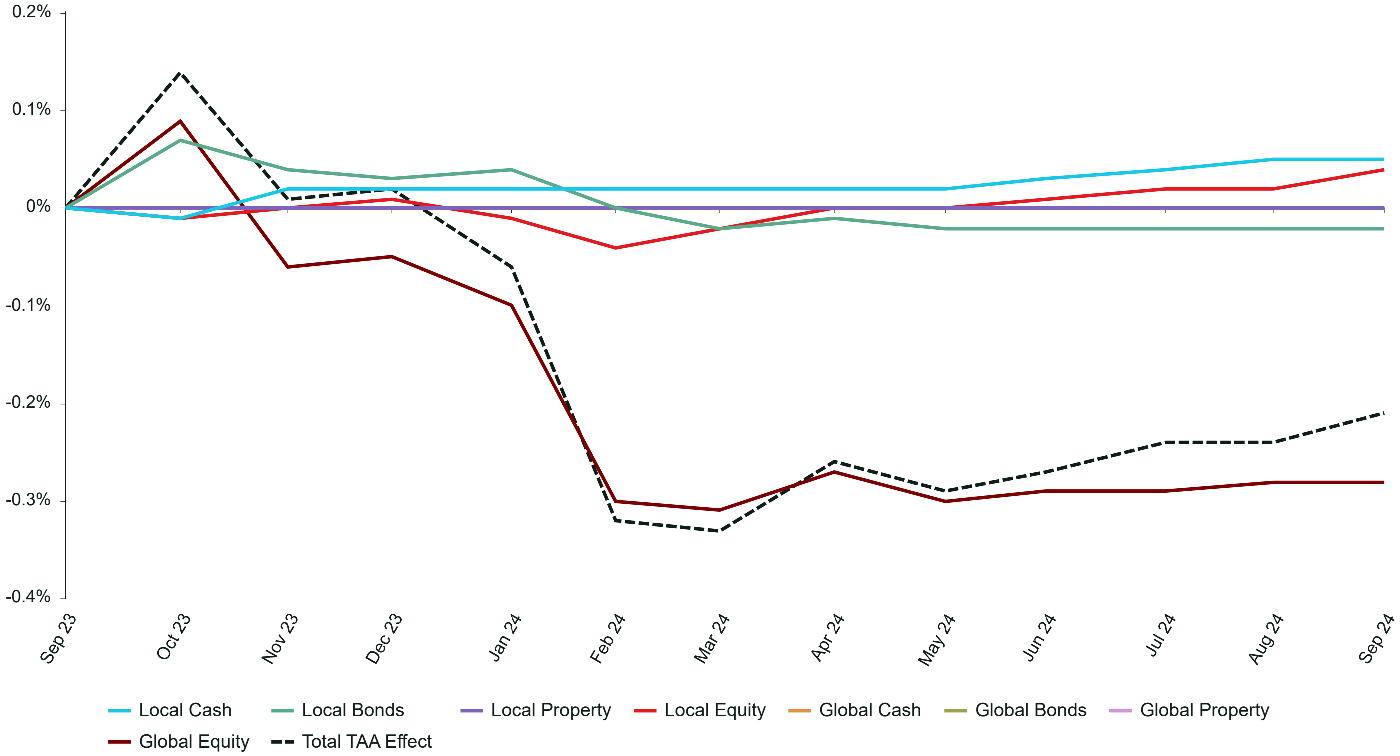
- The graph above illustrates the weighted realised return from each asset class over the period considered relative to our long-term forward-looking expectations.
- Global equity continues to outperform long term expectations due to a strong market while local bonds, local property and local equity 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.

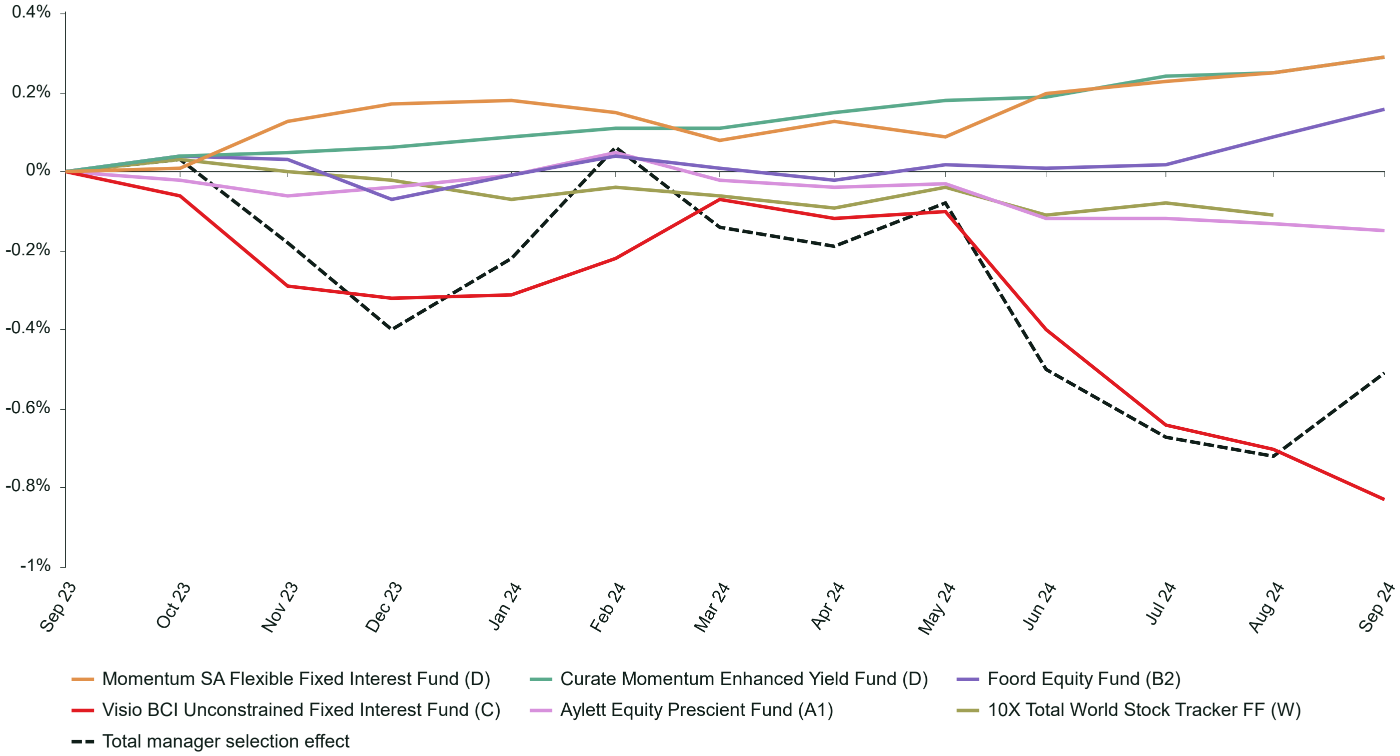
Cumulative tactical asset allocation effects over 12 months



- 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 September 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	**6.72%**	**10.40%**	**20.67%**	**16.59%**	**12.69%**	**9.15%**	**8.68%**	**8.70%**	**87**
Benchmark	1.34%	3.31%	7.41%	7.61%	8.43%	7.85%	7.93%	7.78%	
SAA	6.61%	10.82%	21.55%	17.35%	13.25%	9.73%	8.86%	9.40%	
Peer group	*5.46%*	*9.25%*	*17.45%*	*14.45%*	*10.26%*	*8.15%*	*7.38%*	*7.92%*	

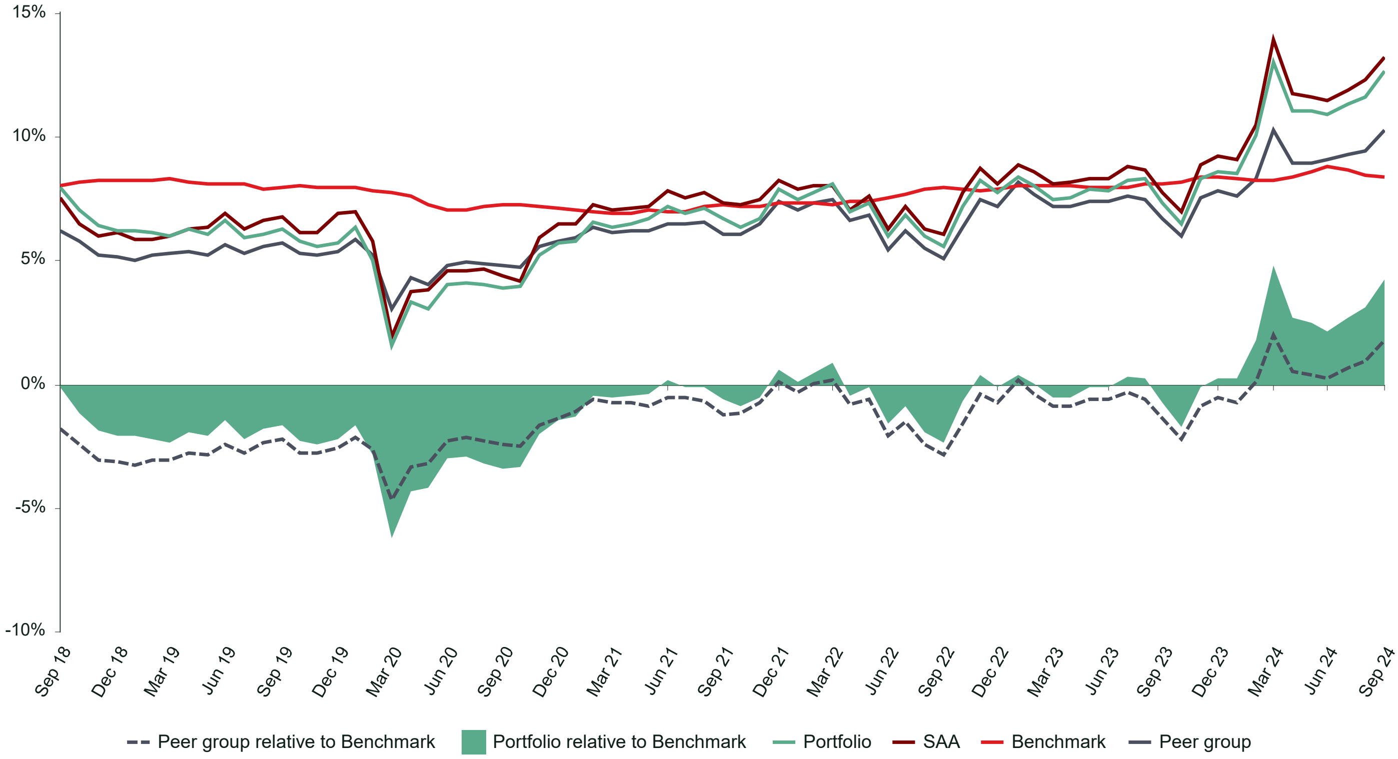
SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.

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 4.26% 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 0.88% over the last 12 months, net of all investment related fees.

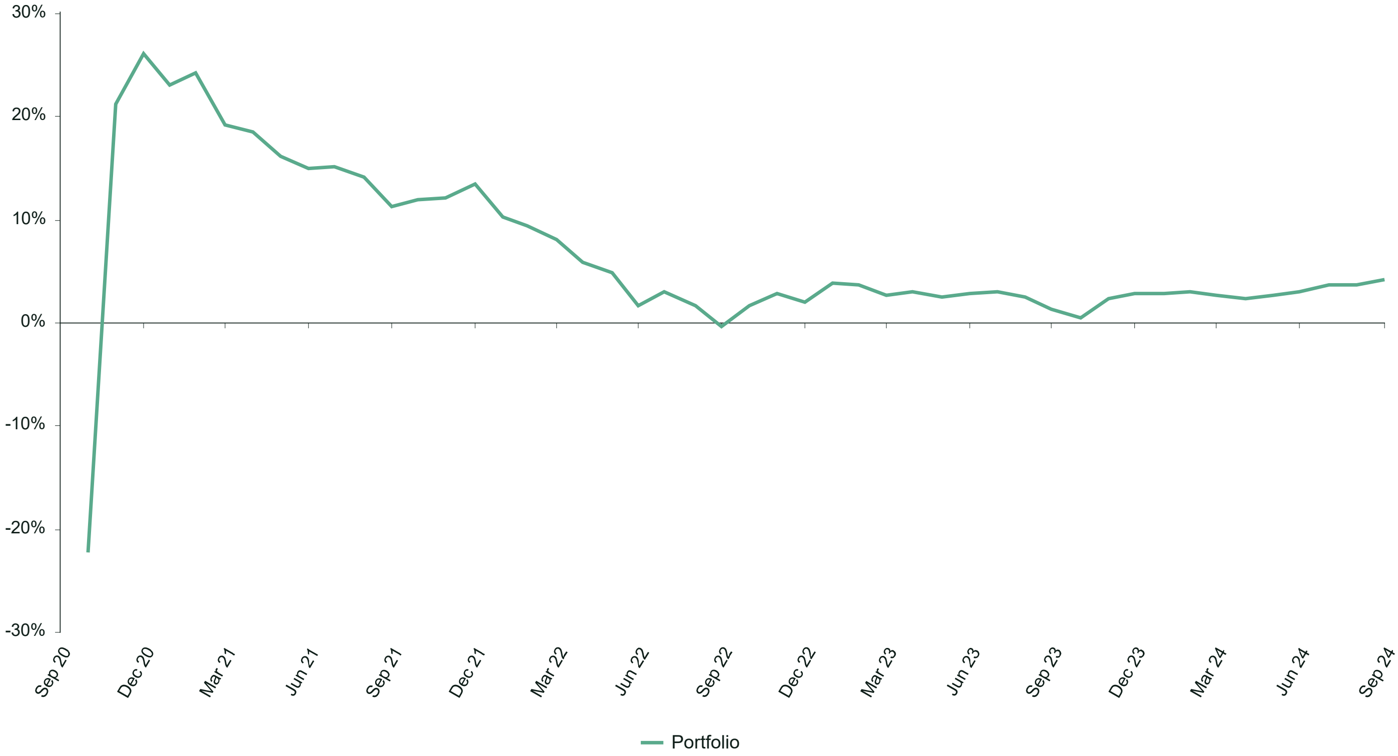
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	73	
Periods of outperformance	**20**	*12*
Realised probability of outperformance	**27%**	*16%*
Maximum outperformance	**4.80%**	*2.04%*
Maximum underperformance	**-6.19%**	*-4.69%*

- Over the period, the portfolio outperformed its benchmark on 27% of the total rolling 4-year periods. This compares favourably with the peer group, which only managed to outperform on 16% of the rolling 4-year periods.

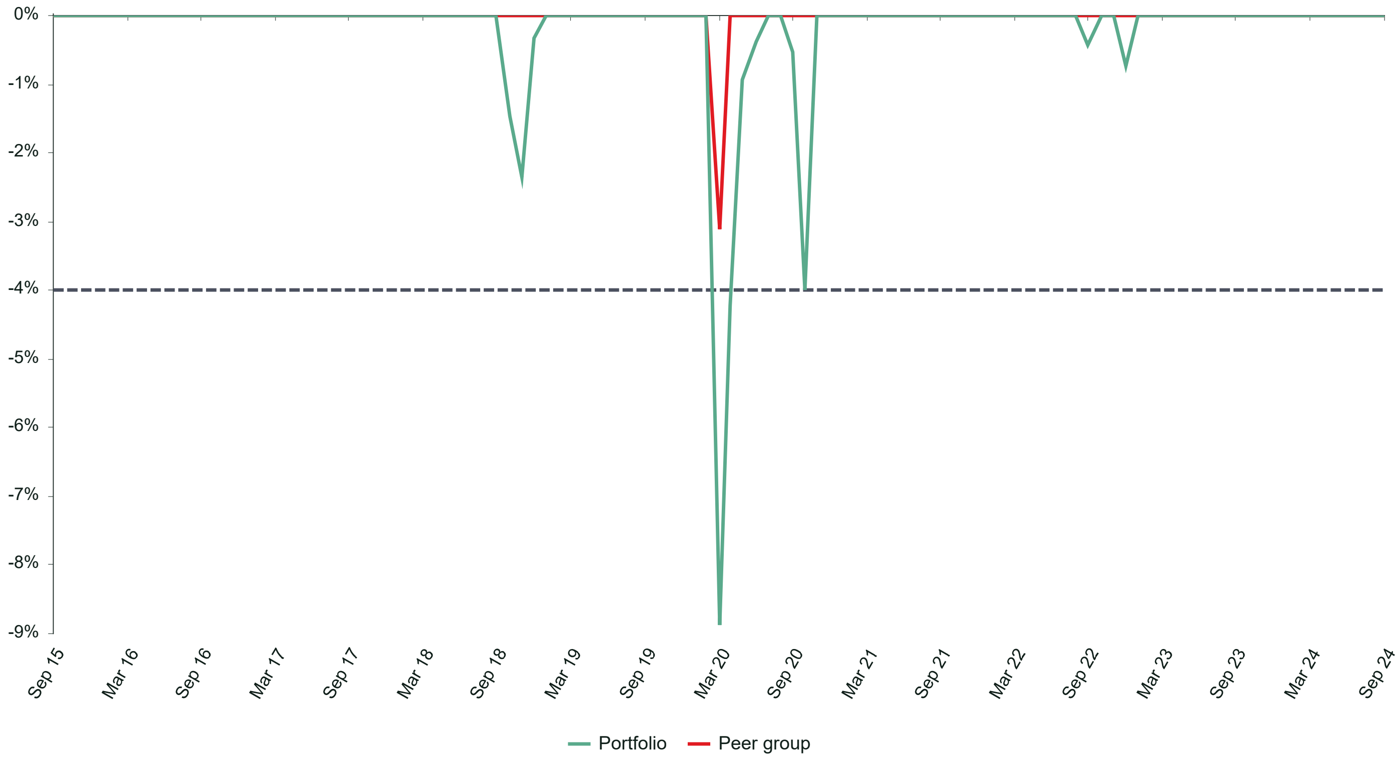
Portfolio relative to benchmark



- 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. At the end of the period, the portfolio remained ahead of its benchmark.

2.4.2 Risk

Rolling 1-year absolute drawdown over 10 years



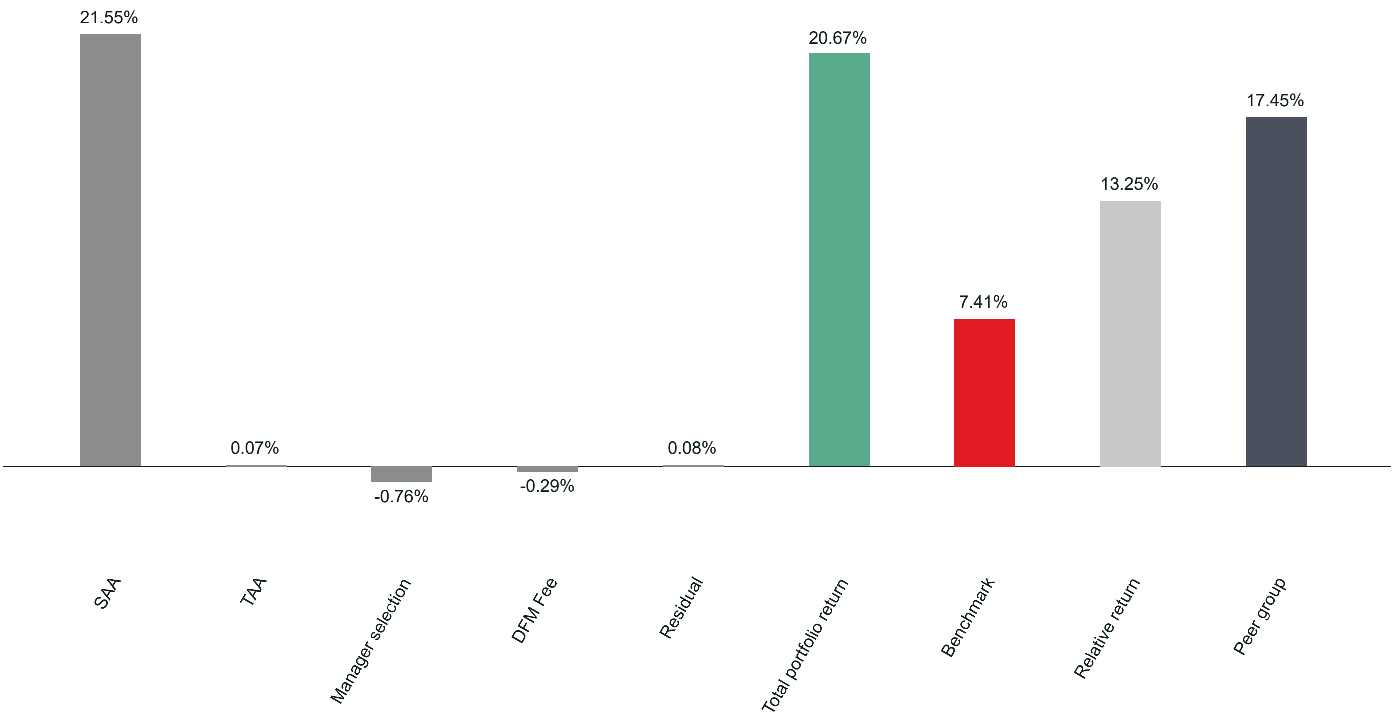
- The portfolio breached the acceptable drawdown level of 4% twice.

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.

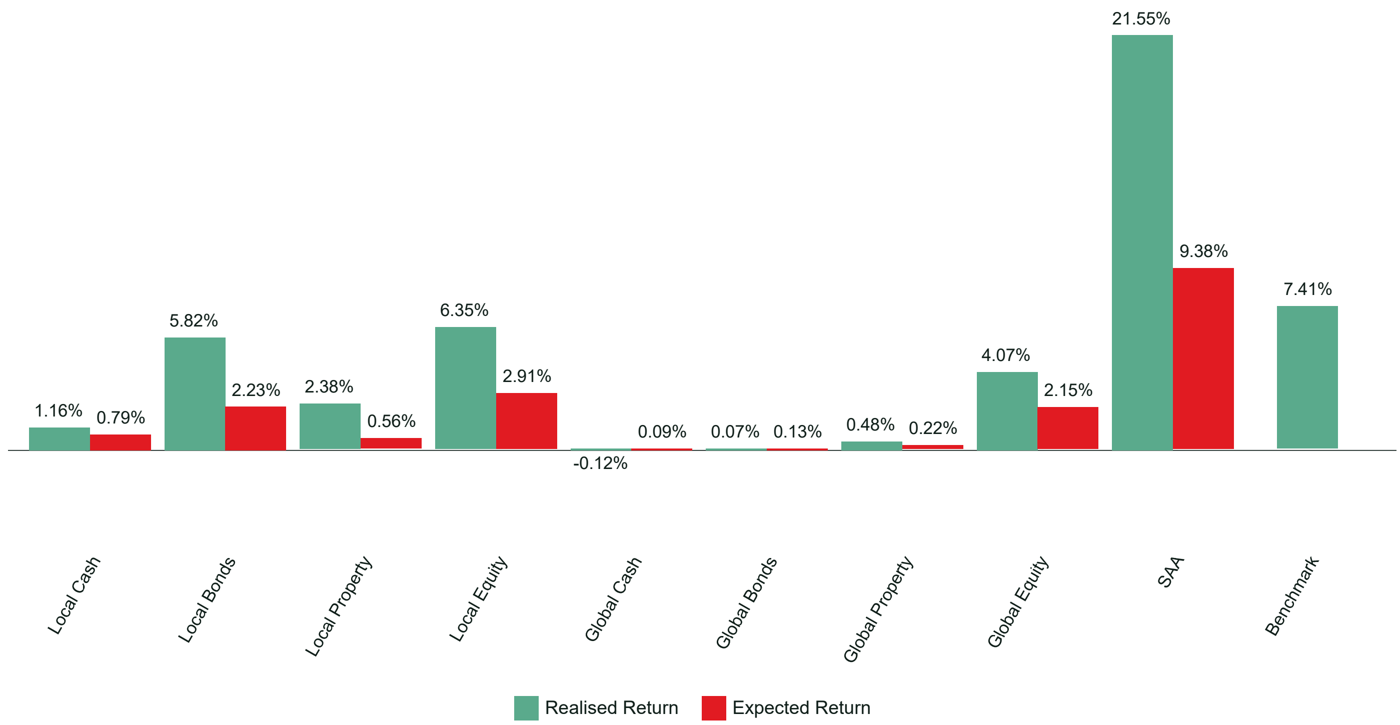
2.4.3 Performance attribution

Total return attribution over 12 months



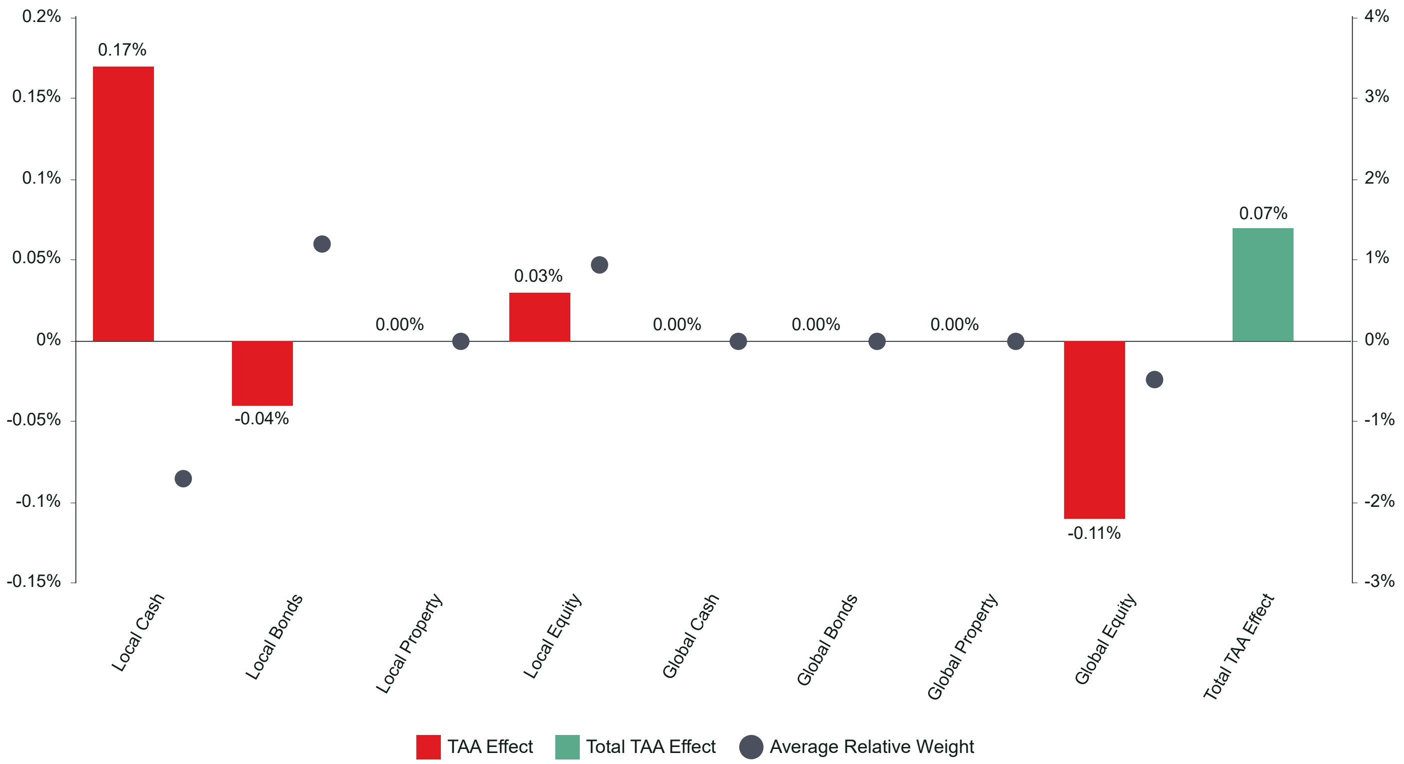
- Tactical asset allocation (TAA) contributed marginally while manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



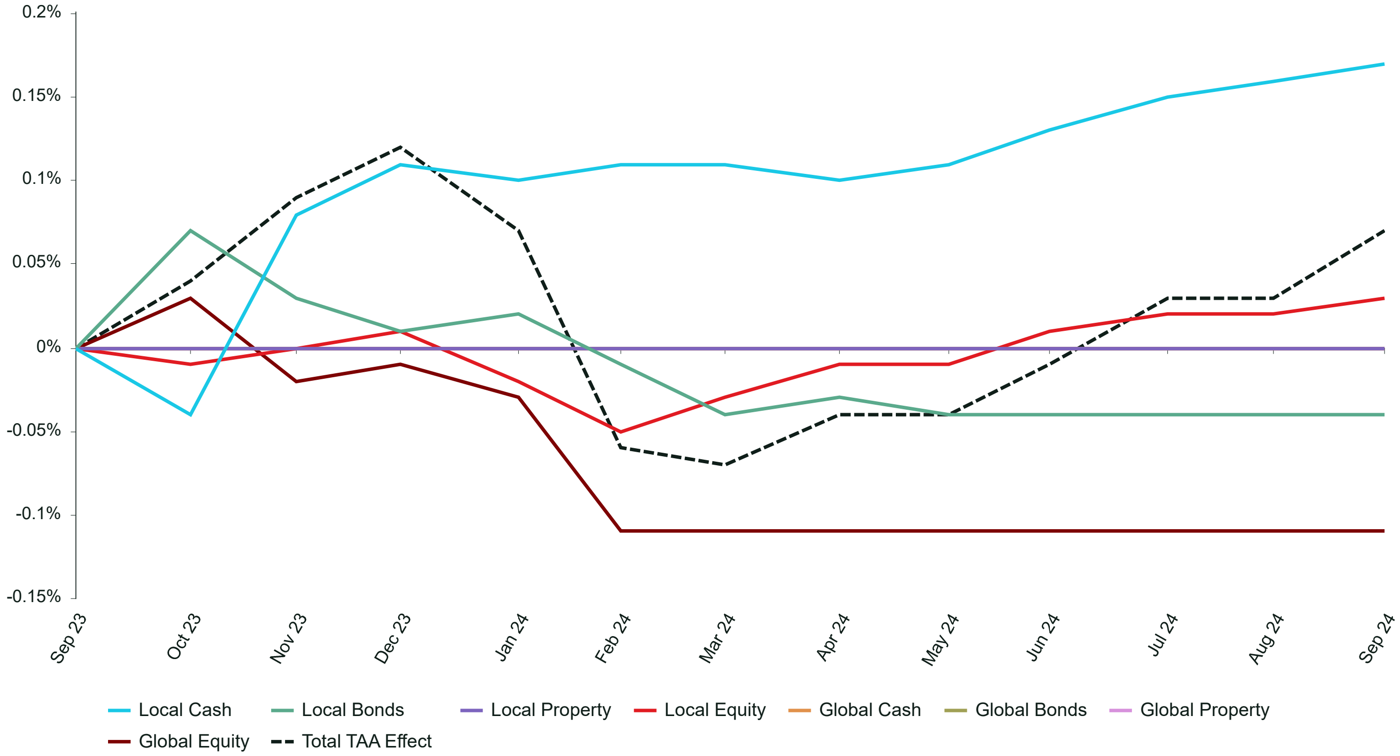
- Global equity continues to outperform long term expectations due to a strong market while local bonds, local property and local equity also outperformed our long-term expectations due to positive investor sentiment following the outcomes of the South African elections.

Tactical asset allocation effects over 12 months



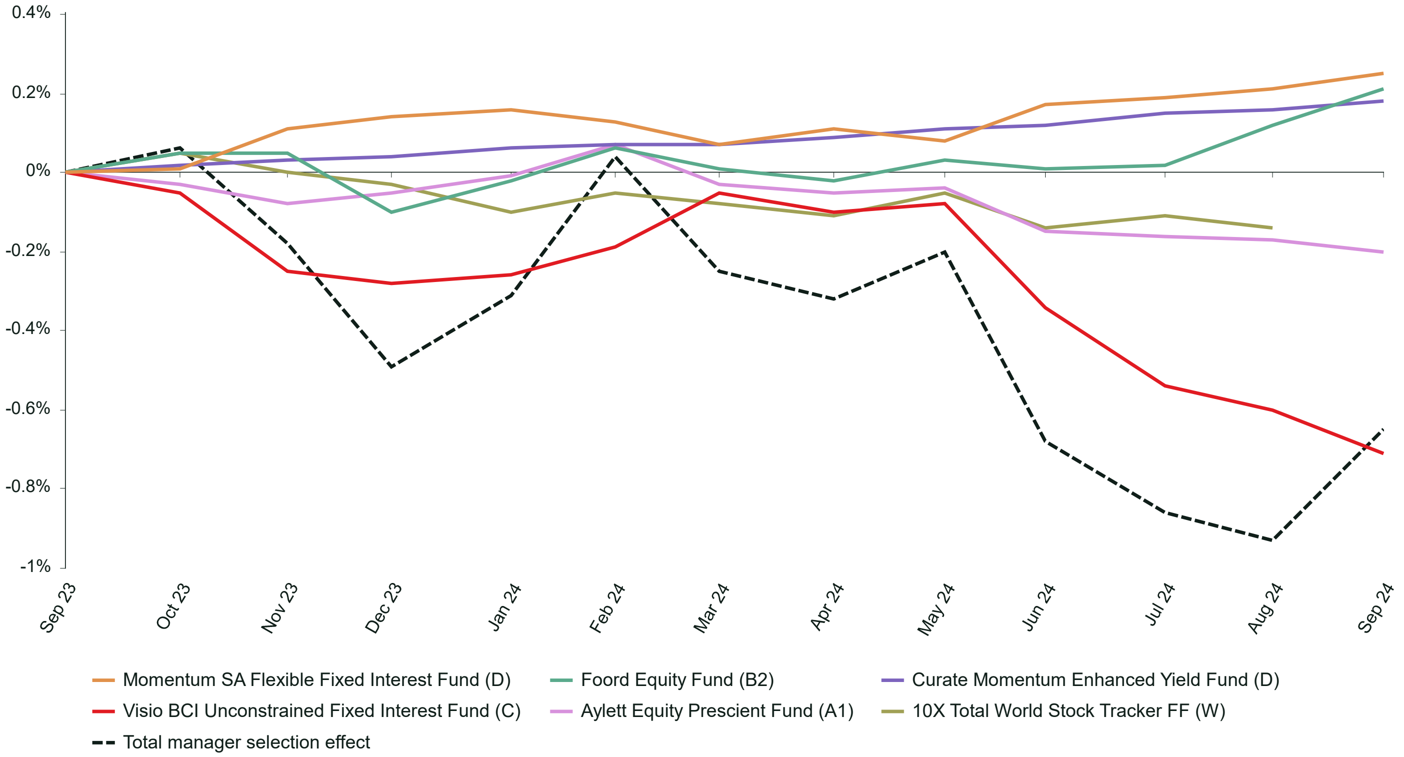
- The underweight position to local cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

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 September 2024
Benchmark: CPI + 4% over rolling 5-year periods
Peer group: (ASISA) South African MA Medium Equity

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

2.5.1 Returns

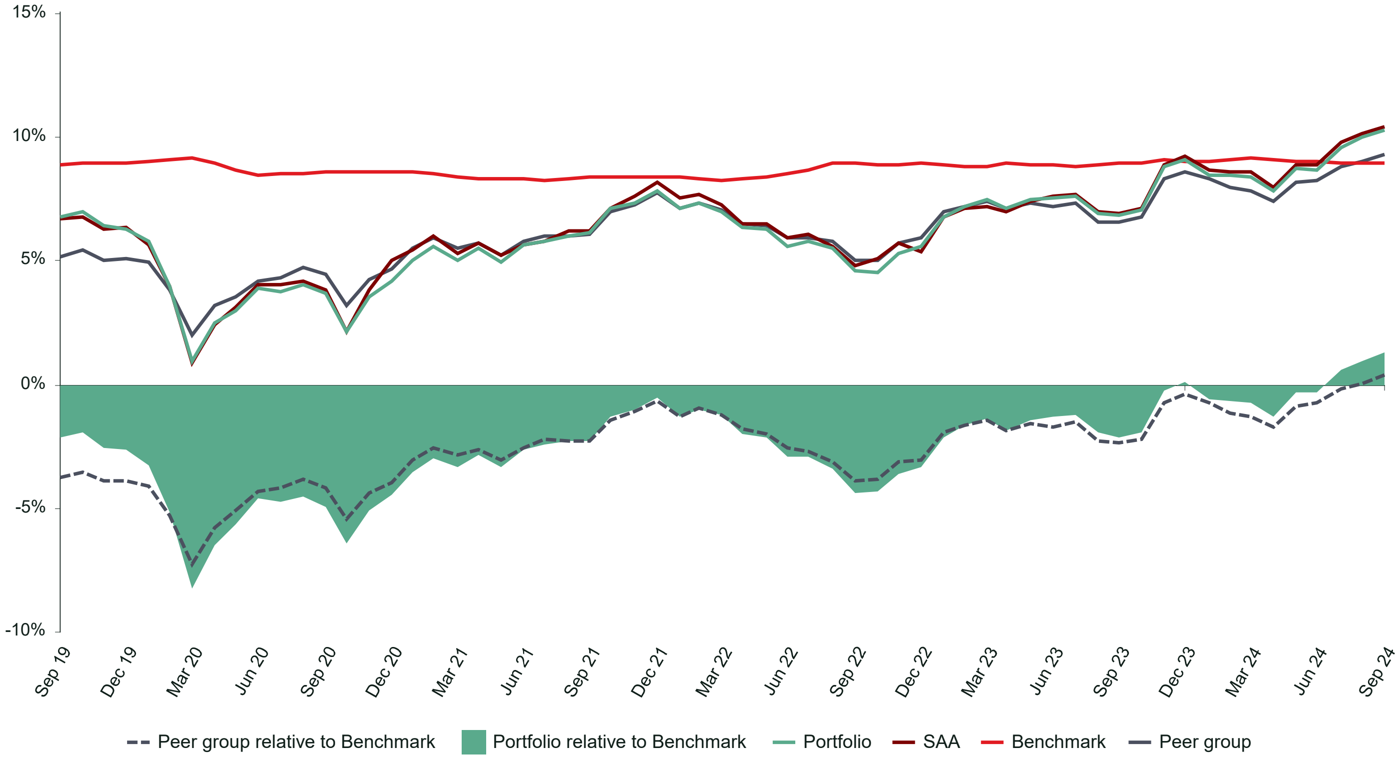
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**6.98%**	**10.73%**	**21.34%**	**10.96%**	**10.27%**	**8.09%**	**8.53%**	**8.53%**	**87**
Benchmark	1.58%	3.79%	8.41%	9.61%	8.96%	8.87%	8.93%	8.78%	
SAA	6.78%	11.03%	22.30%	11.66%	10.45%	8.45%	8.58%	8.96%	
Peer group	*5.46%*	*9.25%*	*17.45%*	*9.74%*	*9.33%*	*7.66%*	*7.22%*	*8.04%*	

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 1.31% p.a. over the 5-year period. It also outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.96% over the last 12 months, net of all investment related fees.

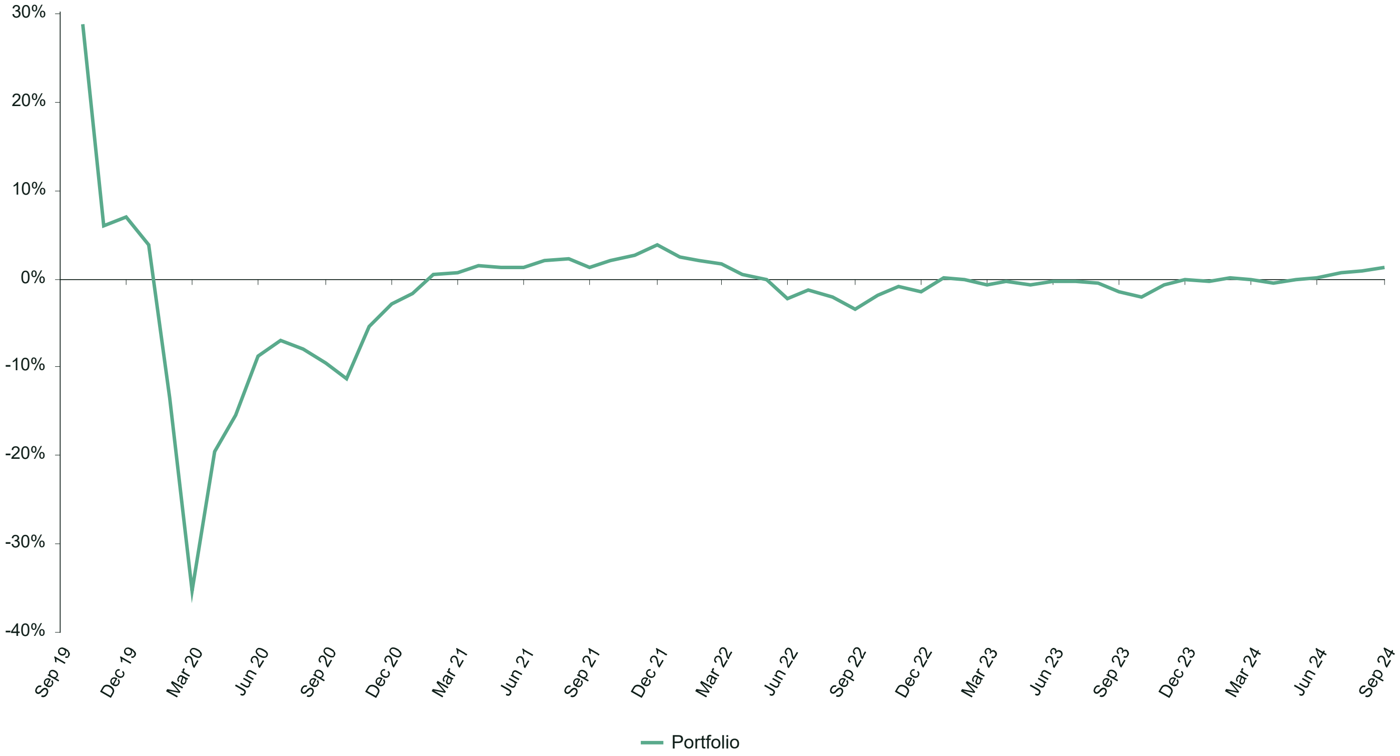
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	61	
Periods of outperformance	**4**	*2*
Realised probability of outperformance	**7%**	*3%*
Maximum outperformance	**1.31%**	*0.37%*
Maximum underperformance	**-8.23%**	*-7.23%*

- Over the period, the portfolio outperformed its benchmark on 7% of the total rolling 5-year periods. This compares favourably with the peer group, which outperformed on 3% of the total the rolling 5-year periods.

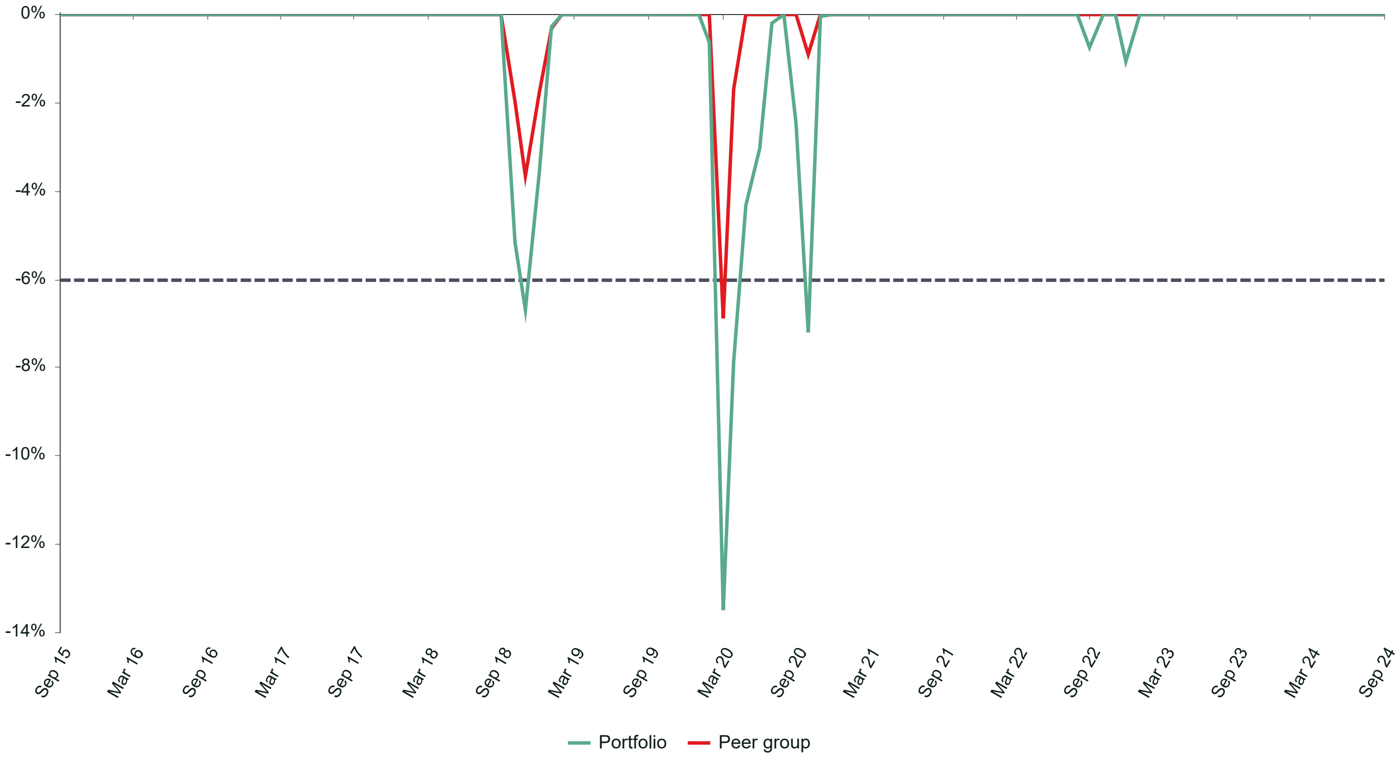
Portfolio relative to benchmark



- 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. The portfolio ended the period ahead of its benchmark.

2.5.2 Risk

Rolling 1-year absolute drawdown over 10 years



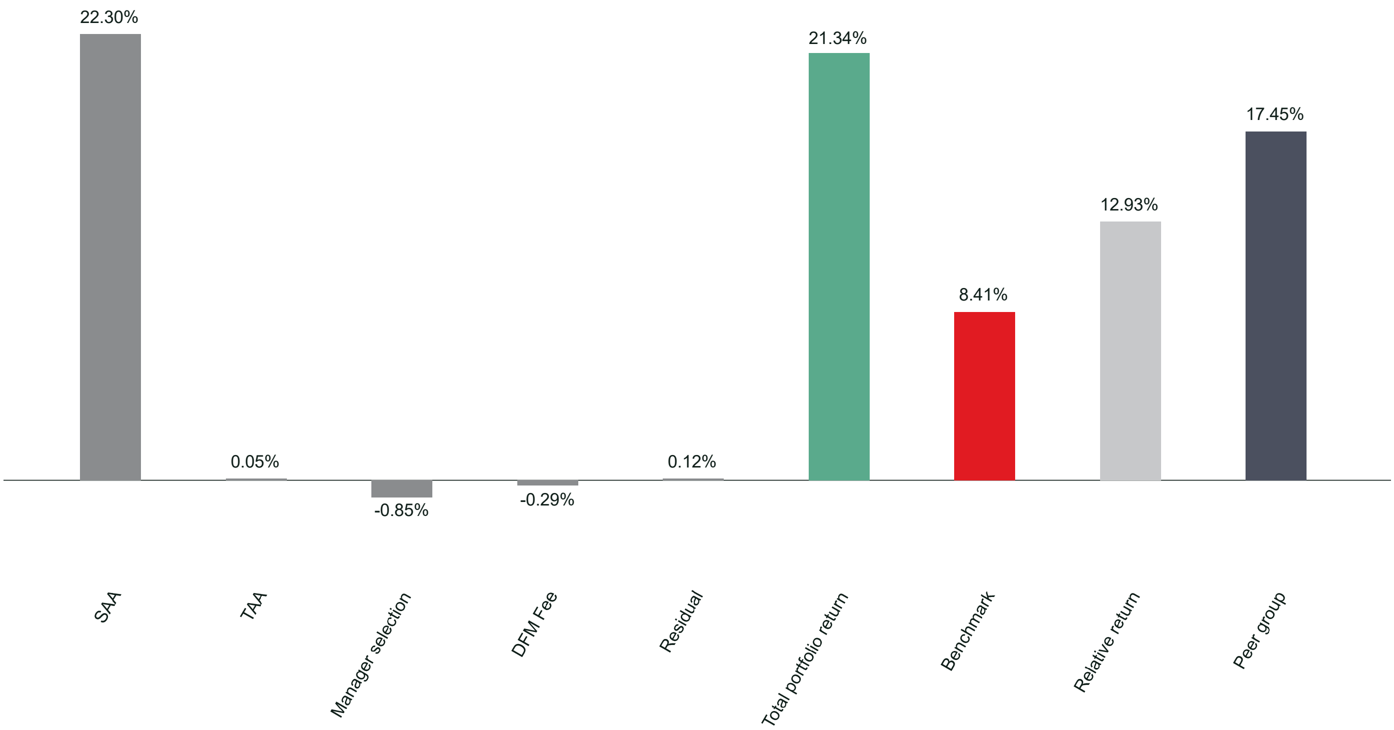
- The portfolio breached the acceptable drawdown level of 6% three times.

Rolling investment horizon absolute drawdown over 10 years

- The portfolio outperformed its benchmark over rolling 5 years and remained 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.

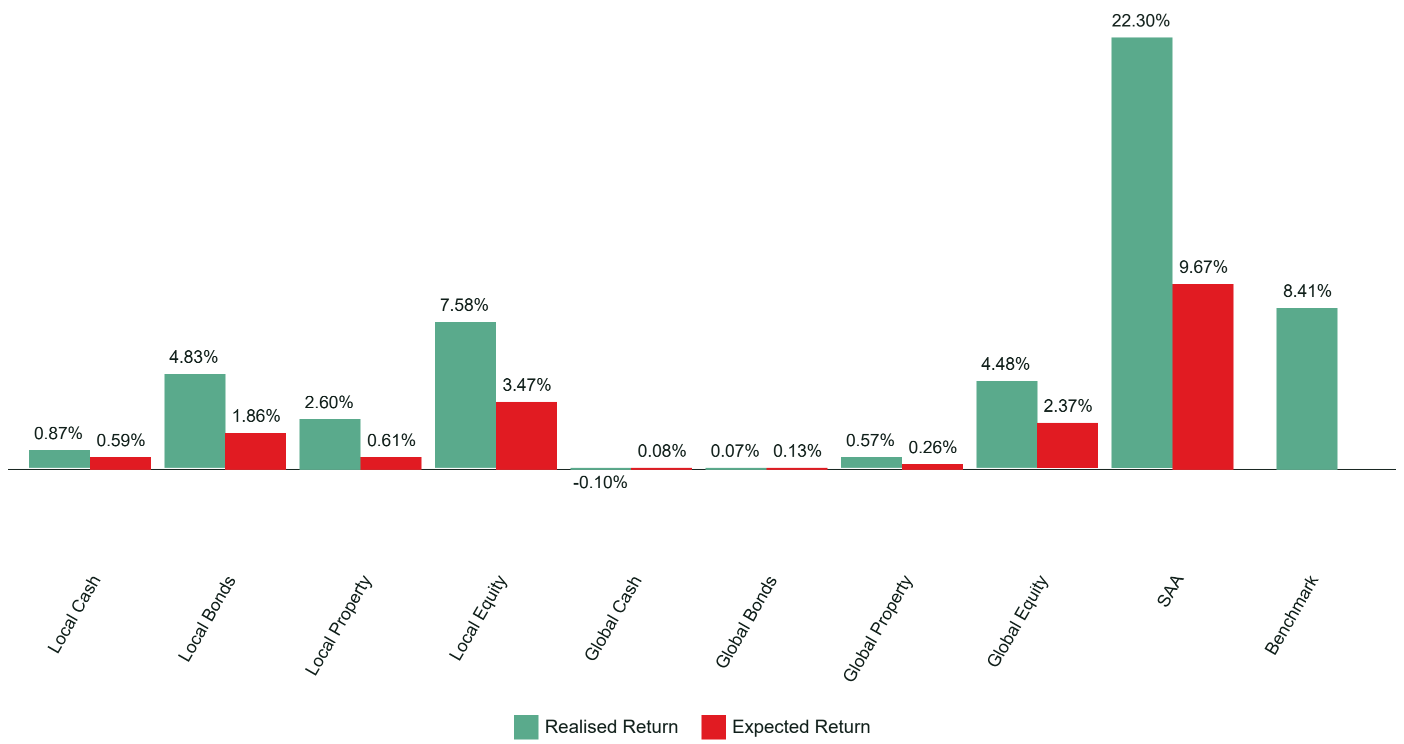
2.5.3 Performance attribution

Total return attribution over 12 months



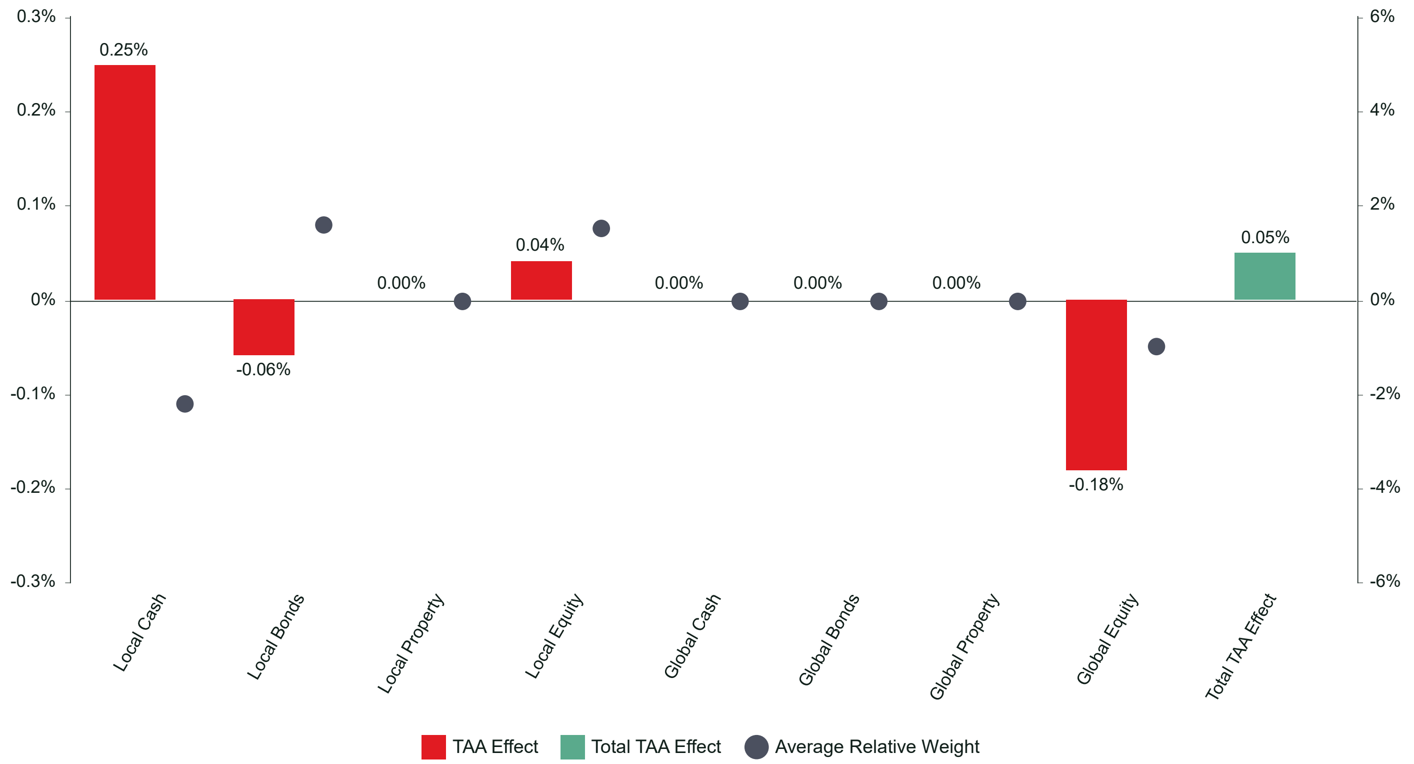
- Tactical asset allocation (TAA) contributed marginally while manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



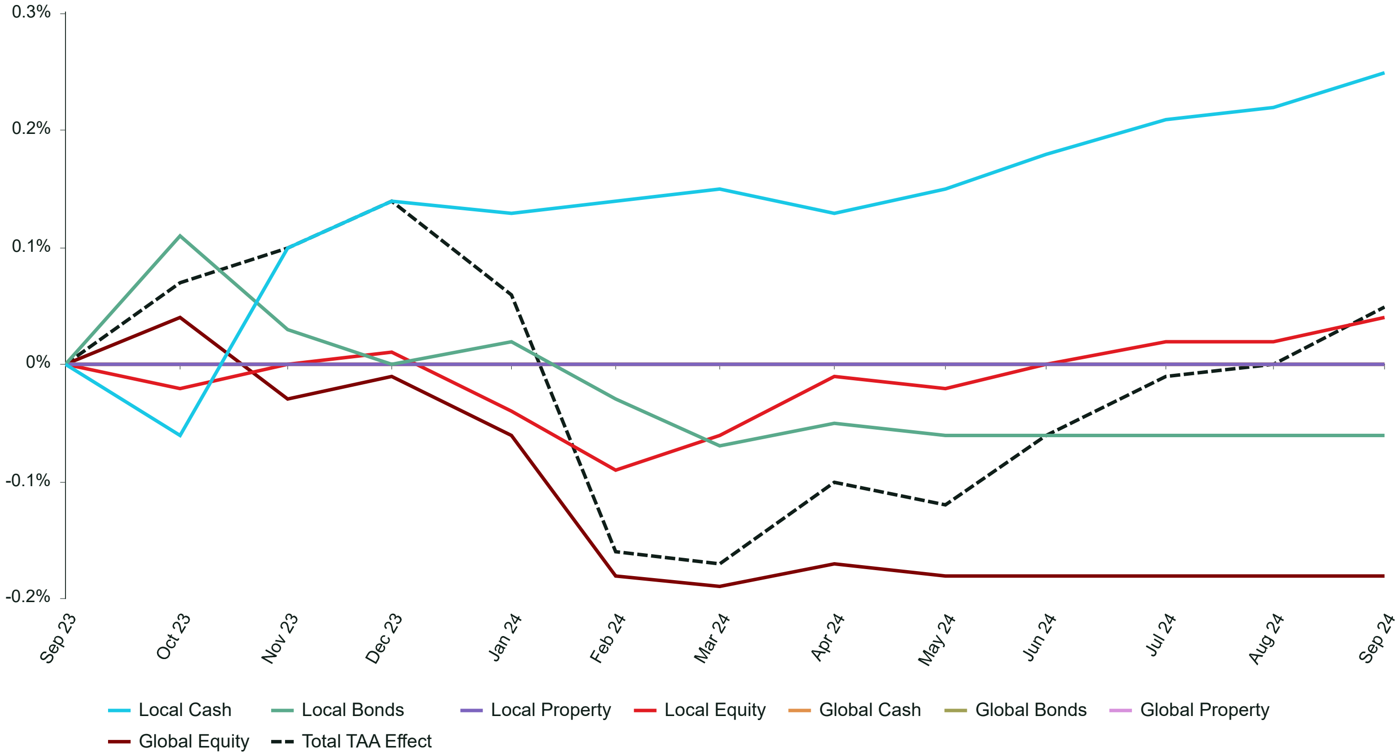
- Global equity continues to outperform long term expectations due to a strong market while local bonds, local property and local equity also outperformed our long-term expectations due to positive investor sentiment following the outcomes of the South African elections.

Tactical asset allocation effects over 12 months



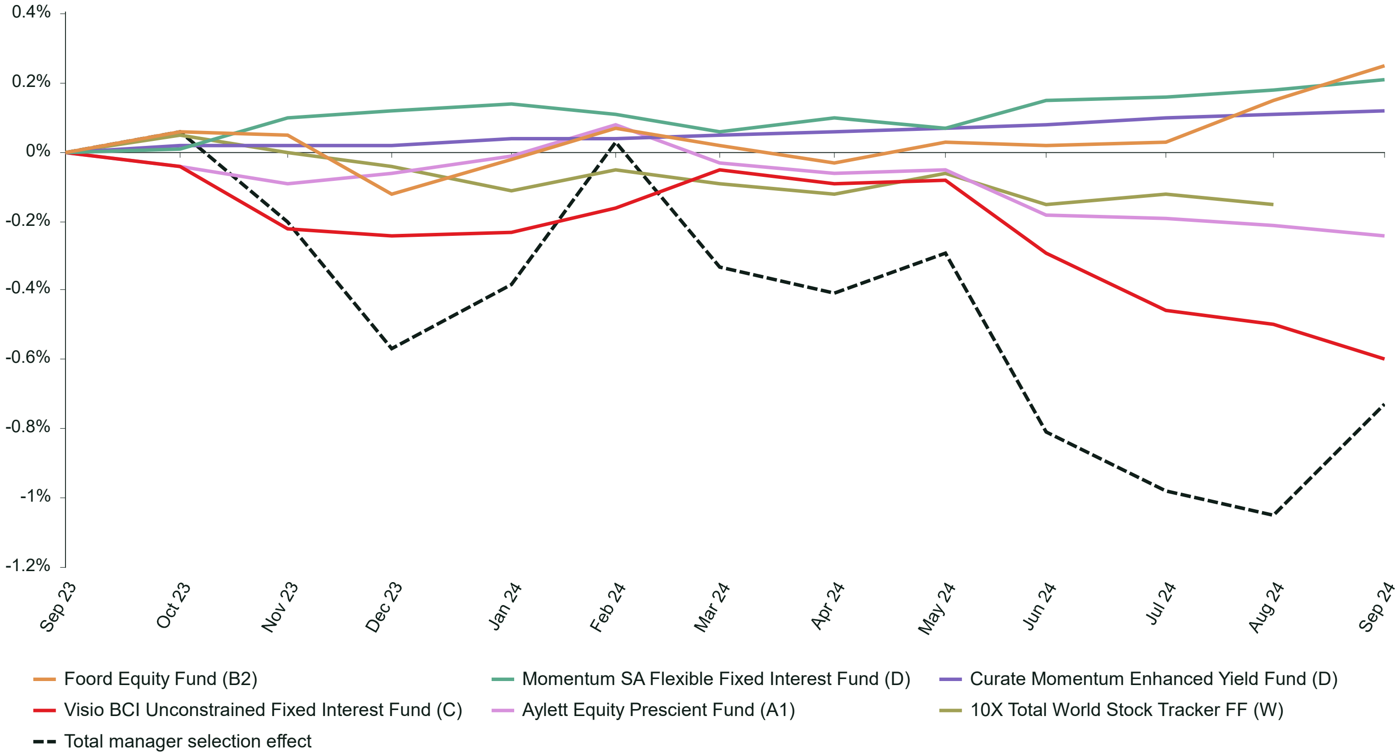
- The underweight position to local cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

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 September 2024
Benchmark: CPI + 5% over rolling 6-year periods
Peer group: (ASISA) South African MA High Equity

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

2.6.1 Returns

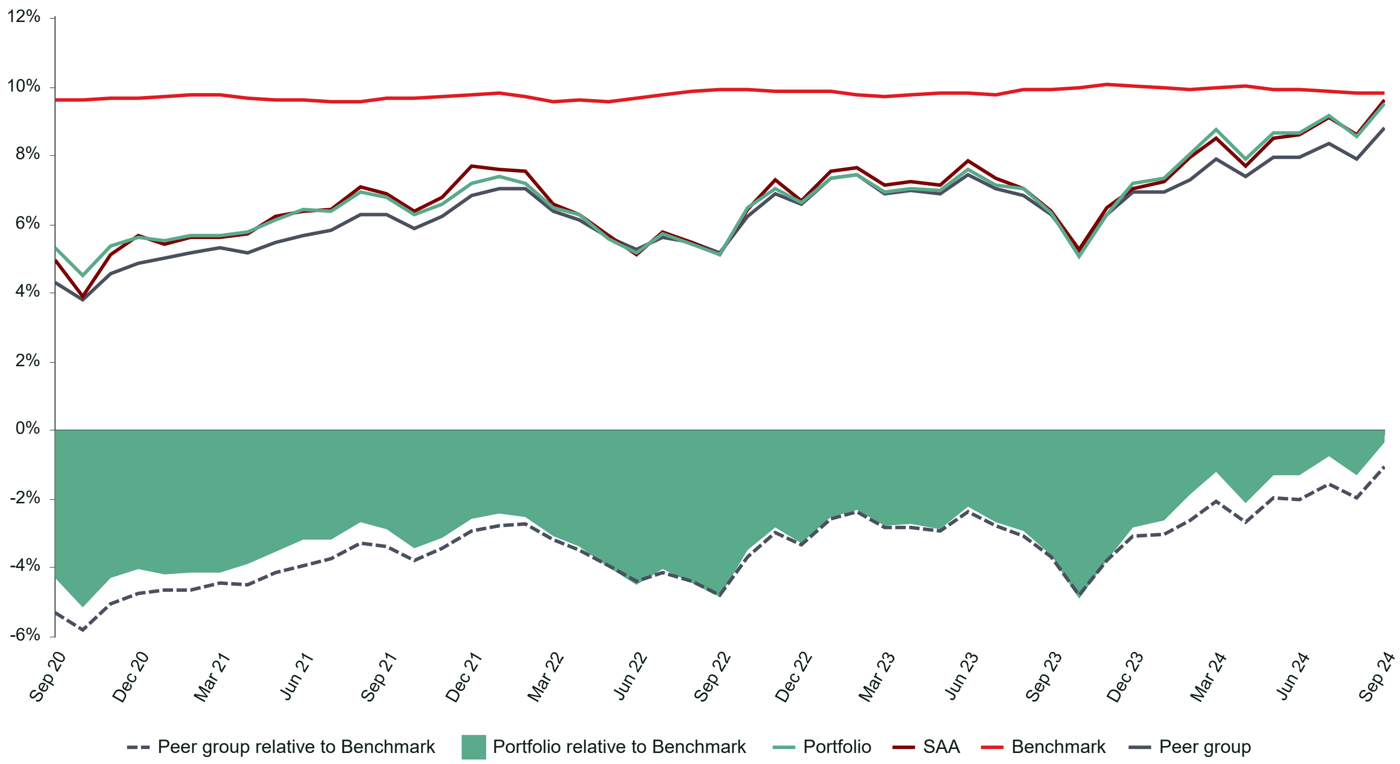
Trailing returns

	3m	6m	1y	2y	4y	6y	10y	SL	Mths SL
Portfolio	**7.36%**	**11.23%**	**22.45%**	**18.27%**	**14.35%**	**9.54%**	**8.85%**	**8.96%**	**87**
Benchmark	1.81%	4.27%	9.41%	9.61%	10.43%	9.85%	9.93%	9.78%	
SAA	7.05%	11.34%	23.66%	19.24%	14.95%	9.61%	8.85%	9.25%	
Peer group	*5.99%*	*10.02%*	*18.73%*	*15.85%*	*12.41%*	*8.80%*	*7.48%*	*8.43%*	

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 0.31% p.a. over the 6-year period. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.21% over the last 12 months, net of all investment related fees.

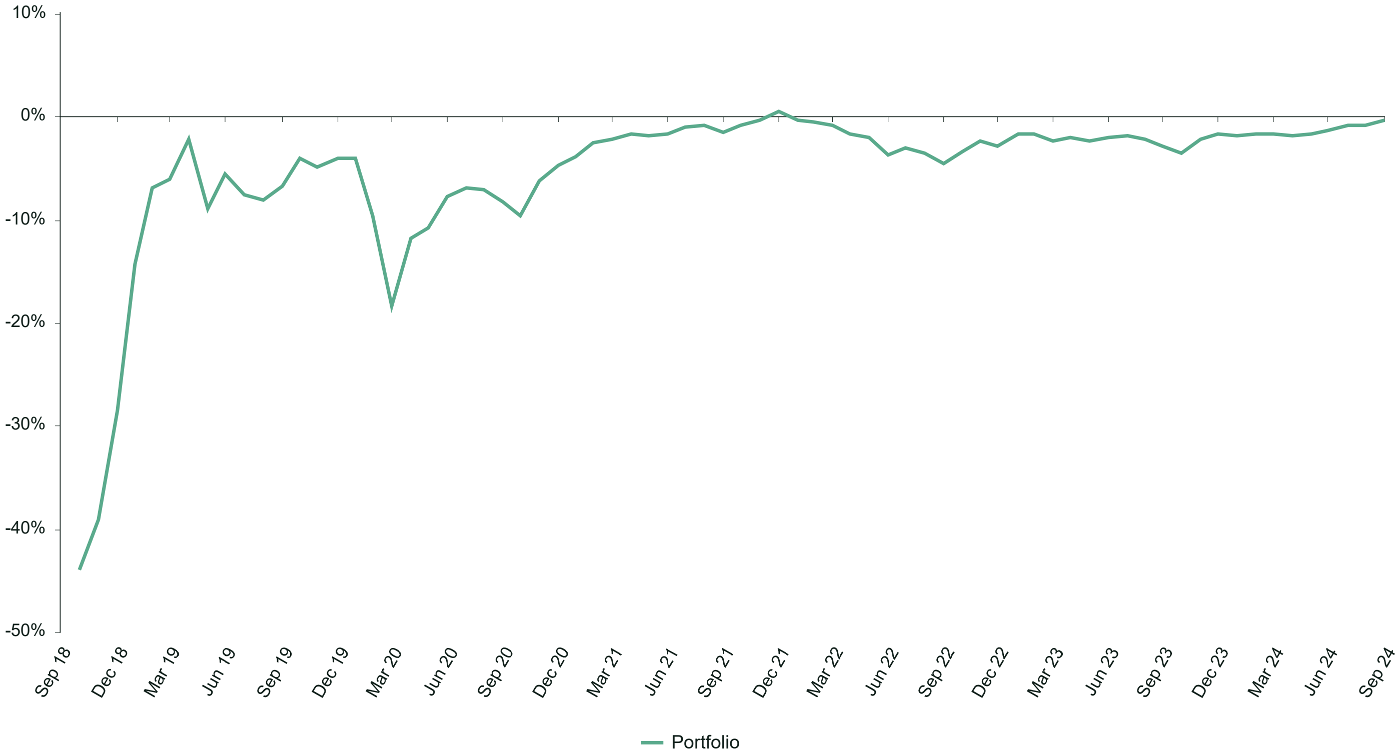
Rolling investment horizon returns over 10 years



	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



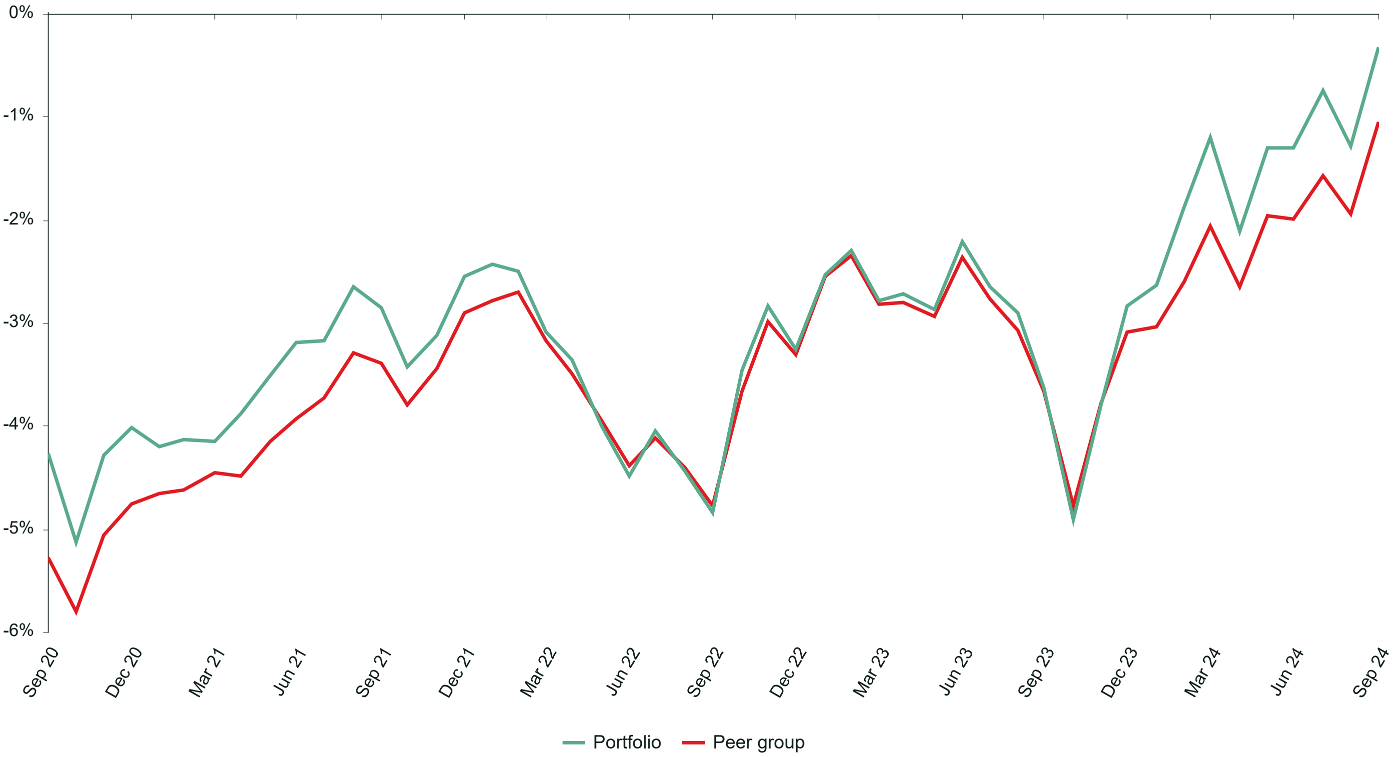
- Over the measurement period, the portfolio's annualised returns relative to its goal were mainly below its target due to the weak returns from growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark, however this reversed owing to the sell-off 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.

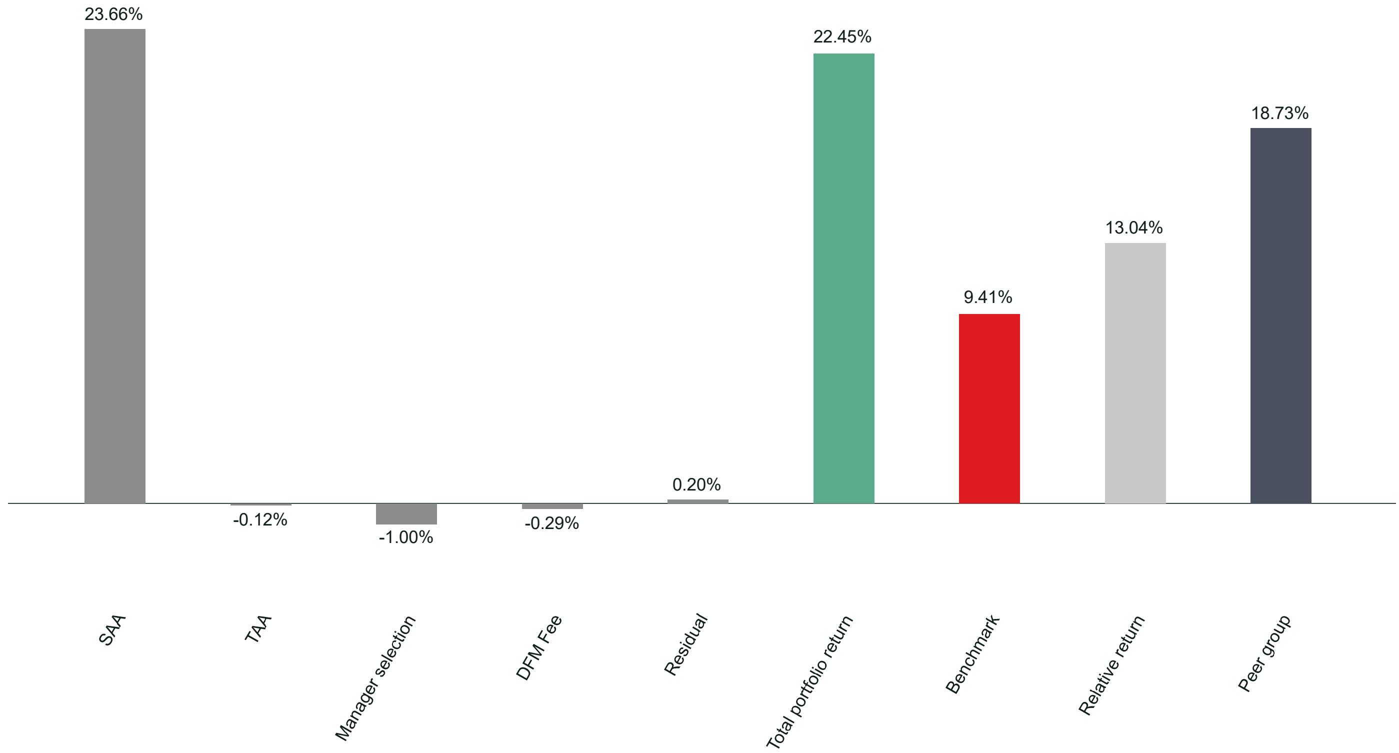
Rolling investment horizon absolute drawdown over 10 years



- The portfolio underperformed its benchmark but performed 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.

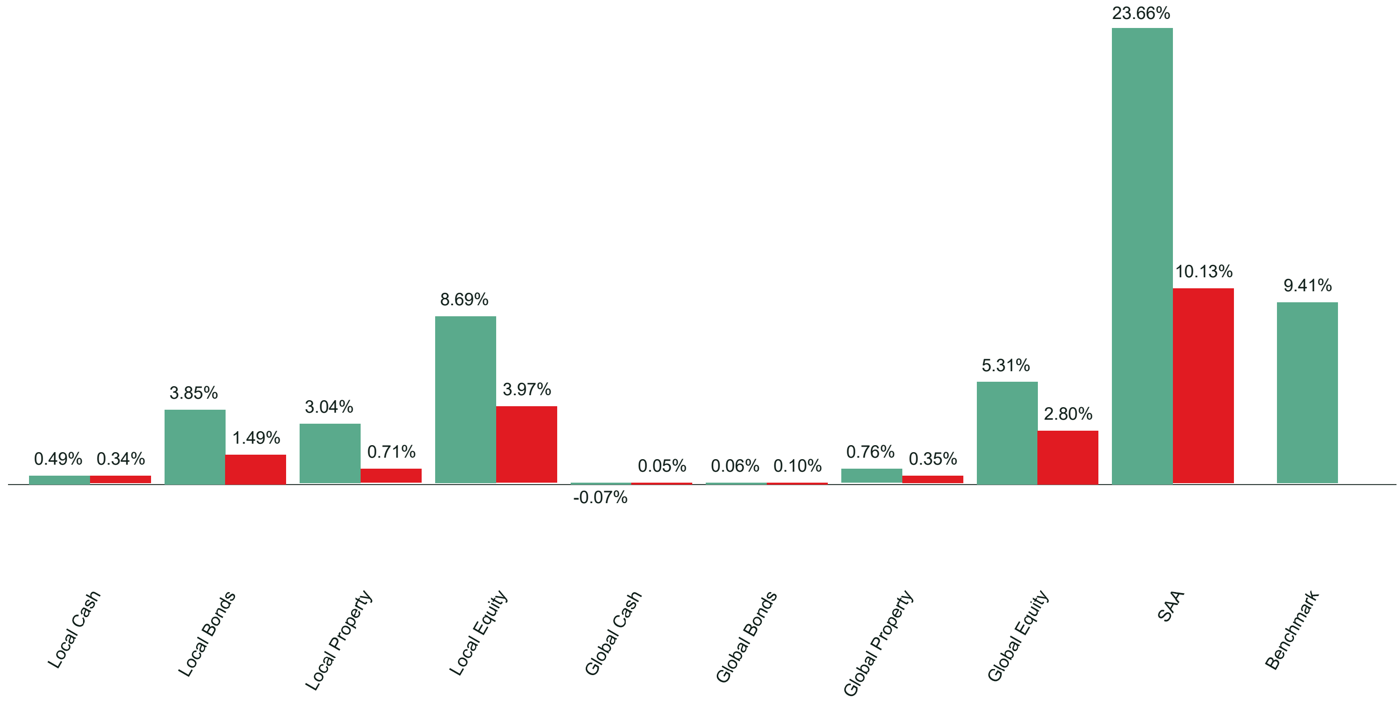
2.6.3 Performance attribution

Total return attribution over 12 months



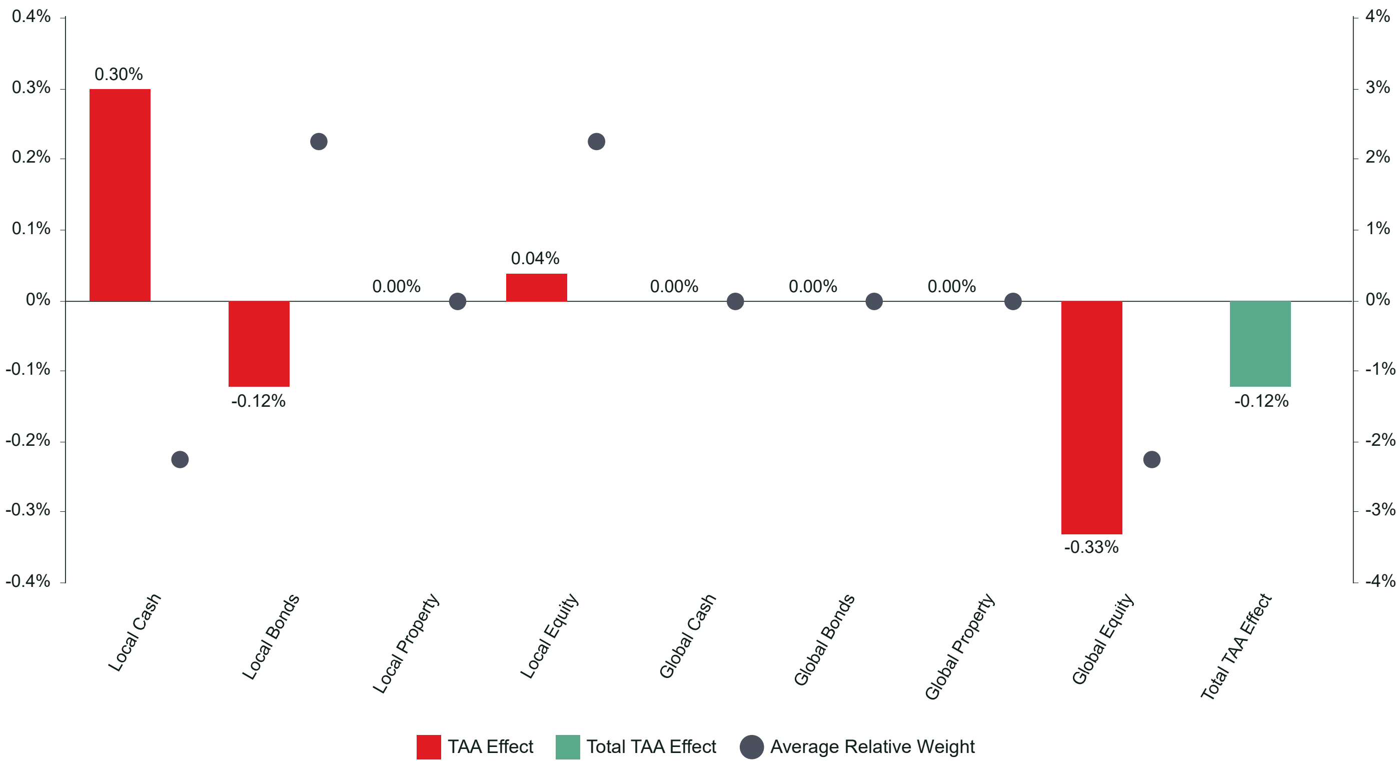
- Both tactical asset allocation (TAA) and manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months (the TAA effect was marginal).

Strategic asset allocation effects over 12 months



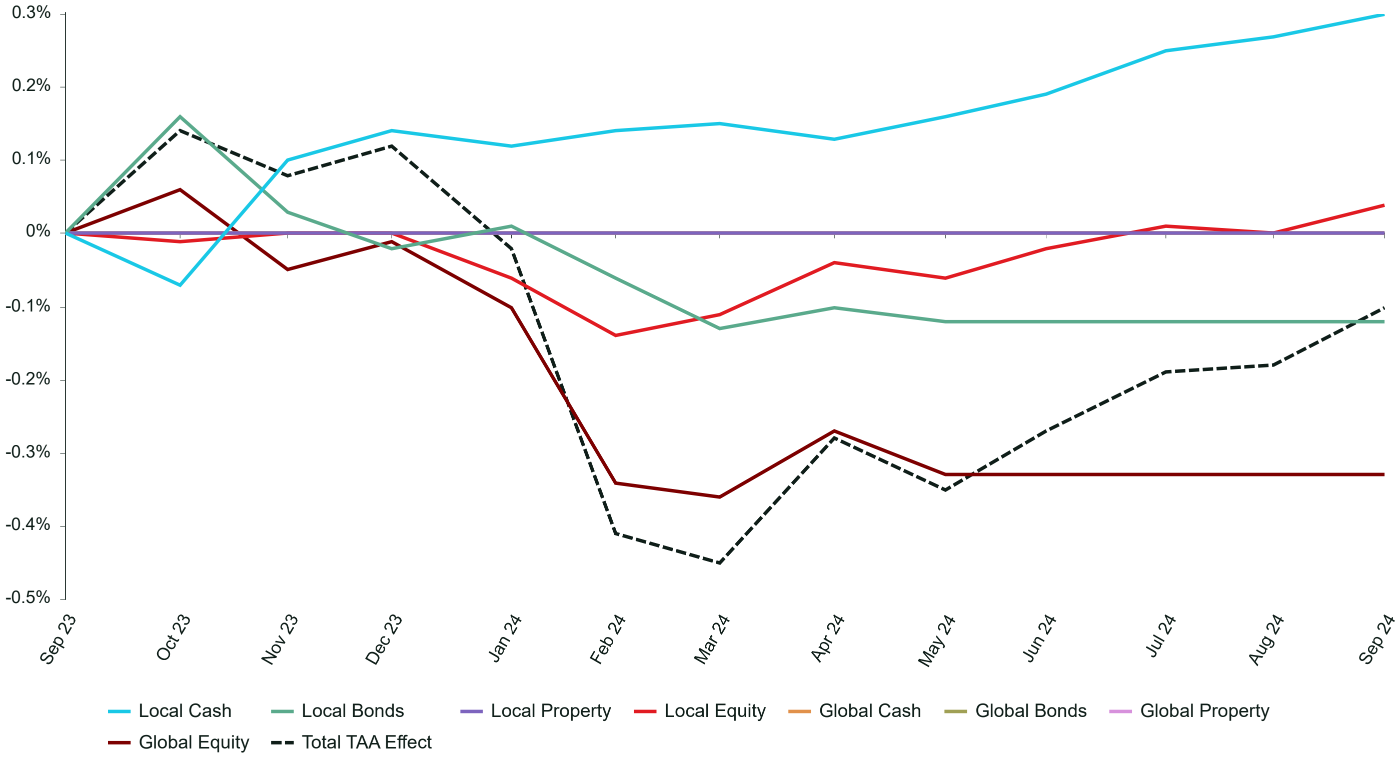
- Global equity continues to outperform long term expectations due to a strong market while local bonds, local property and local equity also outperformed our long-term expectations due to positive investor sentiment following the outcomes of the South African elections.

Tactical asset allocation effects over 12 months



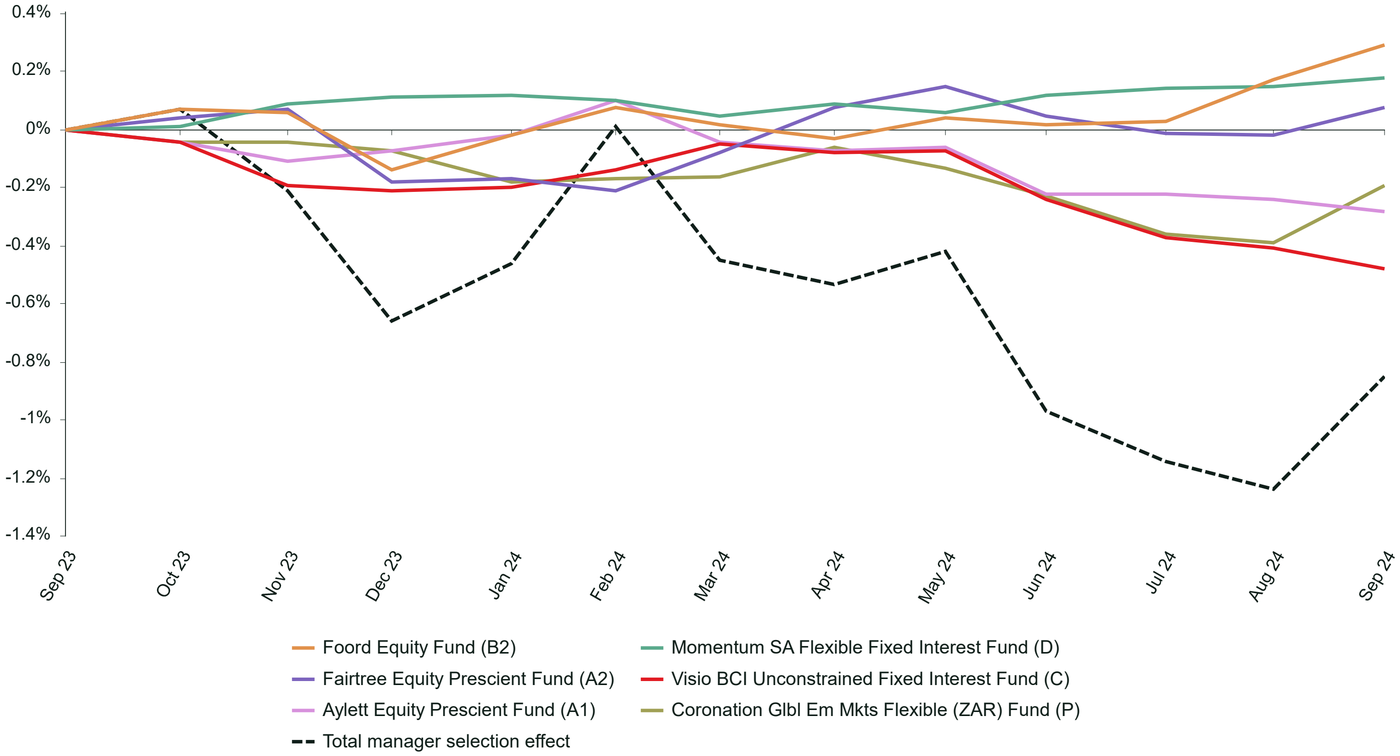
- The underweight position to local cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

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 September 2024
Benchmark: CPI + 6% over rolling 7-year periods
Peer group: (ASISA) South African MA High Equity

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

2.7.1 Returns

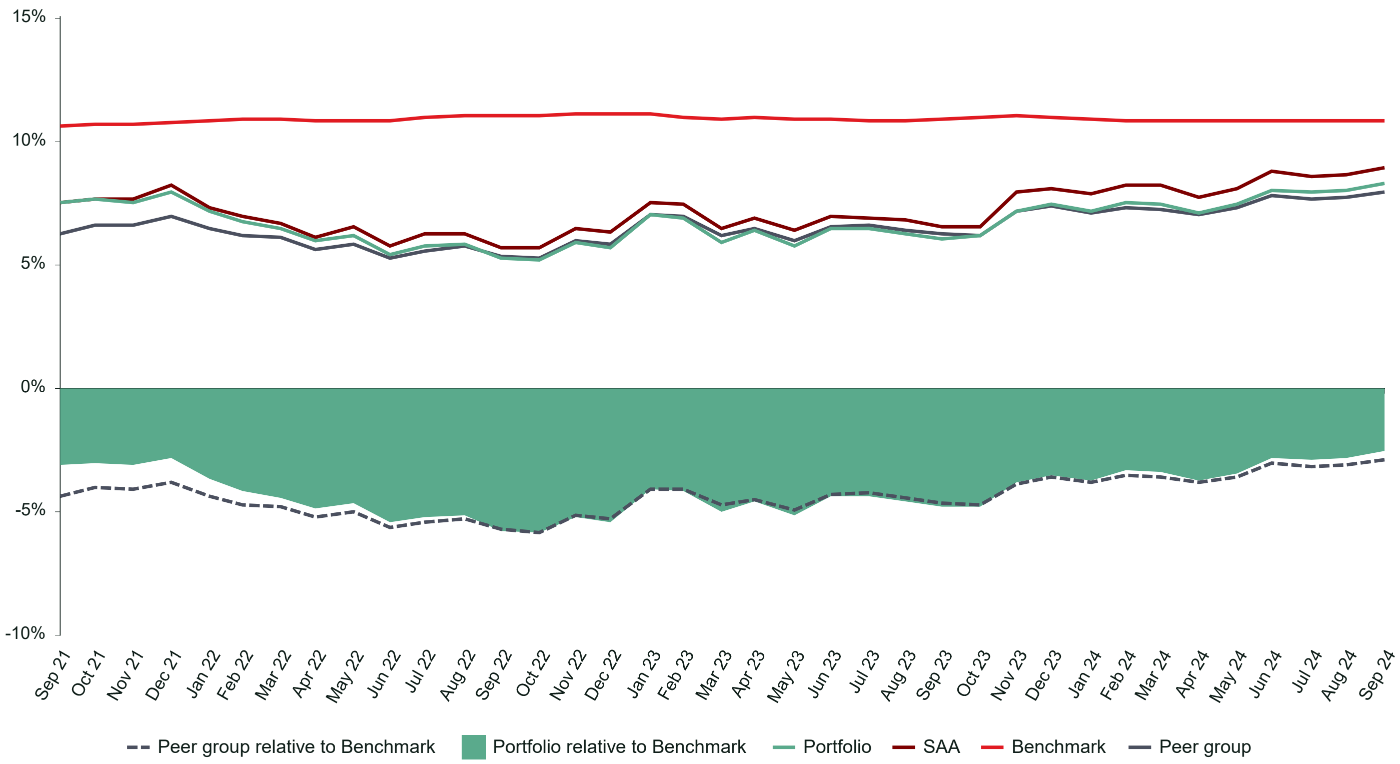
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**7.52%**	**11.32%**	**23.11%**	**11.50%**	**10.84%**	**8.34%**	**8.71%**	**8.83%**	**87**
Benchmark	2.05%	4.75%	10.42%	11.61%	10.96%	10.87%	10.94%	10.78%	
SAA	7.11%	11.24%	24.52%	12.46%	11.33%	8.91%	9.00%	9.50%	
Peer group	*5.99%*	*10.02%*	*18.73%*	*10.37%*	*10.21%*	*7.98%*	*7.48%*	*8.43%*	

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 2.53% p.a. over the 7-year period. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.41% over the last 12 months, net of all investment related fees.

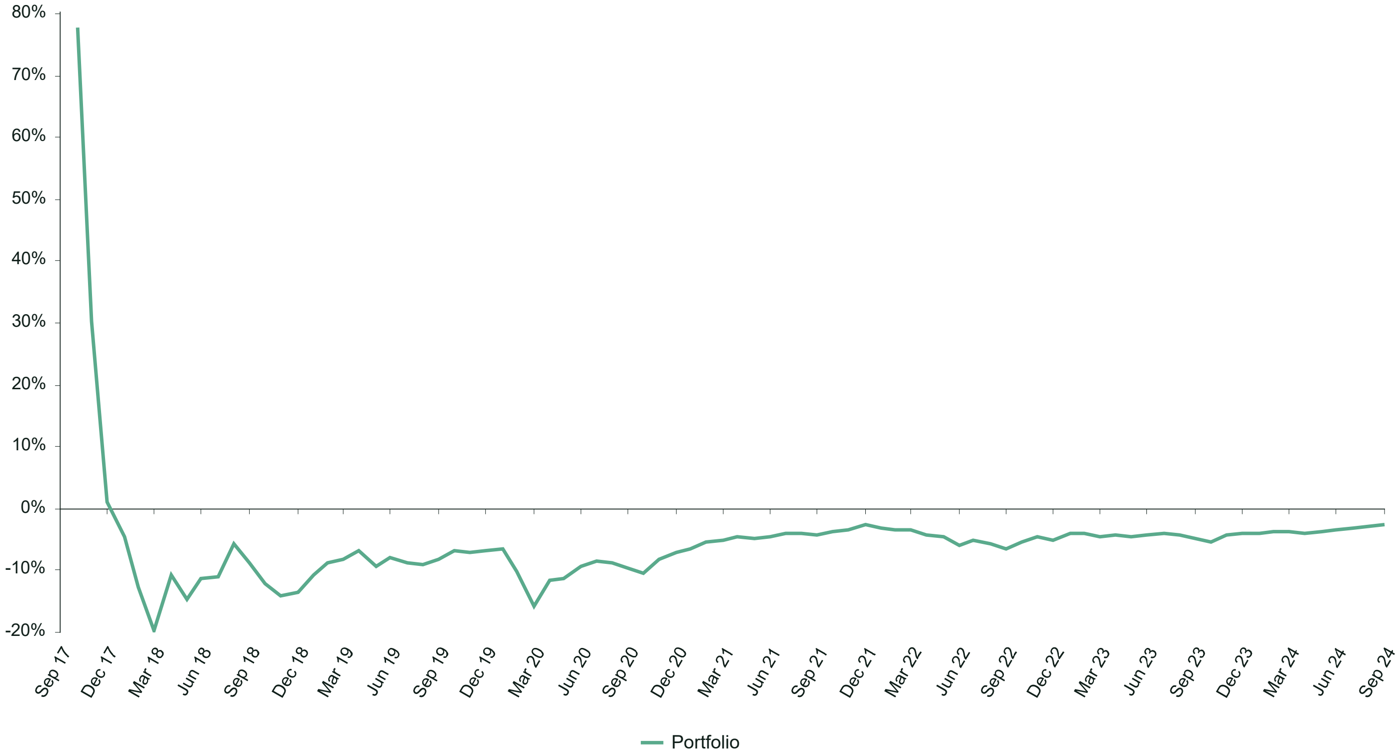
Rolling investment horizon returns over 10 years



	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.

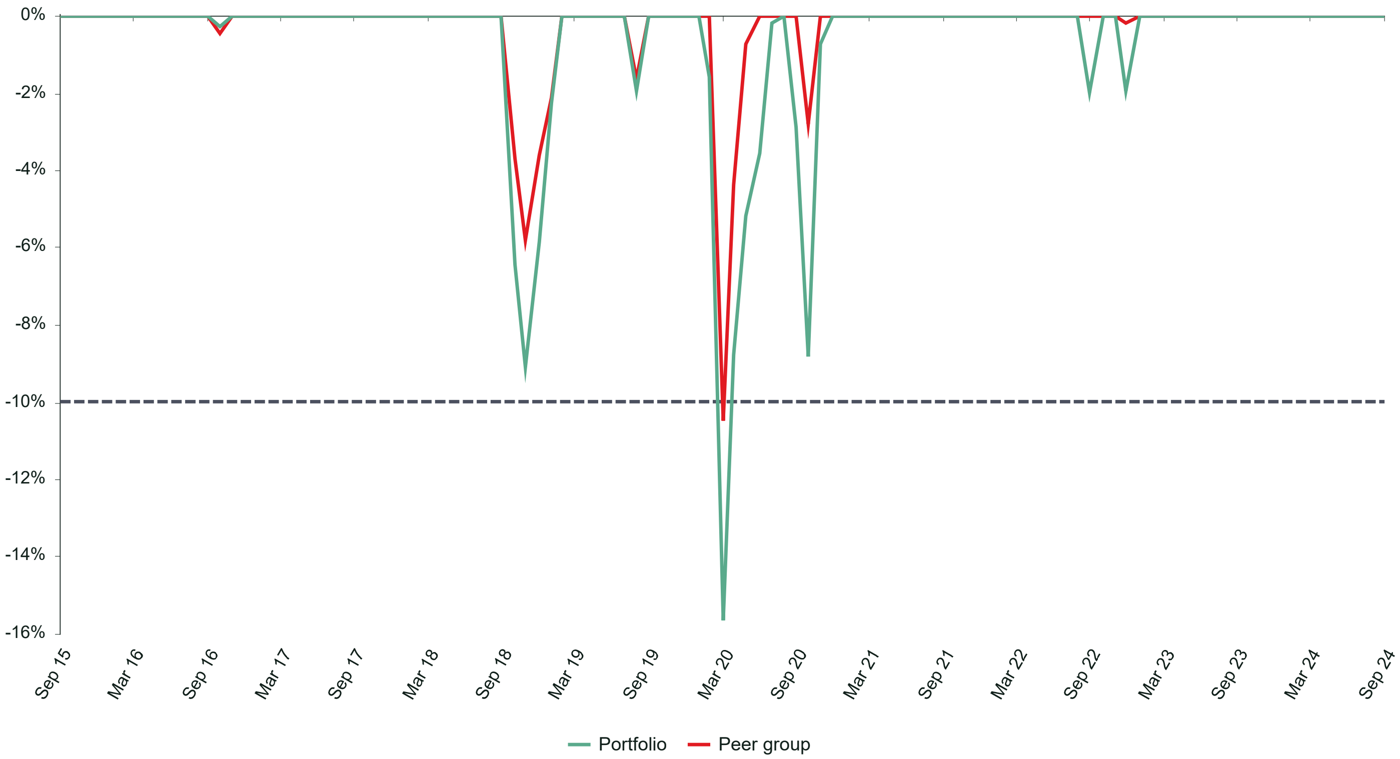
Portfolio relative to benchmark



- 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.

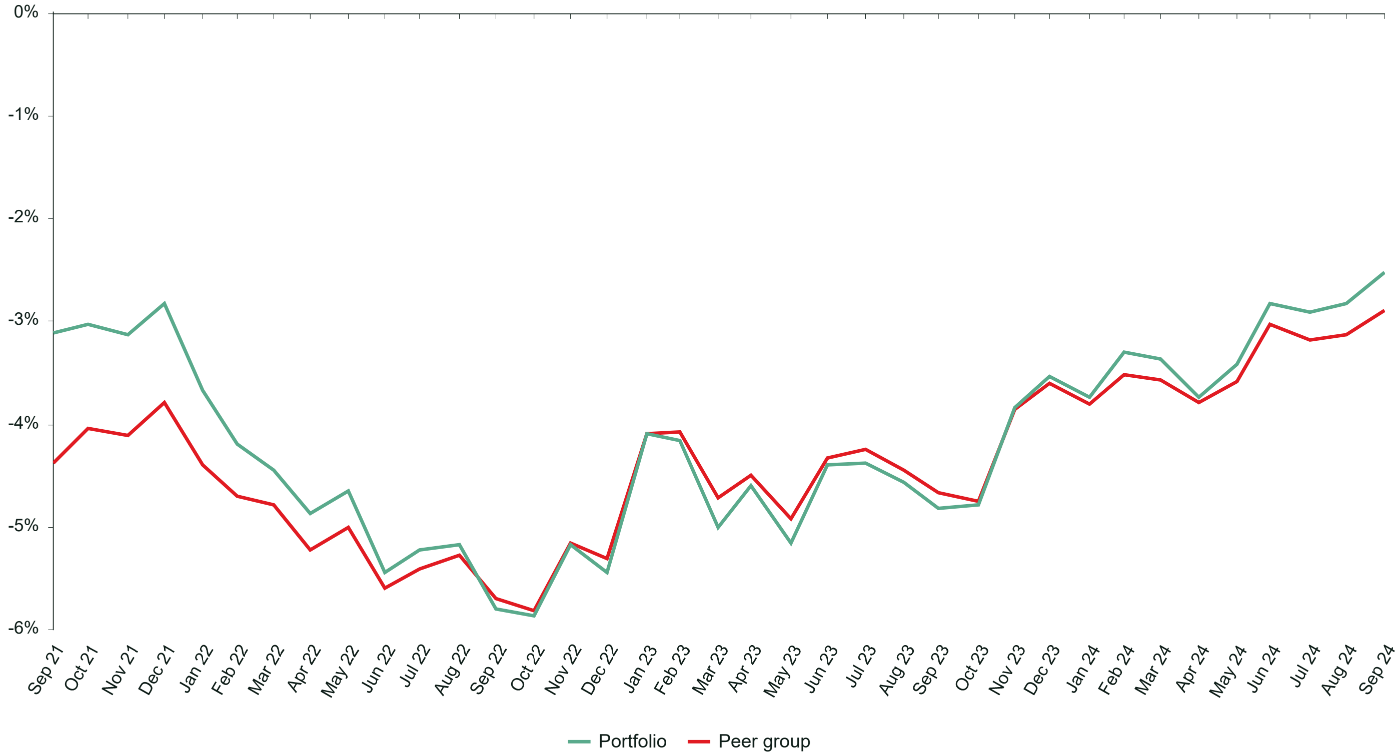
2.7.2 Risk

Rolling 1-year absolute drawdown over 10 years



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

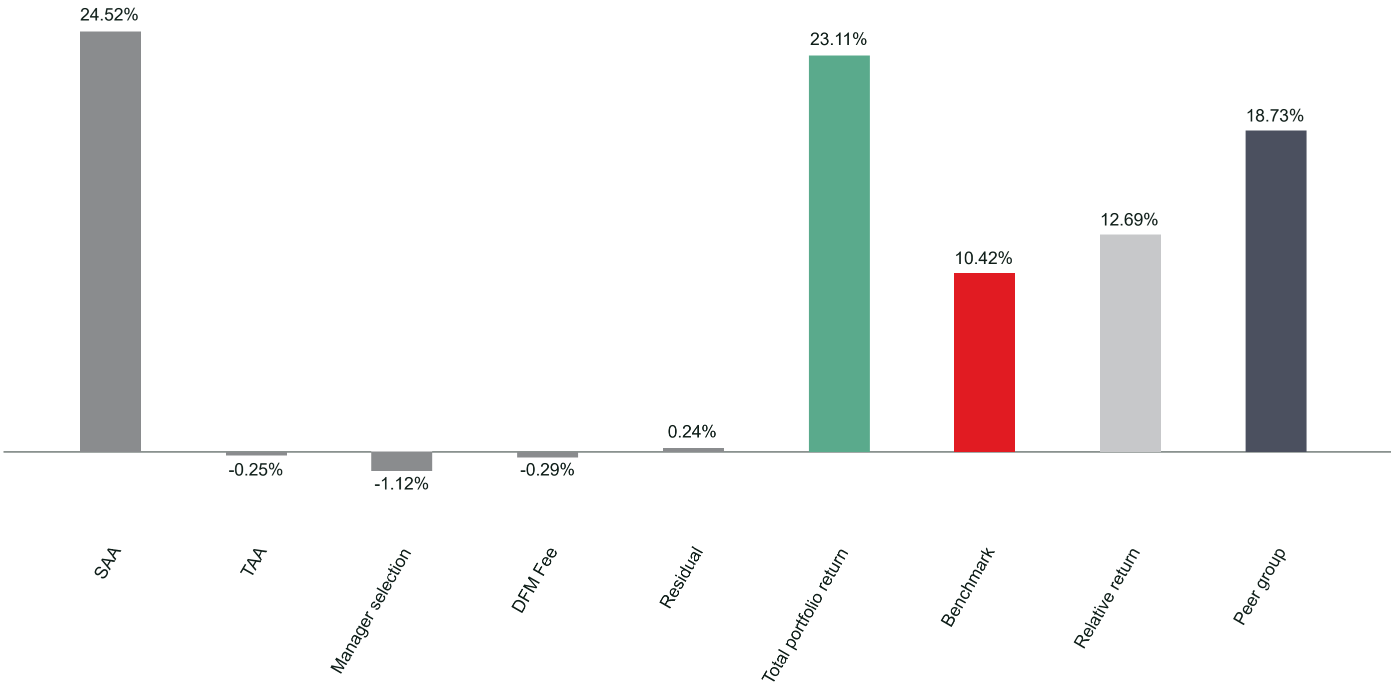
Rolling investment horizon absolute drawdown over 10 years



- 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.

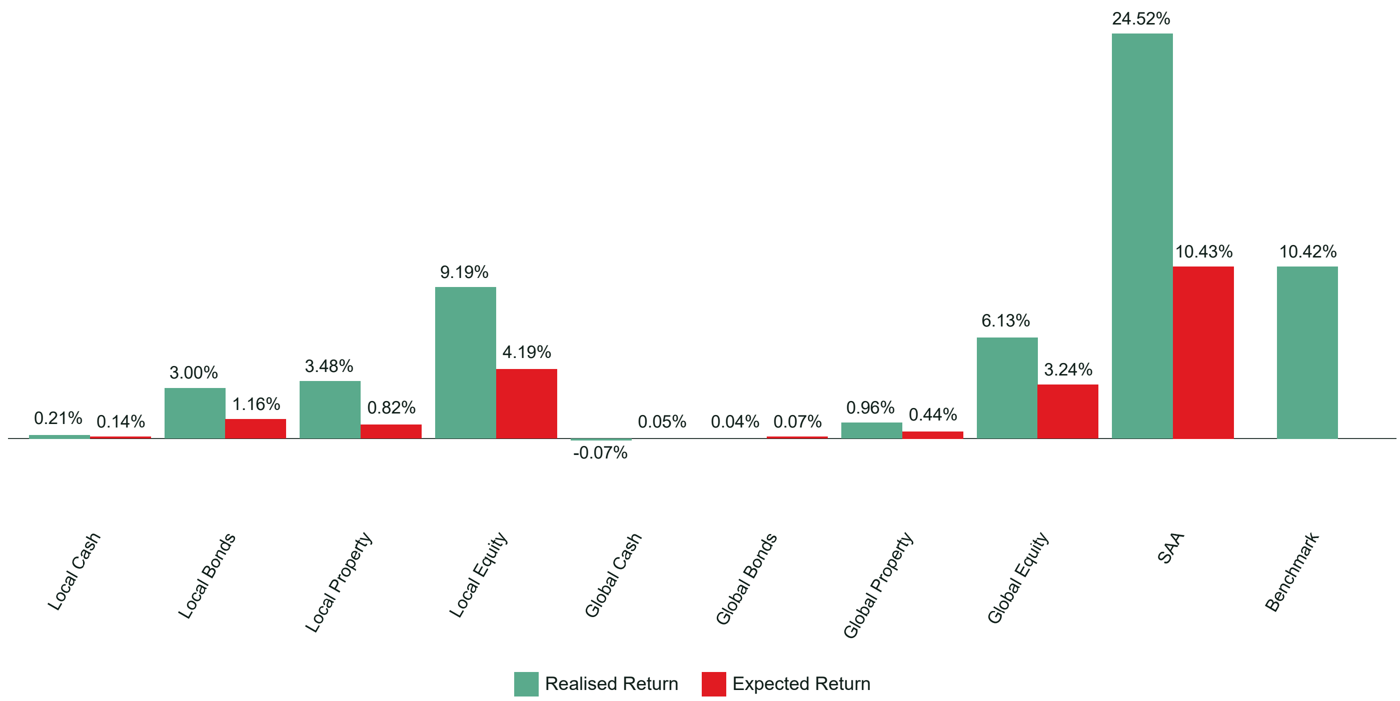
2.7.3 Performance attribution

Total return attribution over 12 months



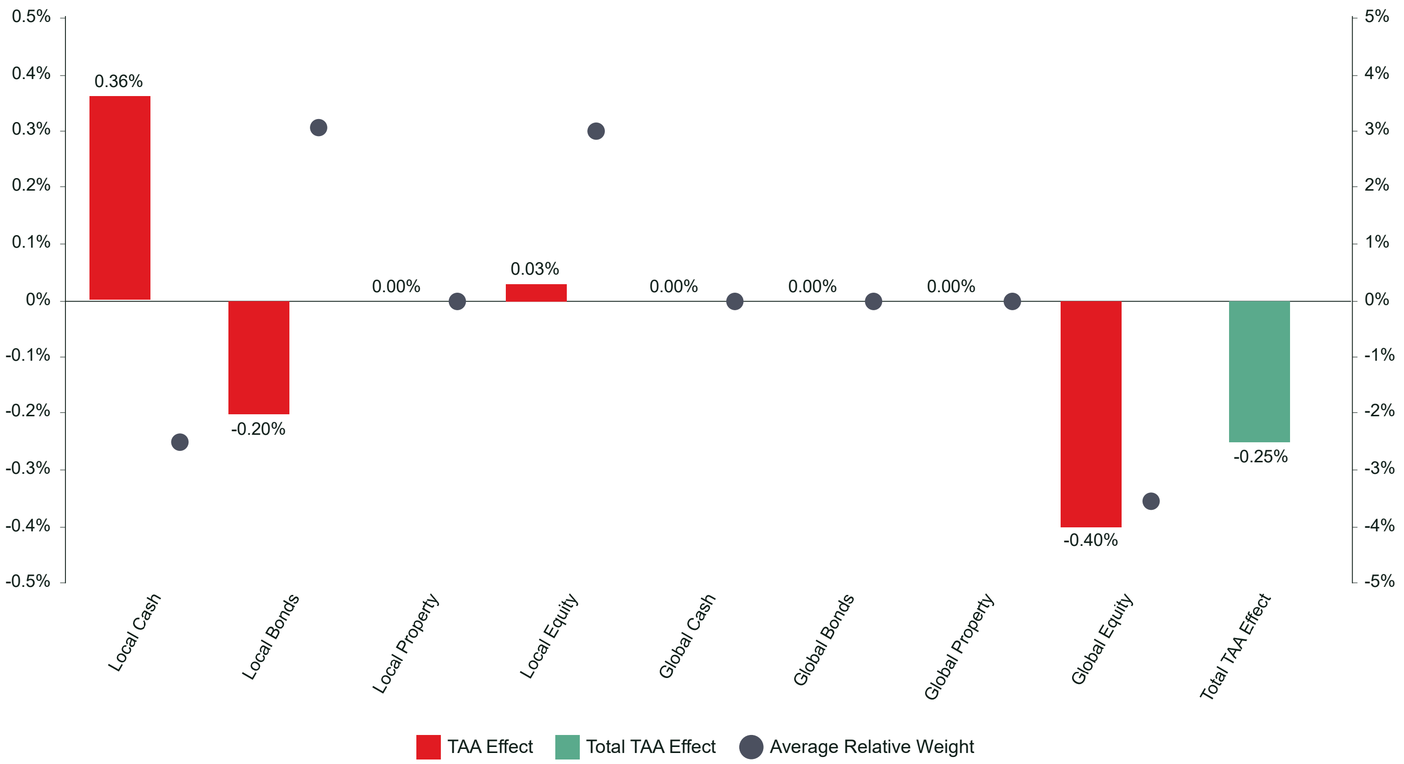
- Both tactical asset allocation (TAA) and manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



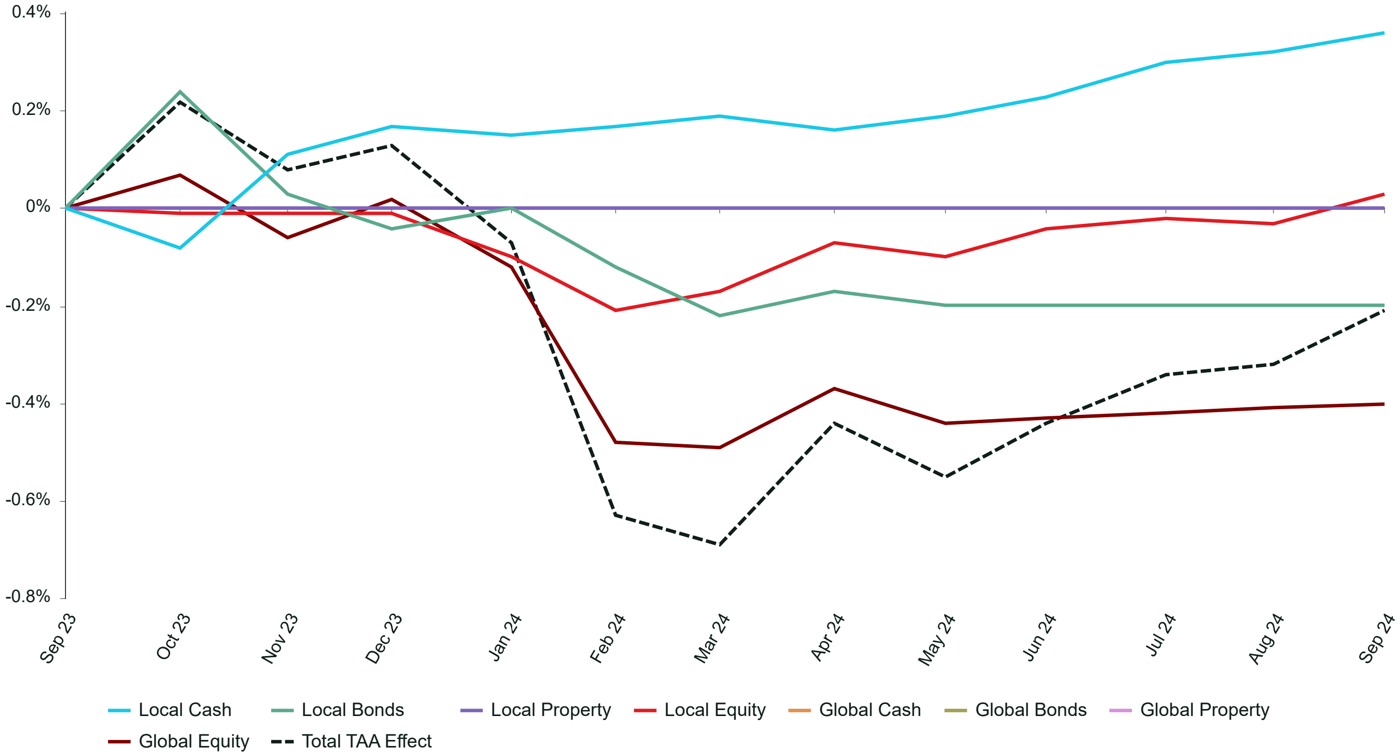
- Global equity continues to outperform long term expectations due to a strong market while local bonds, local property and local equity also outperformed our long-term expectations due to positive investor sentiment following the outcomes of the South African elections.

Tactical asset allocation effects over 12 months



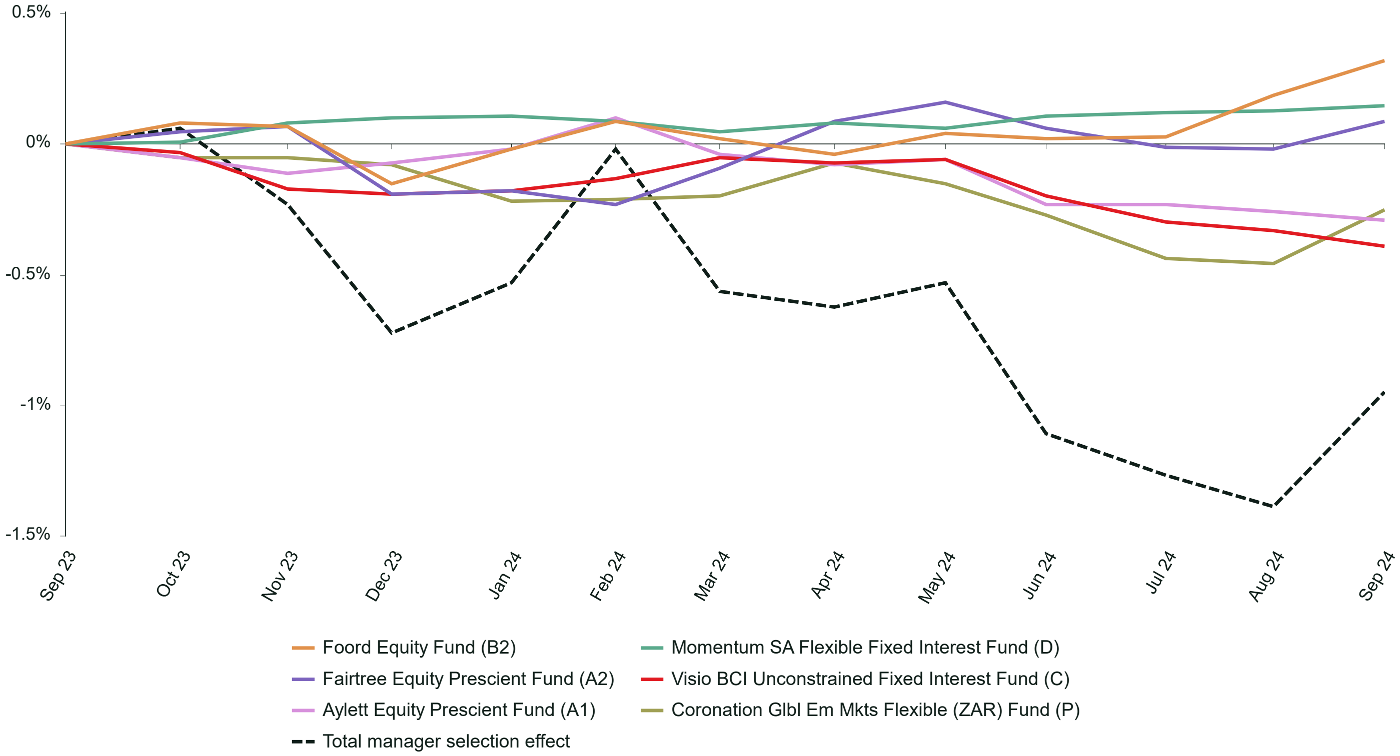
- The underweight position to local cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

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 September 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

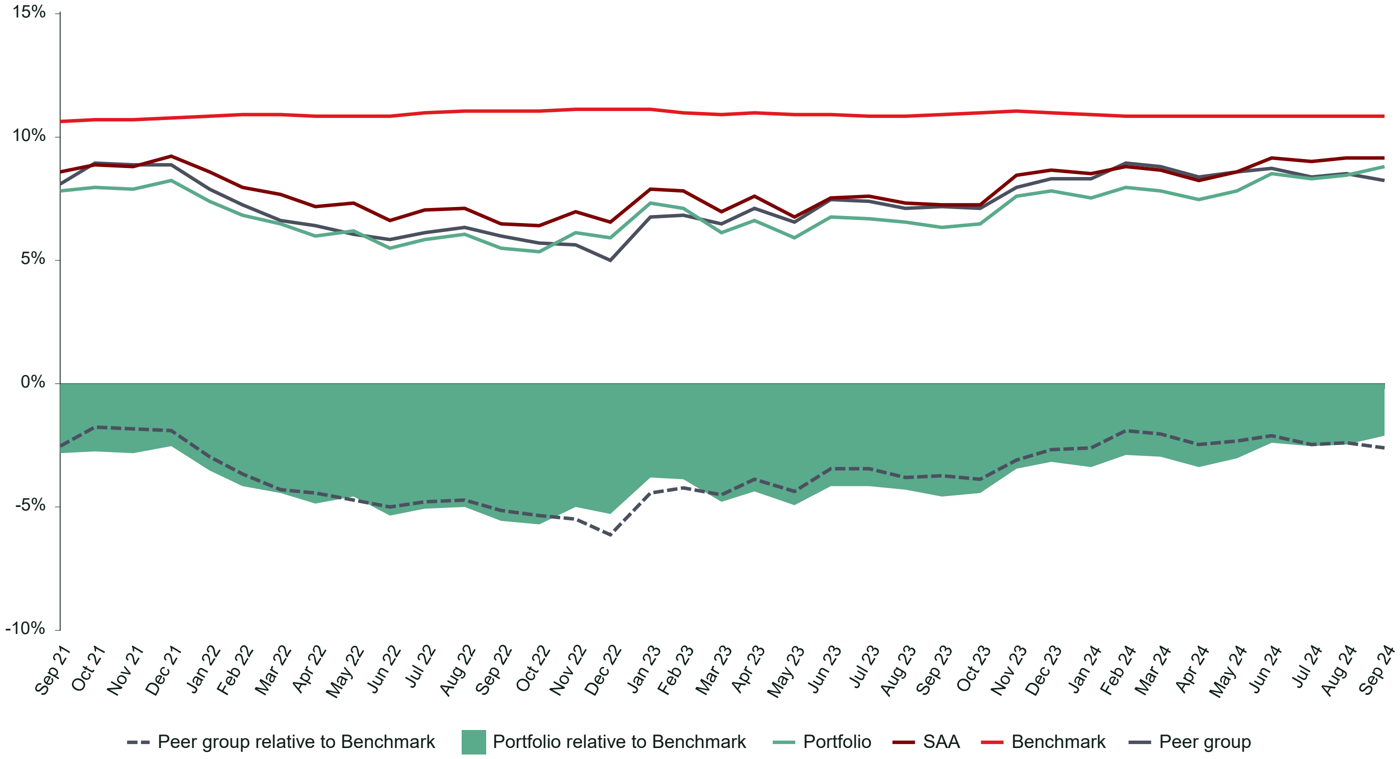
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**7.68%**	**11.52%**	**23.75%**	**11.56%**	**11.17%**	**8.77%**	**8.95%**	**9.29%**	**87**
Benchmark	2.05%	4.75%	10.42%	11.61%	10.96%	10.87%	10.94%	10.78%	
SAA	7.11%	11.24%	24.52%	12.51%	11.58%	9.18%	9.75%	9.86%	
Peer group	*2.57%*	*3.20%*	*15.61%*	*8.81%*	*9.80%*	*8.25%*	*8.34%*	*8.83%*	

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 2.1% p.a. over the 7-year period. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.77% over the last 12 months, net of all investment related fees.

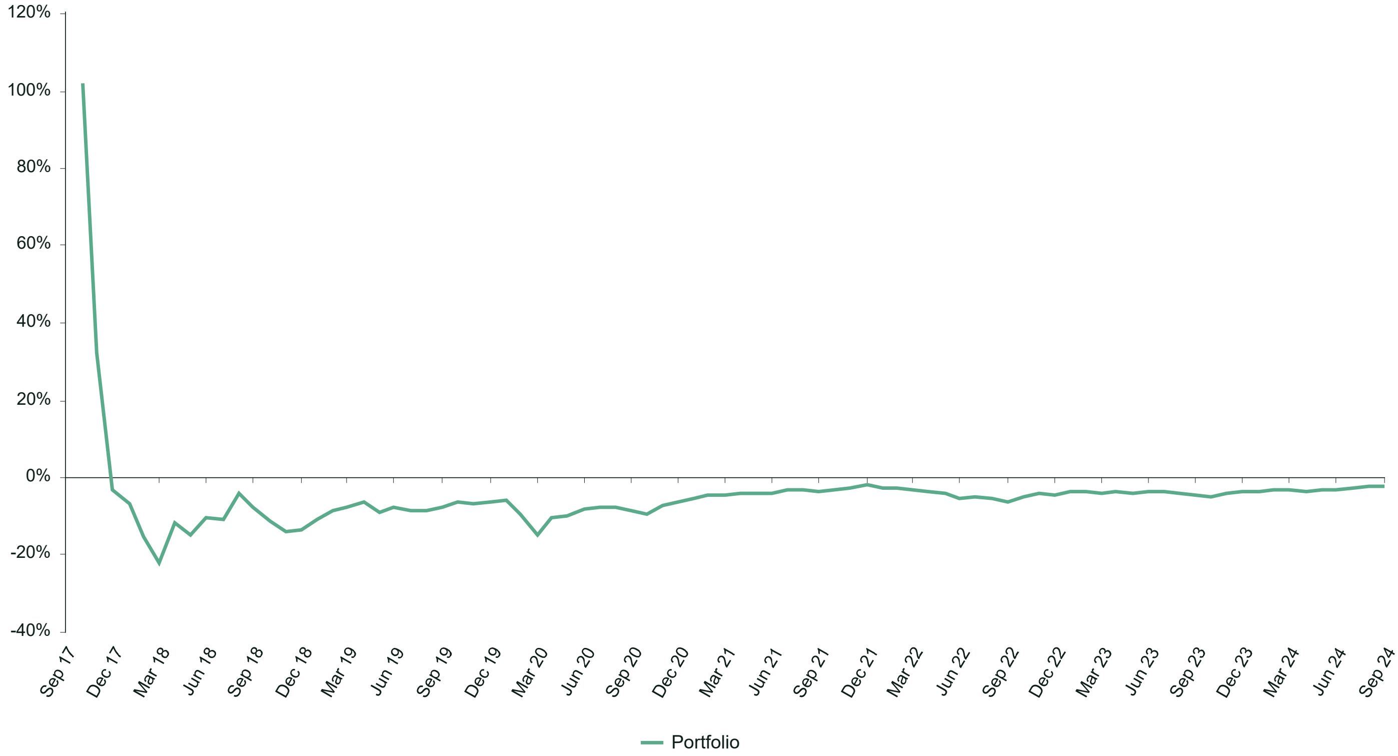
Rolling investment horizon returns over 10 years



	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.

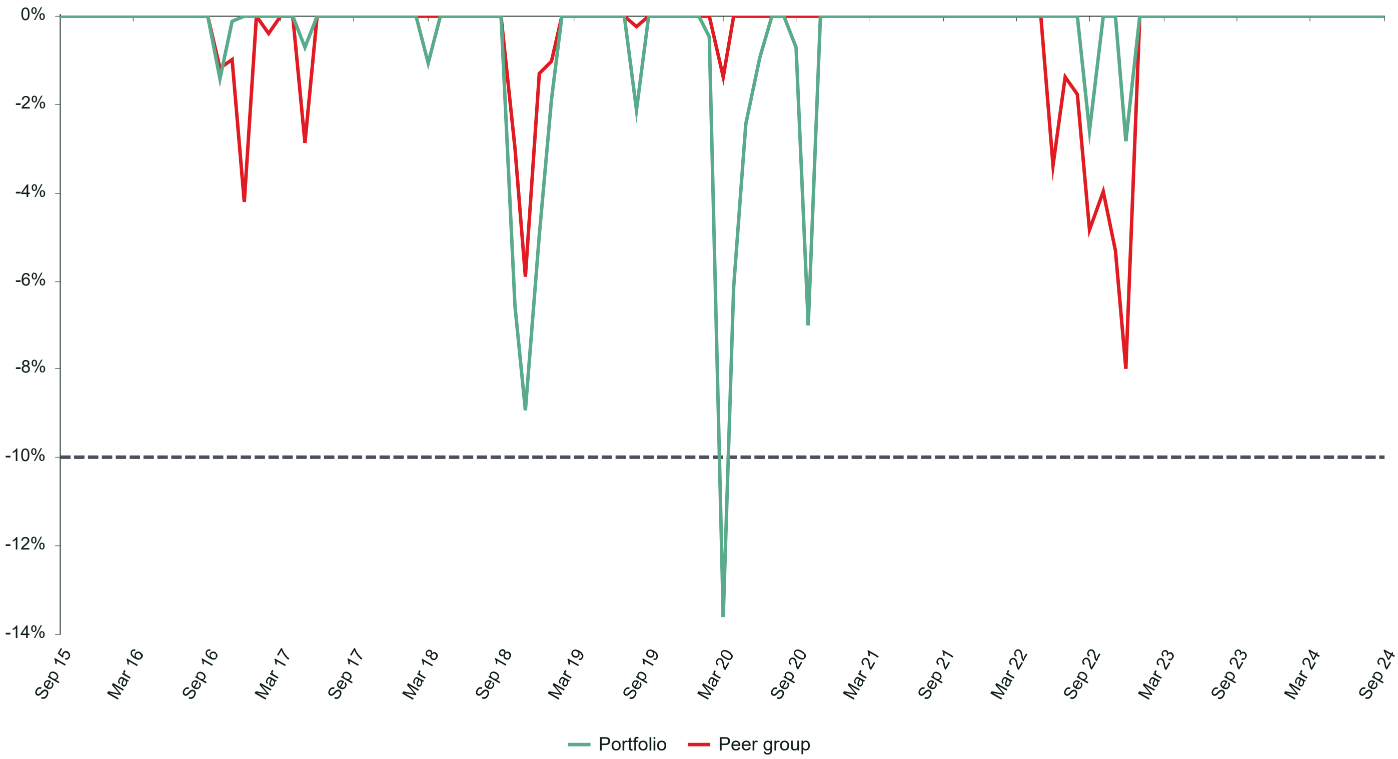
Portfolio relative to benchmark



- 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.

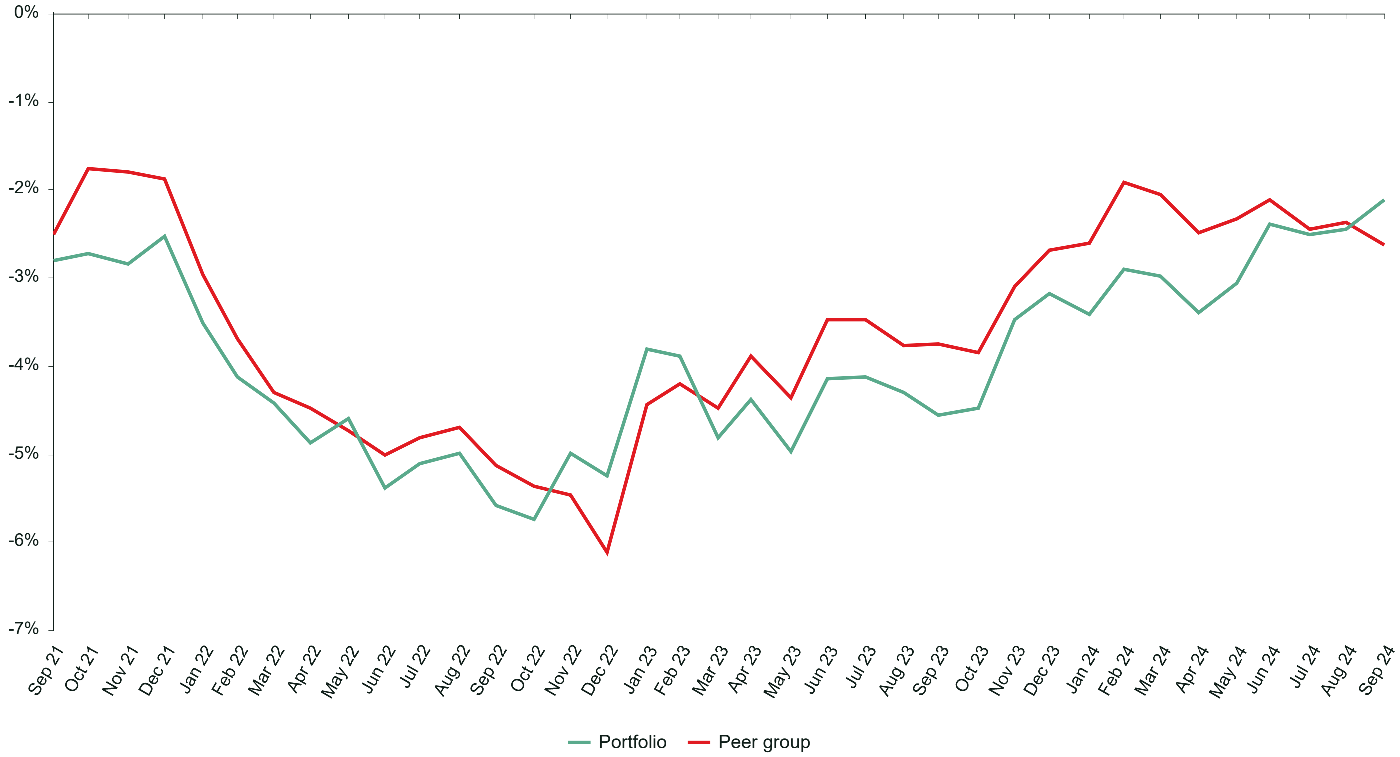
2.8.2 Risk

Rolling 1-year absolute drawdown over 10 years



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

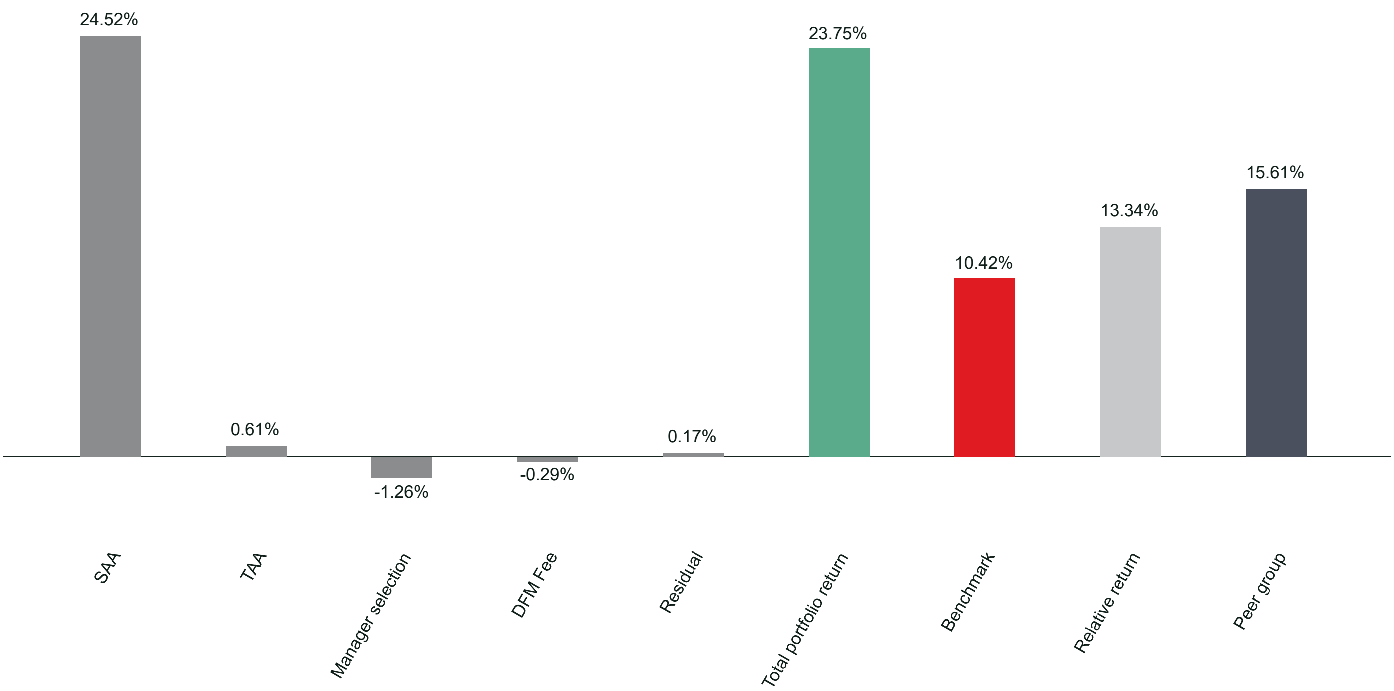
Rolling investment horizon absolute drawdown over 10 years



- The portfolio underperformed its benchmark 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.

2.8.3 Performance attribution

Total return attribution over 12 months

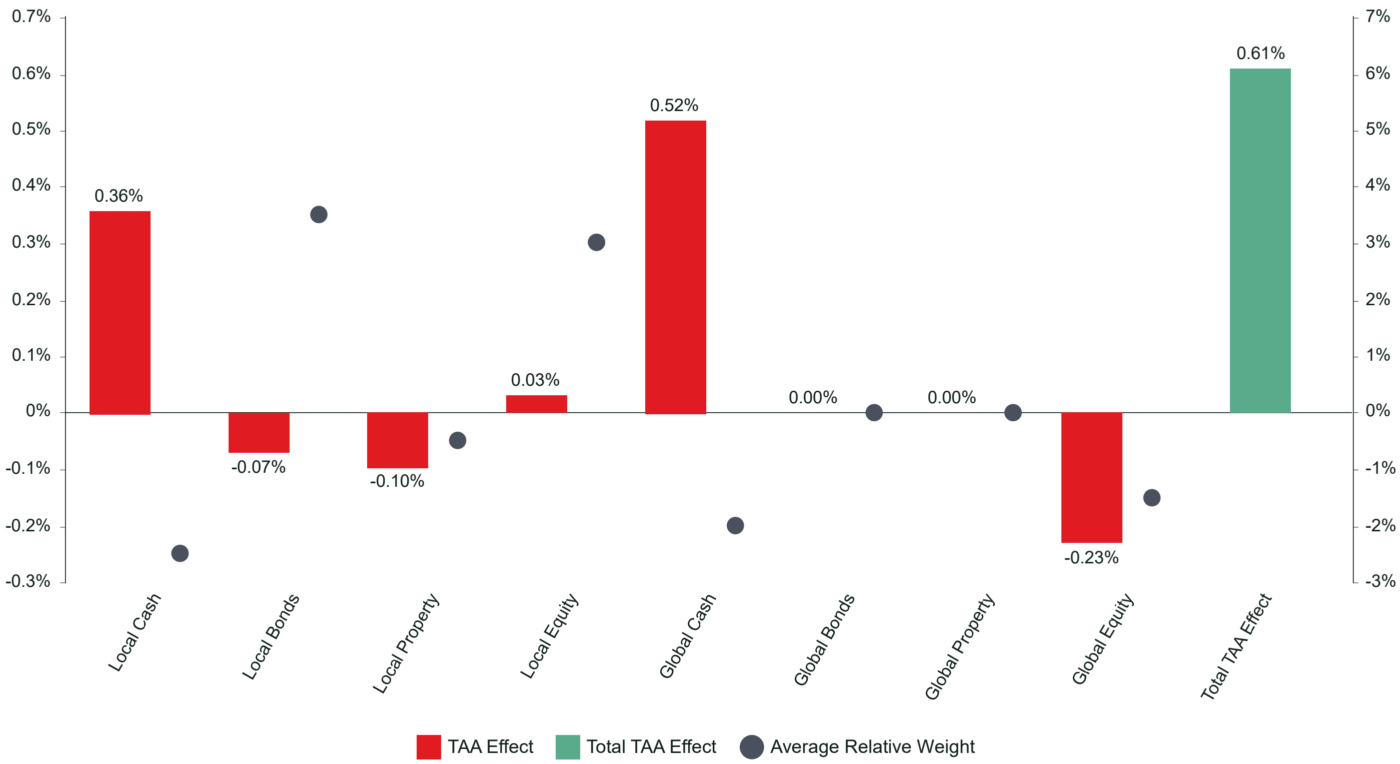


- Tactical asset allocation (TAA) contributed while manager selection detracted from the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months

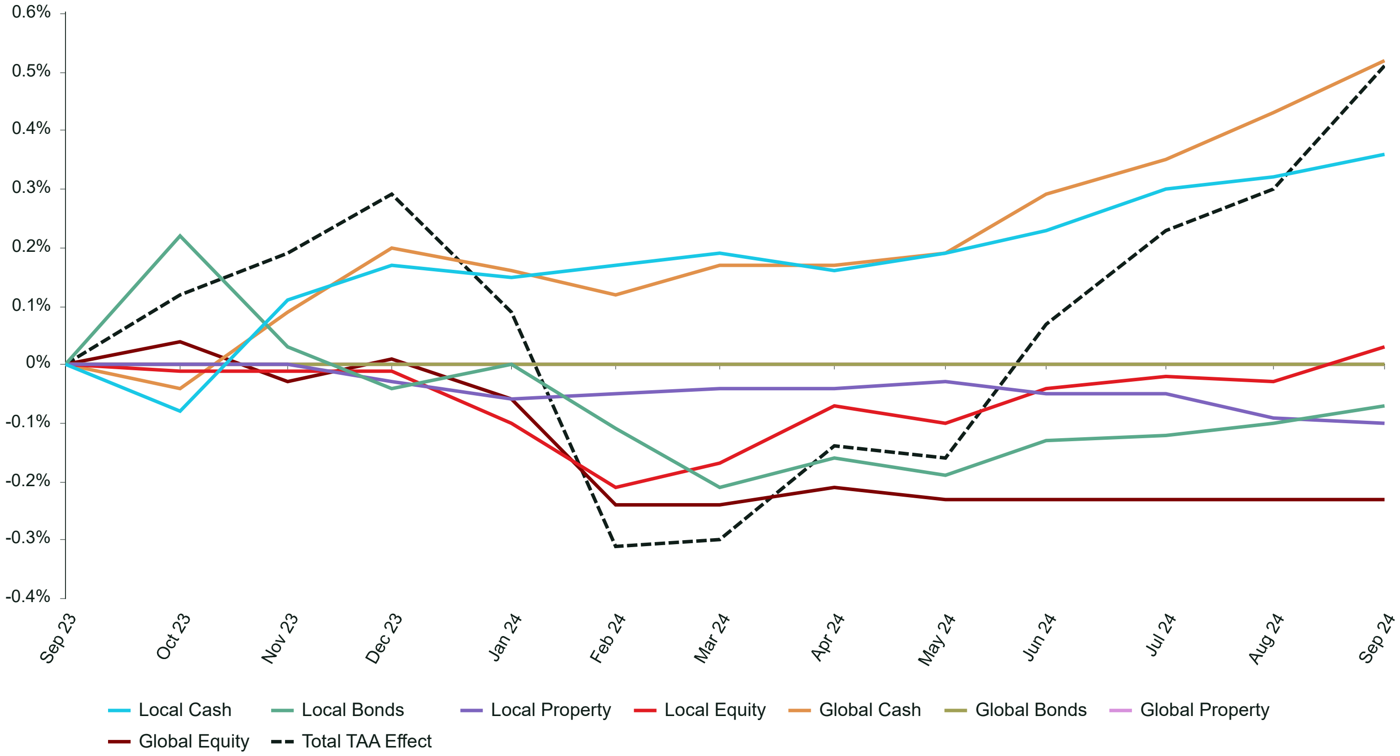
- Global equity continues to outperform long term expectations due to a strong market while local bonds, local property and local equity also outperformed our long-term expectations due to positive investor sentiment following the outcome of the South African elections.

Tactical asset allocation effects over 12 months



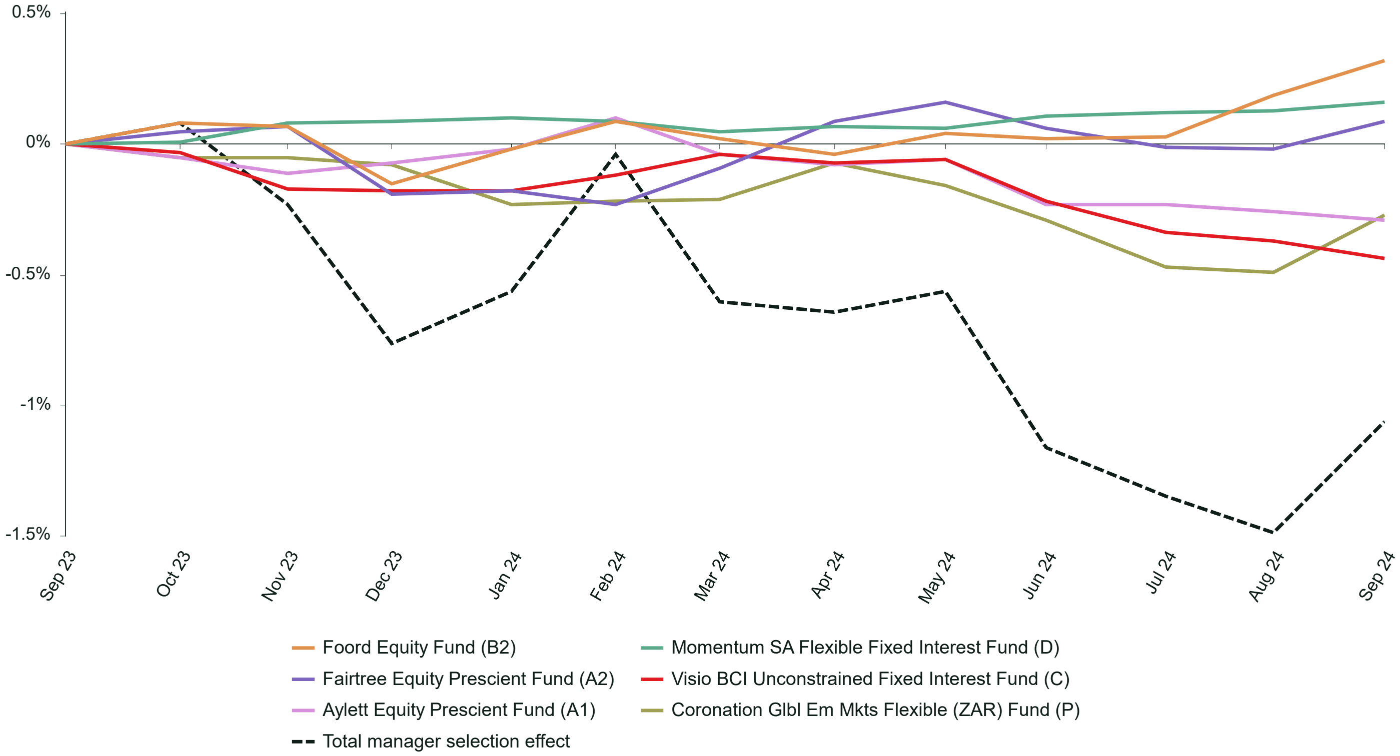
- The underweight position to global cash was the largest contributor to performance while the underweight position to global equity detracted over the last 12 months.

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	Q2 2024	Q3 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

	Weighting bias
Growth (Q4 2024 – Q3 2025)	In the next year, we expect that lower interest rates, higher disposable income due to a fall in inflation, mild employment gains and early pension withdrawals resulting from the two-pot retirement reform should buffer household spending.
Inflation[1] (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.
Currency[2] (end of period)	Much of the rand's latest strength has been driven by positive sentiment associated with the formation of a government of national unity, leading to an outperformance relative to other commodity-related currencies and a currency basket of emerging market peers.
Interest rates[3] (end of period)	A tempered inflation outlook and contained inflation expectations provide space to lower interest rates from currently restrictive territory. Nevertheless, monetary policy rhetoric will maintain an element of caution on persistent upside threats to the inflation outlook.
Cash[4]	The prospective SA real cash yield has been rising from a low level in line with policy rate increases and has stabilised around 0.8 standard deviations above its historical average. Cash is now cheaper than equities after recent sharp rate rises.
Government bonds[5]	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)	Although there is likely to be little fundamental inflation support for ILBs over the next year, falling global real rates should provide an underpin for local ILBs.
Listed property[6]	Listed property operational performance is improving, financial pressures are stabilizing, but valuations look stretched. Future property returns are constrained by a recent strong performance.
Equities[7]	SA equities perform well in falling global and local rate cycles, particularly after the first cut in the cycle. SA equities still trade at large valuation discounts to the rest of the world and its own history.
Global equities[8]	US equities only perform well after the first rate cut historically if there is subsequently no recession and growth remains strong. Expensive (US) valuation remains the big constraint for future global equity returns.
Global bonds[9]	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	At the start of a significant rate cutting cycle, US cash exposure has become less appealing against other asset classes. Some expected rand strength could also 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

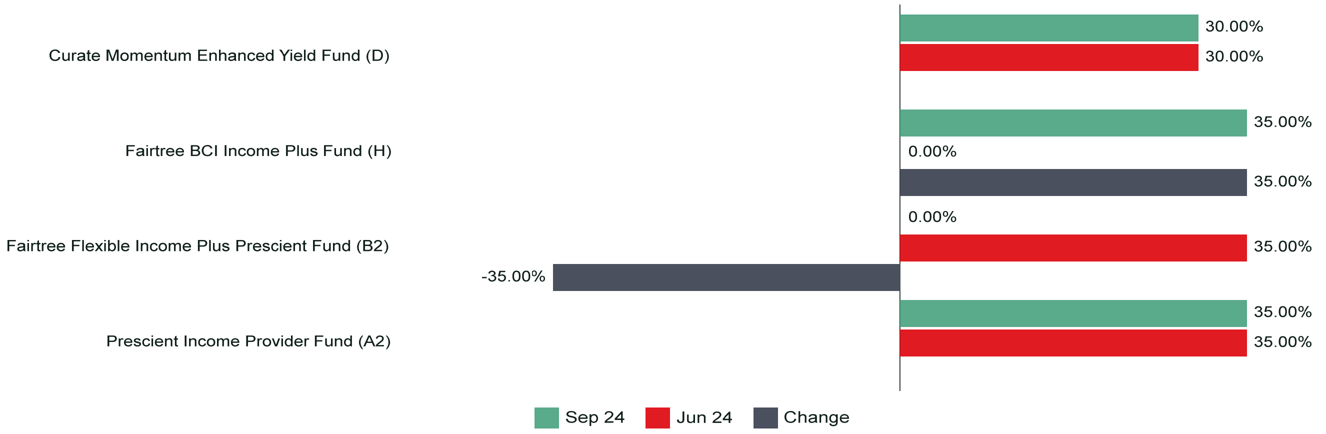
[8] A blend of expected returns from developed markets and emerging markets. Based on our earnings and dividend estimates, as well as the implied one-year change in market rating needed to revert to the long-term average over five years

[9] A blend of expected returns from different developed market sovereign 10-year bonds, accounting for expected currency movements

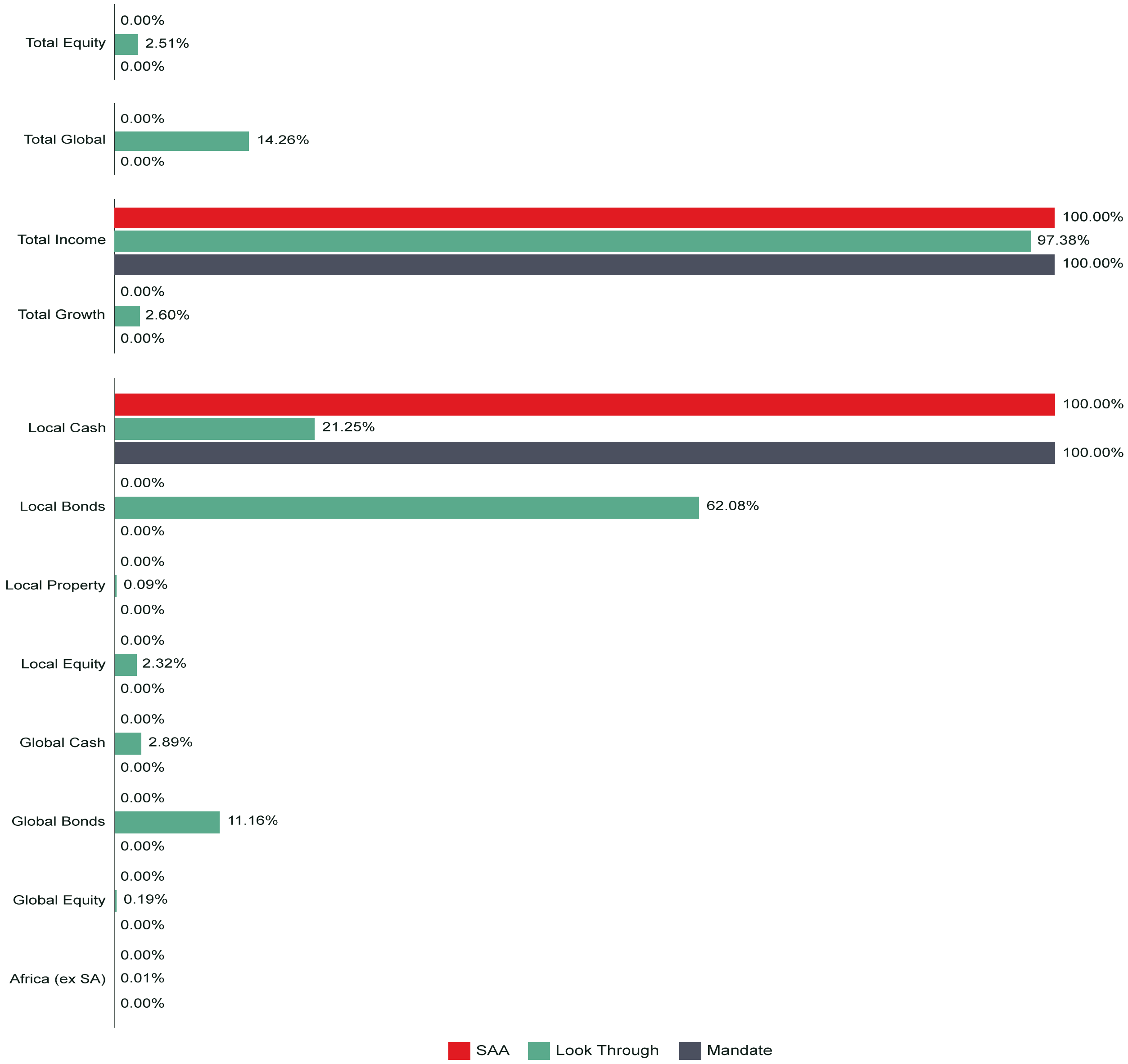
What we expect will happen in the year ahead…					
Growth	**Inflation**	**Currency**	**Interest rates**	**Cash**	**Government bonds**
In the next year, we expect that lower interest rates, higher disposable income due to a fall in inflation, mild employment gains and early pension withdrawals should underpin a recovery in consumption. Moreover, the government of national unity, and the renewal of Operation Vulindlela's term, present an opportunity to expedite growth-friendly policies, in areas that include logistics and water, allowing for a shift to a higher growth trajectory.	Headline inflation is projected to ease in the coming quarters. Despite upside risks stemming from a weaker exchange rate, administered prices and geopolitically-driven higher global oil prices, rental and wage inflation are likely to remain contained in an environment of subdued demand, reducing the likelihood of sustained or second-round inflation pressures.	Much of the rand's latest strength has been driven by positive sentiment associated with the formation of a government of national unity, leading to an outperformance relative to other commodity-related currencies and a basket of emerging market peers. A revival in risk appetite in the coming quarters, as a consequence of global monetary easing, should keep the rand on firmer footing in the short term.	A tempered inflation outlook and contained inflation expectations provide space to lower interest rates from currently restrictive territory. Larger interest rate cuts or more aggressive easing beyond the neutral rate of interest are unlikely, with monetary policy rhetoric expected to maintain an element of caution on persistent upside threats to the inflation outlook.	The prospective SA real cash yield has been rising from a low level in line with policy rate increases and has stabilised around 0.8 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.
ILBs	**Listed property**	**Equities**	**Global equities**	**Global bonds**	**Global cash**
There is likely to be little fundamental inflation support for ILBs over the next year, with general break-even tightening expected until mid 2025, with some widening only in 2H25. We expect predominantly below-average monthly accruals until end of 2025. However, falling global real rates should provide an underpin for local ILBs.	Listed property operational performance is improving, financial pressures are stabilizing, but valuations look stretched. Earnings and dividend yields have compressed sharply in the last year despite the lack of substantial earnings growth in the sector. The sector rerating was driven by the potential for securing lower cost of debt on refinancing debt maturities. Future property returns are constrained by a recent strong performance.	SA equities perform well in falling global and local rate cycles, with strong absolute and relative returns after each Fed/SARB cut, but particularly after the first Fed/SARB cut. SA equities still trade at large valuation discounts to the rest of the world and its own history. Assuming a conservative 15% earnings growth in the next year, the SA equity market is now 0.4 standard deviations cheap against the average since 1999.	US equities only perform well after the first rate cut historically if there is subsequently no recession and growth remains strong. Economists and fund managers currently see a low recession probability, which implies downside risk for equities if growth disappoints. 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 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.	At the start of a significant rate cutting cycle, US cash exposure has become less appealing against other asset classes. Some expected rand strength could also subtract from one-year rand returns on all global asset classes, including cash.

4.3 Equilibrium Income Portfolio

4.3.1 Building block allocation



4.3.2 Asset allocation

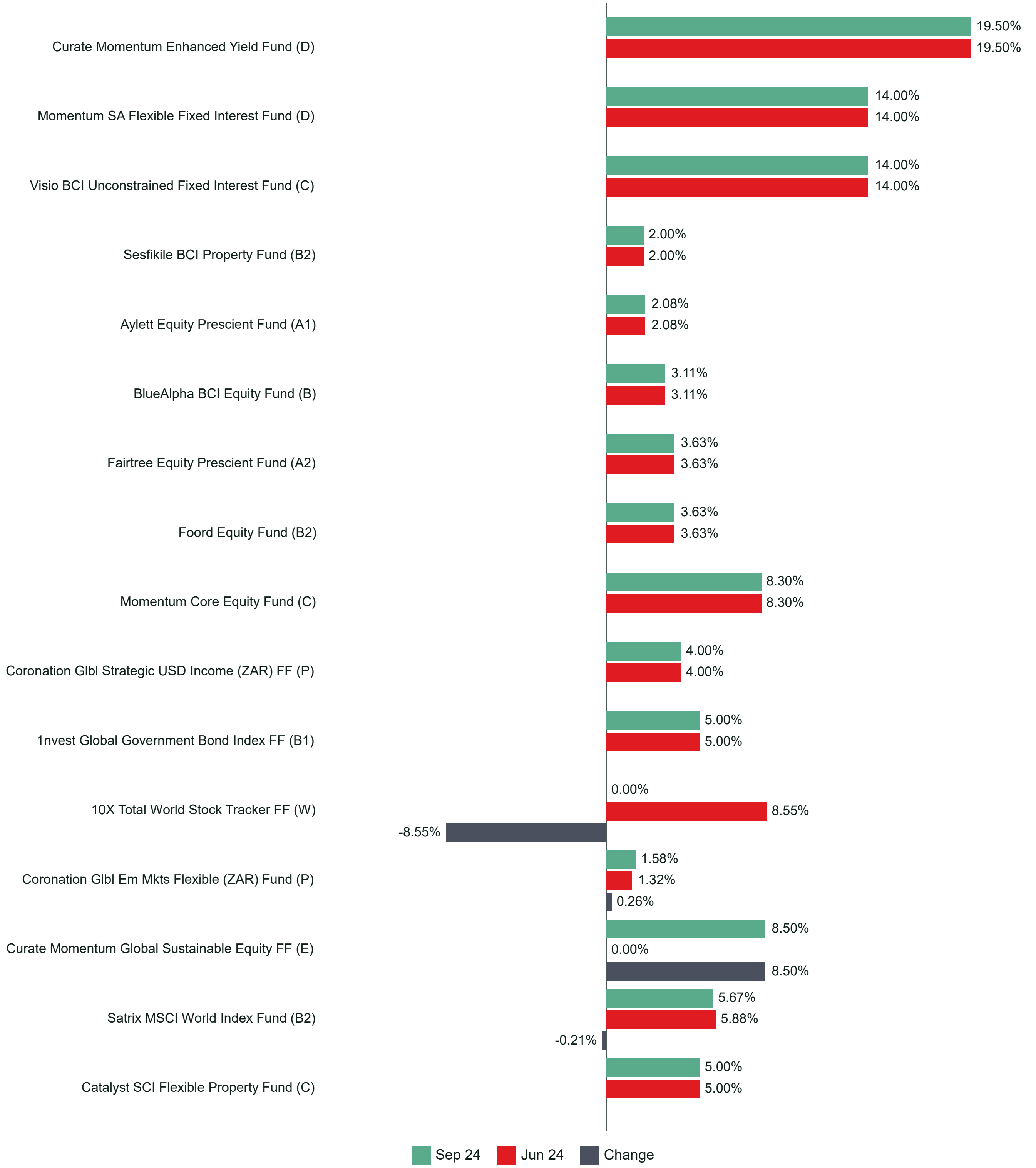


4.3.3 Portfolio changes/recommendations

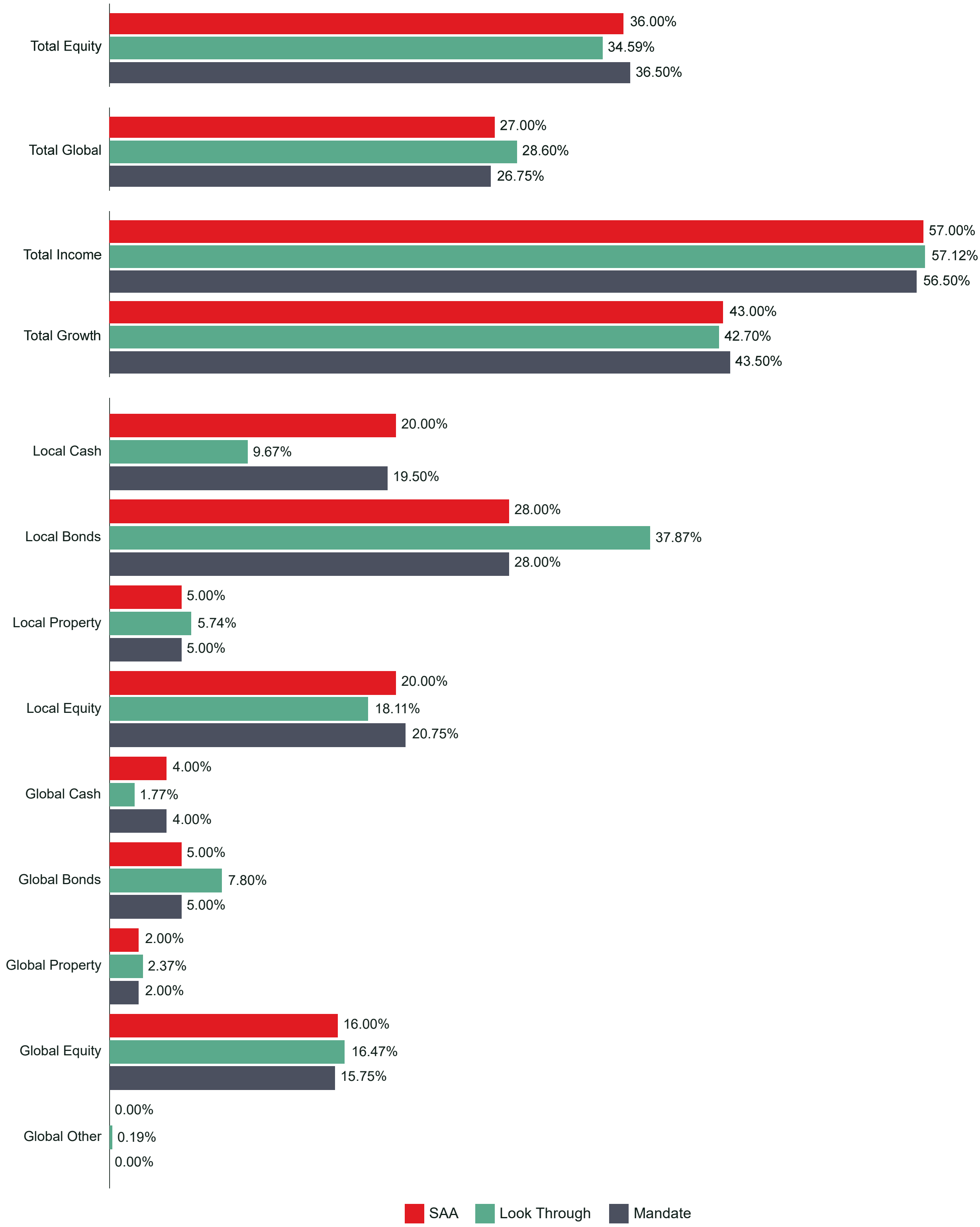
- No changes made. Rebalanced the portfolio back to ideal allocations.

4.4 Equilibrium Conservative Portfolio

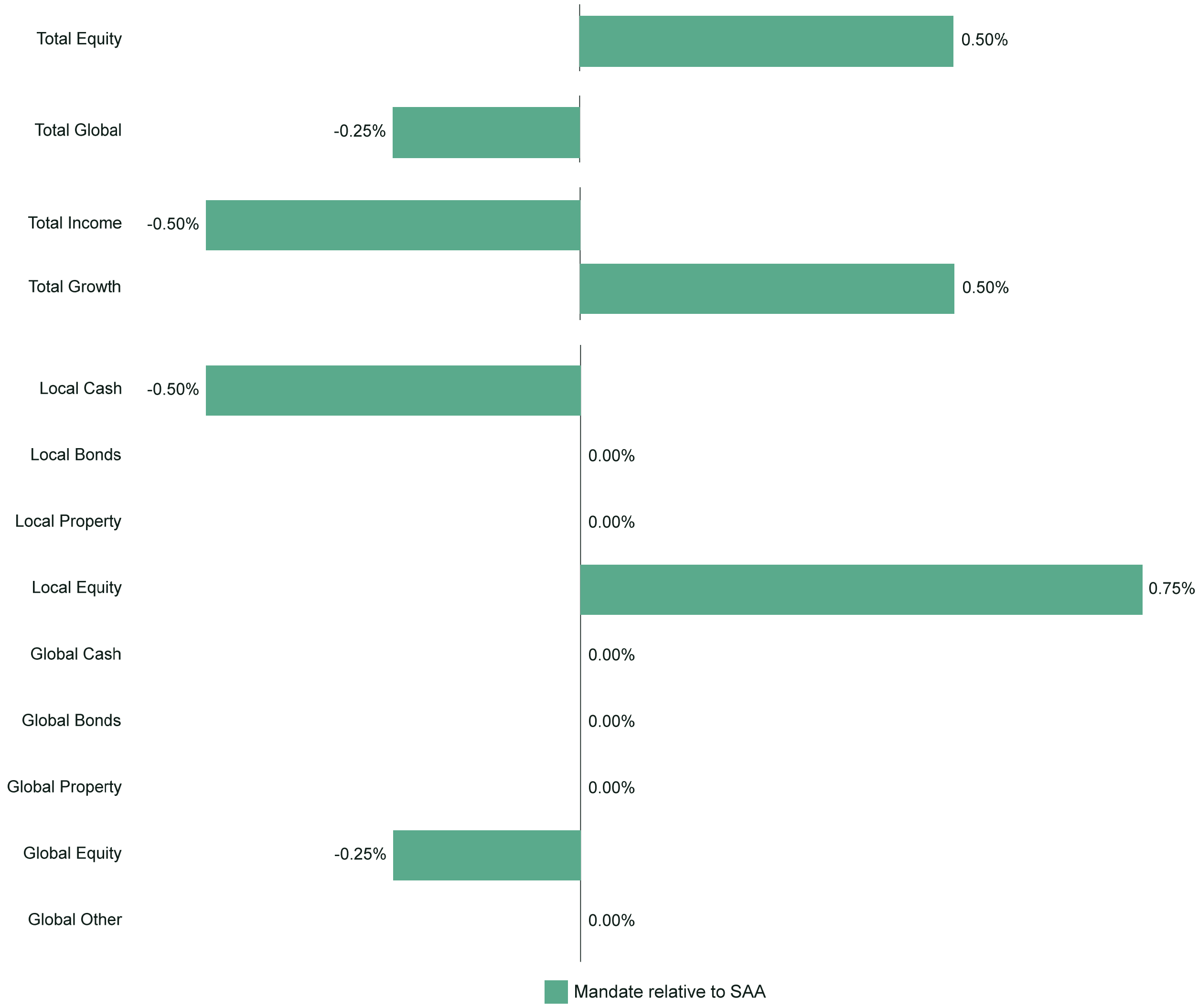
4.4.1 Building block allocation



4.4.2 Asset allocation



4.4.3 Asset allocation – Mandate relative to SAA

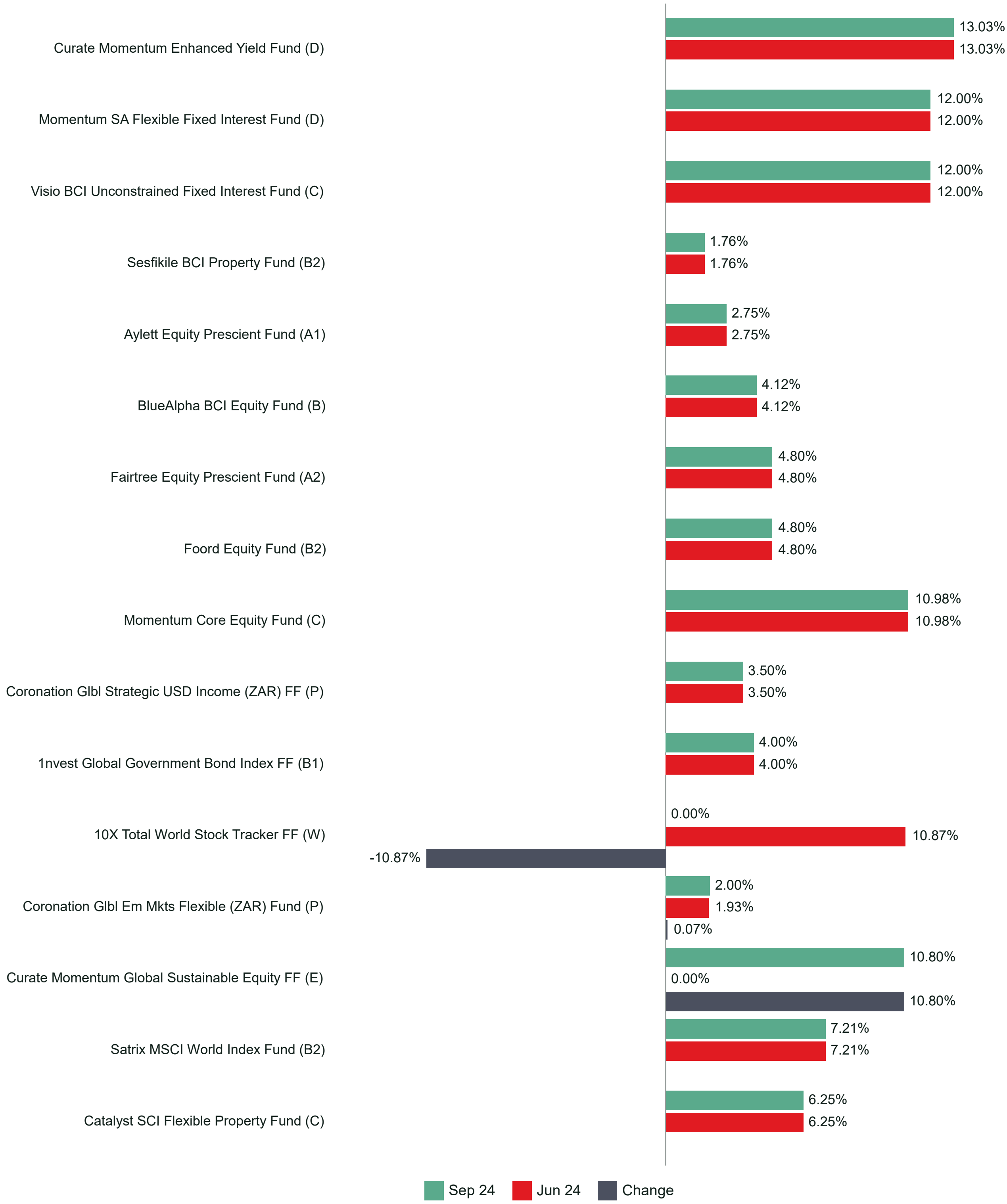


4.4.4 Portfolio changes/recommendations

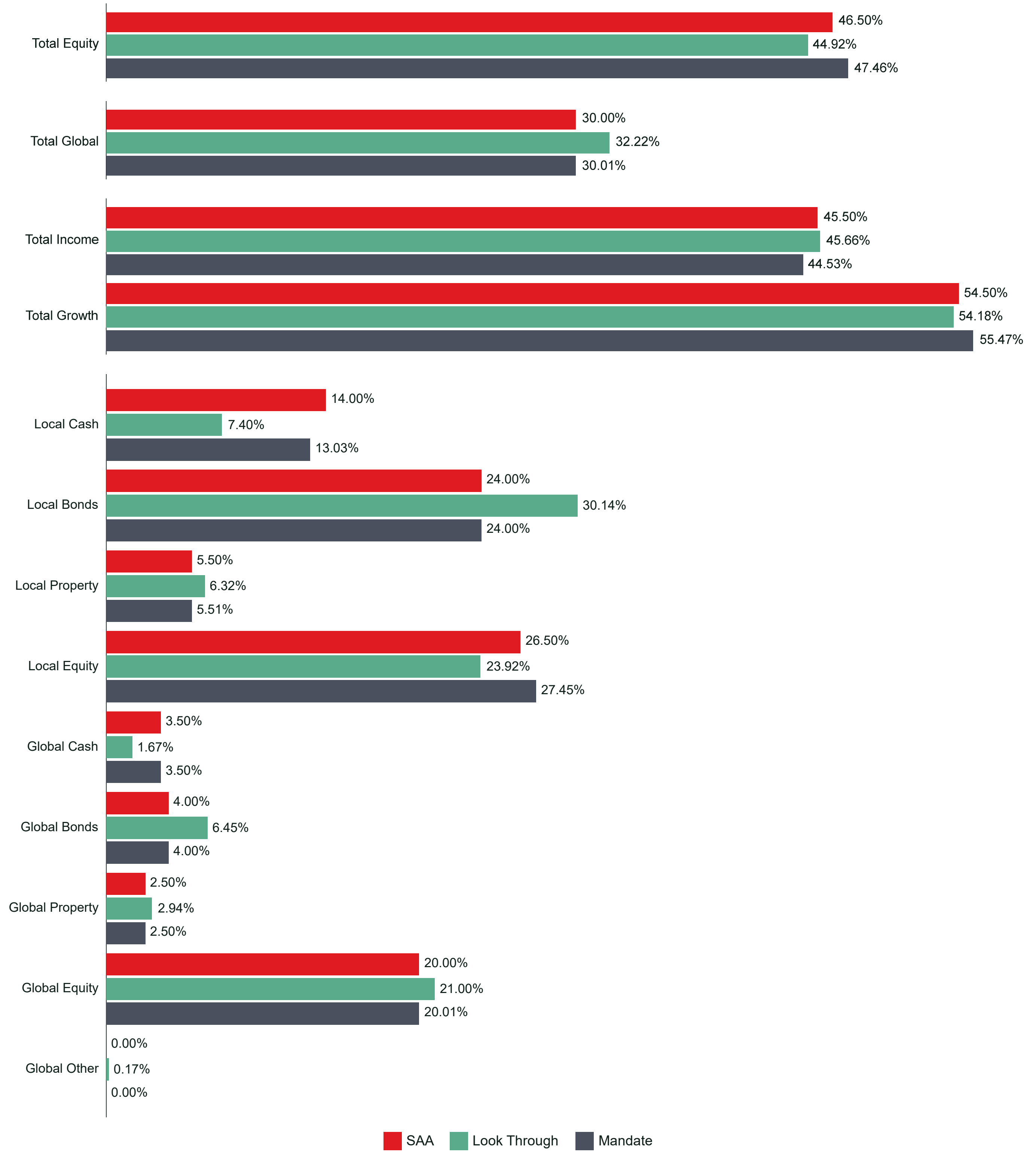
- No changes made. Rebalanced the portfolio back to ideal allocations.

4.5 Equilibrium Stable Portfolio

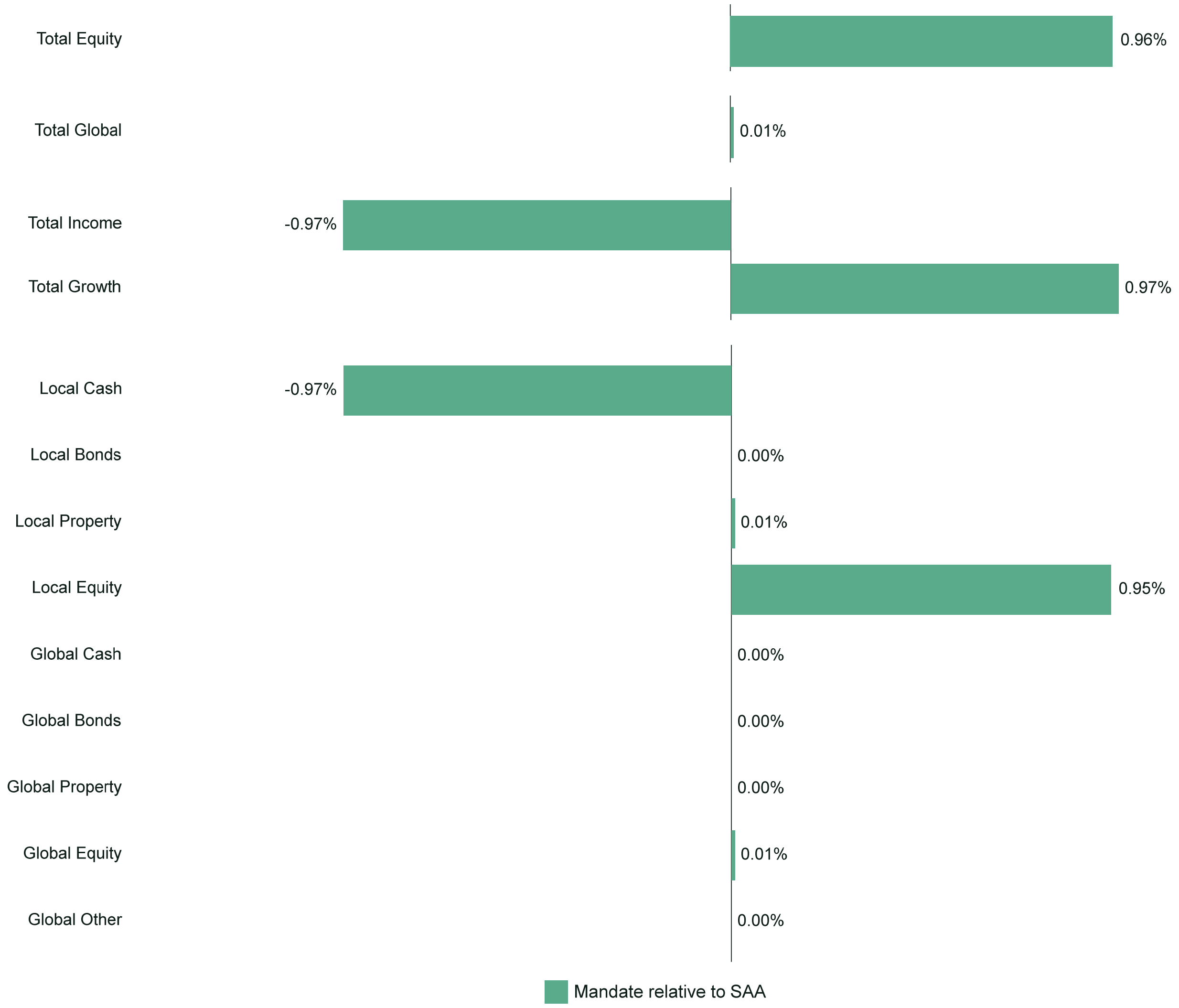
4.5.1 Building block allocation



4.5.2 Asset allocation



4.5.3 Asset allocation – Mandate relative to SAA

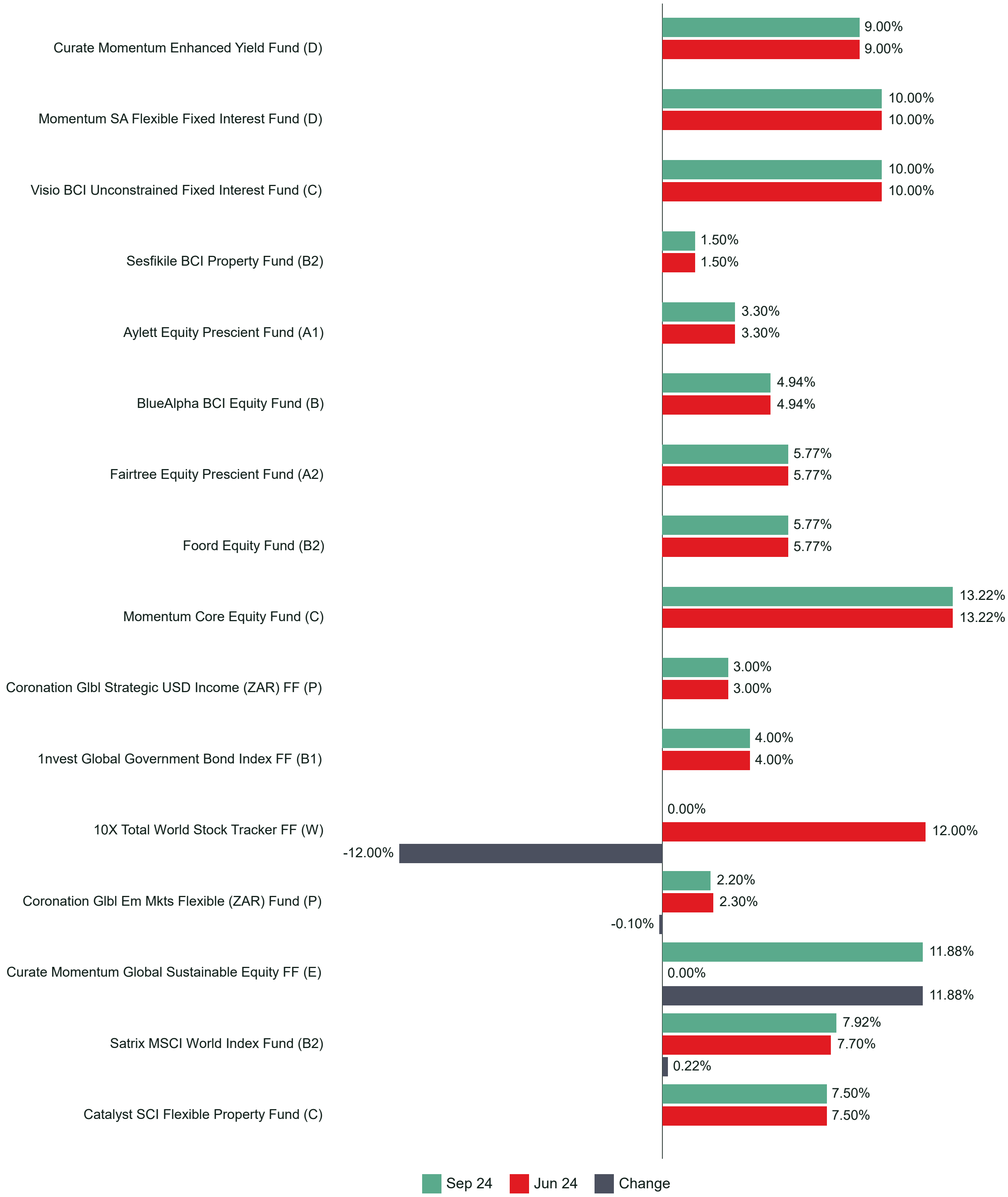


4.5.4 Portfolio changes/recommendations

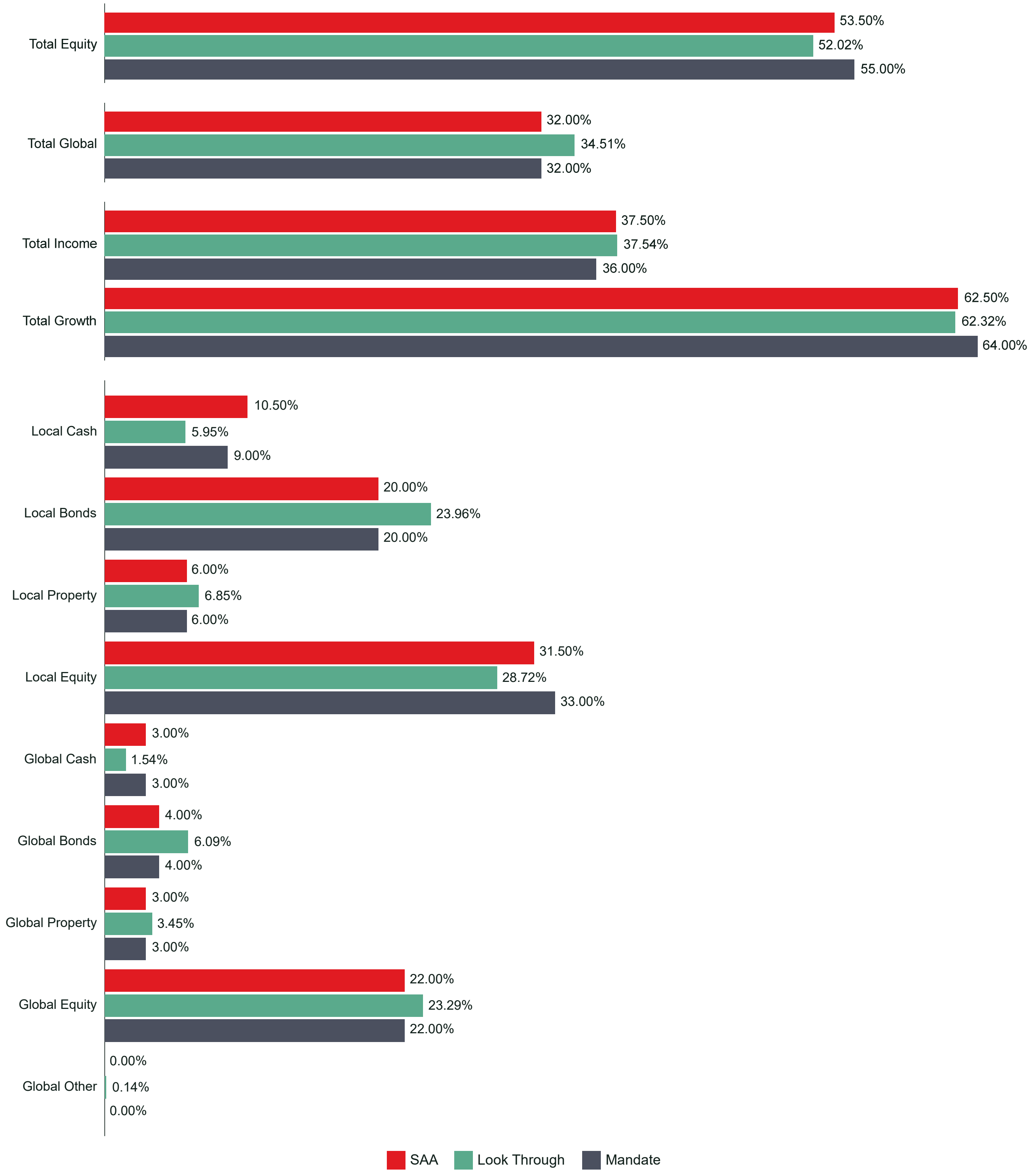
- No changes made. Rebalanced the portfolio back to ideal allocations.

4.6 Equilibrium Moderate Portfolio

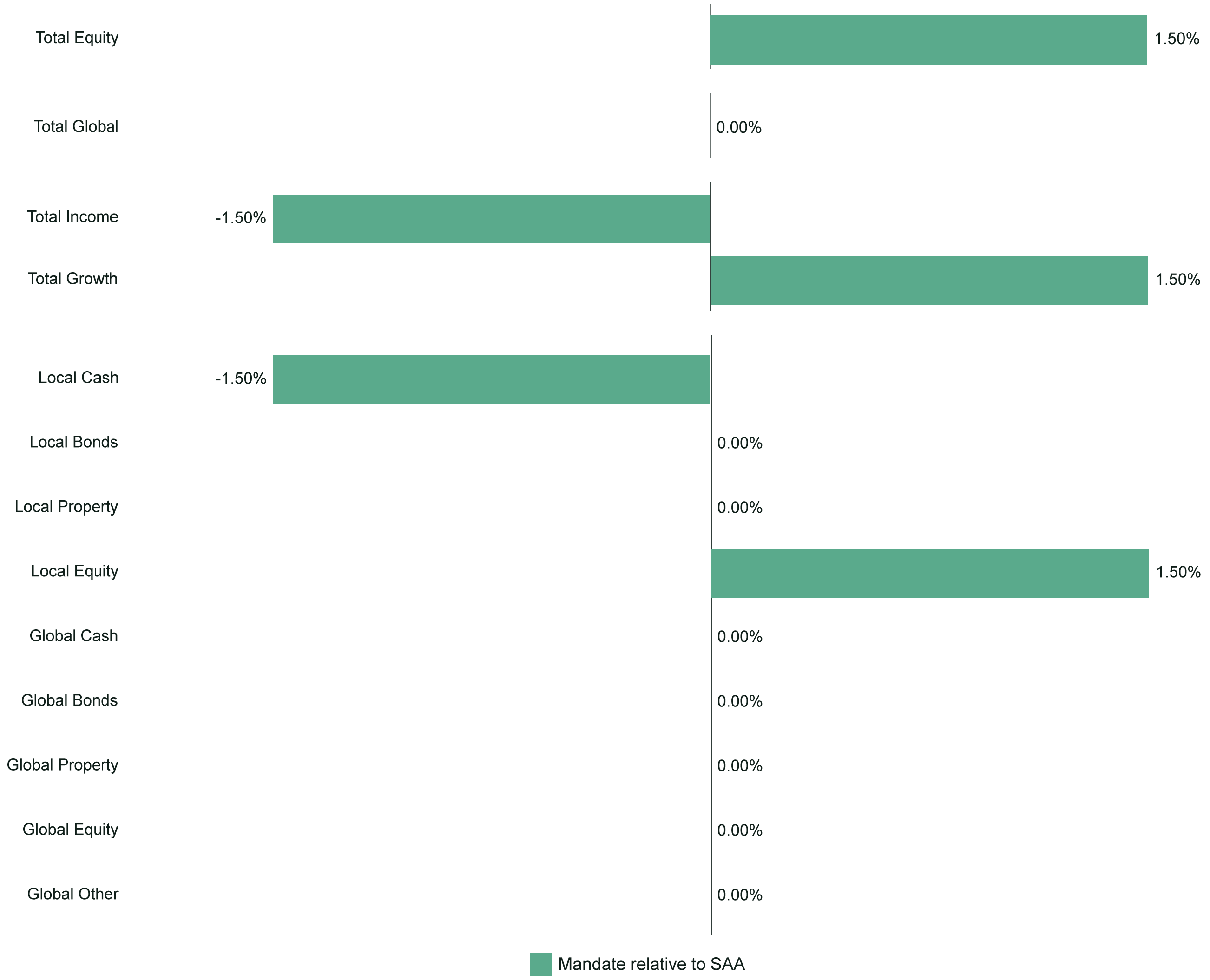
4.6.1 Building block allocation



4.6.2 Asset allocation



4.6.3 Asset allocation – Mandate relative to SAA

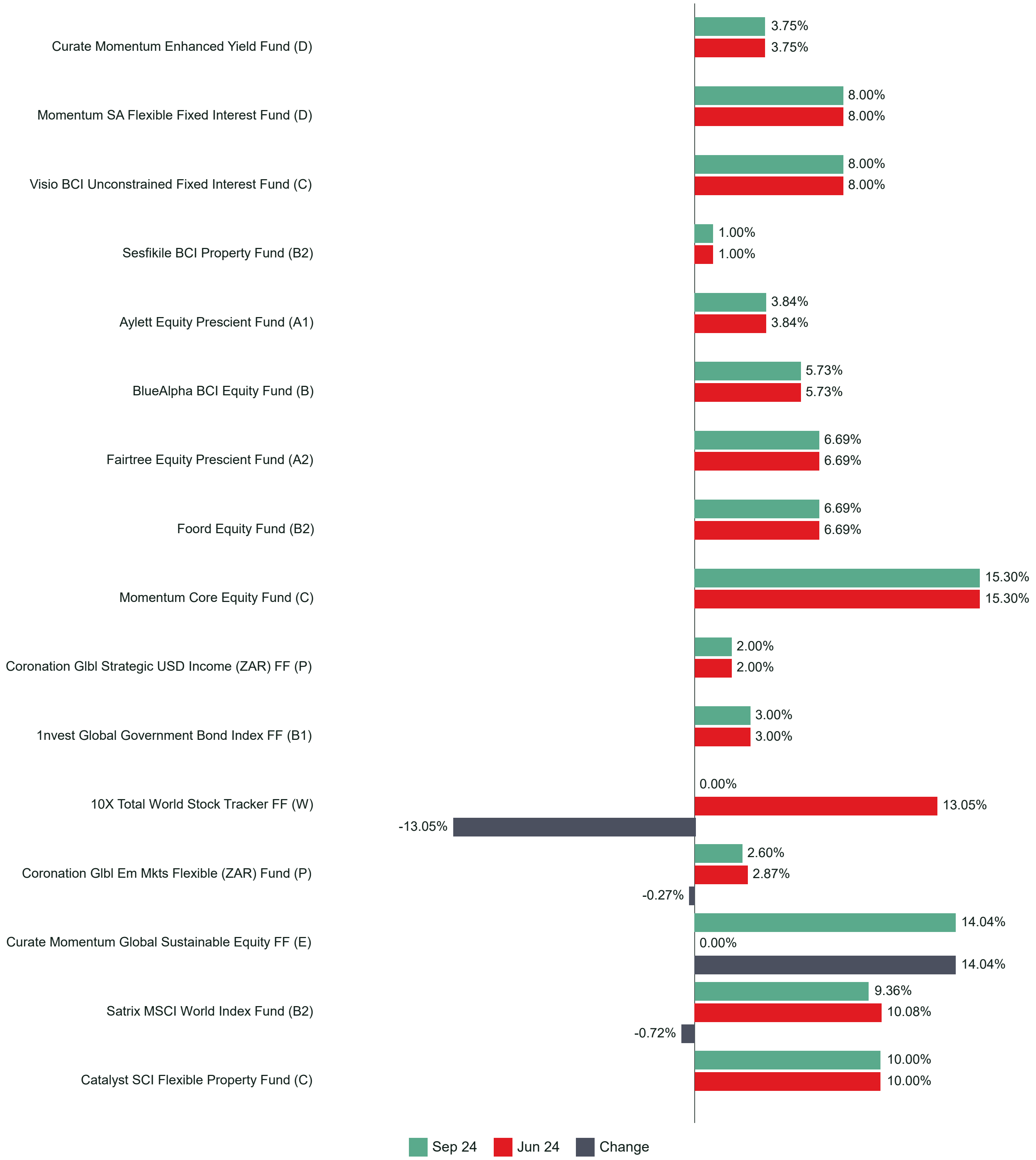


4.6.4 Portfolio changes/recommendations

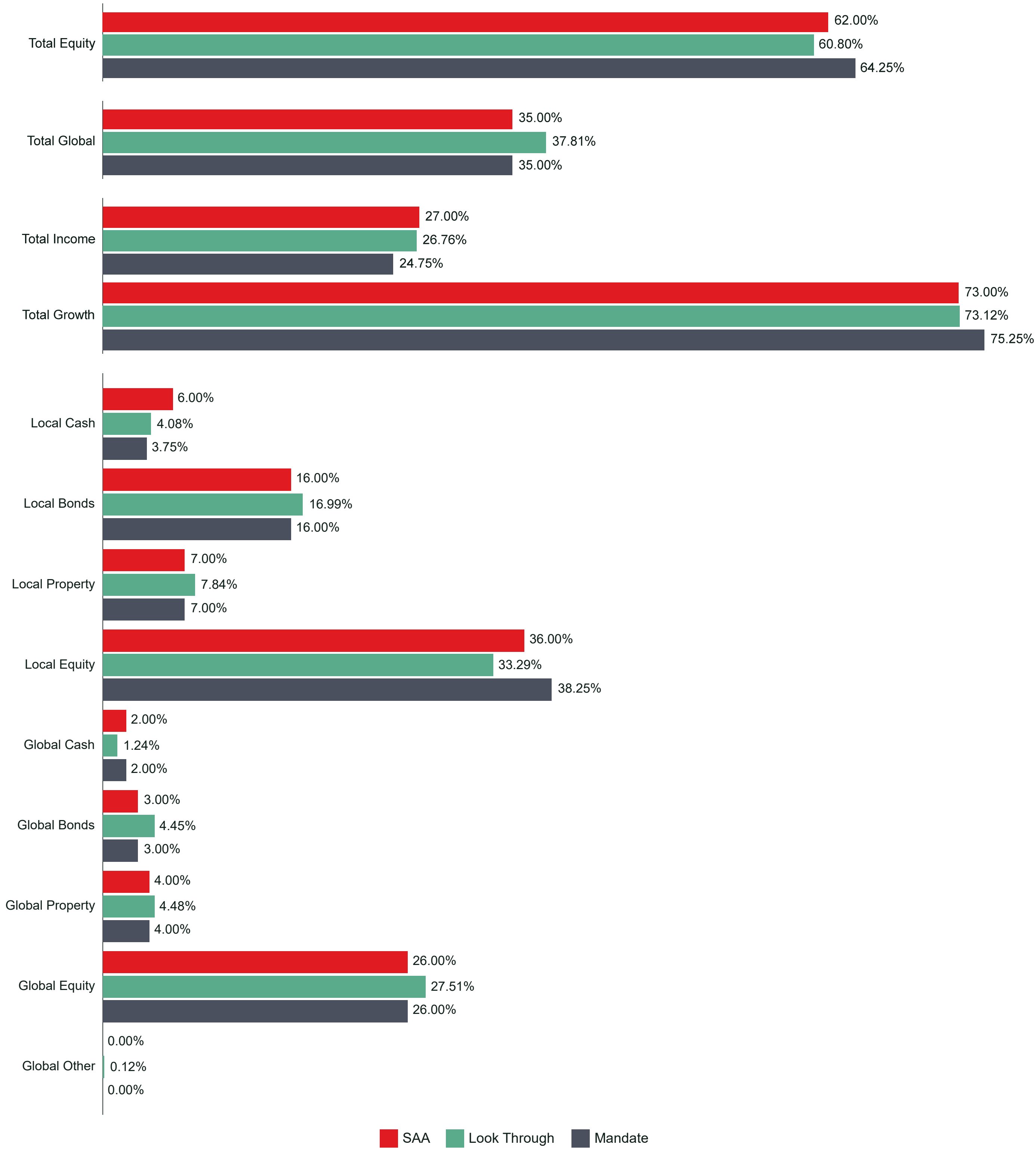
- No changes made. Rebalanced the portfolio back to ideal allocations.

4.7 Equilibrium Balanced Portfolio

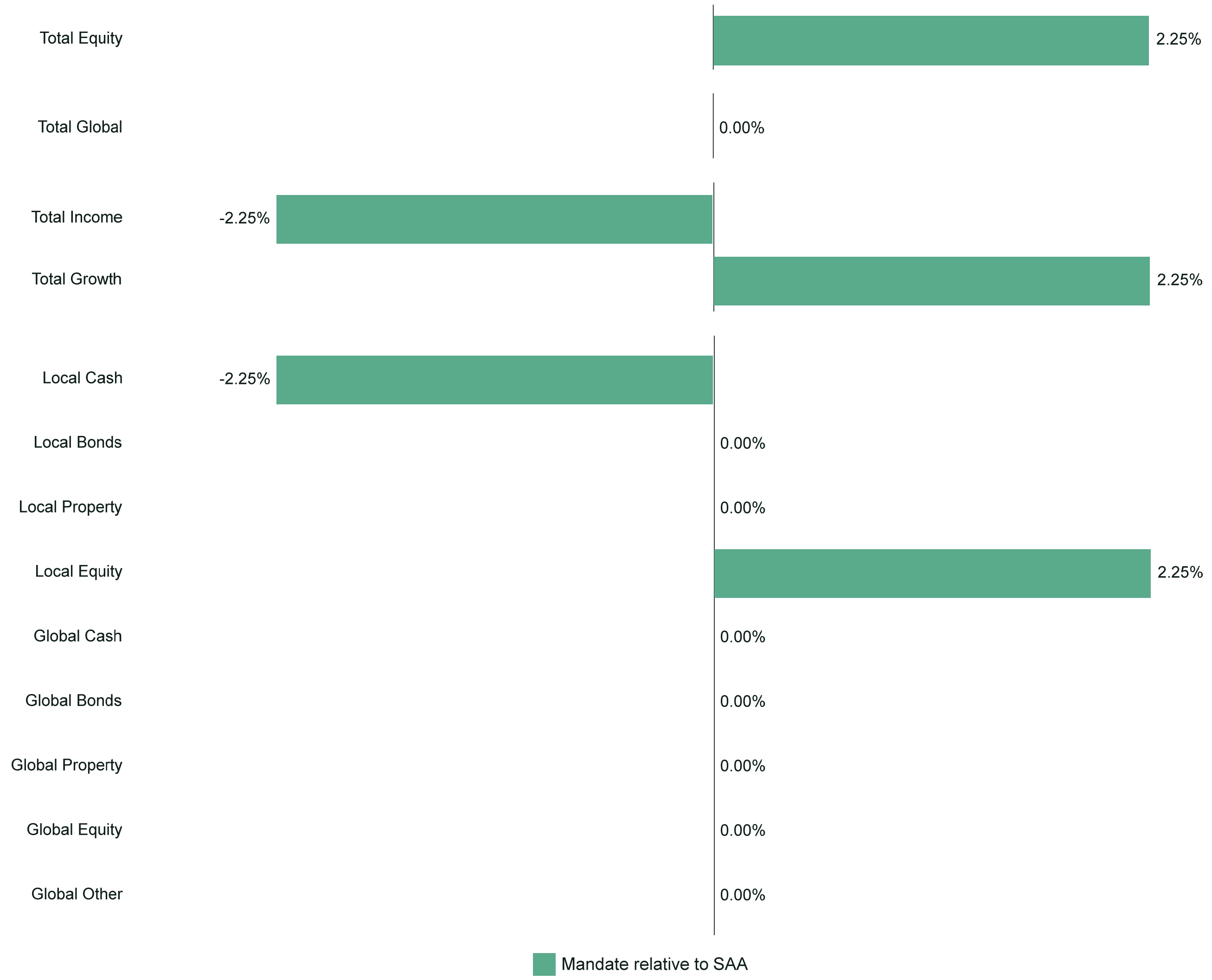
4.7.1 Building block allocation



4.7.2 Asset allocation



4.7.3 Asset allocation – Mandate relative to SAA

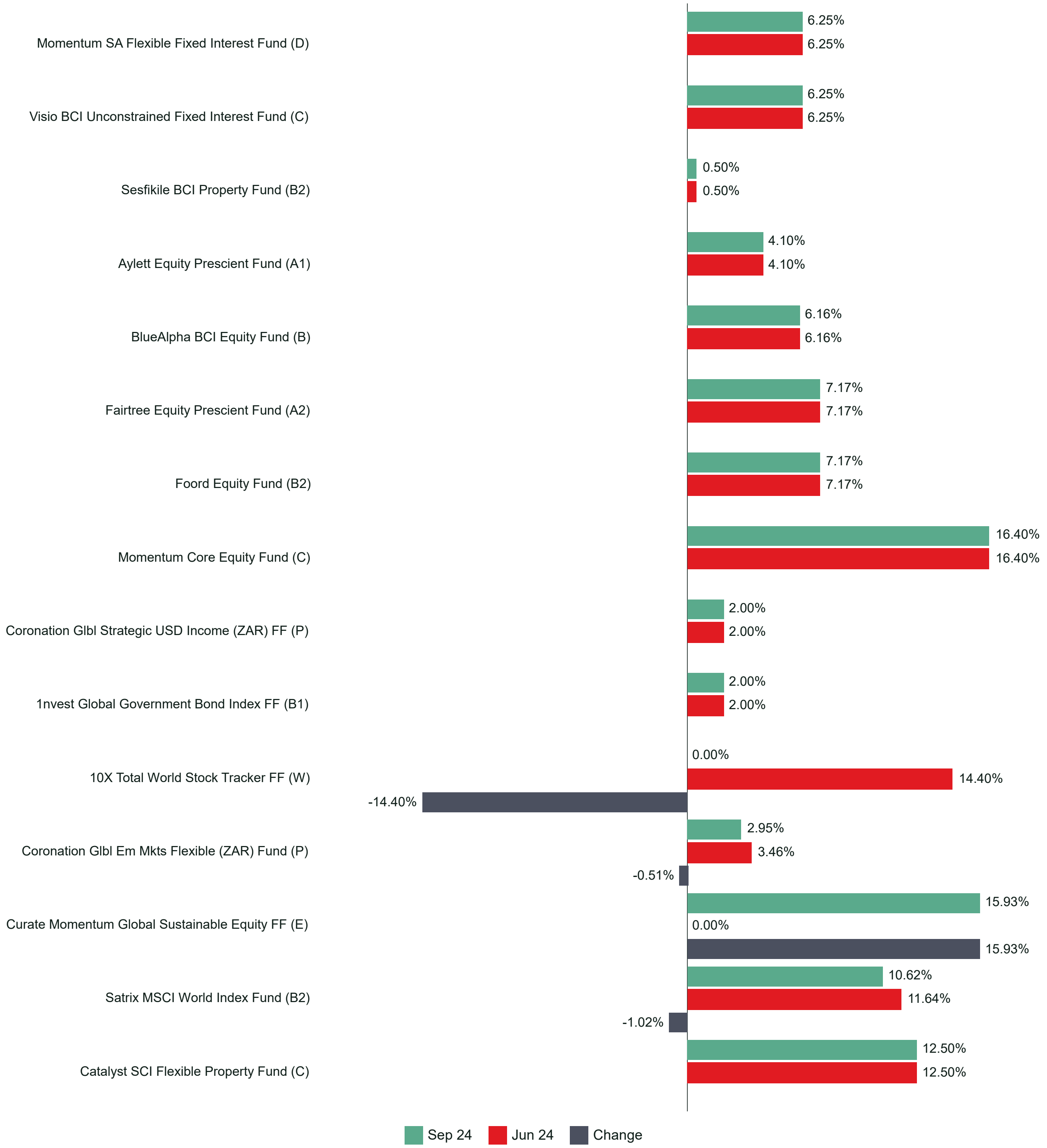


4.7.4 Portfolio changes/recommendations

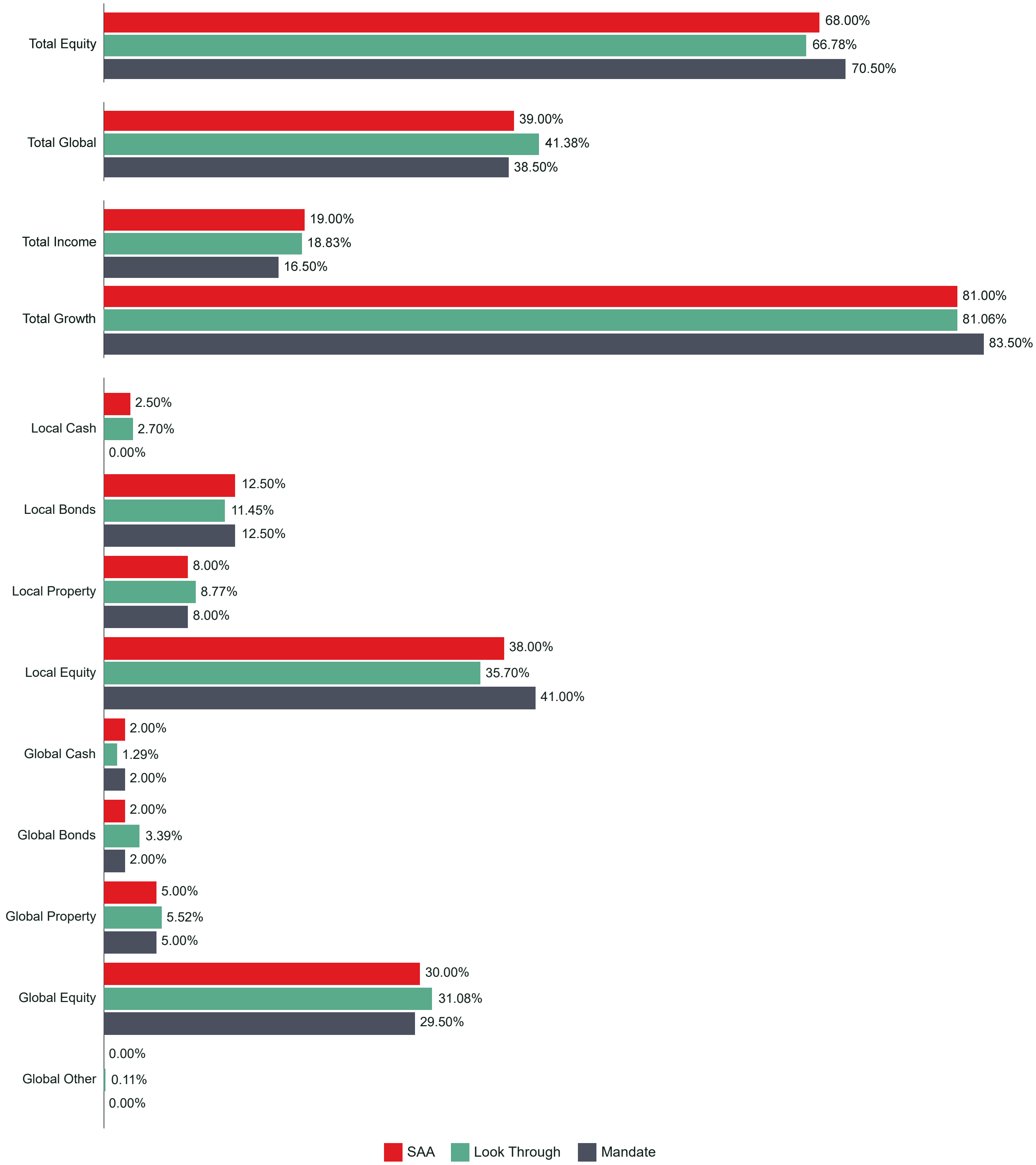
- No changes made. Rebalanced the portfolio back to ideal allocations.

4.8 Equilibrium Growth Portfolio

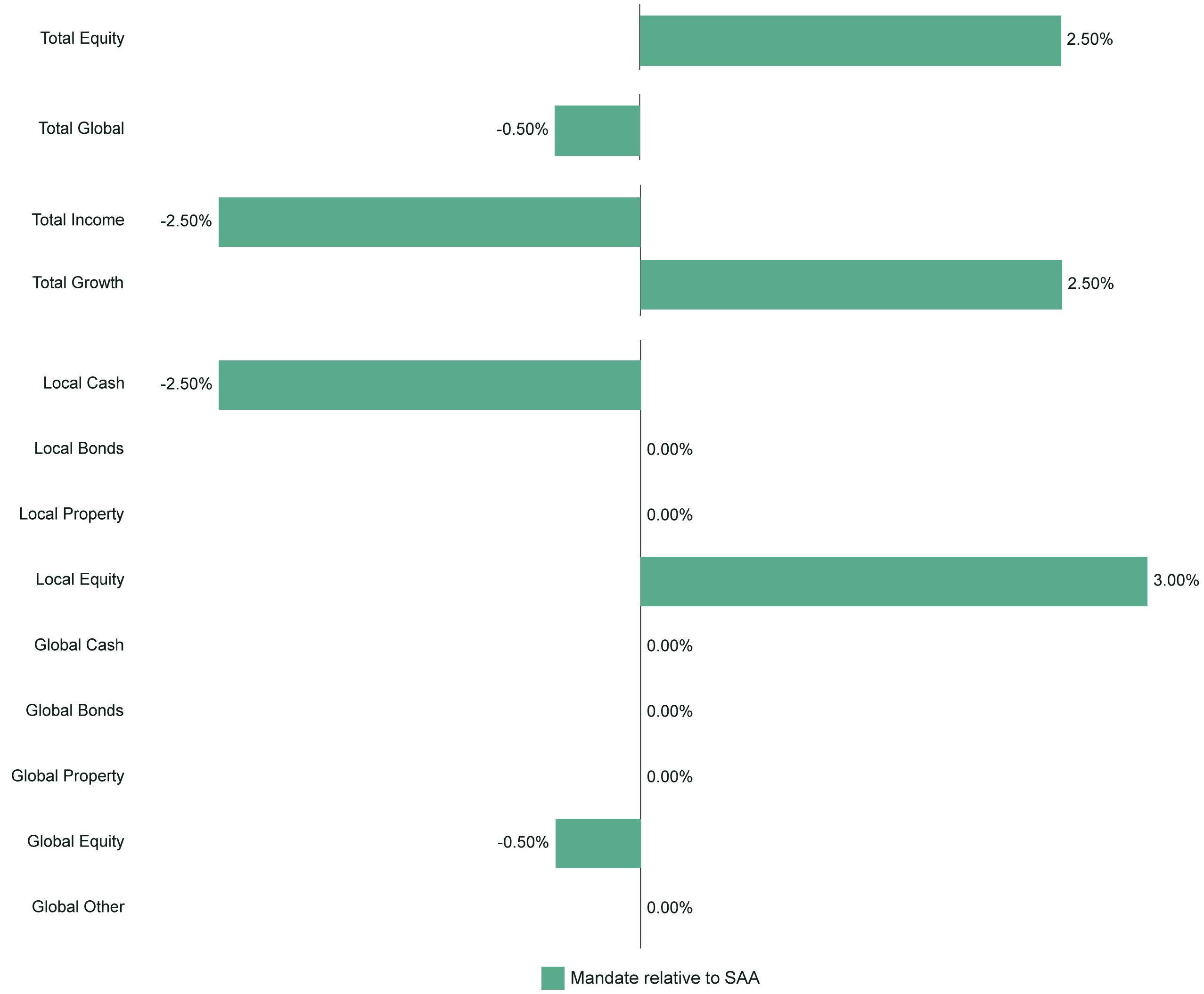
4.8.1 Building block allocation



4.8.2 Asset allocation



4.8.3 Asset allocation – Mandate relative to SAA

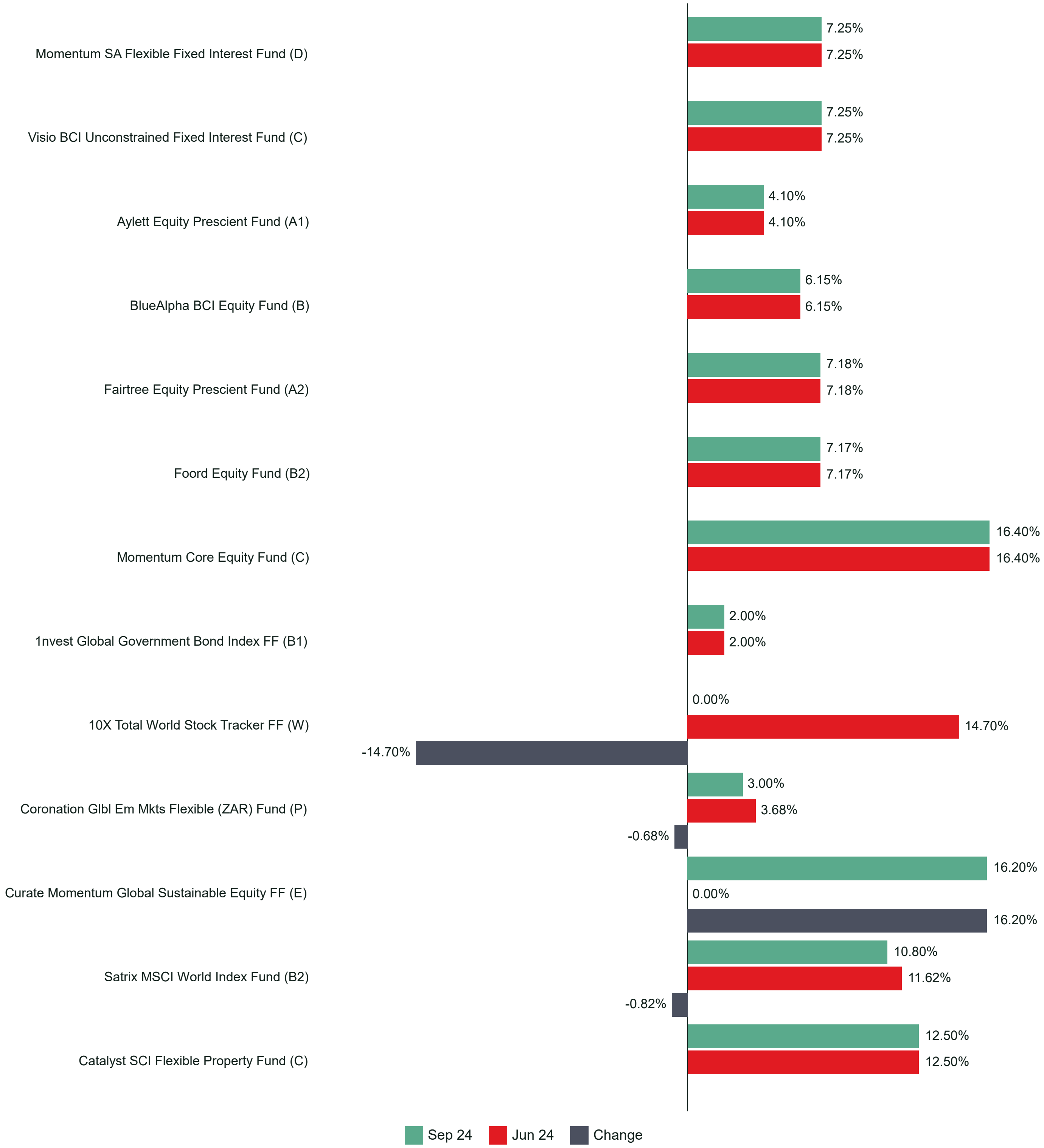


4.8.4 Portfolio changes/recommendations

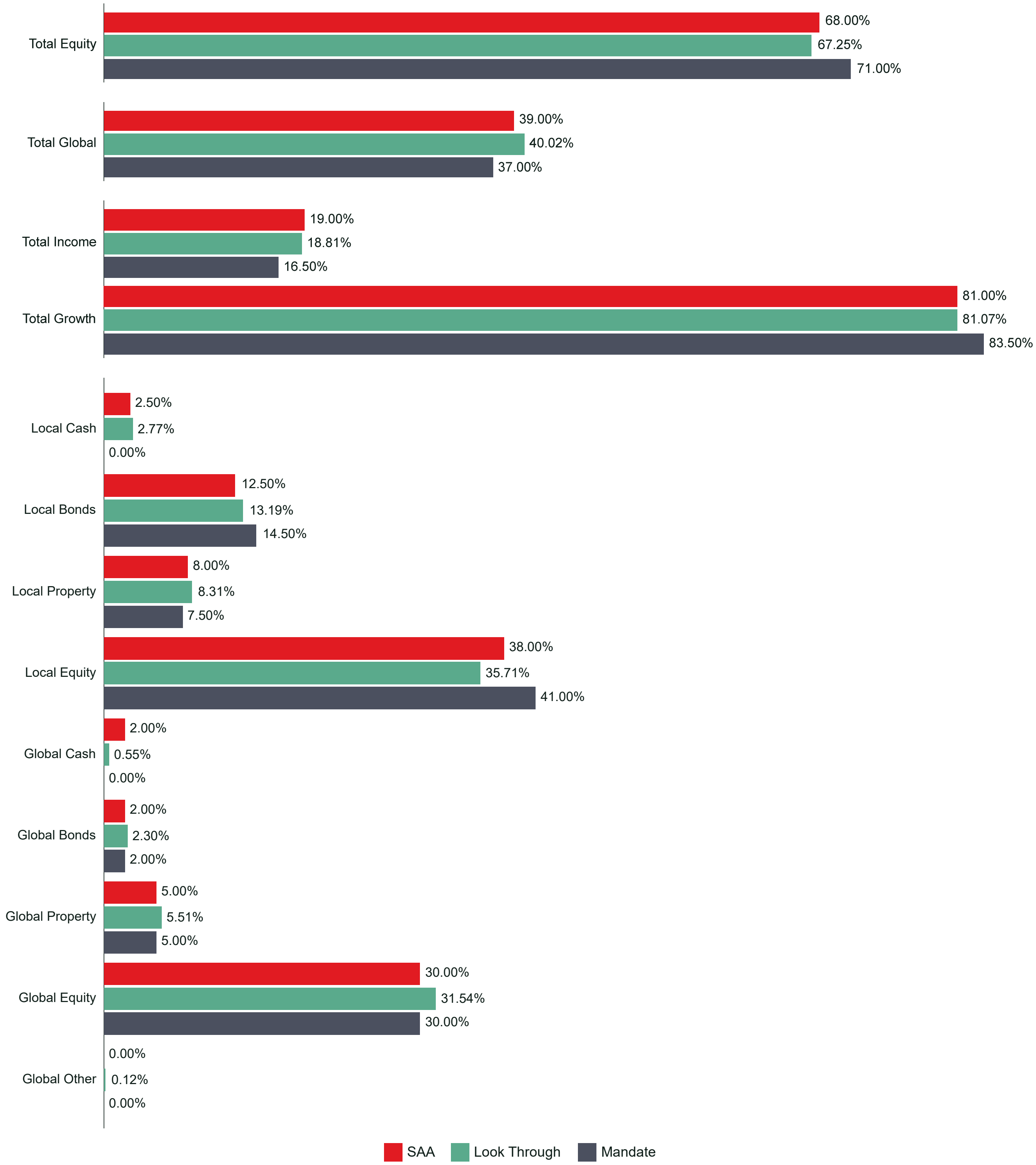
- No changes made. Rebalanced the portfolio back to ideal allocations.

4.9 Equilibrium Unconstrained Portfolio

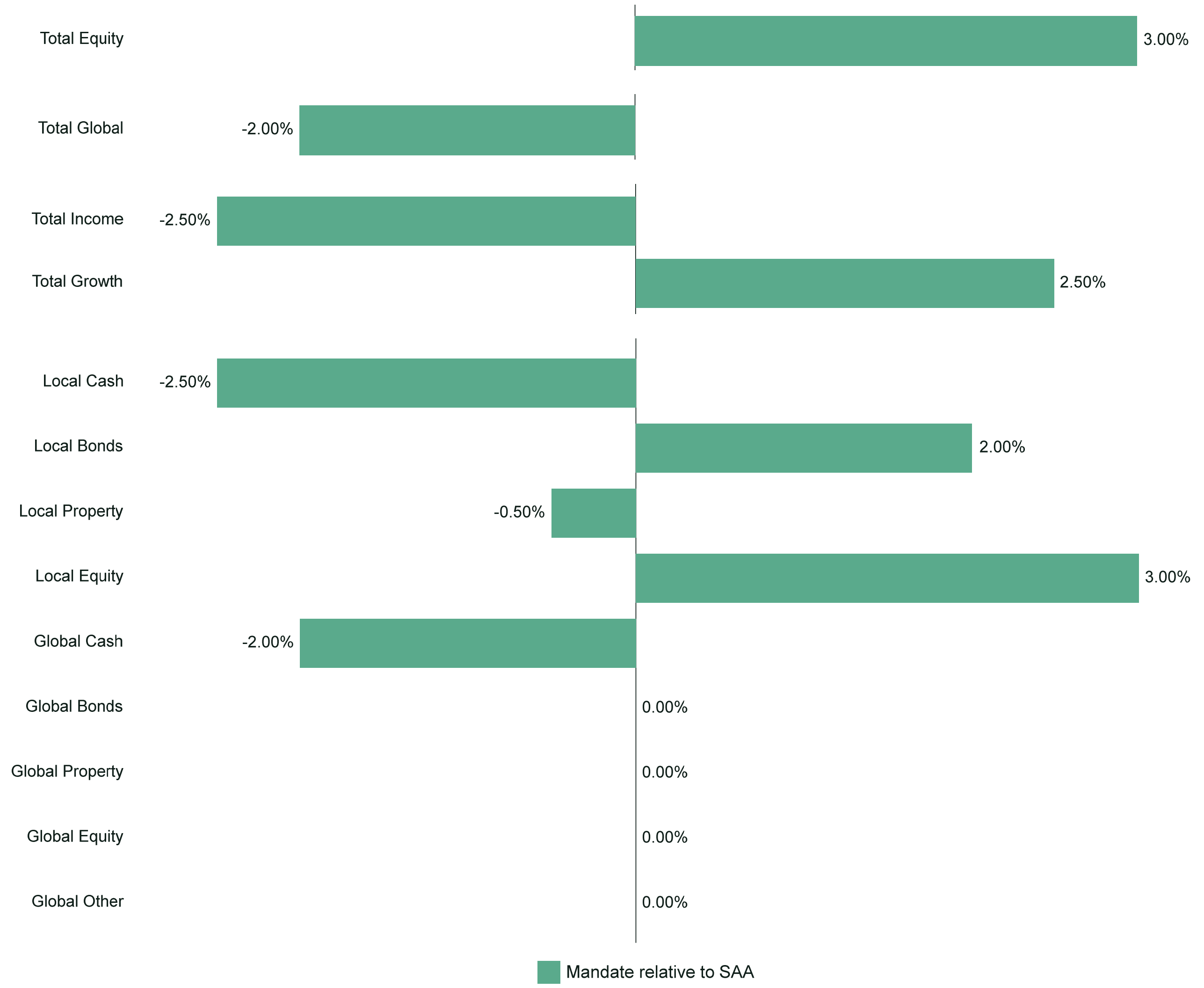
4.9.1 Building block allocation



4.9.2 Asset allocation



4.9.3 Asset allocation – Mandate relative to SAA



4.9.4 Portfolio changes/recommendations

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

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 Group Limited (Reg 1904/002186/06), rated B-BBEE level 1.

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Equilibrium does not provide a guarantee on the value of the portfolios, nor does it guarantee the returns of the underlying funds in the portfolios. The investor acknowledges the inherent risk associated with the portfolios (currency, investment, market and credit risks) and that capital is not guaranteed. A switch transaction between underlying funds within the portfolios may incur capital gains tax (CGT) for the investor, should the product through which the investor buys the portfolios not be CGT exempt. For details on the underlying funds in the portfolios, please refer to the minimum disclosure documents, which are obtainable from the relevant investment managers. The information contained in this document 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 Group Limited or the Momentum Parties. Under no circumstances will Equilibrium, Momentum Group Limited or the Momentum Parties be liable for any cost, loss or damages arising out of the unauthorised dissemination of this document or the information contained herein.

Sources: Momentum Investments and Morningstar.

Base report generated: 16 October 2024